



# **Integrated Annual Report 2021/22**



# Contents

|                                                                        |           |                                                                         |           |
|------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------|-----------|
| <b>Chairperson’s report</b>                                            | <b>1</b>  | <b>Members’ rights</b>                                                  | <b>22</b> |
| <b>Management of PSA</b>                                               | 3         | Provincial notes                                                        | 23        |
| Board of Directors                                                     | 3         | <b>Liaison</b>                                                          | <b>27</b> |
| Board Committees of the PSA                                            | 3         | Provincial notes                                                        | 27        |
| PSA Fedusa affiliation                                                 | 5         | Branch for Associate Members:<br>Public Service Pensioners              | 29        |
| <b>Marketing and communication</b>                                     | <b>7</b>  | Training                                                                | 31        |
| Communication                                                          | 7         | <b>Corporate social investment</b>                                      | <b>33</b> |
| Fringe benefits                                                        | 9         | <b>Human resources</b>                                                  | <b>35</b> |
| Other benefits                                                         | 10        | <b>Information technology</b>                                           | <b>37</b> |
| <b>Collective bargaining</b>                                           | <b>11</b> | <b>Environmental footprint</b>                                          | <b>38</b> |
| Public Service Coordinating<br>Bargaining Council                      | 11        | <b>Social and ethical conduct</b>                                       | <b>39</b> |
| General Public Service<br>Sectoral Bargaining Council                  | 12        | <b>Corporate governance</b>                                             | <b>40</b> |
| Public Health and Social<br>Development Sectoral<br>Bargaining Council | 13        | <b>Financial governance<br/>and performance highlights</b>              | <b>41</b> |
| Education Labour Relations<br>Council                                  | 15        | <b>Annual Financial Statements<br/>for the year ended 31 March 2022</b> | <b>42</b> |
| State-owned entities                                                   | 17        |                                                                         |           |
| Provincial notes                                                       | 18        |                                                                         |           |

# Chairperson's report

It is an honour, and with great pleasure, that I present the *2021/22 Integrated Annual Report* on behalf of the Board of Directors of the Public Servants Association (PSA) NPC.

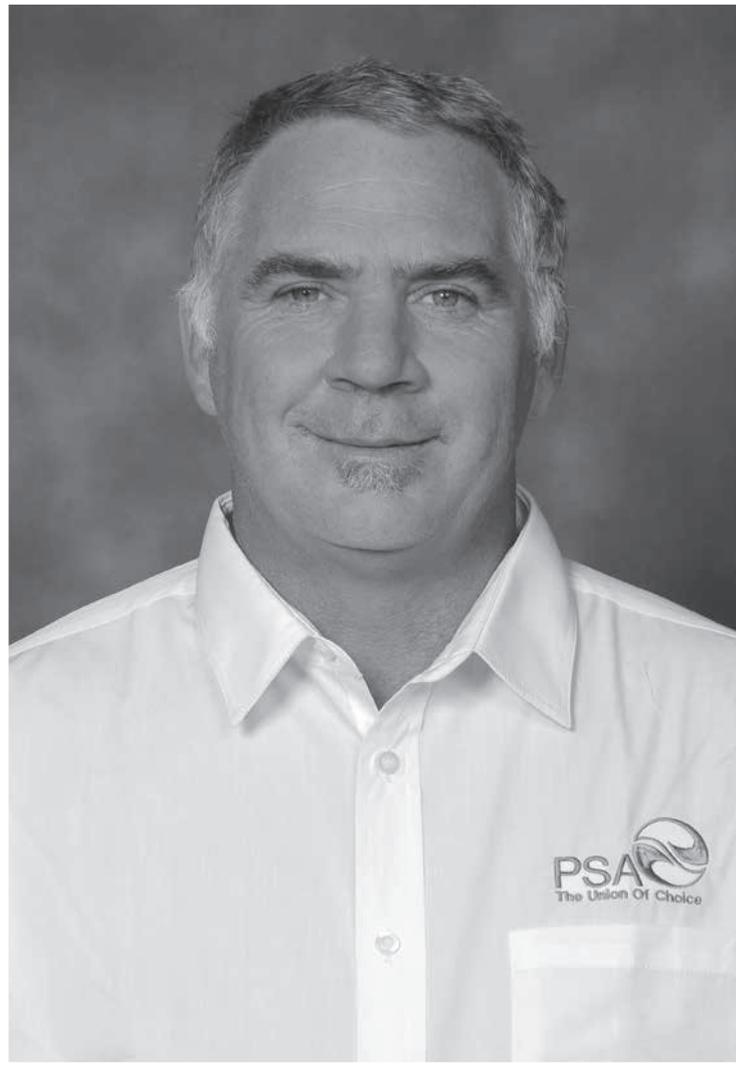
Constantly improving the high levels of governance, the Board is pleased with an unqualified audit opinion.

The PSA continuously adapted, like any other business, to the challenges brought about by the global COVID-19 pandemic from the previous report period.

Member structures were able to meet more frequently to manage their affairs as provided for in the Memorandum of Incorporation and operations continued with increased momentum as lockdown regulations eased during this report period. Whilst the economy of the country, as well as globally, is slowly showing an upward trajectory against the previous year, it is still far from stable.

Despite the aforesaid, the PSA's financial position, following the previous year's record-high results, continues to be positive with a surplus of R23 128 279.

This remarkable financial result is exceptional in that membership fees have not increased for three years now.



The Board has reviewed a number of policies and directed further reviews.

The PSA remained dedicated in serving members by protecting their rights and interests in the workplace.

Trade union representatives and labour relations staff members have attended to 1 975 arbitrations and conciliations as well as 1 060 disciplinary hearings. Awards in favour of members whom the PSA acted on behalf resulted in R20 288 491.54 in monetary value being issued against employers to be paid to the members.

The PSA continues to be represented in various bargaining councils and bargaining forums, including the PSCBC, GPSSBC, PHSDSBC, ELRC and various forums for state-owned entities, such as SARS, SASSA, SITA, SALGA, and HSRC, to mention a few. The attack on collective bargaining in the public sector remains a concern for the PSA following the 0% increase of 2020 and a 1.5% increase for those employees who were not eligible for pay progression in 2021. The PSA will continue to focus on improving service conditions of public servants and on employees of all other sectors it serves.

Communication to members and structures remained a high priority. Management issued four magazines, 849 editions of the *Informus*, and social media posts were increasingly used as platforms of communication.

The PSA is constantly expanding its media footprint, which resulted in the publication of 217 media statements. Various training opportunities were initiated, and the annual labour law update sessions were conducted in all nine provinces.

In understanding the importance to give back to communities, the PSA through its corporate social investment projects, has spent R1 019 554.97. Main initiatives were the major #SchoolSafety project and Mandela Day outreaches.

Despite the volatile industry market environment, the PSA membership continuously increased and at the end of the report period stood on 238 869, compared to 233 700 in the previous year.

This achievement would not have been possible without the dedication and hard work of trade union representatives and PSA staff.

The Pensioner Branch, managing the affairs of pensioners, continued to function extremely well, and presented to the National Chairpersons' Forum the submission to improve the spouses' pension. The item was accepted and remained in the bargaining arena at the date of this report.

The PSA, as the biggest affiliate of Fedusa, participated in various Federation structures and improved its footprint in the Federation during the report period. Several PSA representatives were elected to influential, senior office-bearer positions at national and provincial level.

The immediate outlook for the PSA remains good, with the brand growing as a leading trade union that focuses on the rights and interests of its members as well as remaining politically non-aligned.

The Board of Directors appreciates our loyal members, structure leaders, trade union representatives, staff, and management for the work they have done to ensure the sustainability. Teamwork amongst all role players ensured the good performance of the PSA.



Pierré 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:

Dr Lufuno Mulaudzi (President) – re-elected on 20 September 2021 as President

Cebo Mntwini (Vice-President) – elected on 16 September 2019

Pierré Snyman (Chairperson) – re-elected on 11 January 2021 (2020-Annual General Meeting)

Mosala Seelamo (Vice-Chairperson) – elected on 16 September 2019

Anadele Coetzee (Director) – re-elected on 20 September 2021

Marcus Ramakgale (Director) – elected on 16 September 2019 (appointed as General Manager on 15 September 2021)

Justice Shiburi (Director) – elected on 16 September 2019

Nomabandla Silinyana (Director) – elected on 16 September 2019

Nondumiso Mvubu (Director) – elected on 11 January 2021 (2020-Annual General Meeting)

Tshekiso Sebati (Director) – elected on 11 January 2021 (2020-Annual General Meeting)

Leon Gilbert acted as General Manager from 15 January 2020 to 14 September 2021. Marcus Ramakgale was appointed as General Manager on 15 September 2021.

## Board Committees of the PSA

The President of the Board may attend Board Committee meetings in an *ex-officio* capacity. The Chairperson of the Board may attend the Audit and Risk Committee meetings in an *ex-officio* capacity.

The members, as reflected in the table on page 4, serve/served on the different Board Committees of the PSA.

## Board meetings

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.

## Audit and Risk Committee (ARC)

The Audit and Risk Committee oversees the Finances of the organisation. This Committee is also responsible for overseeing the policies and procedures and audits performed to assist the Board in assurance. The following was presented to the Audit and Risk Committee:

- Quarterly management reports
- Audited Annual Financial Statements
- External Audit Reports
- Internal Audit Reports
  - Asset Management

| Director              | Board     | ARC      | STIC     | Remco    | SEC      | HRC      | CoC      | SRC      | SC       | Burco    |
|-----------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Dr Lufuno Mulaudzi    | 10        |          |          |          |          |          | 2        |          |          |          |
| Cebo Mntwini          | 11        |          |          | 4        |          | 1        |          | 2        | 4        | 4        |
| Pierré Snyman         | 11        |          |          |          |          | 1        |          | 2        | 4        |          |
| Mosala Seelamo        | 9         | 8        | 3        |          |          | 1        | 2        | 2        |          |          |
| Anadele Coetzee       | 10        |          |          | 4        | 3        | 1        | 2        |          |          |          |
| Justice Shiburi       | 11        | 7        | 1        |          | 3        |          |          |          |          | 3        |
| Marcus Ramakgale      | 8         | 3        | 1        |          |          |          |          | 2        |          |          |
| Nomabandla Silinyana  | 9         | 2        | 3        | 4        | 3        | 1        |          |          |          |          |
| Nondumiso Mvubu       | 11        |          | 3        |          | 3        | 1        |          |          |          | 4        |
| Tshekiso Sebati       | 9         | 8        |          | 4        |          | 1        |          |          |          | 4        |
| <b>Total meetings</b> | <b>11</b> | <b>8</b> | <b>3</b> | <b>4</b> | <b>3</b> | <b>1</b> | <b>2</b> | <b>2</b> | <b>4</b> | <b>4</b> |

- Provincial Offices Audit – The following offices were audited during the report period: Mthatha, Qqeberha, Cape Town, and Pretoria.
- Membership Management
- Internal Control Review
- Information Technology General Control Review
- Procurement
- Follow-up Review
- Internal Audit Charter Review
- Annual and Revised Budget
- Financial Policies

#### PSA Short-term Insurance Committee (STIC)

The Short-term Insurance Committee oversees the short-term insurance processes and financials. The following items were presented to the Committee:

- Quarterly Financial Reports
- Quarterly Claims Loss Ratio
- Marketing Plan
- Charter Review

#### Remuneration Committee (Remco)

The Remuneration Committee oversees the remuneration of senior management, the Board, and sitting fees of Chairpersons and Board members. The Committee recommends senior management's salary increases to the Board for approval and recommends increases of the Board honoraria and sitting fees of Chairpersons to the Board for approval by the Annual General Meeting.

#### Members representing structures

(Appointed by the Annual General Meeting to serve on the Committee for a period of four years)

- Chris Krüger – attended four meetings – re-elected on 20 September 2021
- Dimakatso Tsutsubi – attended four meetings – elected on 11 January 2021
- Solomon Mokoane – attended four meetings – elected 11 January 2021
- Mahlatshe Ditle – attended four meetings – elected on 11 January 2021

## **Social and Ethics Committee (SEC)**

The Social and Ethics Committee is responsible for the monitoring of the activities with regards to social and ethics development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment.

## **Human Resource Committee (HRC)**

The Human Resource Committee's primary role is to supplement, support, advise, and provide guidance to the Board on matters related to the appointment, duties and responsibilities, and performance management of the General Manager.

## **Ad-hoc Centenary Organising Committee (CoC)**

The Committee was dissolved by the Board of Directors during its meeting held on 23 February 2022 since the Committee had concluded its work successfully.

## **Ad-hoc Statute Review Committee (SRC)**

The Committee is still in place.

## **Ad-hoc Stabilisation Committee (SC)**

Established to stabilise the PSA.

## **Ad-hoc Bursary Committee (Burco)**

The Committee was established to investigate the possibility of creating a bursary fund for members and/or their beneficiaries.

## **Members representing structures**

(Appointed by structures to serve on the *ad-hoc* Committee until such time the Committee successfully concludes its work).

- Linge Pheko - attended three meetings
- Simon Sono - attended three meetings
- Nkosinathi Thwala - attended four meetings
- Sibongile Mathibela - attended four meetings

## **PSA Fedusa affiliation**

Pushing new barriers to ensure that the Federation of Unions of South Africa (Fedusa) remains a key player in the labour market remains the crucial focus. Co-creating strategies and ensuring that the spirit of unity and family bonds are cemented and advanced has been a key pillar of focus. The PSA has been a driving force in co-creating the progression.

## **Fedusa Congress**

The staging of the Fedusa 7<sup>th</sup> National Congress and subsequent Special Congress in Johannesburg in October and December 2021 respectively, was eventful and thought-provoking noting the line-up of guest speakers and panelists nationally and at the key global headquarters, including the ILO Director-General and the Vice-President of the AFL CIO based in the United States, alongside key government Ministers.

The election of the PSA's leadership to the highest offices in Fedusa was rewarded as Directors, Nomabandla Silinyana and Pierré Snyman, were elected as the new Vice-President for Social Justice and Gender and Public Service, respectively. Their leadership in the key portfolios has yielded much success as structures have gained momentum in the current wage negotiations with government as well as the advancement of the training on Convention 190 (C190) and the participatory gender audit processes in the Fedusa stable of affiliates.

## **Training and Education Committee**

Empowering members and ensuring that they can improve conditions in workplaces continues to remain a driving force. The PSA's presence and uptake of the extended Fedusa training has been remarkable as figures documented year-on-year improve as well as the ability to foster closer relations with other Fedusa affiliates. Attendance and outreach in both rural and urban areas in the country proved to be successful and the process of monitoring and evaluation with the intent of driving capacity building and development will follow as Fedusa strives for the process of life-long learning.

## **PSA representation on Fedusa structures**

### **Fedusa National Executive Committee (NEC)**

The management of the Federation between National Congresses vests in this Committee. All Fedusa affiliates are represented in this structure, which is the highest decision-making body in Fedusa between congresses and is convened approximately once every two months. The PSA representatives are Tshekiso Sebati, Nondumiso Mvubu, Cebo Mntwini, and Mosala Seelamo.

### **Fedusa Management Committee**

The Committee consists of ten persons, namely the elected National Office Bearers, the General Secretary, the Deputy General Secretary, and four persons appointed by the National Executive Committee. This Committee oversees the day-to-day affairs of the Fedusa, meets between NEC meetings, and reports to the NEC. The PSA representatives are Pierré Snyman (Vice-President: Public Sector), Nomabandla Silinyana (Vice-President: Social Justice and Gender), and Cebo Mntwini.

### **Fedusa Training and Education Committee (TEC)**

This Committee is a constitutional structure that deals with all issues regarding trade-union education and education in South African society. All affiliates are represented on the TEC by worker leaders or officials concerned with education and training in their respective unions. The PSA is represented by Tshekiso Sebati.

### **Fedusa Social Justice Committee (SJC)**

This Committee is an active constitutional structure and is actively engaged in dealing with socio-developmental issues. The SJC stands for freedom, dignity, and equality in the workplace, development of men and women in South Africa, transparency, fair labour practices, and upward mobility for all. The PSA is represented by Nomabandla Silinyana (Vice-President: Social Justice and Gender) and Nondumiso Mvubu.

### **Fedusa Public Sector Committee (PSC)**

The Public Sector Committee (PSC) is a constitutional structure that deals with issues and developments affecting the Fedusa membership in the public sector. All affiliates organising in the public sector are represented on the PSC by worker leaders or officials.

The PSA is represented by Pierré Snyman (Vice-President: Public Sector), Justice Shiburi, and Jannie Oosthuizen.

### **Provincial Executive Committee**

In terms of the Fedusa Constitution, the NEC shall establish Provincial Executive Committees to assist the Federation in its provincial coordination and activities. Each Provincial Executive Committee elects a Provincial Chairperson, Provincial Vice-Chairperson, Provincial Secretary, Provincial Training Coordinator, and Gender and HIV/Aids Coordinator. Office-bearers of the Provincial Executive Committee hold office for three years. The PSA is represented as follows:

#### **Eastern Cape**

David King, Louis Basson, and Lihle Mlungwana.

#### **Free State**

Matau Molelekoa, Kagisho Lebogang Motlhale, and Shadrack Motlhale.

#### **Gauteng**

Solomon Mokoane, Peter Moloi, and Ernest Phaladi.

#### **KwaZulu-Natal**

Phindile Buthelezi-Hlongwa, Nkosinathi Thwala, and Sithembile Nngcobo.

#### **Limpopo**

Cornelius Sebothoma, Pudiamakwa Thotse, and Ngwanakgati Malepe.

#### **Mpumalanga**

Benedict Mdluli, Johnny Nwaila, and Phakiso Lephotlo.

#### **Northern Cape**

Lulu Hlophe (Gender), Rodger Scholtz, Reggie Raditsile, and Anadele Coetzee.

#### **North West**

Mogomotsi Mosheshe, Daniel Sekhu, and Japhta Moate.

#### **Western Cape**

Natalie Adams, Carel Roestorff, and Craig Appels.

Fedusa looks forward to many more fruitful and progressive relations with the PSA as we collectively drive the power of members and the working class.

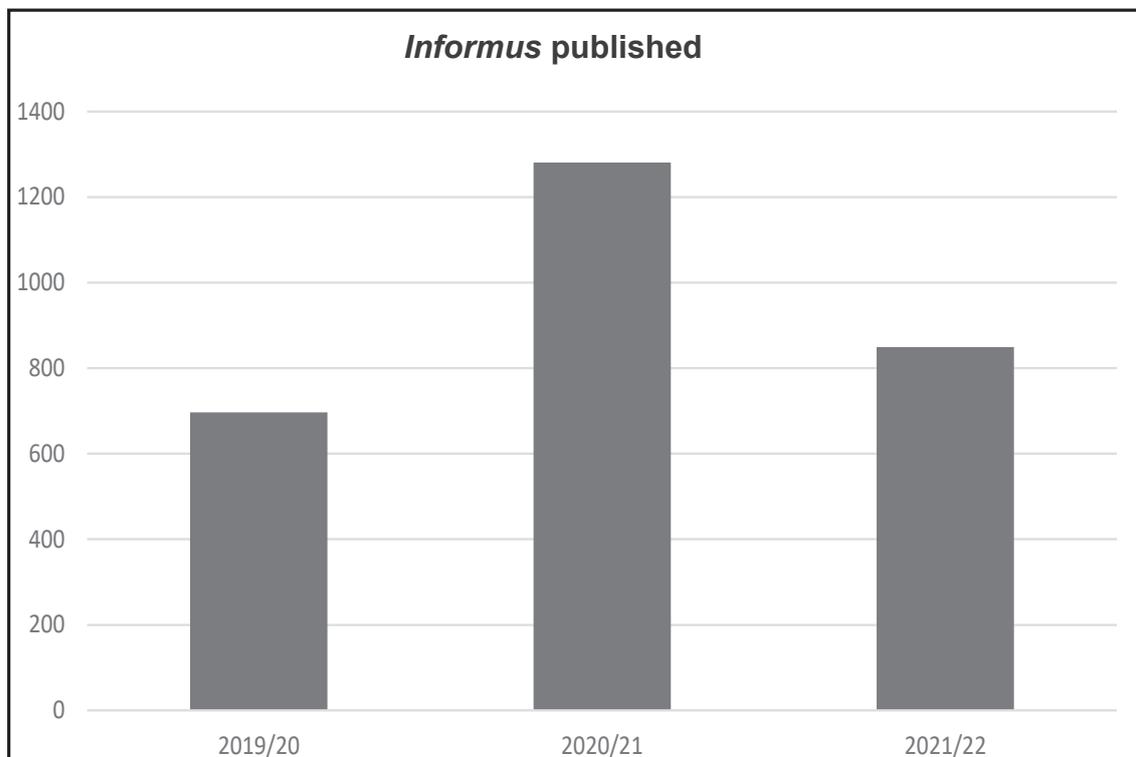
# Marketing and communication

## Communication

With the focus shifting from containing and managing the spread of COVID-19 virus in 2020/21, to restarting the economy following severe lockdowns, the PSA continued to rely on tried and tested communication tools to ensure that members continued to receive customer-focused service delivery. Ongoing efforts are being made to update the membership database with members' contact details to ensure effective communication with members.

The PSA's electronic newsletter, *Informus*, remained the main vehicle for informing and updating members on labour-related developments and Union matters. In total, 849 editions were published during the report period.

The graph (*below*) reflects the volume of this newsletters for the past three report periods.



In total, eleven editions of the Union's newsletter for shop stewards, *PSALink*, were published during the report period.

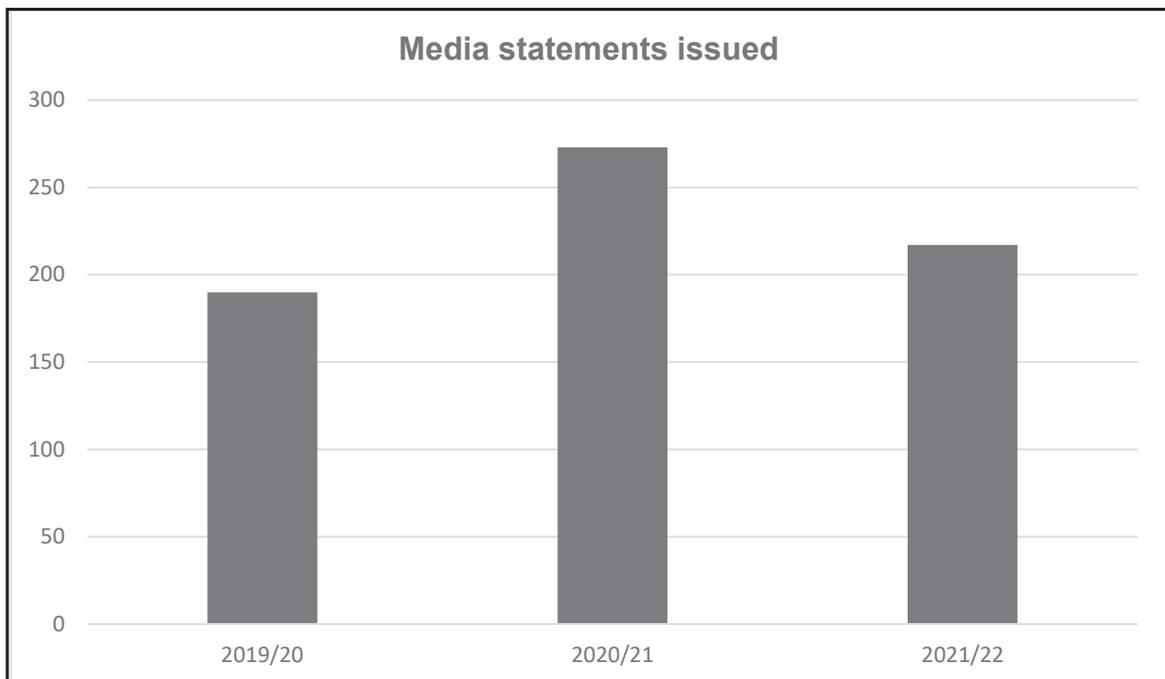
The *PSA magazine* is an important platform for sharing in-depth information with members and promoting the benefits of membership, whilst also actively supporting the recruitment of new members. Four editions of this publication were produced during the report period and were distributed electronically by means of email and SMS and hard copies being distributed by PSA Provincial Offices.

Recruitment competitions hosted in the magazine remained popular with members and resulted in a substantial number of new members being recruited during the report period.

In addition to these communication platforms, SMSs were used to spread the PSA's messages as well as issuing welcome messages to new members and congratulating members on their birthdays. Provincial Offices are increasingly using *WhatsApp* groups to ensure swift sharing of information with shop stewards and members.

The PSA continued to maintain a strong presence in local and national media during the report period, which supported brand enhancement. During the report period, a total of 217 media statements were issued. This resulted in a media presence of 2 163 clips (print, broadcast, and on-line) with an advertising value equivalent of R73 100 865.

The graph (*below*) reflects the volume of media statements issued during the past three report periods.

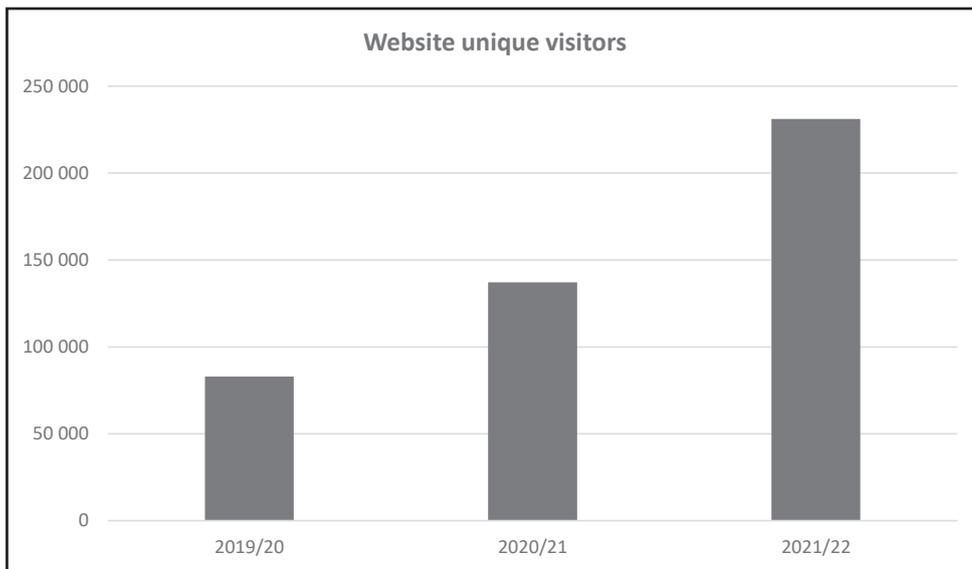


The PSA website ([www.psa.co.za](http://www.psa.co.za)), as a valuable source of comprehensive information on the PSA and its activities, continued to experience a growth in unique visitors.

These visitors increased substantially from 137 109 during the previous report period to 231 098 during the period under review as reflected in the graph on page 9.

The website provides comprehensive information on the Union's work, including all PSA publications, video productions, contact information for PSA offices, detailed fringe benefit listings for PSA business partners, and the option to join the Union by completing an on-line application form.

The role of social media as communication medium is growing in importance and these platforms provide members with rapid access to information.



The PSA has active profiles on *Facebook*, *Twitter*, *Instagram*, and *YouTube*. These platforms continued to show steady growth in the overall number of followers and page likes during the report period. The *Facebook* page, for example, had more than 33 000 followers by the end of the report period.

The PSA produced 14 in-house topical video clips during the report period that were published on the website and social media platforms.

The PSA's **electronic helpdesk** (*ask@psa.co.za*), received and administered 13 337 enquiries during the report period, compared to 12 392 enquiries during the previous report period. This facility was incorporated into the membership management system during the report period to enhance service delivery to members and support accurate reporting.

A publication in commemoration of the Union's centenary and achievements over 100 years, entitled *Groundbreaking, Life changing, Growth: 1920 – 2020*, was finalised during the report period.

In further support of national brand promotion, the PSA launched an advertising campaign through the country's largest radio stations namely, *UKhozi FM*, *Radio 2000*, and *Metro FM*. The adverts were also streamed on line on *Rise FM*, based in Mpumalanga, and *Vuma FM*, based in KwaZulu-Natal. This advertisement reached 47 456 422 listeners during the ten-day campaign.

## Fringe benefits

In addition to service to members in line with its core business of protecting and promoting their workplace rights and interests, 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 also actively involved in many PSA activities, including joint corporate social investment initiatives.

During the report period, new national fringe benefits contracts were concluded with *Octogen* on 1 July 2021 to assist members with financial assessment, debt counseling, debt management, budget repair, and financial education. A new contract with *Mahala* was signed on 18 August 2021 for funeral products underwritten by *Stangen* and with *Fundi* on 30 September 2021 for educational loans.

During the report period, new national fringe benefit products were negotiated with current business partners:

**Credit Gateway:** Introduced short-term and long-term loans, consolidations, bond origination, and asset financing.

**PSAClub:** During the report period, the following new products were added to the *PSAClub*: *Hertz Car Rentals*, *Bon Hotels*, *Dream Hotels*, *Bellview Institute for Distance Learning*, *Matric College*, and *Skills Academy*.

## Other benefits

The PSA has a short-term insurance contract with *In-dwe*, 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.*

*Metropolitan's* Life Cover Plan bridges the gap between funeral and life cover.

*Dignity* has a support service that helps to arrange, support, advise, and assist clients with funeral arrangements.

*Old Mutual* provides trauma and emergency support.

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

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

*Lifesaver Legal* included emergency roadside and home assistance service, provided by *Europ Assist* to its policy holders.

Financial services, assistance and education are provided by the following companies:

*Old Mutual Finance*, provides consolidations, unsecured personal loans, and a fully transactional account known as a Money Account. *Old Mutual Finance* pays a cash-back bonus every twelve months.

*Finwell* assists with debt mediation, debt counselling, and assistance with a home-ownership program with *SA Homeloans.*

*Credit Gateway* provides the following financial services and products: free credit report, report fix, debt negotiation, and credit life insurance consolidation.

*Thuthukani* provides home-improvement finance and a cash pay-out benefit of 20% of the total loan amount for labour-related cost in relation to home improvements.

*Optivest* provides quotations and broker appointments for medical schemes and healthcare related products to PSA members.

*Optivest* also liaises with medical schemes regarding unpaid claims and assists to register chronic medication. *Optivest* further provides gap cover.

*Zisekele* assists members with Road Accident Fund claims.

## PSA Short-Term Insurance Scheme

The PSA Short-Term Insurance Scheme for motor, homeowners', and household insurance is insured by *Guardrisk* and administered by *PSG Insure Short-Term Administration*. The Scheme, by the end of the report period, had 3 174 policyholders. *PSA Assist* is available to clients on a dedicated line 24/7, for emergency and assistance services.

## PSAClub

All PSA members are automatically enrolled. *PSA-Club* deals consist of four categories, namely:

**EARN POINTS:** Accumulate points from points shops and accumulate points in the member's e-wallet.

**DISCOUNT:** Discount when purchasing from discount-shop partners.

**COUPONS:** Get discount on items in store by presenting a coupon at the point of sale.

**STAMPS:** Collect stamps from participating shops and earn a free product.

*PSAClub* provides four insurance products to add points to the *PSAClub* e-wallet.

Supporter - Included benefits: 24/7 Medical Advice • 24/7 Legal Advice • Tutor Assist • Stokvel Lotto Benefit.

Guardian Angel - Included benefits: M-Travel, Digital Vault, Road Secure Assistance, Panic SOS, Home Assist, Crime Assist, Quarterly Cash Prize, Legal Assist, Medical Assist, and Tutor Assist.

For Family - Included benefits: Stay Benefit, Meals Benefit, Transport Benefit, and Drinks Benefit.

Protect - Included benefits: Airtime Benefit, Prepaid Power Benefit, Grocery Benefit, Butcher Benefit, Flower Benefit, and Three-Day Car Hire Benefit.

In total, more than 250 000 products and services were utilised by members.

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 the report period, the benefit amounted to R4 500.

By the end of the report period, a total of 1 198 claims, to the value of R5 388 850 were paid. In total, 31 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 administered 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

The Collective Bargaining unit is a core component of the PSA and is critical in establishing new rights through constructive engagements at various levels of negotiation at recognised platforms. An integral function of the 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 members in the Public Service Coordinating Bargaining Council (PSCBC), General Public Service Sectoral Bargaining Council (GPSS-BC), Education Labour Relations Council (ELRC), and the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC), as well as their sub-structures and in various state-owned entities.

The following matters are highlighted for the report period:

### Public Service Coordinating Bargaining Council

#### Wage negotiations: Constitutional Court judgement

Government failed to implement the final leg of the 2018-Public Service salary agreement and public servants were not paid their salary increases in 2020. This prompted the PSA to declare a dispute and approach the Labour Appeal Court to enforce PSCBC Resolution 1/2018 (clause 3.3) as the only remaining avenue to ensure compliance with the agreement. The judgement was not in favour of the PSA. The Court ruled on 24 August 2021 that clause 3.3 is declared unlawful and in contravention of section 213 and 215 of the Constitution of South Africa and Public Service Regulations 78 and 79. The PSA regards this more as a moral judgement, rather than being based on law and facts.

If cabinet did not have a mandate to sign the Resolution, why only declare clause 3.3 unlawful, instead of the entire agreement, including other conditions of service, such as housing, which the employer implemented in 2020? This prompted the PSA to lodge an appeal to the Constitutional Court. This judgement was not in favour of the PSA and other unions. In essence, it indicated that government would not have to pay public servants their salary increases for the 2020/21-financial year. The judgement confirmed that the agreement was invalid as government had not followed proper mandating procedures and that it was justified in not paying salary increases, owing to the country's serious financial constraints.

It is alarming that the Minister of Public Service and Administration authorised the signing of the agreement without the necessary authority. There should be consequence management for Ministers who allowed the invalid agreement to be implemented. The Constitutional Court is the highest court and there is no further course of action or avenues to appeal the outcome. The PSA has thus pursued every legal and lawful option available to ensure that public servants receive their salary increase for 2020 but was unfortunately not successful. By the end of the report period, the PSA was devoting full attention to the new round of Public Service salary negotiations. Parties were consolidating wage demands to be tabled in April 2022.

### **Presentation: Professionalisation of Public Service**

The National School of Government, through the Department of Public Service and Administration, made a presentation to Council on a draft framework developed by cabinet on the professionalisation of the Public Service. Amongst some of the matters that the framework intends to address, is to remove politics from the appointment process. Labour, however, raised several questions of clarity and concern regarding the process. It was agreed that the presentation would be circulated amongst labour to study the document, as the presentation was a mere overview of the framework. In the interim, parties did engage substantively on this matter during the Public Service Summit at the end of March 2022.

### **Outstanding matters: Negotiations ongoing**

#### **Danger allowance**

In terms of the provision of PSCBC Resolutions 4/2015 and 5/2015, Sectoral Councils were tasked to identify additional categories to receive a danger dispensation.

These categories would be negotiated in the PSCBC. Reports from Sectoral Councils, except from the Safety and Security Sectoral Bargaining Council, indicated that parties could not reach agreement on the inclusion of additional categories. The matter was therefore escalated to the PSCBC for further engagement. Research conducted on the danger insurance was presented by the researcher at a workshop, as agreed in Council. The document, however, still raised serious concerns and clarity was sought on what would happen to the current allowance. It was also requested that the extension of the allowance to all public servants be explored. Parties agreed that the matter would be further engaged on in future negotiations.

#### **Transport allowance**

Labour previously tabled a demand for consideration of granting public servants a transport allowance during the COVID-19 pandemic. The employer undertook to provide feedback after considering labour's demand. The employer later responded that as the country was on alert-level 1, there should not be any restrictions on public transport. It also indicated that it did not have any resources to grant such assistance and believed that the matter was resolved. Labour raised dissatisfaction that this matter had been on the agenda for a response for long. It also noted that a third wave of COVID-19 could arise and might cause challenges. It was, however, noted that indeed the country was on level 1 with no restrictions on transport and therefore it was agreed that the matter be removed from the agenda for the time being.

## **General Public Service Sectoral Bargaining Council**

### **GPSSBC Resolution 1/2021: Improvement in conditions of service for official duties performed during meal intervals**

A collective agreement was concluded in July 2021, after all parties signed, giving effect to clause 9.4 of PSCBC Resolution 1/2007, and to identify and agree on the occupational categories of staff, within the scope of the GPSSBC, in respect of whom compensation would be paid for official duties performed during meal intervals. The collective agreement's (PSCBC Resolution 1/2007) clause 8.4 provides that: "Compensation for employees who are, due to the nature of their work, required to remain on duty during their meal interval shall, where required, be determined in the respective sectoral bargaining councils".

It must be noted that employees would only be compensated for executing those duties that could not be left unattended and could not be performed by another employee. Subsequently, the sector identified correctional officials who are employed by the Department of Correctional Services who are assigned responsibilities to escort inmates to court, hospitals, other correctional centres, community correctional centres, and to various hospitals where inmates are monitored, and to those allocated external guarding responsibilities or posted in towers. Employees would be paid for such work performed against the rate of pay applicable for overtime work. Affected employees thus enjoy this benefit as and when required to perform assigned duties, as specified in the resolution.

### **Draft special-leave agreement for Sector**

The PSA tabled the matter after observing the inconsistent provision of special leave in Public Service departments. It was demanded that the employer should table an agreement to regulate leave. The draft special-leave agreement sought to regulate the following categories of leave: Examination, Study, Sport, Resettlement, Rehabilitation, Natural Disaster, Life Endangerment, Compliance with Legislation, Interviews in the Public Service, and Trips Outside the RSA Borders. Upon finalisation of negotiations, the employer experienced difficulties in its mandating processes and indicated to Council that it was not ready to conclude an agreement. It was resolved that the matter would be re-tabled in terms of the Council's Constitution as the PSCBC salary negotiations also failed to address the matter.

### **Transfer of Agricultural Colleges from Department of Agriculture to Department of Higher Education and Training**

As part of the reconfiguration of government departments, government undertook a process to transfer Agricultural Colleges to the Department of Higher Education and Training. The rationale was that these Colleges provided post-schooling education, which was correctly located under the latter Department as Agricultural Colleges were enjoying benefits associated with post-schooling institutions. The matter was tabled at Council. Labour, however, raised concerns and objections to the processes that were taking place outside Council with a huge effect on employees' conditions of employment. Subsequently, a task team was established and would report to Council on progress.

### **Other matters**

The review of Resolutions 3/2001 and 1/2004 (Full-time shop stewards) and the amendment of Resolution 2/2009 (Pay progression) were still under discussion by the end of the report period after being disrupted by salary negotiations, which took priority over other matters.

## **Public Health and Social Development Sectoral Bargaining Council**

The *status quo* remained on all the matters as reported below, owing to salary negotiations receiving priority.

### **Token of appreciation**

Labour registered frustration and disappointment with the employer's failure to provide a token of appreciation to frontline health workers during the COVID-19 pandemic. Labour believed that the employer did not take the plight of these workers seriously. These workers deserved a token of appreciation, such as tax relief or danger allowance, amongst others. The employer promised at the last Council meeting to finalise on the matter and implement accordingly. It indicated that the consultation process with stakeholders was at the final stage. A draft collective agreement was signed by most parties, providing for the introduction of a special incentive framework as a token of appreciation to all frontline workers. A task team was established to look at the modalities of this framework and the qualifying criteria. This work should be finalised within two months after the agreement attains the majority signature.

### **Standardisation: Remuneration and conditions of service - Community Health Workers in Department of Health**

Parties to Council resolved to prioritise the standardisation of the remuneration and conditions of Community Health Workers (CHWs) in the Department of Health. Unfortunately, the provisions as contained in clause 5.5 of Resolution 1/2018 were not finalised and further engagements are required to address and finalise the specific issues as stipulated as follows in clause 5.5:

“Parties to ensure the development of Standard Operational Procedure for the recruitment, selection, appointment, placement, remuneration, skills development, dispute resolution, occupational health and safety processes, and the absorption in the health system for CHWs and the subsequent process that may follow in line with policy framework and strategy for ward-based outreach.”

Parties to Council did sign a collective agreement, extending the lifespan of PHSDSBC Resolution 1/2018 with a further 12 months to allow parties to conclude on outstanding matters as per clause 5.5. Unfortunately, the issues as per clause 5.5 above have still not been finalised and would necessitate a further extension of the agreement for 12 months to allow parties to conclude on outstanding matters. The employer tabled an agreement to extend the timeframe with another 12 months. The effect of such an extension allowed that CHWs’ contracts would continue until 10 July 2021. The majority of labour, inclusive of the PSA, supported the principle as it would secure the employment of CHWs whilst parties committed to finalise on outstanding matters as contemplated in clause 5.5 of PHSDSBC Resolution 1/2018. The PSA subsequently found this agreement as beneficial to employees and signed the said agreement.

A task team was established to finalise a sustainable model to absorb CHWs, which is work in progress as the employer’s National Command Council has not pronounced on its mandate yet. The agreement was once again extended and will come to an end on 10 July 2022.

**Amendment of Clause 4.1.1 and 4.2.2:  
PHSDSBC Resolution 2/2017 - Framework  
Agreement on Payment of Rural Allowance  
and Amendment of Occupational-Specific  
Dispensation (OSD) for Social Service  
Professionals and Occupations**

A presentation was made on the topic, and it was agreed that the Department of Social Development would provide a response to the presentation, which it subsequently did. Clause 4.1.1 of the agreement stipulates that within ten days from the date of this agreement, the employer would table a proposed model on rural allowance at Council for eligible Social Service Professionals and Occupations for negotiation. Clause 4.2.2 stipulates that “Parties agree in principle to amend the OSD for Social Service Professionals and Occupations.” The employer negated from its position to engage and held the view that the matter should be engaged upon at the level of the PSCBC.

Labour expressed dismay with the employer’s attitude and only after the PSCBC directed the employer that the PHSDSBC did have jurisdiction to engage on the matter, did the employer accept this. The employer unfortunately did not conclude on its internal processes by the end of the report period and the process is ongoing. It is unfortunate that the employer was not ready to engage, and labour was considering options.

**Review: Uniform Allowance for Nurses**

A draft agreement was circulated for mandating purposes to engage on a framework agreement to regulate a process to review the Uniform Allowance Agreement for Nurses. The objective of the agreement is as follows:

- Abolish the provision of Uniform Allowance
- Bring uniformity in a true sense of the word “uniform”
- Restore the dignity of health professionals
- Uniform provision to all health professionals instead of paying an allowance to some employees

The agreement was once again circulated for a mandate to ensure buy-in from members although the majority of labour indicated support of the agreement and would subsequently sign it. It was resolved that the service providers would present samples of the fabric for the uniform at a Council meeting, where after the task team would present its recommendation to Council to appoint a service provider to ensure that the fabric is acceptable and of high standard.

Parties concluded the work, and a collective agreement was entered into, replacing the uniform allowance with the provision of uniform. The uniform’s colour will be maroon and white. The emblem of the uniform will be the nursing lamp, underlined by the department where the respective nurse is employed. Seven sets of uniform will be provided.

**PHSDSBC Resolution 4/2017: Agreement  
on Payment of Special Allowance and  
Danger Allowance for Forensic Pathology  
Officers (FPO)**

A collective agreement was entered into between parties at Council and enjoyed majority signature on 29 June 2017. The collective agreement’s (PHSDSBC Resolution 4/2017) clause 4.5.2 provides for the following:

“Parties agree to negotiate and conclude a sustainable model to allow the FPO to register with a statutory body as professionals, to have career pathing and job evaluation within six months after this agreement attains the majority signature.”

Parties were therefore supposed to conclude on this sustainable model on 29 January 2018, which unfortunately as per the evidence led by labour and subsequent confirmation from the employer, did not materialise. After the conclusion and favourable outcome of an arbitration process, the employer tabled a draft sustainable model. The PSA distributed the draft model for inputs, which were discussed with the employer. A special Council meeting was scheduled for 17 November 2020 to constructively engage on the matter. The most contentious issue was the fact the Gauteng FPOs were not covered in this model as they did not fall within the ambit of the OSD agreement. The PSA raised serious challenges with the draft model which, amongst others, raised more questions than answers, especially on the recognition of experience, stagnation, and subsequent requirements in relation to Facility Managers’ salary levels, to mention a few. Parties agreed that the employer would prepare a response on or before 30 November 2020. Labour would consider the response and parties subsequently agreed to a marathon session of engagements for which the dates were still to be determined. Unfortunately, during a meeting on 8 March 2021, the employer still had no mandate to engage on the proposed draft and labour reserved its rights. An arbitration was held and unfortunately the Commissioner ruled that the matter was not proper before him as the employer tabled a model without prejudice, which cannot be regarded as a remuneration model.

### **Averaging of working hours: Emergency Medical Rescue Services (EMRS)**

The employer made a presentation on the averaging of working hours at a special Council meeting on 23 October 2020. The presentation was informed by a need for the consistent application and compliance with legal prescripts, which regulate the shift systems and the application thereof. The employer indicated that provinces had their own agreements regulating the matter. The PSA requested the employer to provide such agreements to engage constructively. The presentation further proposed that the ordinary hours of EMRS would amount to a maximum average of 45 hours per compressed week, averaged over a four-month period. The overtime payment would be for actual hours worked beyond 180 hours, not on rostered shift hours, and would be paid at the normal overtime rate.

Inputs and mandates were requested from constituencies and the matter was deferred to a task team for further engagement. The task team was scheduled to meet to consult further on the employer’s proposal. Labour raised various concerns to which the employer could not respond. A final meeting of the task team was held, and the employer tabled a draft agreement at the level of Council. The employer and labour requested time to obtain a mandate on the draft agreement before engagements would commence. Marathon negotiations were scheduled but labour could not secure a mandate to accept this agreement and therefore no agreement could be concluded.

## **Education Labour Relations Council**

### **Implementation: Quality Management System (QMS) - Resolution 2/2014**

During 2014, parties negotiated a new performance evaluation system for school-based educators. Resolution 2/2014 was signed by the majority on parties only on 3 September 2019. This resulted in an addendum agreement also to be signed to amend the training dates and implementation date. The QMS is a more simplistic method to determine performance for school-based educators. The purpose of the QMS is to:

- Provide a standardised framework for employee performance for educators
- Enhance educators’ efficiency and effectiveness
- Improve accountability levels in schools
- Provide a basis for paying salary progression, rewards, and other incentives
- Provide mechanisms for assessing educators, considering the context within which they operate

A core task team would train a national task team that, in turn, would train district shop stewards who, in turn, would provide training to educators at school level. Implementation of the QMS would be from 1 January 2021 after all educators received training on the new system. Training was provided to the national task team that, in turn, trained all provincial task teams in February and March 2021. Provincial task teams were set to start training at the various districts and schools when the COVID-19 national lockdown was implemented. Labour and the employer are still discussing the impact and delay of the training will have on the implementation. Labour proposed that a collective agreement be signed in this regard. This matter was still under discussion at Council level at the time of compiling this report.

## **Human Resources matters affecting Educators during COVID-19 pandemic**

By the end of the report period, parties were still engaging on human resources related matters that affected educators during the various lockdown levels and for the remaining period of the pandemic. Issues such as substitute teachers, quarantine leave, pay progression, remote work, and remote work tools are being consulted. Parties were still busy with these processes at the time of compiling this report.

### **Resuming of Council and current agenda items**

Although Council was functioning during the lockdown period, an ordinary Council meeting in which current agenda items are discussed is yet to take place. The following items are yet to be discussed:

- Draft Collective Agreement: Salary Structure for Educators
- Draft Collective Agreement: Agreement on Rewards, Incentives, and Performance Bonus for Educators Employed in Terms of *Employment of Educators Act 76 of 1998*
- Conditions of Service for Grade-R Educators
- Appointment of Educators in Promotional Posts
- Draft Collective Agreement: Levy Agreement

### **Implementation of Constitution and Collective Agreement on Increase of Threshold**

Amendments to the ELRC Constitution and an increase in the ELRC threshold are still up for discussion at Council level. Owing to the complexities with working-together agreements in the CTU-ATU, parties agreed to provide additional time for the respective unions in the CTU-ATU to provide a mandate and for the CTU-ATU to then provide a consolidated mandate to Council. This matter was still being discussed at the time of compiling this report.

### **Conditions of service: Grade-R Educators**

Council is still discussing the conditions of service for Grade-R Educators. A task team was established. A decision was made that all Grade-R Educators would be consulted to be transferred from the Department of Social Development to the Department of Basic Education. Consultations were also escalated to the PSCBC and all PSCBC Provincial Chambers. Engagement on this process was ongoing at Council by the end of the report period.

## **Piloting and implementation: Coding and Robotics Curriculum Grade R to Grade 9**

There is a need for amendments to the Curriculum for Grade-R to Grade-9 learners. The amendments should include Coding and Robotics to prepare learners for future jobs in line with the Fourth Industrial Revolution. As much as parties agreed that these skills were crucial for learners in the future job market, the timing of introducing the pilot project was not correct. Not all educators were properly trained, and they only received an orientation session. Questions were also raised about the ability for all schools to implement such programs as these were heavily dependent on funding and infrastructure.

Parties therefore decided that more time was needed before implementation and the matter would stand over. At the time of finalising this report, the matter was still being discussed at Council level.

### **Reconsideration: Rural Incentives Policy**

The employer reported that the intention of this policy was to attract educators with scarce skills to rural areas. The employer further reported that the allowance did not provide the intended results. The employer reported to labour that it was considering a new policy that could achieve the desired results. Parties agreed that the employer should finalise its internal consultation sessions and then present the proposal to labour in the appropriate forum. Labour remained unhappy about the cancellation of the rural incentives policy and requested the employer to seek more funds to support the policy.

The matter was referred to the Minister to decide on the cancellation of the policy and would be further discussed once the employer has provided feedback from the Minister.

### **Quality Management System (QMS) for school-based Therapist and Psychologist task team**

The task team would investigate the review of the job description of Therapists and Psychologists. The task team would further investigate the performance assessment model for the two job categories. By the end of the report period, this matter was still on the Council agenda for discussion.

## **State-owned entities**

### **Companies and Intellectual Property Commission**

The PSA forced the employer to grant cost-of-living adjustments for the 2021/22-financial year after other union, as the majority union, refused to table demands. It was only towards the end of the year in 2021 that the other union came on board and negotiations were finalised.

Salary increases of 3% were implemented for employees who earn R1 million and below, 2% for employees earning R1 million up to R1.5 million, and 1% for employees earning over R1.5 million.

### **DTI Entities**

By the end of the report period, parties were still engaged in salary negotiations. The demand was, with retrospective implementation. The matter was referred to the CCMA and facilitation between the DTI, CCMA, labour, and DTI agencies were underway by the end of the report period.

### **State Information Technology Agency (SITA)**

The PSA tabled a demand for a 12%-salary increment and R300 increment for standby allowance. Parties were still engaged in negotiations by the end of the report period. There were salary disparities at SITA and the PSA demanded that the employer should address this matter urgently. The PSA is delighted that the salary disparities were addressed, and members received their backpay on 25 March 2022. Payments differed in terms of the salary levels of employees.

### **South African Local Government Association (SALGA)**

A cost-of-living adjustment of 3.6% across-the-board was implemented for the 2021/22-financial year. The PSA and SALGA held a relationship-building session where they set goals on critical matters. These include establishing a formal bargaining forum, reviewing the Relationship Agreement, attending to all burning issues, and looking into the review of policies. At the end of the report period, all burning issues related to appointments and transfers were exhausted and progress was made towards the establishment of the bargaining forum.

## **South African Revenue Service**

Salary negotiations commenced in November 2021 but failed after three sessions as the employer did not move positively on any demand made. A dispute was referred to the CCMA and the employer offered a 0%-salary increase at the CCMA. The CCMA issued a certificate of non-resolution and parties concluded picketing rules. The following demands for negotiation were tabled: CPI as at October 2021 plus 7%, single term; extend the token of appreciation to retirees from 60 years; introducing *Optivest* as medical broker for PSA members; increasing bursary criteria; and create an appeals committee. By the end of the report period, there was no movement by the employer and the PSA was seeking a mandate from members to embark on industrial action.

### **National Library of South Africa**

The PSA submitted salary demands for the 2022/23-financial year in December 2021. The following demands were submitted:

- Single-term agreement on salary increase
- Cost-of-living adjustment of 8% across-the-board
- Housing allowance increase from R1 400 to R1 900
- Reinstatement of 1%-notch increase

At the time of compiling this report, the employer was still compiling its response to the demands.

### **Human Sciences Research Council (HSRC)**

During the Consultative Forum meeting in July/August 2021, the employer reported that there was a written instruction, which was shared with labour, from the Department of Science and Innovation (DSI) and National Treasury (NT), instructing HSRC management not to use any surplus that accrued from the 2019/20-budget year for compensating employees.

Furthermore, a letter that contained a 0% allocation for the annual salary increment was shared. The PSA insisted to meet with the Board for the Chairperson of the Board to provide motivation to the DSI and NT to reject the decision not to grant any incentive and annual salary increment to employees. In September 2021, a bilateral meeting was held with the HSRC, where it informed the PSA that a letter had been signed by the Chairperson of the board for a possible inflation-related increment to be granted in line with the Public Service.

## South African Weather Service (SAWS)

Parties had protracted salary negotiations as the employer pleaded poverty and the fact that Treasury cut the budget, noting that the SAWS is an entity of the Department of Environmental Affairs. A salary agreement was signed, with the implementation date way past the date of implementation, and the salary increase was backdated to 1 April 2021.

## South African Social Security Agency (SASSA)

The employer implemented PSCBC Resolution 1/2021 to implement salary increases in SASSA for 2021/22. A Full-time Shop Steward Agreement was concluded and signed. The PSA is eligible for five full-time shop stewards across provinces.

## Office of the Public Protector SA

The PSA received information that employees at the Public Protector did not receive their pay progression for the 2021-financial year. The PSA engaged with the employer, demanding urgent implementation of the pay progression. The employer acceded to the PSA's demand and the submission for implementation was swiftly approved. Employees received their pay progression for the 2021-financial year in January 2022. Salary negotiations at the Public Protector are aligned to those of the Public Service.

## Office of Health Standards Compliance (OHSC)

The employer relies on negotiations taking place at the PSCBC. It has, however, indicated that once it has finalised its remuneration policy in consultation with labour, it intends to start negotiating outside the PSCBC. The OHSC is an entity of the National Department of Health (NDoH) and is still using those policies. The entity derives its budget from the NDoH, although some employees are directly employed by the entity with different conditions from employees who came to the entity through section 197 and maintained conditions from the NDoH.

## Industrial Development Corporation

The IDC implemented a salary increases of 6.3% (A and S bands), 5.3% (P band), and 5.05% (M band) for the 2021/22-financial year. A Bargaining Forum was established with an independent Chairperson being appointed.

## Provincial notes

### Eastern Cape

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. At the Eastern Cape Parks and Tourism Agency in 2021/2022-salary negotiations, the employer introduced 2%-pay progression as a new benefit for all employees and offered a 2.5%-salary adjustment, both with effect from 1 April 2021.

The Provincial Offices in **Gqeberha** and **Mthatha** enforced section 8(1) of the *Occupational Health and Safety Act (OHSA)* in state departments, notably at SASSA and the Department of Home Affairs where most workstations were not complying with health and safety standards, posing a risk to employees. It can be safely reported that almost all departments are now compliant with COVID-19 protocols. Both the CCPECP (PSCBC) and PHSDSBC were fully operational with the PSA as major role player in addressing members' issues. The GPSSBC chamber was dysfunctional but following the involvement and leadership of the PSA, the Chamber was resuscitated.

### Free State

As part of the strategic objective to establish and maintain effective social dialogue, the Provincial Office in Bloemfontein ensured representation at all collective bargaining forums. The Office and provincial structures continuously endeavoured to promote the interest of members.

The Office recorded the following collective bargaining statistics: Collective bargaining forum meetings attended: 17; and number of items discussed: 72. No collective agreements were signed, and no interest disputes were declared. The Provincial Office actively participated in all COVID-19 provincial structures. Such matters, or health and safety matters affecting members, were raised at these meetings and non-compliance was reported to the relevant authorities.

## Gauteng

During the report period, the Provincial Office in **Johannesburg** participated in council meetings at the GPSSBC, PHSDSBC and the PSCBC. Provincial steering committee meetings, various task team meetings and bi-lateral meetings contributed to resolving issues raised by members during the report period.

During the report period, the Office attended various task team meetings that were established in the various sectors to deal with the impact of COVID-19 in the workplace and to ensure compliance with regulations. The Office further engaged employers that were not compliant with the *OHSA*. Processes were put in place to ensure that OHS committees were established.

Training of committee members on various *OHSA* aspects was identified and employers must implement these training interventions during the next report period.

The following statistics underline the Office's involvement in collective bargaining matters: Bargaining forum meeting attended: 34; and items discussed: 148.

The Office also negotiates at the Gauteng Enterprise Propeller, a parastatal that functions from Johannesburg. Wage negotiations for the 2021/22-financial year were concluded and resulted in the following increase for members: 6%-salary increase for level A1-D2 and a 5.5%-salary increase for level D3-DU. The medical-aid allowance was increased with 8% over the same period.

The **Pretoria** Provincial Office is also responsible for negotiations at state-owned entities in the Pretoria area. The Office is operating in the Financial Intelligence Centre, the Financial Sector Conduct Authority, the Safety and Security Sector Education and Training Authority, the South African Nursing Council, and the South African Pharmacy Council as set out.

**Safety and Security Sector Education and Training Authority:** During the report period, the Office undertook salary negotiations, which resulted in a salary adjustment of 5.2%, plus a bonus payable as follows: Below rating of 3 - 4%; rating of 3 - 6%; and rating of 4 - 8.2%. The agreement was signed and implemented. Salary negotiations for 2022/23 commenced with a mandate received for a demand of CPIX plus 10%. Feedback from the employer was being awaited by the end of the report period.

**Financial Sector Conduct Authority (FSCA):** Salary negotiations at the FSCA resulted in a dispute being declared at the CCMA and a settlement being reached in January 2022. Salary increases of 4%, with a bonus payable to all employees, were implemented in January 2022.

**South African Nursing Council (SANC):** Salary negotiations commenced at the SANC after a long period of no engagement. After various deliberations between the SANC and the PSA, parties settled for 4% plus 1%, which was outstanding. There were deliberations on the status of policies in the bargaining chamber and the issue of salaries for the 2022/23-financial year were due to be finalised.

**Financial Intelligence Centre (FIC):** A salary increase of 3.5% was agreed upon by the PSA and the FIC. All employees who received a score rating of 3.5 would be paid a bonus. A demand of 10% was submitted for the 2022/23-financial year. The review of all policies was also on the agenda.

**South African Pharmacy Council (SAPC):** The PSA and the SAPC agreed to a 4%-salary increase. The board approved pay progression of 1.5% for all employees, resulting in a total 5.5%-salary increase for 2021.

State-owned entities and related collective bargaining have been high on the agenda of the Pretoria Provincial Office and presented an opportunity to protect and promote the rights of these members.

The Pretoria Provincial Office further dealt with various COVID-19 related matters during the report period. The cases were in relation to transgressions against individuals and groups of members in direct violation of COVID-19 regulations. The Office, for example, assisted members at Hatfield DCS with occupational health and safety COVID-19 issues amongst many departments where difficulty was experienced with unreasonable employers.

Various training initiatives were undertaken to educate and equip shop stewards in taking up COVID-19 violations in their workplaces. Structures, along with PSA chief negotiators, attended the course of negotiating and led discussions in chambers on occupational health and safety. This was also the case at parastatals based in Pretoria.

## KwaZulu-Natal

In line with the strategic objective to establish and maintain effective social dialogue, the Provincial Offices in **Durban** and **Pietermaritzburg** ensured representation at all collective bargaining forums. This assisted in improving service delivery. In addition, all positions were filled in 2021, which assisted the Offices and provincial structures in promoting the interest of members and allowed for the enhancement of PSA representation on all bargaining forums in the province.

All structures and committees allocated to the Provincial Offices held meetings to comply with the *PSA Statute* and matters of mutual interest were discussed. Members were updated on progress with their matters, which assisted with the recruitment of new members. To enhance structures' visibility, functioning, and participation in PSA activities, the Provincial Offices completed the election of structures and committees for the new term in March 2021. In total, 130 collective bargaining meetings were held during the report period. These included workplace forums, task teams, Exco and Chamber meetings. In the process, 230 issues were discussed. In addition, four disputes were declared, whilst no collective agreements were signed, or policies adopted during the report period.

During the report period, the Provincial Office in Durban continued forcing employers to comply with the *OHS Act* and COVID-19 regulations. Shop stewards were supported and equipped to represent members in various COVID-19 compliance committees. The PSA further opposed injustice where employers were forcing members to use sick leave for quarantine purposes instead of special leave.

## Limpopo

The PSA, through engagement at Chamber level, forced the employer to implement PHSDSBC Resolution 1/2009 (OSD for Social Services Professionals and Occupations).

After a series of meetings, the employer finally acknowledged its error in interpreting the resolution. It obtained approval from Treasury and employees were paid R71 566 000 (first phase) and R6 793 062 (second phase) for accelerated grade progression. Members received payments backdated from the year they qualified as far as back as 2013.

The PSA also continued its efforts for members at the Department of Health after the employer issued Circular 43 and 44 of 2021 relating to changing working hours, which was contrary to the *Basic Conditions of Employment Act*. This caused disorder in the Department and resulted in a threat of industrial action and marathon meetings to push for unconditional withdrawal of these circulars. Subsequently, after pressuring the employer, it withdrew the circulars and issued Circular 23 of 2021.

The Provincial Office actively participated in COVID-19 provincial structures. Matters related to COVID-19 as well as health and safety affecting members were raised at these meetings and non-compliance was reported to the relevant authorities. This resulted in several offices being closed owing to electricity non-compliance and a shortage of water. In other offices where there were no cleaners, the PSA successfully forced the employer to appoint cleaners. The PSA ensured that employers complied with COVID-19 regulations to maintain members' health and safety in the workplace.

## Mpumalanga

The management of compliance with COVID-19 regulations and *Occupational Health and Safety Act* provisions was a priority for the Provincial Office. Members of structure in the department were vigilant and shut down the Department of Labour and Employment in Witbank owing to a lack of compliance with regulations. The issues were subsequently resolved. The PSA succeeded in challenging Exco's unfair and unilateral decision to transfer all officials from the Mpumalanga Tourism and Parks Agency to the Department of Agriculture, Rural Development, and Land Affairs. The implementation of the decision was indefinitely suspended. The reason for the PSA's challenge of the decision, apart from a lack of consultation, was a lack of clarity on benefits employees enjoyed in their current workplace.

The Provincial Office further attended all bargaining chamber meetings and obtained inputs from PSA structures as agenda items for discussion in chamber meetings.

## **Northern Cape**

The Provincial Office in Kimberley participated in all chambers in the Northern Cape, including the two special processes of moving Early-Childhood Development functions from the Department of Social Development to the Department of Basic Education and the 2016-Organisational Design directive by the Minister of the DPSA to all departments. The PSA attended all meetings and ensured full presence at all meetings and ensured that members were not disadvantaged with the establishment of newly proposed structures. The Office embarked on establishing Labour Management Forums at all departments and in every district to ensure dialogue between the PSA and the employer.

The PSA participated extensively in COVID-19 chambers, including extended EXCO COVID-19 meetings with Directors-General and Heads of Department in the Northern Cape. Various cases of non-compliance were reported to the relevant authorities for intervention.

## **North West**

The PSA's majority status as the largest Union in the GPSSBC is being maintained. The Provincial Office in Mahikeng maintained its strategic objective by placing one new item per meeting in all provincial chambers. Transverse issues, including occupational health and safety matters and overtime for traffic officers, were actively pursued. The PSA also put more effort in negotiating salary adjustments and issues of mutual interest at the North-West Development Corporation and the North-West Parks Board. These negotiations were by the end of the report period at the brink of finalisation, with members reiterating their trust in the PSA.

Non-compliance with COVID-19 matters in various departments was reported to OHS Departmental Committees for compliance. The Office, together with shop stewards, actively participated in all COVID-19 meetings in the province. These Committees assisted greatly in implementing correct COVID-19 regulations.

## **Western Cape**

The Provincial Office in Cape Town actively participated in the various bargaining forums and played an integral part in the bargaining chambers of the Public Health and Social Development Sector, the General Public Service Sector, as well as the Coordinating Bargaining Council.

In the PHSDSBC, the PSA's full-time office bearer is the Chairperson of the Chamber.

Labour Relations Officers assigned to the Office also served on various task teams of these chambers, including consultative forums and COVID-19 task teams. Representatives from branches were identified and attended these chambers together with the Labour Relations Officers. One of the Labour Relations Officers was elected by labour in the province as the sole labour representative on the Provincial COVID-19 Vaccination Task Team.

Changes to establishments or restructuring in Western Cape Government departments were dealt with in the CCPWCP consultative forum. These were dealt with and guided by means of a memorandum of understanding and a personnel plan, which was consulted. The forum has proven to be very effective. During the report period, all chambers functioned effectively. The required meetings were held, as well as several special meetings when the need arose. Agenda items were sponsored by the PSA, as required.

Various state-owned entities have bargaining forums where the PSA has significant representation, with majority status in some. The only collective agreement that was signed during the report period was the salary agreement at Western Cape Blood Services.

The Provincial Office actively participated in all COVID-19 provincial structures. Such matters as well as health and safety issues affecting members were raised at those meetings and non-compliance was reported to the relevant authorities. As for the Western Cape Government, the PSA's Labour Relations Officer was elected to represent labour on the transverse provincial structure. National departments all had COVID-19 steering committees and the PSA was represented on all of these. Most national departments were attended to by shop stewards, but in a number of them Labour Relations Officers also attended.

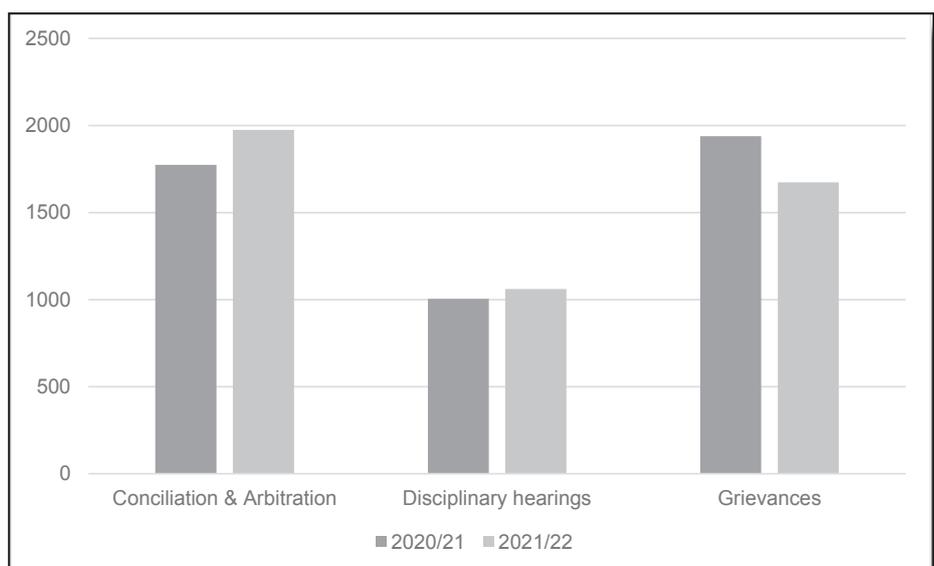
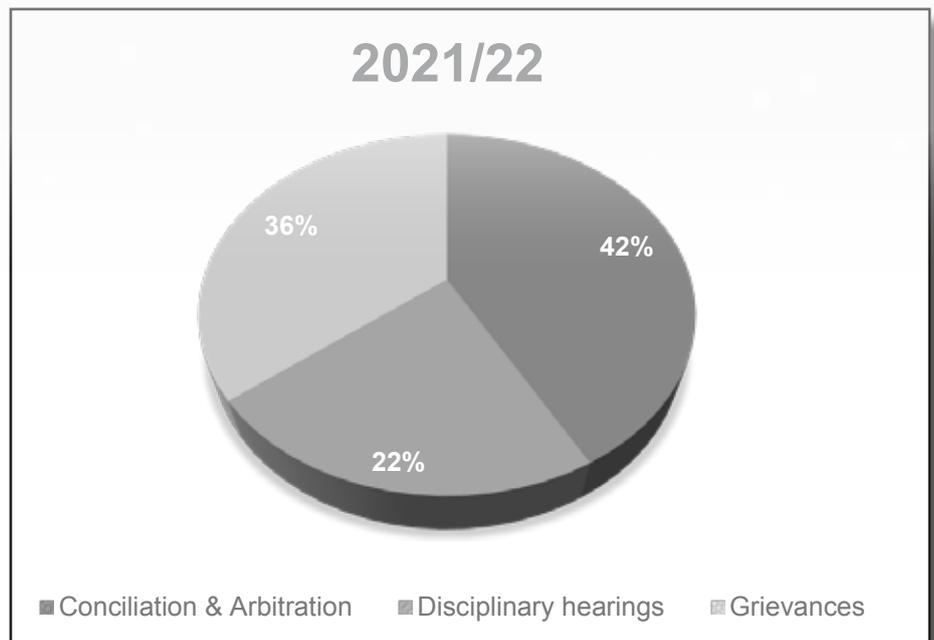
# Members' rights

The Members' Rights Unit is a core component of the PSA, seeking to promote and protect members' rights through representation by PSA officials and union representatives in disputes, including providing legal assistance.

Members are represented in the Public Service and some state-owned entities, in disciplinary inquiries, grievance meetings, at the Commission for Conciliation, Mediation, and Arbitration (CCMA), and at public-sector councils.

The main activities of the unit, per Provincial Office for the report period, are set out in the accompanying charts.

The chart (*bottom right*) depicts a comparison of activities for the periods 2020/21 and 2021/22.



## Provincial notes

### Eastern Cape

The Provincial Office in **Gqeberha** recorded 218 new cases during the report period. It also successfully represented members in 19 disciplinary hearings, 13 arbitrations, and 47 grievances during the report period. The representation was in relation to arbitrations and grievances, with some cases being settled at conciliation and through arbitration. The Office also represented members in matters relating to correction of notches, grade progression, payment of performance bonus and other benefits such as hostel supervisory allowance, night shift allowance, and in unfair dismissal disputes. The monetary value of awards in favour of members, including arbitration awards and settlement agreements, amounted to R1.2 million. One of the most notable victories by the Office was when a member at the Department of Transport was unfairly dismissed in a disciplinary hearing and reinstated after the dismissal was regarded as both procedurally and substantively unfair by the arbitrator. The employer took the award on review. The PSA opposed this, and the Labour Court subsequently ruled in the member's favour, ordering the employer to reinstate the member and to pay arrears in salary, amounting to R700 000.

The **Mthatha** Provincial Office further strengthened the Union's profile by successfully challenging workplace-related injustices in all forms. The Office recorded 349 new cases during the report period. Members under the Office's jurisdiction were successfully represented in 18 disciplinary hearings, ten arbitration hearings, and 65 grievances. In one matter, the PSA successfully stepped in on behalf of a member at the Department of Education by having the dismissal overturned. The member was reinstated and compensated R599 991. In other matters, a member at the Department of Justice and Constitutional Development was reinstated and compensated R205 814.75, whilst another member was assisted in an interpretation and application of a collective agreement dispute. Members were successfully assisted when the Department of Education failed to pay members their hostel-supervisory allowance and night-shift allowance. A total of five employees from the Department were paid R74 000 each for hostel-supervisory allowance, whilst 30 employees each benefitted R22 000 in respect of night-shift allowance. Other matters handled by the PSA on behalf of members were related to recognition of qualifications and employer benefits, such as bonus and grade progression. The Office assisted members in securing compensation amounting to R1 896 805.75 during the report period.

The Office also represented members in matters related to occupational health and safety. In one such matter, the offices of the Department of Labour in Mthatha were constantly experiencing water and electricity cuts, resulting in the building being closed after the PSA's intervention. Members were relocated to a new building. The PSA also discovered that the fire extinguishers at several workplaces were not serviced. The PSA brought this to the attention of the employer and mandated shop stewards at other workplaces to be alert for this safety hazard.

### Free State

The Provincial Office in Bloemfontein continued to effectively protect the workplace rights of members with an improvement in adherence to prescribed turnaround times. The Office utilised available case-management tools in providing feedback to members. Labour Relations Officers, with the support from Members' Affairs Coordinators conducted thorough preparation of cases in consultation with members, explaining the steps in processes and approaches. Constant engagements with shop stewards assisted in identifying challenges affecting members. Items not resolved in engagements with the employer were escalated to Chambers. This approach had huge success, with most cases and/or disputes being resolved at institutional level. Litigation was utilised as the last option after all possible actions were unsuccessful. This offering to members was delivered by three Labour Relations Officers, with the assistance of full-time shop stewards and shop stewards. The Office recorded a total of 240 new cases and handled 164 conciliations, 343 arbitrations, 243 disciplinary hearings, and 406 grievances during the report period. The total monetary value paid to members amounted to R1 590 870.52.

### Gauteng

In the aftermath of the COVID-19 pandemic, the **Pretoria** Provincial Office continued to promote and protect the rights of members. The sectoral councils and the CCMA continued to function virtually, which mitigated against the pandemic hampering members' rights cases significantly. Despite the Office functioning under a new normal, it continued rendering an efficient service to members. The Office recorded 770 new cases during the report period. With the decline in COVID-19 cases, cases decreased from a staggering 350 to 53 COVID-related enquiries during the report period. The Office had a busy schedule in litigation wherein it recorded 35 approved legal-aid submissions.

The use of the new case management system improved. The Office recorded 24 successful conciliations, which ended in settlements, 44 successful arbitrations, 67 successful disciplinary hearings, and 59 successful grievances during the report period. The total monetary value paid to members amounted to R1 991 969.50. The Office handled members' rights cases with the guidance of Labour Relations Officers who work together with a team of full-time shop stewards and shop stewards from various departments.

The **Johannesburg** Provincial Office assisted members and ensured effective protection of their rights in the various workplaces. The protection of members' rights was based on effective dispute resolution mechanisms and prescripts, which were adhered to in conjunction with PSA's norms and standards. During the report period, the Office recorded 361 new cases. Despite the challenges faced through the ongoing COVID-19 pandemic, the Office recorded the following: A total of six successful and 97 unsuccessful conciliations, 31 successful and 31 unsuccessful arbitrations, 27 successful (and 42 unsuccessful) hearings, 69 successful and 46 unsuccessful grievances. The successful hearings and arbitrations resulted in more than R3.2 million in backpay and/or compensation being awarded to members. There were 27 members who were successfully defended and were either reinstated or found not guilty in disciplinary hearings. The Office worked closely with five full-time shop stewards and shop stewards during the report period to ensure that members received exemplary service. Shop stewards mainly dealt with grievances at institutional level to ensure that Labour Relations Officers and full-time shop stewards were free to handle more serious matters.

### **KwaZulu-Natal**

The Provincial Office in **Durban** effectively defended the rights of members in various departments and institutions. There was an improvement in terms of compliance with norms and standards. The Office used monitoring mechanisms to review and monitor compliance with norms and standards. Labour Relations Officers and Members' Affairs Coordinators cooperated in analysing cases before declaring disputes to avoid declaration of frivolous cases that could result in cost orders against the PSA. The Office placed more than 30 shop stewards on a mentorship program to increase the number of shop stewards who assist with cases. Legal assistance was utilised as last option, where required, after all possible actions were unsuccessful. The Office was assisted in cases and recruitment by a team of full-time shop stewards, full-time office bearers, and shop stewards.

The Office, during the report period, handled 35 conciliations and 15 arbitrations with awards in favour of members amounting to R1.4 million relating to matters such as incapacity leave, OSDs and unfair dismissals. In addition, 30 disciplinary hearings and 75 grievances were handled. In total, the Office attended to 161 formal matters and 220 informal/walk-in queries during the report period.

The Provincial Office in **Pietermaritzburg** ensured the effective protection of members' rights in the workplace. The Office adhered to PSA norms and standards in the cases handled. Disputes were processed in accordance with prescripts and prescribed time frames. There was effective case management monitoring of new and old cases to ensure that these were registered on the case management system as soon as received from members. There were effective legal-assistance services of complex and unsuccessful cases after the efforts of the Office to force the employer to comply. The Office services some 39 government departments and state-owned entities, with each of the three Labour Relations Officers servicing 13 departments. The Office recorded 431 new cases during the report period. It also handled 150 grievances, 117 disciplinary hearings, 82 conciliations, and 82 arbitrations. The monetary value of awards in favour of members amounted to some R1.8 million, which assisted with the retention of members owing to the quality of services rendered.

### **Limpopo**

The Provincial Office in Polokwane recorded 201 new cases during the report period. It also assisted members and participated in 220 arbitrations, 19 conciliations, 110 grievances, and 154 disciplinary hearings. The PSA was successful in securing compensation for members to the value of R2 393 326.38. During the report period, the PSA was at the forefront of enforcing the implementation of the *Occupational Health and Safety Act* to ensure that employers provided a safe and healthy environment in workplaces.

The PSA ensured that several district offices of the Department of Home Affairs and the Department of Justice and Constitutional Development's Musina Magistrate's Court were closed owing to non-compliance with the *Act*. The Tshilwavusiku Magistrate's Court was issued with a prohibition and contravention notice owing to the building being unhealthy and unsafe. In the instance of the Department of Agriculture, Land Reform, and Rural Development, the state of dilapidation of the identified building resulted in a fire.

The PSA forced the employer to shut down the building and members were temporarily accommodated in an alternative, safe building. In addition, the Department of Education's Lwamondo, Dzondzo Circuit, Giyani Cluster Circuits, which include five circuits namely, Groot Letaba, Klein Letaba, Shamavunga, Nsami, and Manobe, and many other offices were also issued with prohibition and contravention notices through the PSA's intervention. The PSA also successfully intervened in several departments where there was non-compliance with COVID-19 regulations, including the non-rotation of staff, failure to decontaminate buildings after COVID-19 positive cases, a shortage of personal protective equipment, water, thermometers, and scanners.

The PSA successfully assisted eight members at the Department of Home Affairs who were not paid performance bonuses for the 2018/19-financial year. The members were eventually paid their bonuses, amounting to R85 650.60. A member at the Department of Health who was not translated to the correct salary level, through assistance of the PSA shop steward, lodged a dispute and was eventually placed at the correct salary level and paid all monies due, including arrears. The PSA also, amongst others, assisted a member at the Department of Higher Education and Training in a disciplinary hearing related to allegations of misconduct for gross dishonesty, dereliction of duties, and misrepresentation. The PSA successfully raised a preliminary point, based on fairness and double jeopardy, that the member was already issued with a warning on the matter. In another case in this Department, the PSA protected members against the abuse of authority by management in schools.

## **Mpumalanga**

The PSA successfully represented members in the province in a variety of labour-related matters. These included Labour Court action resulting in members receiving R809 984.93, unfair dismissal payments to members totalling R747 283.08, interpretation and application of collective agreements amounting to payments to members of R591 253, and unfair labour practice disputes amounting to payments of R188 769.52 to members. The total monetary value of all the disputes amounted to R2 337 290.53. The Office recorded 320 new cases during the report period and participated in 101 conciliations, 125 grievances, and 83 arbitrations, of which 40 were awarded in favour of members. Of these, seven were by the end of the report period under review by the employer.

A total of 42 arbitration awards were not in favour of members. Most of these disputes were related to unfair dismissals and unfair labour practices related to benefits.

The Office successfully represented members in 94 disciplinary hearings, including matters involving four senior departmental officials who were placed on precautionary suspension for more than 60 days with departments continuously claiming that they were busy with investigations. Two of these precautionary suspensions that were challenged by the PSA were in favour of members as they returned to work, whilst the other two members resigned from service.

## **Northern Cape**

The Provincial Office obtained three favourable Labour Court rulings. In one case, a member who was dismissed in terms of section 17(3)(c) of the *Public Service Act*, was re-instated. In another case at the Department of Health, the PSA referred the matter to the relevant bargaining council whereafter the member was reinstated. The other case involved nine members, who were initially appointed by the Department of Sports, Arts, and Culture. Inexplicably, the Department "transferred" the members to a service provider sourced to clean the departmental offices. The matter was pursued, and the Labour Court found in the members' favour. All of them were re-instated with back pay. The MEC, as a result, had to pay the PSA's costs of R60 000 in her personal capacity. At the Department of Social Development, members were denied their PMDS bonuses. After lodging of a dispute on behalf of all the members, the employer paid out bonuses amounting to R1.3 million in total. A member at the Department of Home Affairs was charged for the same charges he was found guilty of in the criminal court. The PSA sought to defend the member in an inter-disciplinary hearing where he was dismissed. At the arbitration hearing, however, the member was awarded reinstatement.

The Office received 283 new cases during the report period. The following victories on behalf of members were also recorded: 96 successful arbitration cases, 56 conciliations, 17 grievances, 20 cases successfully defended and acquitted in disciplinary hearings, and three favourable court rulings.

## North West

During the report period, the Provincial Office mentored many shop stewards who attended to grievances, disciplinary hearings, and arbitrations. An influx of matters relating to non-compliance with PSCBC Resolution 7/2000, with the focus being leave benefits in the Public Service and pay progressions, as well as PSCBC Resolution 3/2009 dealing with non-OSD employees, was experienced during the report period. Awards were in favour of the members. Departments reviewed some of these awards, which were before the Labour Court for adjudication by the end of the report period. The total monetary value paid to members for the report period amounted to R368 941. In total, 259 new cases were registered during the report period.

The Office represented members in 121 conciliations, 253 arbitrations, 134 disciplinary hearings, and 387 grievances. The Office also brought 12 new matters before court during the period under review, with seven still ongoing and five being concluded in its favour. Health and safety in the workplace remained a serious concern in many departments in North West and were decisively dealt with by the Office when engaging with the respective employers to ensure that regulations are complied with for members to work in a safe, conducive environment.

## Western Cape

The efficient representation by four Labour Relations Officers and full-time shop stewards in the Western Cape remained central to the offering to members and prospective members.

The Provincial Office recorded 454 new cases during the report period. A total of 49 arbitrations, 95 disciplinary hearings, and 118 grievances were also finalised. Requests for assistance from members increase annually and with the advent of the COVID-19 pandemic, many new challenges emerged, causing an increase in the demand for assistance and representation. Office bearers from the province's 23 structures, assisted by local shop stewards, dealt with numerous enquiries from members as well as non-serious disciplinary or counselling matters. Disciplinary matters varied from charges relating to assault and/or not reporting an assault, absence without permission, and other more serious charges. For serious sanctions with justifiable circumstances, appeals were submitted and, where unsuccessful, were referred as disputes to the relevant forum.

Arbitrations were related to unfair labour practice disputes, relating to housing allowance, where the award was that the housing allowance was to be re-instated, backdated and three months' compensation being granted. Another case related to precautionary suspension, where the award was in the PSA's favour. The member's suspension was uplifted after almost two years. In another matter, a precautionary suspension of a member at the ELRC was also resolved in the PSA's favour. The member's suspension was uplifted, and compensation of four months was granted. Other awards related to dismissal, promotion, and various benefits. The total monetary value of favourable arbitration awards amounted to R809 287.86. A total of 18 matters were on record at the Labour Court during the report period.

In a matter with the Department of Employment and Labour, a member was found guilty in a disciplinary hearing for an incident that occurred in 2013 and suspended for one month with a demotion from Deputy Director to Assistant Director. Following the PSA's intervention, the finding, suspension, and demotion were overturned. It was ordered that the member return to her Deputy Director position by 31 October 2017, her salary be corrected, and monies deducted for the unpaid suspension be repaid. In addition, it was ordered that solatium of two months' salary be paid to her. The Department unsuccessfully took the award on review to the Labour Court. The PSA successfully opposed the review, with costs awarded against the Department. The Department refused to implement the Court Order and in 2021, the PSA successfully filed an application for Contempt of Court against the Department. The Court found the Department guilty of Contempt of Court, handing down a fine of R50 000, as well as a cost order.

# Liaison

The Union's total membership figure on 31 March 2022 stood at 238 869, compared to 233 700 at the end of the previous financial year. The membership growth is indicative of the hard work and dedication of the PSA structures, shop stewards, and liaison staff, supported by PSA administrative staff. The growth was also not only ascribed to the recruitment of new members, but also to the retention of existing members, and the follow up on resignations to convince such members to remain with the PSA. The historical *modus operandi* for the recruitment of members was successfully adapted to match the new workplace environment.

The statistics below represent core activities during the report period:

|                           |         |
|---------------------------|---------|
| Worksites visited         | 14 411  |
| Members addressed         | 92 730  |
| Non-members addressed     | 38 366  |
| Training session attended | 386     |
| Branch meetings attended  | 115     |
| Distance travelled (km)   | 581 905 |

The PSA's membership distribution per Provincial Office at the end of the report period is set out below:

|                                  |                |
|----------------------------------|----------------|
| Eastern Cape (Gqeberha)          | 12 702         |
| Eastern Cape (Mthatha)           | 13 419         |
| Free State                       | 24 482         |
| Gauteng (Johannesburg)           | 21 453         |
| Gauteng (Pretoria)               | 43 774         |
| KwaZulu-Natal (Durban)           | 25 281         |
| KwaZulu-Natal (Pietermaritzburg) | 21 678         |
| Limpopo                          | 19 485         |
| Mpumalanga                       | 12 738         |
| North West                       | 13 717         |
| Northern Cape                    | 8 473          |
| Western Cape                     | 21 667         |
| <b>Total membership</b>          | <b>238 869</b> |

## Provincial notes

### Eastern Cape

In the Eastern Cape, the PSA Provincial Offices marginally increased PSA membership, whilst the Provincial Office in **Gqeberha** recruited more than 1 200 members during the report period. This was achieved despite the reality and aftermath of COVID-19 challenges on recruitment operations. One of the Organising/Marketing Officers in the Province was amongst the top-five recruiters in the country. The participation of shop stewards and business partners in recruitment campaigns contributed towards the growth in membership.

### Free State

The Provincial Office in Bloemfontein continued to maintain and empower member structures and union representatives. The Provincial Office experienced a steady growth in membership, despite challenges experienced with restriction under COVID-19 regulations. This growth was achieved thanks to the commitment by Organising/Marketing Officers during special recruitment campaigns. The Office recruited 1 755 new members during the report period.

### Gauteng

The **Pretoria** Provincial Office realised substantial growth, considering the increase in employment terminations and early retirements from the Public Service and the non-filling of these vacancies. The recruitment of members in the Pretoria area was largely achieved through innovative and unconventional methods used by Organising/Marketing Officers, full-time shop stewards, and shop stewards who contribute to the growth and retention of members.

During the report period, the Office was able to again enter departments in support of recruitment and retention. The top-recruiting Organising/Marketing Officer for the report period is from the Office. The Office further acknowledged a group of 20 shop stewards regarded as top recruiters. A recruitment intervention, largely focused on Community Education and Training Centers (CET) (previous ABET Centers), was undertaken between June and November 2021, and resulted in the recruitment of 2 614 members in the Pretoria area.

The **Johannesburg** Provincial Office continued to empower member structures, despite the COVID-19 lockdown and various restrictions during the various lockdown levels. The Office's Organising/Marketing Officers also made use of social media to ensure that members were informed of the latest developments and to remain contact with members and structures. During the report period, the Office recruited 1 723 new members. Cancellations were kept to 101 members. This success is attributed to the hard work and commitment to the entire Office, despite vacancies in three key positions. A provincial recruitment competition was held over a two-week period and resulted in more than 160 members being recruited. Business partners form and integral part of the Office's recruitment strategy. They participated in mass meetings and open days and assisted with recruitment material during such events.

### **KwaZulu-Natal**

The **Durban** Provincial Office launched various campaigns, including the *Imvuselelo*-recruitment campaign, to improve service delivery to members. The Office further engaged with members through the celebration of International Nurses' Day at Prince Mshiyeni Hospital in Durban, with more than 300 nurses in attendance. A Heritage Day event was hosted in Port Shepstone, with 200 members in attendance. More than 1 500 members were recruited in the process, with more than 350 institutions being visited during that report period.

The **Pietermaritzburg** Provincial Office applied an aggressive, effective strategy to recruit new members, which was extended to structures and shop stewards. Organising/Marketing Officers and shop stewards received extensive internal training in October 2021 to ensure empowerment. It was ensured that information reached all structures for distribution to members. Growth in all sectors was monitored to ensure that the PSA remained the majority Union in most of departments.

Conducting recruitment drives was a major operation in the SA Police Service, Correctional Services, and Education, with at least 2 500 new members being recruited. As a result, the Office claimed the second and third position amongst the PSA's top-ten recruiters. A growth target of 2 500 members was monitored weekly to ensure that Organising/Marketing Officers recruited more than the weekly target. The expected target was exceeded by 500 new members. The Office further minimised cancellations by interacting with members and determining the reasons for cancellation. The Office further obtained a list of members retiring from the Public Service to recruit them as pensioner members.

### **Limpopo**

The Provincial Office in Polokwane continued to grow amidst the COVID-19 pandemic. One of the Office's Organising/Marketing Officers was amongst the top-ten recruiters in the country. Shop stewards and business partners were involved in recruitment campaigns, which contributed towards the growth in membership.

### **Mpumalanga**

The optimal utilisation of shop stewards, full-time shop stewards and business partners by the Provincial Office in Nelspruit contributed to success of recruitment. The declaration of every Friday as a recruitment day and provincial supported visibility and recognition of structures that participated in all activities. Membership numbers in the ELRC and CET increased by some 250 members. The Office also increased its membership at SanParks and is finalising the recognition agreement. Overall recruitment for the year met standards and targets. The Office further managed to retain most members, as reflected by the limited number of cancellations. The Office also managed to locate several retired PSA members and recruited them to continue their Union membership as pensioner members.

### **Northern Cape**

The Provincial Office in Kimberley created two more structures, *i.e.*, for SAPS and SARS, in line with the strategic plan. Opportunities were seized to expand the market share when approval was obtained to organise at the Sol Plaatjie University. In March 2022, the PSA had 168 members and qualified for a recognition agreement.

The Office was allocated an additional Organising/Marketing Officer, which improved the Union's visibility and efficacy as far as service delivery was concerned. The Office was therefore also able to carry out liaison tours in areas that could not readily be reached previously.

## North West

The Provincial Office in Mahikeng contributed to growth through active participation of shop stewards, full-time shop stewards, and staff. The constant efforts of these stakeholders and their understanding, coupled with their commitment to remain abreast of developments and sharing such information with potential members, resulted in an increase of more than 674 members. Staff and shop stewards played a significant role in ensuring that members were well represented in disciplinary hearings and grievances, with most disputes being successfully resolved.

## Western Cape

The Provincial Office in Cape Town initiated competitions to increase membership and motivate members and shop stewards to recruit new members. Two competitions were prevalent. The "Women in Power" competition ran during August 2021. Winners include members from the Western Cape Department of Economic Development and Tourism, the Department of Defence, and an educator. "The Battle of the Committees" competition was very successful, with more than 450 new members being recruited between 1 October 2021 and 15 December 2021. Energy and drive of structures and committees were notable as they battled for the prizes. The top recruiting structures were Correctional Services, PHSDSBC, and GPSSBC in the third position.

## Branch for Associate Members: Public Service Pensioners

### Management Committee

The Management Committee of the Branch consists of Gideon Serfontein (Chairperson), Gerrie Malan (Vice-Chairperson), Dries Du Plessis (Secretary), Buks Jordaan (Deputy-Secretary), Hannes Botha, Rita Bessenger, Rienie Van Blerk, Pietie Botes, and Stella Morrow, as well as the elected Chairpersons of Regional Committees.

During report period, the Management Committee held three Management meetings as well as an Annual Members' Meeting on 25 October 2021. Despite the COVID-19 pandemic, the Management Committee still carried out its responsibilities and executed matters assigned to it by the PSA Board and the PSA's Annual General Meeting.

## Regional Committees

The following four functioning Regional Committees handle and promote the interests of Branch members at regional level:

- **Cape Peninsula Regional Committee**, chaired by Rob Moody, with Faldela Martin as Deputy Chairperson, and Basil May as Secretary.
- **Southern Cape Regional Committee**, chaired by Stan Davis, with Joan Booysen as Secretary.
- **Free State Regional Committee**, chaired by Eben Fischer, assisted by Karel Van Den Berg, the Deputy Chairperson, and Giel Marais, as Secretary.
- **Waterberg Regional Committee**, chaired by Jakkie Van Dyk, with Johan Wessels as Deputy Chairperson, and Johan Els as Secretary.

## Membership and recruitment

The Branch continued to play an active role in alerting and encouraging PSA members who are about to retire to join the PSA as associate members upon retirement. In addition, the Branch Management throughout 2021 continued with its project to update its member database.

## Enquiries regarding 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 proposal for the improvement of the spouse's pension to be at least 75% of the pension of a pensioner member, had been debated and recommended by the Chairperson's Forum and this input had been tabled at the PSCBC for negotiations. Prior to 2012, the *Government Employees Pension Law (GEPL)* provided for a member who retired to receive a gratuity (lump sum) and an annuity (monthly pension) until death. When that member died, the spouse would qualify to receive 50% of the late member's monthly annuity until he/she dies.

This is the basis governed by the *GEPL* and is not an option, but rather a law (compulsory). This law has not changed since or after 2012. However, from 2012, an amendment to the *GEPL* was made (after PSCBC ratifications and proposals and *Government Gazette* processes), whereby the member could choose to increase his/her spouse's annuity to 75% in the event of the member's death. To qualify for this option, (this is the only option as the previous 50%-monthly annuity to the spouse is a basis set in law and not an option), the member him/herself had to agree to a reduced gratuity (lump sum) and annuity (monthly pension) upon retirement. The increase to 75% for the spouse in the event of death of the member, was therefore funded by the member him/herself through actuarial calculations. There was no additional expense to the GEPF. The current demand from the PSA at the PSCBC, is that the increased pension annuity of 75% of the member's benefits for the spouse in the event of the member's death, should not get funded by the member upon retirement. In other words, the demand is that the member be allowed to retire with full benefits as per the original basis, *i.e.*, no reduction in gratuity and annuity. Note, the original basis in pension law is that the spouse receives a monthly pension or annuity equal to 50% of the pension or annuity of the main member's pension upon his/her demise. As explained above, the member can currently choose to increase his/her spouse's monthly pension or annuity to 75% of the main member's monthly pension or annuity, provided that he/she takes a reduced monthly pension/annuity upon retirement. The PSA's demand is therefore that the GEPF should stand in for the additional funds required for the improvement of the monthly spouse's pension or annuity to be 75% of the main member's pension upon his/her demise, and not the member. If the employer and unions agree to the demand, it will require a GEPF resolution and a rule and law amendment. The matter was tabled at the level of the PSCBC and a response from the employer was being awaited.

### **Social responsibility**

Owing to the COVID-19 pandemic, the Branch was prevented from participating in such activities during the report period.

### **Special events**

The COVID-19 pandemic also resulted in the postponement of the Group Branch's 59th Members' Meeting from March 2021 to 25 October 2021.

### **Liaison with other organisations**

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

### **Strategic planning**

There should be no doubt that challenges that face erstwhile members of the Public Service do not cease upon their retirement, with specific reference to, amongst others, pension and medical-benefit issues. For this reason, it is commendable that the PSA is the only Union that accommodates a Branch Associate Members: Public Service Pensioners, as part of its structures. Examples of instances where the PSA had to intervene to protect the interests of pensioners are plentiful. These include the initiative and intervention of the PSA that ensured that the annual increase of Public Service pensions would not be less than 75% of the annually announced CPI inflation rate. The PSA was also instrumental in ensuring labour representation on the Board of the Public Investment Corporation, which is the managing agent for the Government Employees Pension Fund (GEPF). The PSA openly voiced opposition to suggestions to utilise pension funds to salvage struggling enterprises such as Eskom. The PSA further had to intervene to protect the terms of medical benefits for the continuation of such benefits for members who were previously employed Correctional Services. The PSA regularly speaks out against corruption, which impacts on the retirement benefits of pensioners.

The Branch applauds the special efforts and incentives put in place by the PSA to facilitate the recruitment of members of the PSA for continued associate membership prior to the retirement date of Public Service members. This is a step in the right direction and will ensure that a viable Group Branch for Associate Members: Public Service Pensioners, is maintained. The Group Branch intends establishing regional committees in more provinces to facilitate support for pensioners and their spouses. The amendment of the *PSA Statute* to allow any person who receives a monthly pension or annuity as a result of retirement from the Public Service to be recruited as an associate PSA member, has enhanced the opportunity to increase membership substantially.

Of equal importance are the steps being taken to update the data base of pensioners. It is important that every possible effort is applied to secure the contact details of members who have retired. Pensioners often relocate owing to aging and health issues, resulting in contact with them being lost.

## Training

The PSA's Training unit developed the following training material during the report period:

- Retention and Recruitment Strategy during COVID-19
- Financial Management
- Recruitment strategy for SAPS and ELRC
- Advanced Labour Studies Programme

### Third Annual Labour Law Updates

Training was conducted by an external service provider, *Thabang Ntshebe Attorneys*, with a total of 960 delegates being trained nationally from March to April 2021. The dynamic work environment necessitates continuous empowerment of the workforce to ensure that they are updated and able to cope with the demands of the changing world. Annual labour law perspective updates are intended to empower the PSA's labour relations workforce knowledge and skills to ensure a dynamic and capable workforce to deliver effective and an efficient labour-relations service.

These information-sharing seminars, with an updated jurisprudence and developments in labour law, highlighting the changes and developments in South African labour legislation and the applications of labour laws, with specific reference to recent court decisions - especially those relevant to the Public Sector, and the effects and implications of such legislation.

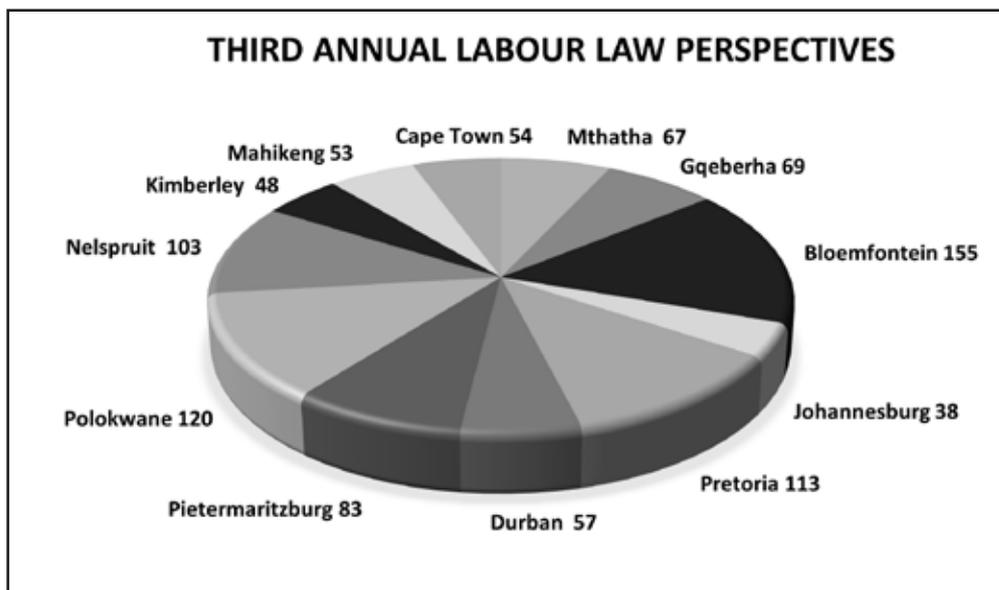
The chart (*below*) indicates the number of delegates trained per PSA Provincial Office.

### Branch Secretary training

The training was conducted by the PSA's Training Officer, with a total of 179 delegates being trained nationally from 9 March 2021 to 21 April 2021.

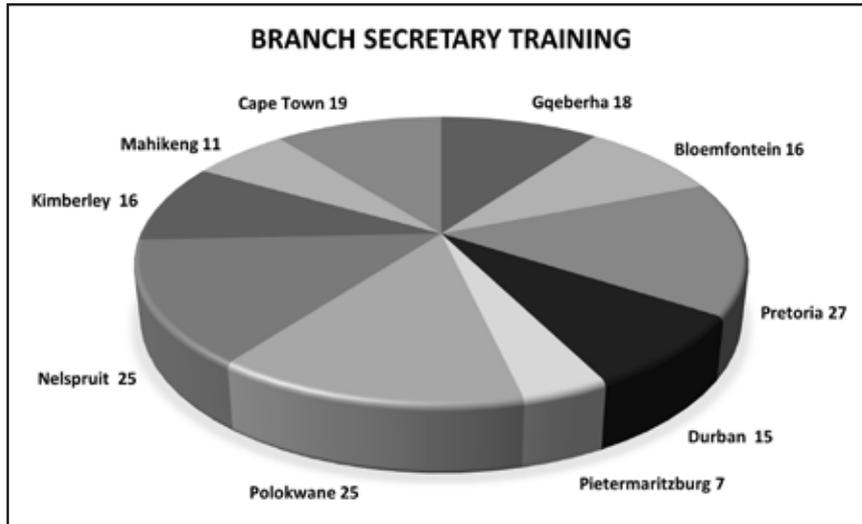
The training was aimed at PSA Branch Secretaries, based on the *PSA Statute's* definition of a PSA Branch, covering the following:

- Responsibilities of secretaries in organisations and duties of PSA Branch secretaries
- PSA functional structures and procedures
- PSA meeting processes and procedures
- Conducting meetings and writing minutes of meetings
- Writing internal submissions
- Writing external funding submissions



The chart (*below*) indicates the number of delegates trained per PSA Provincial Office.

### Biennial Training of Organising/Marketing Officers and Labour Relations Officers



Training took place from 31 January to 4 February 2022, facilitated by external service providers, *i.e.*, POPIA training by Raksa Beecum, business writing skills by Kwelanga Training, and a legal drafting workshop.

### Induction of newly elected shop stewards and basic shop steward training: Department of Human Settlements

The training was conducted by the PSA Training Officer on 8 March 2022.

### Organising/Marketing Officer Training

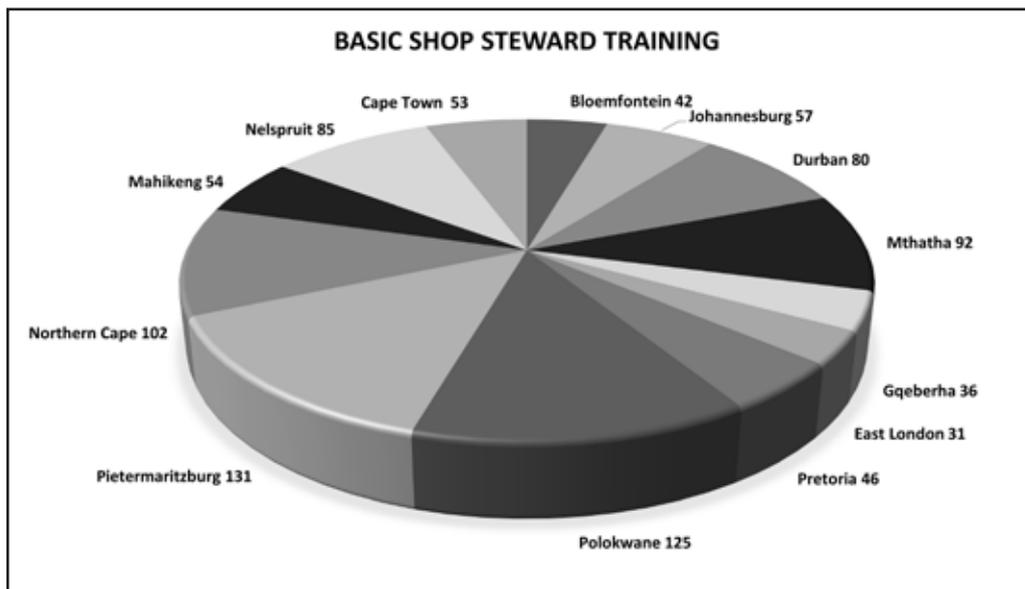
The training was conducted by the PSA Training Officer, with 13 Organising/Marketing Officers being trained. The training offered identified Organising/Marketing Officers with the necessary skills to improve recruitment and excel in their duties of marketing the PSA. Training covered the following:

- Marketing strategy and marketing plan
- Public speaking and presentation skills
- Basic planning and organisational skills
- Change management
- Embracing on-line organising

### Basic Shop Steward Training

The training was conducted by the PSA Training Officer, with 934 delegates being trained nationally between October 2021 and April 2022. The aim of the intervention was to empower shop stewards, with the focus on basic information and skills required for shop stewards to perform their duties and responsibilities.

The chart (*below*) reflects the number of shop stewards trained per PSA Provincial Office.



# Corporate social investment

The PSA, during the report period, continued with initiatives related to the **#SchoolSafety project**, which commenced in 2020 but was impacted by the COVID-19 pandemic. This ongoing project in which various schools across the country have been assisted, aims to create a safe, caring schooling environment to support quality teaching and learning. The PSA further assisted by addressing the identified schools' most pressing needs. In addition, a pay-it-forward initiative was initiated to create a culture of giving to others amongst learners.

The South African Police Service, the Department of Basic Education, and *Old Mutual* proudly partnered with the PSA. The Biodiversity Unit from the National Zoological Gardens also participated in some of the interventions and created an exciting, interactive exhibition for learners.

In adherence to COVID-19 protocols, the first interventions were only executed from September 2021. A three-day drive kicked off at three schools in the Nelson Mandela Bay area of the Eastern Cape. All schools received projectors and kitchen appliances to be able to provide food to needy learners. The Western Cape donated school shoes, clothing and five laptops. Events followed in Giyani and surrounding villages in Limpopo. In Thokoza, East Rand, and Orlando East in Gauteng, the PSA assisted schools with a much-needed security system, kitchen appliances, and new doors and windows. In Mpumalanga, schools were assisted with a jungle gym, and renovations to kitchens and bathrooms. In rural schools in the Free State, classrooms were painted, whilst schools in the Mthatha area of the Eastern Cape received much-needed electronic devices. Participating schools in North West were assisted with kitchen appliances to support their feeding schemes.

In the Durban area of KwaZulu-Natal, guard houses were erected for two schools and roof repairs were undertaken for another school.

The PSA would like to thank all educators at participating schools and pay-it-forward beneficiaries for their unwavering support, passion and dedication that has made invaluable contributions towards vulnerable communities and learners. The pay-it-forward beneficiaries were Empilweni Old Age Home, Peninsula Feeding Association, Village Care Centre, Meals on Wheels Community Services, Tsosoloso Support Group, Pacha Pele Youth Empowerment, Cradle of Hope, Thusanang Drop-in Centre, Phela o Phedishe Ramokgopa Drop-in Centre, Tihlayiseni Drop-in Centre, Asisukumeni Youth Development Centre, God's Love Pre-School, Nothing Impossible Pre and Creche, St Sthepens Church Community Charity, Phakamani Elderly Age Group, Masakhane Project, Masiphathisane Home Base, and Ekuphumeleni Old Age Home. It is also with huge gratitude that the PSA thanks the learners who identified these beneficiaries as deserving of support. The PSA also expresses thanks to all partners and participants for their commitment and passion for the #SchoolSafety project and thereby touching so many lives.

In spirit of the PSA's birthday month coinciding with Mandela Day, the PSA embraced the 2021-anniversary of the Day and inspired more change. During July 2021, with due consideration of COVID-19 regulations, the PSA offered financial support to various non-governmental organisations, ranging from a choral choir encouraging youth in developing and growing talent in choral music. This combats societal ills such as drug and alcohol abuse, teenage pregnancy, mental illness, and depression. Assistance was also rendered to centres supporting disabled individuals, particularly children and family centres providing shelter, healthcare, counselling, and psychological services.

Other beneficiaries included organisations assisting orphans and women and children who are victims of domestic violence. An organisation that offers solutions in crime prevention through a programme that aims to reintegrate previous offenders, parolees, and probationers in communities was also supported. Assistance was further rendered to places of safety for children and abandoned babies.

The PSA also supported UNICEF South Africa, which partners with the South African government to create a nurturing environment where children are cared for and protected from violence, exploitation, and exclusion by strengthening and scaling up community-based prevention and early intervention programmes. The following beneficiaries were assisted by the PSA to the value of R10 000 each: Boitumelo Community Project (Pretoria), Khanya Family Centre (Johannesburg), Woman-to-Woman (Kimberley), Makgodu DIC (Polokwane – nominated by the PSA Head Office in support of UNICEF), Ngwana House (Polokwane), Huis van Heerde (Cape Town), Rivlife International (Pietermaritzburg), Tshepong Care Centre (Bloemfontein), Ekujabuleni Disability Centre (Nelspruit), Ithemba Labasha (Durban), Refentse the Visionaries (Mahikeng), Star Uplifting Centre (Gqeberha), and Siyakhana Choral Choir (Mthatha).

The Union has since its inception in 1920 been committed to diversity, especially related to the rights of women. The PSA's commitment to equal treatment of women, for example, led to the amendment of section 14(7) of the *Public Service Act, 1957*. The PSA's track record in opposing discriminatory laws and practices is impressive, yet its role in empowering women extends much further. August is annually celebrated by marking Women's Month, where tribute is paid to the thousands of women who marched on 9 August 1956 to be heard. With 2021 being the 65th anniversary of this historic event, the PSA hosted a national virtual event, #PSAPowerHour 4 Women, facilitated by PSA Director, Anadele Coetzee, and with three inspirational women, Aneshrie Yasar, Boitumelo Mokgatle, and Bernelee Daniell, sharing their inspirational stories.

The PSA incorporated upliftment interventions to the value of R3 000 each and paid tribute to all South African women, the heroes of courage and so many other inspirational women, for their passion and dedication that have made invaluable contributions towards vulnerable communities in a successful collaboration with UNICEF and support from *Dignity Funerals*, *Assupol*, and *PSAClub*.

The following non-governmental organisations were supported by the PSA: Moretele Sunrise Drop-in Centre (Pretoria), Klipspruit West Family Crisis Centre (Johannesburg), Ba'one Intellectual Disability Centre (Kimberley), Phologo Drop-in Centre (Polokwane), Uprooted in Christ Community Development (Cape Town), Vulindlela Community-Based Organisation (Pietermaritzburg), CHOC (Free State), Destiny Drop-in Centre and Skills Development (Nelspruit), Ikhambi Drop-in Centre and Information Centre (Durban), Omolemo Care and Support Centre (Mahikeng), Mfesane Drop-in Centre (Gqeberha), and Thembelitsha for Treatment and Rehabilitation Centre (Mthatha).

The PSA annually supports welfare and charity organisations. PSA Branches are invited to nominate needy institutions to benefit from this financial assistance. During the report period, the PSA assisted the following organisations with an amount of R6 250 each: Railton Foundation Swellendam, Western Cape (nominated by PSA Group Branch: Public Service Pensioners), Coronation Memorial Care Centre, Oudtshoorn, Western Cape, Bet-el Feeding Scheme, Bredasdorp, Western Cape, and Second Chance – Adopt a Family, Western Cape (all nominated by the PSA Branch Department of Defence: Western Cape).

The **Stiglingh Memorial Bursary** is awarded annually by the PSA to students engaged in studies in medical or natural sciences from funds allocated by the late JH Stiglingh. During the report period, the only qualifying student unfortunately declined the bursary owing to other bursary commitments. The funding was thus re-invested.

# 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, *i.e.*, 1 April 2021 to 31 March 2022, the PSA's overall workforce profile reflected an increase in percentage of 0.27% from 94.29% (231) as at 31 March 2021 to 94.56% (226) at the end of the period under review in respect of employees from designated groups. Employees from the non-designated group decreased from 5.71% (14) at the end of March 2021 to 5.44% (13) at 31 March 2022.

The PSA's representivity statuses in the respective occupational levels as at 31 March 2022 were as follows:

| Occupational Level | Overall Designated Target % (94.7% = EAP) | Current Designated % (filled positions) | Current Non-designated % filled positions) |
|--------------------|-------------------------------------------|-----------------------------------------|--------------------------------------------|
| Top Management     | 94.7%                                     | 50.00% (1)                              | 50.00% (1)                                 |
| Senior Management  | *75%                                      | 100.00% (3)                             | 0.00% (0)                                  |
| Middle Management  | *85%                                      | 83.33% (20)                             | 16.67% (4)                                 |
| Skilled Technical  | *93%                                      | 92.45% (98)                             | 7.55% (8)                                  |
| Semi-skilled       | 94.7%                                     | 100.00% (90)                            | 0.00% (0)                                  |
| Unskilled          | 94.7%                                     | 100.00% (14)                            | 0.00% (0)                                  |

*\*Reasonable goals within five-year period, ending 31 December 2022*

At the end of the report period, 41.42% (99) of the PSA's workforce consisted of male employees, whilst 58.58% (140) of its workforce constituted female employees. The Economically Active Population of South Africa consists of 55.4% males and 44.6% females.

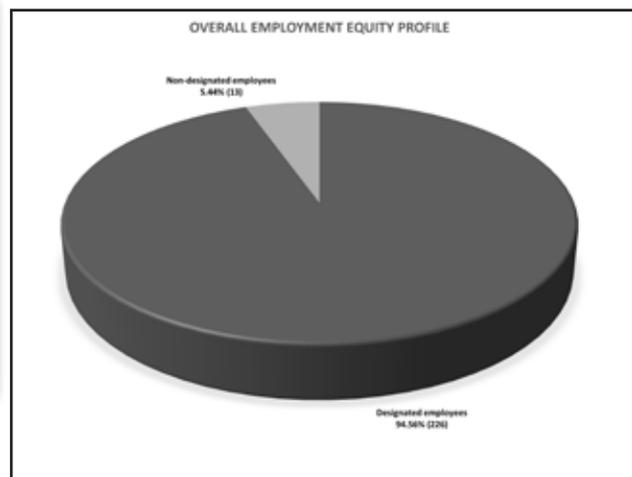
Since 31 March 2021 until 31 March 2022, 100% (13) of employees recruited by the PSA came from the designated groups and 0% (0) from the non-designated group.

A total of 90.91% of employees (10 employees) promoted from within the PSA came from the designated groups and 9.09% (1) from the non-designated group.

Terminations for the said period constituted 94.74% (18) from the designated groups of which 15.79% (3) were white females.

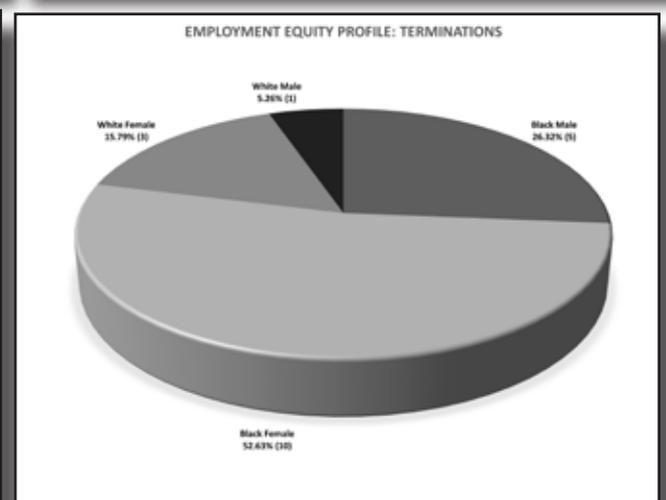
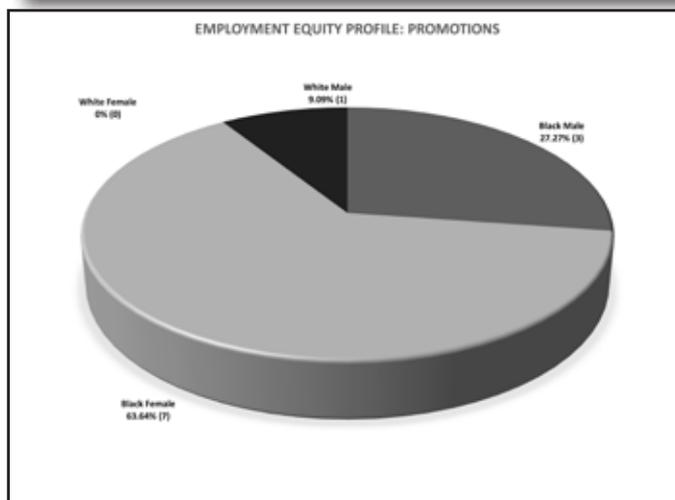
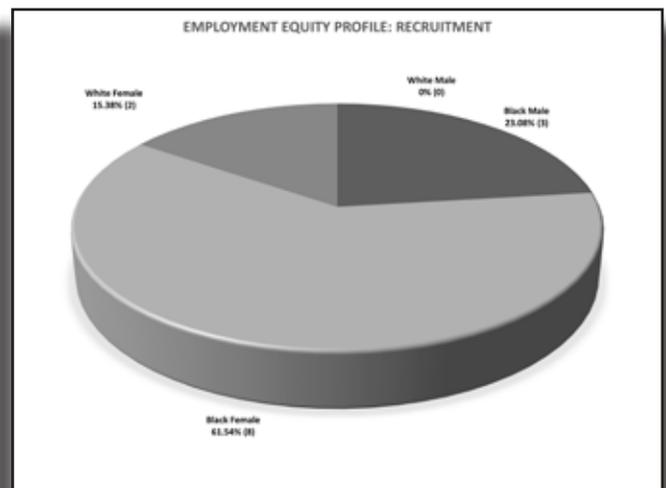
The non-designated group constituted 5.26% (1) of the terminations.

The PSA remains fully committed to achieving a transformed workplace.



**PSA workforce profile as on 31 March 2022**

| Occupational levels                                                                                                | Male      |          |          |           | Female    |           |          |           | Foreign Nationals |          | Total      |
|--------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|-----------|-----------|-----------|----------|-----------|-------------------|----------|------------|
|                                                                                                                    | A         | C        | I        | W         | A         | C         | I        | W         | Male              | Female   |            |
| Top management                                                                                                     | 1         | 0        | 0        | 1         | 0         | 0         | 0        | 0         | 0                 | 0        | 2          |
| Senior management                                                                                                  | 2         | 0        | 0        | 0         | 0         | 0         | 0        | 1         | 0                 | 0        | 3          |
| Professionally qualified and experienced specialists and mid-management                                            | 10        | 1        | 1        | 4         | 3         | 2         | 0        | 3         | 0                 | 0        | 24         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 42        | 5        | 4        | 8         | 31        | 5         | 0        | 11        | 0                 | 0        | 106        |
| Semi-skilled and discretionary decision making                                                                     | 18        | 1        | 0        | 0         | 48        | 8         | 4        | 11        | 0                 | 0        | 90         |
| Unskilled and defined decision making                                                                              | 1         | 0        | 0        | 0         | 12        | 1         | 0        | 0         | 0                 | 0        | 14         |
| <b>TOTAL PERMANENT</b>                                                                                             | <b>74</b> | <b>7</b> | <b>5</b> | <b>13</b> | <b>94</b> | <b>16</b> | <b>4</b> | <b>26</b> | <b>0</b>          | <b>0</b> | <b>239</b> |



# Information technology

In 2021, the PSA's Information Technology component continued its mandate to provide ICT services, protection of the PSA digital domain, and implementing innovative solutions. Cybercrime, and particularly, ransomware has affected many organisations in South Africa, raising concerns and alert levels about the ever-present scourge.

The component continued to deliver key solutions that raised the PSA's tech bar and moved the Union further on the digital roadmap. The intention remains aligned to the strategy to:

- Enable business process efficiencies
- Enhance security posture
- Root out redundancies
- Reduce cost of business operations

During the report period, the following programs were rolled out:

## **SharePoint**

In one of the most essential implementations of the organisation, a solution was implemented that will begin to harness, store, and manage dissemination of intellectual property. With *SharePoint* document management systems, the following were implemented: Roll out, continuous training and adopting of shared workspaces, *OneDrive*, *SharePoint*, and *Teams*.

## **Security and connectivity**

The PSA implemented an always-on virtual private network to ensure that users are always protected by the security tunnel wherever they are. Cyber security solutions included migration to a new cyber-training platform, implementation of a *Mimecast* training platform, and a solution SLA being signed.

Cyber training was supported by a cyber-awareness day, a cyber competition to promote awareness, continued cyber-awareness training, and phishing simulation exercises. Instead of a penetration test a *4Mia Artificial Intelligence Assessment* was done to optimise, modernise, and save costs and transform business.

The result of this assessment indicated that the PSA's security protocol was adequate and in line with industry expectation. The PSA, however, continues to experience a heightened level of attempts to breach its security, this is caught and reported on the various security controls in place. In addition, a cloud-hosted solution for access control and surveillance systems was implemented, which improved service quality, reliability, and security.

## **Member Management System (MMS)**

During the report period, the following MMS projects and enhancements were effected:

- Online membership applications on the PSA website
- Personalised membership application eForms for Organising/Marketing Officers
- MMS Student Membership

In addition, cell-phone upgrades were successfully conducted. The financial application stack was upgraded and hosting was migrated to *Azure* for a better managed service. All PSA fibre lines were upgraded to higher speeds, adopting microwave link and fibre lines. All new lines have back-up LTE.

# 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 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 in order 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.

In order for the PSA to comply with the prescripts of the *Act* and to attain the commitment to the ecological impact of mining operations, the PSA has appointed *Aurecon* to, amongst others, act as environmental consultants to monitor and minimise the ecological impact the mining operations might have on the environment.

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

In line with the above, the service provider 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 introduction of specific indigenous plants. It also acts as liaison between the PSA and the Department of Mineral Resources to finally sign off all areas previously mined and fully rehabilitated.

# Social and ethical conduct

The Board 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 has been reviewed and approved by the Board of Directors. The Code of Conduct for members to address ethical behaviour, which was approved by the Board of Directors in July 2019, is under review and was distributed to structures for their inputs. A Code of Ethics exists and is applicable to all employees and Board members to address ethical behaviour.

The PSA Ethics and Fraud Hotline is managed by *Advanced Call* on behalf of the PSA. The aim of the Hotline is to enhance an honest work ethic, whilst it provides 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. During the period 1 April 2021 to 31 March 2022, four protected disclosures were received through the Hotline.

The PSA also has a Whistle Blowing Policy to give effect to the *Protected Disclosures Act*. Any protective disclosure is reported on the PSA Ethics and Fraud Hotline. Protective disclosures can still be reported outside of the Hotline, as the Hotline is not the only reporting method that can be used. However, no protective disclosures were made outside the Hotline during the report period.

# Corporate governance

Good governance is essential for the effective administration of a business. The management of the PSA is acutely conscious of good governance principles and seeks to implement these principles. These principles promote disclosure and transparency on financial, operational, and other information. Good governance means promoting values for the whole of the PSA and demonstrating the values of good governance through behaviour.

Corporate governance is the exercise of ethical and effective leadership by the Board of Directors towards the achievement of the following outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

Ethical and effective leadership should complete and reinforce each other. The Board of Directors established the following committees to assist the Board with its responsibility and to ensure compliance with the relevant legislation:

- Audit and Risk Committee
- Remuneration Committee
- Social and Ethics Committee

By implementing an internal audit function, the PSA strives to constantly identify areas where management can improve the PSA as a business and providing value for money to members. The PSA appointed new internal auditors to ensure that the internal audit function remains independent.

The performance of external audits is a legislative requirement and gives some comfort to internal and external stakeholders.

The PSA is pleased to report that the PSA has always received an unqualified audit opinion from its external auditors. This means that the auditors are of the opinion that the financial statements fairly present the financial position, and its financial performance and cash flows are in accordance with the Internal Financial Reporting Standards and the requirements of the *Companies Act, 71 of 2008*, as amended.

# 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 the various relevant bargaining councils to protect and promote the individual and collective rights and interests of its members.

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

The trade union activities of the PSA are the core business, whilst 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 the 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. The PSA’s external auditors are *SizweNtsaluba-Gobodo Grant Thornton Inc*. They were re-appointed in January 2021 for a further three-year term. The auditors are currently in year two of their three-year term.

*SizweNtsalubaGobodo Grant Thornton Inc* issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ending 31 March 2022.

The consolidated net profit of the PSA is R23 128 279 comparing to a net profit in the prior year of R62 619 170.

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 2022, 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 your attention to the following point:

- Reconciliation of Equity paragraph 3 on page 6 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 2022 are fully set out from page 42 of this report, and do not, in our opinion, require further comments.



# **Annual Financial Statements for the year ended 31 March 2022**

**PUBLIC SERVANTS ASSOCIATION OF SOUTH AFRICA NPC  
(Registration number 1942/015415/08)**

Trading as PSA

These annual financial statements have been audited  
in compliance with the applicable requirements  
of the *Companies Act, 71 of 2008*

Issued 27 July 2022

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## General Information

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|                                                    |                                                                                                                                                                                                                      |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country of incorporation and domicile</b>       | South Africa                                                                                                                                                                                                         |
| <b>Nature of business and principal activities</b> | Trade Union                                                                                                                                                                                                          |
| <b>Directors</b>                                   | Dr LJP Mulaudzi (President)<br>Mr C Mntwini (Vice President)<br>Mr P Snyman (Chairperson)<br>Mr MK Seelamo (Vice<br>Chairperson)<br>Ms AY Coetzee<br>Mr MJ Shiburi<br>Ms NC Silinyana<br>Mr MT Sebati<br>Ms NN Mvubu |
| <b>Registered office</b>                           | 563 Belvedere Street<br>Arcadia<br>Pretoria<br>0007                                                                                                                                                                  |
| <b>Business address</b>                            | 563 Belvedere Street<br>Arcadia<br>Pretoria<br>0007                                                                                                                                                                  |
| <b>Postal address</b>                              | PO Box 40404<br>Arcadia<br>Pretoria<br>0007                                                                                                                                                                          |
| <b>Auditors</b>                                    | SizweNtsalubaGobodo Grant Thornton Inc<br>Chartered Accountants (SA)<br>Registered Auditors<br>South Africa                                                                                                          |
| <b>Secretary</b>                                   | Mr MA Ramakgale                                                                                                                                                                                                      |
| <b>Company registration number</b>                 | 1942/015415/08                                                                                                                                                                                                       |
| <b>Tax reference number</b>                        | 9009987166                                                                                                                                                                                                           |
| <b>Preparers</b>                                   | The annual financial statements were internally compiled by:<br>N Ndlela & N Mapiloko<br>Chief Accountants                                                                                                           |

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Index

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|                                                            | <b>Page</b> |
|------------------------------------------------------------|-------------|
| Audit and Risk Committee Report                            | 3           |
| Directors' Responsibilities and Approval                   | 4           |
| Directors' Report                                          | 5 - 7       |
| Independent Auditor's Report                               | 8 - 10      |
| Statement of Financial Position                            | 11          |
| Statement of Profit or Loss and Other Comprehensive Income | 12          |
| Statement of Changes in Equity                             | 13          |
| Statement of Cash Flows                                    | 14          |
| Accounting Policies                                        | 15 - 32     |
| Notes to the Annual Financial Statements                   | 33 - 59     |

### Preparers

N Ndlela & N Mapiloko  
Chief Accountants

### Published

27 July 2022

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Audit and Risk Committee Report

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This report is provided by the Audit & Risk Committee appointed in respect of the 2022 financial year of Public Servants Association of South Africa NPC.

### 1. Members of the Audit and Risk Committee

The members of the Audit and Risk Committee are all independent non-executive directors of the company and include:

| Name              | Date of appointment | Number of meetings attended |
|-------------------|---------------------|-----------------------------|
| Mr MT Sebati **   | 23 February 2021    | 8 out of 9                  |
| Mr MK Seelamo     | 09 October 2019     | 9 out of 9                  |
| Mr MJ Shiburi     | 23 February 2021    | 8 out of 9                  |
| Mr MA Ramakgale * | 09 October 2019     | 4 out of 9                  |
| Ms NC Silinyana   | 02 November 2021    | 2 out of 9                  |

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.

\* Mr MA Ramakgale resigned from the Board of Directors on 14 September 2021.

\*\* Mr MT Sebati resigned from the Board of Directors on 07 June 2022.

### 2. Meetings held by the Audit and Risk 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 nine (9) scheduled meetings during 2021/2022 financial year. Mr Ramakgale ceased to be a member and Chairperson of the Audit and Risk Committee after he resigned from the Board having been appointed to the position of the General Manager. During the Board meeting of 02 - 04 November 2021, Mr Sebati was appointed as the Chairperson of the Audit and Risk Committee, and Ms Silinyana was appointed as the new member.

Subsequent to the resignation of Mr Sebati from the Board of Directors, Mr MK Seelamo was appointed as the new Chairperson of the Audit and Risk Committee on 27 July 2022.

### 3. Annual Financial Statements

Following the review of the annual financial statements, the Audit and Risk Committee recommends approval by the Board of Directors and ultimately by the delegates at the Annual General Meeting.

### 4. 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 Audit and Risk Committee as well as Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process as well as regular internal audits and ultimately the external audits (interim and final), with the reports being presented to the Audit and Risk Committee at least on a quarterly basis. It was noted that no significant or material non-compliance with the prescribed legislation as well as internal 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 Audit and Risk Committee is also directly responsible for the recommendation to the Board and approval at the Annual General Meeting of the independent Auditor's appointment.

On behalf of the Audit and Risk committee.



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**Mr MK Seelamo**  
Chairperson Audit and Risk Committee

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Directors' Responsibilities and Approval

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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 as 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 and presented in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, as amended.

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.

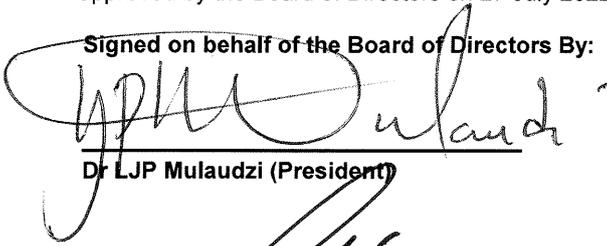
The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2023 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 8 to 10.

The annual financial statements set out on pages 11 to 59, which have been prepared on a going concern basis, were approved by the Board of Directors on 27 July 2022.

Signed on behalf of the Board of Directors By:



Dr LJP Mulaudzi (President)



Mr P Snyman (Chairperson)

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Directors' Report

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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 2022.

### 1. Nature of operations

Public Servants Association of South Africa NPC (PSA) is a Non Profit Company incorporated in South Africa in terms of the Companies Act 71 of 2008 and in terms of Section 96 of the Labour Relations Act 66 of 1995. It 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 only in South Africa.

The principal activity of the company is operating as a trade union representing members who are employed in the public service within South Africa.

As an employee representative organisation, the company is recognised and admitted to the various relevant bargaining councils to protect and promote the individual and collective rights and interests of its members.

The company is also involved in secondary activities as listed below:

- **Short Term Insurance Services:** This is operated via a Cell Captive, under the licence from Guardrisk Insurance Company Ltd. According to the agreement, the company shares in profits and losses of the Cell Captive. The risk attached to the liability of losses is neutralised by 100% reinsurance taken out against any risk of losses.

- **Holiday Resort:** This is operated at the company's property in East London, wherein accommodation and camping facilities are booked out to holiday makers.

- **Sand Mine:** This involves mining of building sand which is sold to builders or building contractors. This also operates at the same property that the holiday resort is based.

There have been no material changes to the nature of the company's business operations since the last annual financial report.

### 2. Review of financial results and activities

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 company are tabled below:

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Directors' Report

| 2022 Reconciliation of net income / (loss) | Membership fees   | Holiday Resort     | Sand Mine        | PSA Short-term insurance contract | Total             |
|--------------------------------------------|-------------------|--------------------|------------------|-----------------------------------|-------------------|
| Income                                     | 350,421,797       | 229,706            | 2,076,110        | 41,949,576                        | 394,677,189       |
| Cost of sales                              | (15,450)          | -                  | (76,768)         | (2,048,422)                       | (2,140,640)       |
| Other income                               | 2,020,119         | 2,895              | -                | 3,523,271                         | 5,546,285         |
| Employee costs                             | (209,579,648)     | (1,428,055)        | (89,483)         | -                                 | (211,097,186)     |
| Other expenses                             | (111,626,402)     | (1,560,182)        | (863,457)        | (40,666,951)                      | (154,716,992)     |
| Property valuation                         | (9,140,377)       | -                  | -                | -                                 | (9,140,377)       |
|                                            | <b>22,080,039</b> | <b>(2,755,636)</b> | <b>1,046,402</b> | <b>2,757,474</b>                  | <b>23,128,279</b> |

| 2021 Reconciliation of net income / (loss) | Membership fees   | Holiday Resort     | Sand Mine      | PSA Short-term insurance contract | Total             |
|--------------------------------------------|-------------------|--------------------|----------------|-----------------------------------|-------------------|
| Income                                     | 347,117,971       | 154,869            | 1,341,836      | 46,186,443                        | 394,801,119       |
| Cost of sales                              | (82,761)          | -                  | (48,464)       | (2,746,260)                       | (2,877,485)       |
| Other income                               | 981,982           | 3,242              | -              | 1,207,632                         | 2,192,856         |
| Employee costs                             | (199,765,737)     | (1,359,373)        | (179,810)      | -                                 | (201,304,920)     |
| Other expenses                             | (88,879,735)      | (1,356,077)        | (214,471)      | (39,486,718)                      | (129,937,001)     |
| Property valuation                         | (255,399)         | -                  | -              | -                                 | (255,399)         |
|                                            | <b>59,116,321</b> | <b>(2,557,339)</b> | <b>899,091</b> | <b>5,161,097</b>                  | <b>62,619,170</b> |

| 2022 Reconciliation of net assets | Membership fees    | Holiday Resort    | Sand Mine          | PSA Short-term insurance contract | Total              |
|-----------------------------------|--------------------|-------------------|--------------------|-----------------------------------|--------------------|
| Assets                            | 242,553,946        | 23,357,024        | 470,497            | 36,687,776                        | 303,069,243        |
| Liabilities                       | (35,646,932)       | (53,558)          | (2,052,811)        | (8,066,637)                       | (45,819,938)       |
|                                   | <b>206,907,014</b> | <b>23,303,466</b> | <b>(1,582,314)</b> | <b>28,621,139</b>                 | <b>257,249,305</b> |

| 2021 Reconciliation of net assets | Membership fees    | Holiday Resort    | Sand Mine          | PSA Short-term insurance contract | Total              |
|-----------------------------------|--------------------|-------------------|--------------------|-----------------------------------|--------------------|
| Assets                            | 225,268,792        | 23,811,971        | 227,256            | 29,782,621                        | 279,090,640        |
| Liabilities                       | (39,967,878)       | (50,984)          | (1,267,563)        | (3,918,956)                       | (45,205,381)       |
|                                   | <b>185,300,914</b> | <b>23,760,987</b> | <b>(1,040,307)</b> | <b>25,863,665</b>                 | <b>233,885,259</b> |

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

|                        | 2022              | 2021              |
|------------------------|-------------------|-------------------|
| <b>Issued</b>          |                   |                   |
| Stighling fund reserve | 601,570           | 595,411           |
| Revaluation reserve    | 23,089,218        | 32,229,595        |
| Mark-to-Market reserve | 51,414,386        | 43,195,492        |
|                        | <b>75,105,174</b> | <b>76,020,498</b> |

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Directors' Report

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### 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:

| Directors                           | Date of Appointment | Designation                  | Date of resignation                    |
|-------------------------------------|---------------------|------------------------------|----------------------------------------|
| Dr LJP Mulaudzi (President)         | 17 September 2018   | Non-executive<br>Independent |                                        |
| Mr C Mntwini (Vice President)       | 16 September 2019   | Non-executive<br>Independent |                                        |
| Mr P Snyman (Chairperson)           | 17 September 2012   | Non-executive<br>Independent |                                        |
| Mr MK Seelamo (Vice<br>Chairperson) | 16 September 2019   | Non-executive<br>Independent |                                        |
| Ms AY Coetzee                       | 17 September 2018   | Non-executive<br>Independent |                                        |
| Mr MJ Shiburi                       | 16 September 2019   | Non-executive<br>Independent |                                        |
| Mr MA Ramakgale                     | 16 September 2019   | Non-executive<br>Independent | Resigned Tuesday, 14<br>September 2021 |
| Ms NC Silinyana                     | 16 September 2019   | Non-executive<br>Independent |                                        |
| Mr MT Sebati                        | 11 January 2021     | Non-executive<br>Independent |                                        |
| Ms NN Mvubu                         | 11 January 2021     | Non-executive<br>Independent |                                        |

### Resignation / Appointment of directors

Mr MA Ramakgale resigned from directorship on 14 September 2021, after being appointed to the position of General Manager with effect from 15 September 2021. A new director is expected to be appointed during the September 2022 Annual General Meeting.

### 6. Events after the reporting period

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

### 7. Auditors

At the September 2022 Annual General Meeting, the members will be requested to reappoint SizweNtsalubaGobodo Grant Thornton Inc as the independent external auditors and confirm Mr Gerard Musthan as the designated lead audit partner for the 2022/2023 financial year.

### 8. Secretary

The company secretary is Mr MA Ramakgale after being appointed as the new General Manager, from 15 September 2021.

### 9. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the Board of Directors on Wednesday, 27 July 2022. No authority was given to anyone to amend the annual financial statements after the date of issue.

**Independent Auditor's Report**

**To the Members of Public Servants Association of South Africa NPC**

**Report on the audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Public Servants Association of South Africa NPC (the company) set out on pages 11 to 59, which comprise the statement of financial position as at 31 March 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Public Servants Association of South Africa NPC as at 31 March 2022, and its financial performance and its 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 Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 information included in the document titled "Public Servants Association of South Africa NPC's Annual Financial Statements for the year ended 31 March 2022" which includes the Directors' Report, as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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 are necessary to enable the preparation of financial statements that are free from material misstatements, 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 the ISAs, we exercise professional judgement and maintain professional skepticism 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 entity 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 provision of the Constitution relating to the financial matters. The Public Servants Association of South Africa NP is party to an agency shop agreement referred to in section 35 of the Act and has complied with provisions of that section



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

27 July 2022  
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 2022

## Statement of Financial Position as at 31 March 2022

|                                        | Note(s) | 2022<br>R          | 2021<br>R          |
|----------------------------------------|---------|--------------------|--------------------|
| <b>Assets</b>                          |         |                    |                    |
| <b>Non-Current Assets</b>              |         |                    |                    |
| Property, plant and equipment          | 2       | 60,124,878         | 68,152,960         |
| Right of Use - Lease Asset             | 4       | 5,818,354          | 7,451,378          |
| Intangible assets                      | 3       | 3,721,749          | 5,372,640          |
| Investments                            | 5       | 157,894,583        | 124,329,214        |
| Motor Vehicle Loans                    | 6       | 7,163,098          | 5,271,112          |
| PSA Short term insurance contract      | 7       | 28,621,139         | 25,863,665         |
| Motor Vehicle Loans - Prepaid Benefits | 6       | 1,096,501          | 1,013,951          |
|                                        |         | <b>264,440,302</b> | <b>237,454,920</b> |
| <b>Current Assets</b>                  |         |                    |                    |
| Inventories                            | 8       | 1,628,221          | 4,162,771          |
| Trade and other receivables            | 9       | 7,784,009          | 11,010,373         |
| Investments                            | 5       | 595,500            | 587,500            |
| Motor Vehicle Loans                    | 6       | 4,224,876          | 3,646,630          |
| Motor Vehicle Loans - Prepaid Benefits | 6       | 726,535            | 673,017            |
| Staff Study Loans                      |         | 136                | 30,534             |
| Cash and cash equivalents              | 10      | 23,669,664         | 21,524,895         |
|                                        |         | <b>38,628,941</b>  | <b>41,635,720</b>  |
| <b>Total Assets</b>                    |         | <b>303,069,243</b> | <b>279,090,640</b> |
| <b>Equity and Liabilities</b>          |         |                    |                    |
| <b>Equity</b>                          |         |                    |                    |
| Reserves                               |         | 75,105,174         | 76,020,498         |
| Retained income                        |         | 182,144,131        | 157,864,761        |
|                                        |         | <b>257,249,305</b> | <b>233,885,259</b> |
| <b>Liabilities</b>                     |         |                    |                    |
| <b>Non-Current Liabilities</b>         |         |                    |                    |
| Borrowings                             | 11      | 4,467,767          | 5,040,174          |
| Retirement benefit obligation          | 12      | 2,295,034          | 2,562,000          |
| Provisions                             | 13      | 2,052,811          | 1,267,563          |
| Right of Use - Lease Liability         | 14      | 2,339,278          | 4,216,734          |
|                                        |         | <b>11,154,890</b>  | <b>13,086,471</b>  |
| <b>Current Liabilities</b>             |         |                    |                    |
| Trade and other payables               | 15      | 20,152,131         | 17,734,133         |
| Borrowings                             | 11      | 573,645            | 549,356            |
| Retirement benefit obligation          | 12      | 194,966            | 160,000            |
| Provisions                             | 13      | 9,581,805          | 9,897,138          |
| Right of Use - Lease Liability         | 14      | 4,162,501          | 3,778,283          |
|                                        |         | <b>34,665,048</b>  | <b>32,118,910</b>  |
| <b>Total Liabilities</b>               |         | <b>45,819,938</b>  | <b>45,205,381</b>  |
| <b>Total Equity and Liabilities</b>    |         | <b>303,069,243</b> | <b>279,090,640</b> |

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Statement of Profit or Loss and Other Comprehensive Income

|                                                                    | Note(s) | 2022<br>R          | 2021<br>R          |
|--------------------------------------------------------------------|---------|--------------------|--------------------|
| Revenue                                                            | 16      | 352,727,613        | 345,235,579        |
| Cost of sales                                                      | 17      | (2,534,549)        | (82,761)           |
| <b>Gross profit</b>                                                |         | <b>350,193,064</b> | <b>345,152,818</b> |
| Other operating income                                             | 18      | 2,017,015          | 808,315            |
| Expected credit loss                                               |         | (3,114)            | (2,540)            |
| Operating expenses                                                 | 19      | (332,518,118)      | (311,601,783)      |
| <b>Operating profit</b>                                            |         | <b>19,688,847</b>  | <b>34,356,810</b>  |
| Investment income                                                  | 20      | 3,049,721          | 2,474,044          |
| Finance costs                                                      | 21      | (908,419)          | (837,303)          |
| Changes to amortised cost - Motor Vehicle Loans                    |         | (902,298)          | 280,905            |
| Deemed interest - Motor Vehicle Loans                              |         | 750,278            | 834,629            |
| Profit / (Loss) from PSA Short-term insurance contract             | 7       | 2,757,474          | 5,161,097          |
| <b>Profit (loss) for the year</b>                                  |         | <b>24,435,603</b>  | <b>42,270,182</b>  |
| <b>Other comprehensive income:</b>                                 |         |                    |                    |
| <b>Items that will not be reclassified to profit or loss:</b>      |         |                    |                    |
| Actuarial gain / (loss) on defined benefit liability               |         | (392,000)          | (194,000)          |
| Revaluation adjustment                                             |         | (9,140,377)        | (255,399)          |
| Financial Assets - FVOCI adjustments                               |         | 8,218,894          | 20,790,507         |
| <b>Total items that will not be reclassified to profit or loss</b> |         | <b>(1,313,483)</b> | <b>20,341,108</b>  |
| <b>Items that may be reclassified to profit or loss:</b>           |         |                    |                    |
| Stighling fund interest capitalisation                             |         | 6,159              | 7,880              |
| <b>Other comprehensive income for the year net of taxation</b>     | 22      | <b>(1,307,324)</b> | <b>20,348,988</b>  |
| <b>Total comprehensive income (loss) for the year</b>              |         | <b>23,128,279</b>  | <b>62,619,170</b>  |

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Statement of Changes in Equity

|                                                                                                    | Stighling Fund |   | Revaluation reserve | Mark-to-market reserve | Other NDR          |                    | Total reserves |                    | Retained income | Total equity       |  |
|----------------------------------------------------------------------------------------------------|----------------|---|---------------------|------------------------|--------------------|--------------------|----------------|--------------------|-----------------|--------------------|--|
|                                                                                                    | R              | R |                     |                        | R                  | R                  | R              | R                  |                 | R                  |  |
| <b>Balance at 01 April 2020</b>                                                                    | <b>587,531</b> |   | <b>32,484,994</b>   | <b>22,404,985</b>      | <b>5,709,320</b>   | <b>61,186,830</b>  |                | <b>109,823,860</b> |                 | <b>171,010,690</b> |  |
| Profit for the year                                                                                | -              |   | -                   | -                      | -                  | -                  | -              | 42,270,182         |                 | 42,270,182         |  |
| Other comprehensive income                                                                         | 7,880          |   | (255,399)           | 20,790,507             | -                  | 20,542,988         |                | (194,000)          |                 | 20,348,988         |  |
| <b>Total comprehensive income for the year</b>                                                     | <b>7,880</b>   |   | <b>(255,399)</b>    | <b>20,790,507</b>      | <b>-</b>           | <b>20,542,988</b>  |                | <b>42,076,182</b>  |                 | <b>62,619,170</b>  |  |
| Transfer from Revaluation reserve                                                                  | -              |   | -                   | -                      | -                  | -                  |                | 255,399            |                 | 255,399            |  |
| Transfer of Other NDR to Retained Income                                                           | -              |   | -                   | -                      | (5,709,320)        | (5,709,320)        |                | 5,709,320          |                 | -                  |  |
| <b>Total contributions by and distributions to owners of company recognised directly in equity</b> | <b>-</b>       |   | <b>-</b>            | <b>-</b>               | <b>(5,709,320)</b> | <b>(5,709,320)</b> |                | <b>5,964,719</b>   |                 | <b>255,399</b>     |  |
| <b>Balance at 01 April 2021</b>                                                                    | <b>595,411</b> |   | <b>32,229,595</b>   | <b>43,195,492</b>      | <b>-</b>           | <b>76,020,498</b>  |                | <b>157,864,761</b> |                 | <b>233,885,259</b> |  |
| Profit for the year                                                                                | -              |   | -                   | -                      | -                  | -                  |                | 24,435,603         |                 | 24,435,603         |  |
| Other comprehensive income                                                                         | 6,159          |   | (9,140,377)         | 8,218,894              | -                  | (915,324)          |                | (392,000)          |                 | (1,307,324)        |  |
| <b>Total comprehensive income for the year</b>                                                     | <b>6,159</b>   |   | <b>(9,140,377)</b>  | <b>8,218,894</b>       | <b>-</b>           | <b>(915,324)</b>   |                | <b>24,043,603</b>  |                 | <b>23,128,279</b>  |  |
| Transfer from Revaluation reserve                                                                  | -              |   | -                   | -                      | -                  | -                  |                | 235,767            |                 | 235,767            |  |
| <b>Total contributions by and distributions to owners of company recognised directly in equity</b> | <b>-</b>       |   | <b>-</b>            | <b>-</b>               | <b>-</b>           | <b>-</b>           |                | <b>235,767</b>     |                 | <b>235,767</b>     |  |
| <b>Balance at 31 March 2022</b>                                                                    | <b>601,570</b> |   | <b>23,089,218</b>   | <b>51,414,386</b>      | <b>-</b>           | <b>75,105,174</b>  |                | <b>182,144,131</b> |                 | <b>257,249,305</b> |  |
| Note(s)                                                                                            | 22             |   | 25&22               | 24                     |                    |                    |                | 22                 |                 |                    |  |

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2022

## Statement of Cash Flows

|                                                 | Note(s) | 2022<br>R           | 2021<br>R           |
|-------------------------------------------------|---------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>     |         |                     |                     |
| Cash receipts from members and customers        |         | 355,939,407         | 341,792,933         |
| Cash paid to suppliers and employees            |         | (317,608,443)       | (301,996,005)       |
|                                                 |         | <u>38,330,964</u>   | <u>39,796,928</u>   |
| Interest paid - Borrowings                      |         | (367,241)           | (408,044)           |
| Interest paid - Right of use liability          |         | (541,178)           | (429,259)           |
| <b>Net cash from operating activities</b>       |         | <b>37,422,545</b>   | <b>38,959,625</b>   |
| <b>Cash flows from investing activities</b>     |         |                     |                     |
| Purchase of property, plant and equipment       | 2       | (4,952,871)         | (399,110)           |
| Cash from Sale of property, plant and equipment | 2       | 392,498             | 41,159              |
| Purchase of intangible assets                   | 3       | (350,355)           | (25,988)            |
| Decrease / (Increase) in Investments            |         | (22,679,963)        | (30,300,000)        |
| Movement on study loans                         |         | 30,398              | 89,399              |
| Movement on Right of Use Asset                  |         | (2,470,232)         | (178,994)           |
| Interest Income                                 |         | -                   | -                   |
| <b>Net cash from investing activities</b>       |         | <b>(30,030,525)</b> | <b>(30,773,534)</b> |
| <b>Cash flows from financing activities</b>     |         |                     |                     |
| Movement on borrowings                          |         | (548,118)           | (344,797)           |
| Movement on Right of Use Liability              |         | (4,699,133)         | (5,326,320)         |
| <b>Net cash from financing activities</b>       |         | <b>(5,247,251)</b>  | <b>(5,671,117)</b>  |
| <b>Total cash movement for the year</b>         |         | <b>2,144,769</b>    | <b>2,514,974</b>    |
| Cash at the beginning of the year               |         | 21,524,895          | 19,009,921          |
| <b>Total cash at end of the year</b>            | 10      | <b>23,669,664</b>   | <b>21,524,895</b>   |

