



# Integrated Annual Report 2016/17

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# INTRODUCTION



**It is with great pleasure that I present the 2016/17 Integrated Annual Report on behalf of the Board of Directors of the Public Servants Association of South Africa (PSA).**

The year under review marked the early retirement of the General Manager, Mr Danny Adonis, and the appointment of the new General Manager, Mr Ivan Fredericks. The Annual General Meeting held during September 2016 also elected three new Board members, re-elected the Vice-Chairperson, and a new Vice-President. Indeed a year of goodbyes and similarly a year of welcoming new energy. The PSA Board, fully represented, and with a well-balanced skillset, fulfills its strategic role and oversight function extremely well, together with a professional, well-equipped management team.

## **Finance and governance**

The Board takes pride in reporting a substantial financial surplus of R18 993 275, which is as a result of good planning and monitoring amongst the various management directorates and member structures. This surplus could be distributed to the various reserve funds as prescribed by legislation and policy. It's imperative that the organisation takes the financial momentum forward to ensure the financial sustainability of the PSA going forward. I also wish to highlight that the PSA's external auditors, which were appointed at the Annual General Meeting, expressed an unqualified audit opinion for the 2016/17-financial year. As a registered, Non Profit-Company, the PSA realises the importance of promoting best-practice governance and compliance with legislation. The Board has taken the decision to widen the scope of the Audit Committee to include the management of ethics in the organisation. This will align the PSA governance model with the *Companies Act* and will ensure that the PSA remains an ethical leader and good corporate citizen.

## **PSA business model**

No significant change to the PSA business model took effect during the report period. One amendment to the Memorandum of Incorporation was implemented, namely the amendment to section 14 (1) of the *PSA Statute*, after the 2015 Annual General Meeting proposed and accepted the amendment. Both the Registrars of Companies and Labour approved the amendment during 2016. The amendment boils down to when a member's employment terminates as a result of his or her retirement on pension, retrenchment or voluntary severance of employment, such a member ceases to be an office bearer with immediate effect. The member may still continue to be a PSA member and he or she should inform the General Manager and pay the prescribed fees.

## **Member benefits**

The Board, during November 2016 in its strategic session, determined that fringe benefits should increase and that the PSA's collective buying power be utilised to move in a direction of cost-neutral membership fees.

The investigations for reward programs for member loyalty and representative recognition were instituted and the Board awaits the outcome for decision making and implementation. The funeral benefit for members was substantially increased with effect from 1 April 2017.

## **Growth**

The PSA continued to widen its footprint in a very competitive union environment during the report period. This was not possible without the hard work of dedicated representatives and staff. The Board recognises the dedication and commitment of our representatives. The General Manager introduced the recognition of the top-ten recruiters from the member structures and they were invited to a formal award ceremony. The PSA's membership count increased from 228 113 in 2015/16 to 230 029 in 2016/17.

## **Collective bargaining and the protection of members' rights**

The PSA promises to its members professional and dedicated service when protecting their employment rights and when negotiating according to their mandate. The year under review continued to mark the PSA's reputation of vigorously protecting members' rights. PSA representatives and staff represented 769 number of members in disciplinary hearings, 1 708 in arbitrations and conciliations, and 243 Labour Court cases. Through collective bargaining, the PSA ensured collective agreements to the benefit of many public servants. Detailed reporting on the PSA's core business activities are reflected from page 2.

## **Conclusion**

I thank the Board of Directors for the assistance, dedication and valuable contributions during the report period 2016/17. I also wish to extend my gratitude to all PSA members, representatives, office bearers, the General Manager and staff, all of whom ensured the continuous sustainability of the PSA.

A handwritten signature in black ink, appearing to read 'P. Snyman'.

**Pierre Snyman**  
**CHAIRPERSON: PSA BOARD OF DIRECTORS**



# SERVICE DELIVERY

## PSA management

### Board of Directors

The PSA's Board of Directors, in the absence of the General Assembly in session, acts as its representative and extension and is responsible for the control and management of the PSA's business.

During the period under review (1 April 2016 to 31 March 2017), the following members served on the PSA's Board of Directors:

**Adv Rashied Daniels** (President)

**Dr Vuyo Dyantyi** (Vice-President) – elected 19 September 2016

**Pierré Snyman** (Chairperson)

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

**Friedah Masinga** (Director)

**Sboniso Ndlovu** (Director)

**Eugène Louw** (Director) – elected 19 September 2016

**David Maphoto** (Director) – elected 19 September 2016

**Lufuno Mulaudzi** (Director) – elected 19 September 2016

**Danny Adonis** was the General Manager and acted as Secretary of the PSA (retired on 30 June 2016).

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

### PSA Board Committees

The following members served on the different Board Committees of the PSA:

#### Audit and Risk Committee

**Oupa Motshwane** – elected (23 November 2016)

**Pierré Snyman** – elected (25 August 2010)

**Annetjie Rencken** – elected (14 March 2016)

**Eugène Louw** – elected (23 November 2016)

#### PSA Short-Term Insurance Scheme

**David Maphoto** – elected (23 November 2016)

**Sboniso Ndlovu** – elected (30 October 2013)

**Lufuno Mulaudzi** – elected (23 November 2016)

**Friedah Masinga** – elected (23 November 2016)

#### REMCO

**Eugène Louw** – elected (23 November 2016)

**Friedah Masinga** – elected (30 October 2013)

**Sboniso Ndlovu** – elected 14 March 2016

**Dr Vuyo Dyantyi** – elected (23 November 2016)

### Members representing structures

**Chris Krüger** – elected (16 September 2013 for a period of four years)

**Donald Charlies** – elected (16 September 2013 for a period of four years)

**Logan Naidoo** – elected (19 September 2016 for a period of four years)

**Phumla Dingiswayo** – elected (19 September 2016 for a period of four years)



# Assistance to members

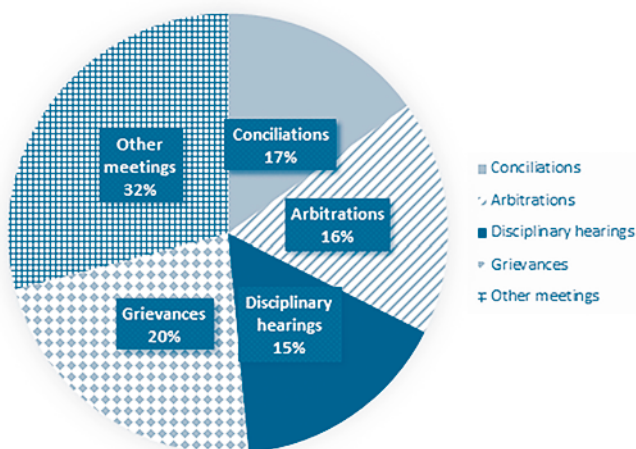
## Members' rights

One of the objectives of the PSA, as stated in the *PSA Statute*, is the promotion and the protection of the rights and interests of the Union's members. To give effect to this objective, specifically in relation to the protection of the rights of members, the PSA ensures the responsible and optimal utilisation of the Union's human capital, resources, and finances. The success of the PSA in effectively protecting members' rights, lies in dedicated staff and shop stewards countrywide who regard the PSA's shared core values, such as honesty, integrity, and respect as the foundation of its operations, which are the building blocks of the Union's responsibilities and objectives.

The Union's successes are reflected in the *PSA Informus*, highlighting where the PSA stepped in to protect members' rights. During the report period, the PSA issued various editions of this newsletter, reflecting the Union's competitive edge to be regarded as the Union of Choice and showing the dedication of its staff and shop stewards.

The provision of legal assistance as part of the PSA's objective to protect the rights of members, is one of the benefits members enjoy, ensuring that where such assistance is required, that it may be responsibly granted.

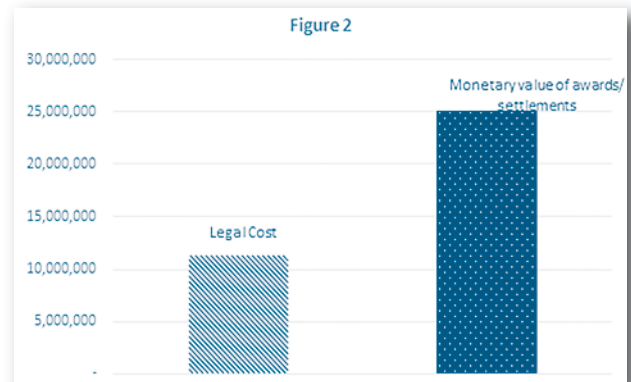
The graph below indicates the various activities undertaken by this functional area countrywide during the report period and reflects the commitment of staff and shop stewards to ensure that members' rights are protected effectively. *Figure 1* reflects that 20% of the activities undertaken related to grievances of members, whilst 32% of the activities dealt with other meetings that would include bilateral meetings attended by staff and shop stewards to resolve matters on behalf of members.



During the report period, the PSA referred 123 cases to the courts for adjudication related to review applications, opposition of review applications, and enforcements of favourable awards.

Members enjoy the benefit of the granting of legal assistance and where legal experts are required, the PSA can responsibly grant such assistance. *Figure 2* illustrates the total amount spent on legal assistance and representation, opposed to monetary value of award and/or settlements in favour of the PSA, during the report period.

Although the PSA spent a total amount of R11 317 on legal assistance and representation of members, the monetary value of awards and/or settlements in favour of the PSA's members amounted to R25 050 499 over the report period.



The amount in respect of awards and/or settlements that were in favour of members has reached a record high and is in comparison to the amount spent on legal cost two times more than what has been reported in previous periods.

## Collective bargaining

Collective bargaining on behalf of members is a core function of the Union. In support of progressive collective bargaining, the PSA, apart from participation in the various bargaining structures, is also an active participant in joint labour initiatives.

### Independent Labour Caucus (ILC)

The PSA, as a founding member of the ILC, has since 2007 continued to actively contribute as a member of this politically non-aligned body. The ILC aims to foster cooperation on matters for collective bargaining amongst like-minded trade unions and jointly represented 42% of unionised public servants during the report period.

Parties to the ILC, other than the PSA, are the National Professional Teachers' Organisation of South Africa (Naptosa), the National Public Service and Allied Workers Union (NPSWU), the Health and Other Service Personnel Trade Union of South Africa (Hospersa), the Professional Educators Union (PEU), the *Suid-Afrikaanse Onderwysersunie* (SAOU), the South African Police Union (Sapu), the National Union for Public Service and Allied Workers (Nupsaw), the United National Public Servants Association of South Africa (Unipsa), and the National Teachers Union (NATU).

### Public Service Bargaining Councils

The PSA represents members within the scope of the Public Service Coordinating Bargaining Council (PSCBC) and the four Sectoral Bargaining Councils, namely the Education Labour Relations Council (ELRC), Public Health and Social Development Sectoral Bargaining Council (PHSDSBC), General Public Service Sectoral Bargaining Council (GPSSBC), and the Safety and Security Sectoral Bargaining Council (SSSBC). Some of the more prominent developments in these Councils during the period under review are covered in this report.

## Public Service Coordinating Bargaining Council (PSCBC)

### Draft Foreign Services Bill

Labour raised with the employer its concern over the tabling of a draft *Bill* in Parliament dealing with the Foreign Service. The *Bill*, in its current form, purports to amend various conditions of service for employees in foreign destinations. Labour was of the view that specific conditions of service for those employees are provided for and regulated in PSCBC Resolutions 8/2003 and 2/2012. Labour demanded that the employer suspends the parliamentary process until labour is consulted meaningfully in the Council. The employer proposed that workshops on the draft *Bill* be arranged through the Council. It was resolved that the Council will write to the Parliamentary Portfolio Committee, seeking time for parties to engage on the draft *Bill* before it is finalised in Parliament. The workshops were held in December 2016 where labour made inputs. The employer indicated at a recent Council meeting that it was still involved in consultation with stakeholders after the inputs were received. In the *interim*, it was confirmed that the *status quo* will remain.

### Review: Government Employees Medical Scheme (GEMS)

In terms of PSCBC Resolution 3/2015, parties agreed to jointly conduct a comprehensive review on the efficacy of the GEMS operating model. The purpose of the review is to consider whether the objectives for which GEMS was set up are being fulfilled. The Council for Medical Schemes (CMS) made a presentation to the task team, dealing with issues of legislative provisions, governance, and performance. Parties ran out of time for engagement and agreed to reconvene the meeting to conclude discussions. The task team would narrow down issues and identify specific areas for engagement with the CMS. Members were invited to submit inputs that would assist to make GEMS a better medical scheme. This matter was still in process by the end of the report period.

### Disciplinary Code and Procedure

The employer in 2016 tabled a proposed revised disciplinary procedure and code. A Council task team was formed to work on the draft documents and made proposals. Members were invited to make inputs. The task team finalised the review and it was submitted as a draft code on the agenda of the Council for negotiation.

The Council resolved that its attorneys be instructed to consider the provisions of the draft code in expressing an opinion if there is any part of the draft code that may be in contradiction of already-established case law. Once negotiations resume in the Council, members will again be requested to provide inputs and a mandate on the draft agreement.

### Draft Border Management Authority Bill

At the end of 2015, the Council engaged with the Project Manager of the envisaged 'Border Management Authority' (BMA) in various workshops on the draft *Bill*, which was then referred to Nedlac for finalisation. It was, however, noted that the Portfolio Committee of Home Affairs called for public comment on the draft *Bill*. The Council resolved to invite the Project Manager of the BMA to do a presentation to the Council on the recent amendments to the *Bill*, after the last consultation. The PSA also made formal inputs on the draft *Bill* to the Chairperson of the Portfolio Committee. The PSA was informed by members at the Department of Home Affairs that certain employees in provinces are already regarded as employees of the envisaged BMA, even though it is yet to be established. This was denied by the employer.

Members of affected departments were invited to submit inputs via their Branch Chairpersons for the PSA to engage with the employer timeously on concerns before the process is finalised.

### Government Employees Pension Fund (GEPF): Improvement of member benefits

The GEPF requested an opportunity to consult with the PSCBC on the amendment of, amongst others, funeral benefits for beneficiaries of the Scheme. The GEPF indicated that the improved benefits were proposed to the Board following complaints by pensioners of the Fund that the current benefits are below market levels and have been eroded by inflation since the effective date. The funeral benefits are regulated in clause 3.4 of PSCBC Resolution 12/2002 and any amendment must be negotiated in the Council. The Council resolved that the GEPF be advised to approach the DPSA to formally place the matter on the agenda of the Council as per clause 17 of the Constitution of Council.

The amendments included the following:

- Increase the funeral benefit from R7 500 to R15 000.
- Removal of the discharge (for members with less than ten years of service) and resignation benefits anomaly – to ensure that the member does not receive less than the actuarial interest upon discharge.
- Removal of the Market Value Adjustment - to ensure that the member does not receive less than the actuarial interest upon transfer to another retirement fund owing to market movements.
- Replacing the Orphan's Pensions with Child Pensions - to close the gaps in the GEPF benefit structure to align with the rest of the retirement fund industry.
- Establishing a Government Employees Pensions Preservation Fund - to allow members an option to preserve their pensions proceeds with the GEPF upon exit.
- Establishing a defined-contribution Additional Voluntary Contribution Scheme - to allow members an option to increase their retirement provision while in active employment.
- Amending the application of the Clean-Break Principle from the "debt approach" to the "service-adjustment" approach - to address members' concerns by doing away with the concept of "debt and interest" in the apportionment of pensions benefits on divorce.
- Review of the reduction factors in favour of an increased Spouse's Pension - to minimise cross-subsidisations.

A draft resolution was tabled for consideration and was circulated amongst members for mandating.

## Education Labour Relations Council (ELRC)

### Collective agreement: Transfer of serving Educators in terms of operational requirements

The draft agreement was tabled in the ELRC for discussion. The purpose of the draft agreement is to amend measures regarding the transfer of serving Educators owing to operational requirements. Parties identified the following operational requirements:

- Change in learner enrolment.
- Curriculum changes or a change in learners' involvement in the curriculum.
- Change to grading or classification of an institution.
- Merging or closing of institutions.
- Financial constraints.



Other details upon which a transfer can also take place and the process of identifying affected employees are contained in the agreement. Procedures, as set out in clauses 6 and 8 of the *Employment of Educators Act of 1998*, must be followed. These clauses provide for the transfer of Educators to other posts in the Department matching the Educator's skills and experience. The employer may only transfer an Educator permanently to a school on the recommendation of the governing body of such a school.

The Combined Trade Union: Autonomous Trade Unions (CTU: ATU), which includes the PSA, submitted consolidated input on the draft agreement. The input was to the effect that staff establishments for schools, in line with the post provision model, will be issued annually by the Head of a provincial Education Department. Furthermore, the 36-month period referred to, will not negatively affect the creation and/or filling of posts, the grading of schools, or any other related matter in terms of relevant and applicable provisions during that period.

The Council debated whether to allow Educators who were declared additional to the post establishment to remain at the school for three years to sort out challenges and not issue post establishments every year. The majority party in the Council and the majority of CTU: ATU parties had a mandate to sign the agreement. The collective agreement was accordingly signed.

### **Draft collective agreement: Integrated Quality Management System**

An agreement was reached in the ELRC (Resolution 8/2003) to integrate the existing programs on quality management in education. The existing programs were the Developmental Appraisal System (DAS) that came into being on 28 July 1998 (Resolution 4/1998), the Performance Measurement System that was agreed to on 10 April 2003 (Resolution 1/2003), and Whole-School Evaluation (WSE Policy, 26 July 2001). The three quality-management programs were integrated to constitute the Integrated Quality Management System (IQMS), signed as ELRC Collective Agreement 8/2003.

The Minister is required to determine performance standards for Educators in terms of which their performance is to be evaluated. The IQMS has been in place since 2003, but was only implemented in schools from 2005. Despite all the measures to strengthen its implementation, schools continued to experience challenges, resulting in the Teacher-Development Summit being convened from 29 June to 2 July 2009 to identify and address, amongst others, factors responsible for the poor implementation.

The Summit agreed to, amongst others, the following:

- That a clear, coherent policy, and regulatory environment be designed for both teacher appraisal and teacher development, which teachers and other role-players can easily understand and with which they can readily engage;

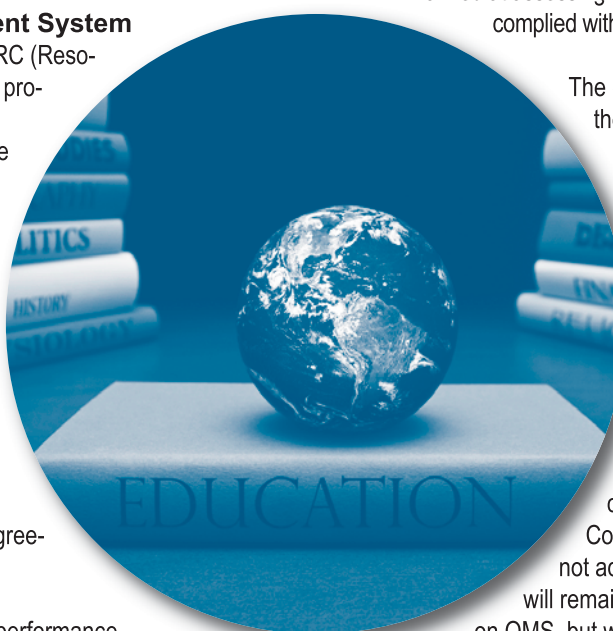
- That teacher appraisal for purposes of development be delinked from appraisal for purposes of remuneration and salary progression; and
- That IQMS be streamlined and re-branded.

The Quality Management System (QMS) is a performance management system for school-based Educators, designed to evaluate the performance levels of individuals to achieve high levels of school performance. It is critical in assessing the extent to which Educators are performing in line with their job descriptions to improve levels of accountability in our schools.

The QMS incorporates the following:

- Measuring the performance of Educators in line with their respective roles and responsibilities.
- Providing a basis for decisions on rewards, incentives and other salary related benefits for the current year.
- Providing a basis for decisions on mechanisms to recognise good performance and address under-performance.
- Consideration of the relevant contextual factors in conducting assessments.

The QMS for Educators is a system designed to evaluate the performance levels of individuals to achieve high levels of school performance. It will also provide a mechanism for assessing Educators, whilst considering the context within which Educators operate. Annual appraisals, aimed at assessing whether the Educator's performance has complied with the performance standards, will be done.



The employer reiterated the background that there was demand from unions for a 0.5%-pay progression linked to what the rest of public servants were getting. Regarding the history around the debate of 0.5%, the employer's view was that the money was taken and used for something else that was provided for in Collective Agreement 1/2008. Parties could therefore not reach agreement. When the QMS draft agreement was concluded, all parties agreed to the collective agreement. The employer was confronted by the majority party in the Council, alleging that if the employer does not address the pay progression challenge, it will remain consenting to the collective agreement on QMS, but will not append its signature. The matter was elevated to the Director-General of the Department and the principals of all parties to the Council. They proposed that the QMS must be delinked from the 0.5%-pay progression. They referred that matter back to the Council for a proposal, on how to deal with these two issues, without resorting to industrial action.

Subsequently, the Council established a task team to deal with the matter, resolve this impasse, and to commence to implement the provisions of the National Development Plan (NDP). The majority party in the Council consented in principle to the delinking of the two issues. It was agreed that the item be converted to read as "Proposed process of addressing the impasse as a result of QMS and 0.5%". Furthermore, a task team was established on the proposed process and the employer is to develop a draft discussion document. The matter remains on the agenda of the Council for discussions.



## Public Health and Social Development Sectoral Bargaining Council (PHSDSBC)

### Review: PHSDSBC Resolution 1/2009 (OSD for Social Services Professions and Occupations)

Labour proposed that PHSDSBC Resolution 1/2009, dealing with the OSD for Social Services, should be reviewed and amended.

Labour subsequently tabled the following demands:

- Revision of salary grades for Social Service Professionals.
- Professionalisation of Child- and Youth-care Workers.
- Implementation of clause 3.4 of PHSDSBC Resolution 1/2009.
- Revision of salaries.

During subsequent Council meetings, the employer indicated that it did not have a mandate to engage on the revision of entry levels for Social Service Professionals. It was noted that no progress had been made on the substantive issues tabled for negotiations and it was of concern to labour that the employer did not have a mandate to engage. The PSA and other unions were forced to declare a dispute on the Amendment to PHSDSBC Resolution 2/2004 - Rural Allowance for Public Health Sector, Rural Allowance for Social Service Professionals, and the Amendment to PHSDSBC Resolution 1/2009 – OSD for Social Services Professions and Occupations (the revision of entry levels).

After conciliation failed, the matter was referred for arbitration. During arbitration on 14 February 2017, the DPSA and Treasury made an application to join the dispute and the arbitrator had 14 days to make a ruling. Labour did not oppose the application. The Joinder Ruling was received, indicating that the DPSA and Treasury be joined in the dispute as the outcome will have a direct impact on them. Arbitration was set to continue 31 March 2017, but proceedings were postponed and Council will set a new date.

It should be noted that labour agreed to follow a dual process. For employees falling under essential services, the matter was referred for arbitration. The PSA also started to ballot members for strike action for non-essential services personnel. Following the outcome of the ballot, the PSA approached other Public Health unions for a joint labour caucus for labour to coordinate its strike action plan for a national shut down. It was our view that a fragmented and divided labour approach on strike action limits the impact and defeats the purpose to exert pressure on the employer to concede to labour's demands. Unfortunately, there was no cooperation from other parties and the PSA subsequently served notice on the Council to embark on industrial action.

### Review: Danger Allowances in the Public Service

Danger allowances for public servants were addressed during previous negotiations in the PSCBC with the signing of Resolution 5/2015. Clause 3.1 of the agreement provides that the employer will undertake a comprehensive review of the danger dispensation applicable to the Public Service and that the modalities for the payment of a danger allowance will be tabled at the PSCBC for negotiations. This process was unfolding in the PSCBC and the employer previously indicated that it would provide feedback by end December 2016 on the completion of the first phase. This information was still outstanding and was addressed at PSCBC level.

In the *interim*, labour in the PHSDSBC previously tabled a list of categories to the employer for consideration to be included with those already identified to receive danger allowances. Noting the delay in finalising the matter from the DPSA's side, labour continued to pursue the matter in the PHSDSBC. The matter was subsequently referred to the Collective Bargaining Committee to finalise the review process in the Sector and submit it for presentation. The Committee was still attending to the matter at the end of the report period.

### Amendments to PHSDSBC Resolution 1/2009: OSD for Social Services Professions and Occupations – Occupational-specific PMDS

Labour received a progress report from the employer on Community Development Practitioners' customised performance management development system (PMDS) and the piloting of the model. This piloting process had a period of six months and was used as dummy tool for the process without negatively impacting on employees' subsequent PMDS assessments. The employer reported that it was finalising the pilot project and would first be providing training on this. Labour would be approached to provide names of trainees at national level on the tool and the Council would be appraised of logistics as soon as possible.

### Misappropriation: Forensic Pathology Officers

An item was placed on the agenda of Council regarding the misappropriation of Forensic Pathology Officers. This category of employees is tasked to perform functions for which they were not employed, including dissecting bodies, removing organs, stitching opened bodies, and preparing organs for investigation by Pathologists. These functions not only fall outside their competencies, but they are not registered to perform such functions. A demand was made that these functions should be job evaluated and that the current incumbents be given recognition for prior learning (recognising their experience, tailor-make a short, formal qualification for them and translate them into Pathology Assistants). The employer responded that it would like to engage labour in a bilateral, if needed, to clarify aspects of the demand. This matter was still in process at the end of the report period.

### Amendments: PHSDSBC Resolution 2/2004 - Rural Allowance for Public Health Sector and Social Development

Clause 3.9 of Resolution 2/2004 requires for the agreement to be renegotiated every three years from date of implementation. Labour previously submitted to the employer a list of new categories that qualified for a rural allowance to be incorporated in existing categories. The employer made a presentation at a previous meeting on the review of the Resolution. It indicated that it would conduct supplementary research on the redefinition of rural areas, the reclassification of categories, the determination of equal percentage, and the cost associated. Unfortunately, there was no response to labour's demands. Labour noted that the employer was not complying with clauses 3.3 and 3.4 of the agreement and was delaying the finalisation of the review. Parties reached a deadlock and labour declared a dispute. A dispute meeting was held on 14 October 2016. Unfortunately, the matter remained unresolved and a certificate of non-resolution was issued. After conciliation failed, the matter was referred for arbitration. A date for the matter to be heard was awaited at the end of the report period.

It should be noted that labour agreed to follow a dual process. For employees falling under essential services, the matter was referred for arbitration. The PSA also started to ballot members for strike action for non-essential services personnel.

Following the outcome of the ballot, the PSA approached other Public Health unions for a joint labour caucus for labour to coordinate its strike action plan for a national shut down. It was again our view that a fragmented and divided labour approach on strike action limits the impact and defeats the purpose to exert pressure on the employer to concede to labour's demands. Again, there was no cooperation from other parties and the PSA subsequently served notice on the Council to embark on impending industrial action.

## National Chamber for Health and Social Development (Chamber of PHSDSBC)

### National Department of Health

#### Special-Leave Policy

The employer introduced a leave policy for consultation, which included amendments to special-leave provisions. The PSA pointed out that special leave is a matter for negotiation and that the existing agreement remains applicable until it is replaced by a new agreement, this position was accepted. The employer subsequently introduced a draft agreement that was dealt with during the report period. Negotiations were concluded and members provided a mandate to sign the agreement. [The PSA, as the majority Union in the Chamber, signed the document, which makes it a binding collective agreement.](#) The document will be submitted to the PHSDSBC for ratification and implementation will follow ratification.

#### Resettlement Policy

The employer introduced the policy for consultation. The PSA informed the employer that it is a matter for negotiation rather than mere consultation, within the framework as provided for by PSCBC Resolution 3/1999. The employer subsequently introduced a draft agreement, which was dealt with during the report period. The PSA presented numerous inputs on issues such as the cut-off distance for an employee to qualify for reimbursement of relocation costs, payment of transfer fees, and maximum periods for staying in *interim* accommodation and storage of household goods. Negotiations continued during the report period but on the crucial aspects, the employer and labour could not reach agreement.

The PSA subsequently declared a mutual interest dispute. The conciliation meeting on 12 January 2017 failed and a certificate was issued. The matter was then set down for arbitration and the first session was held on 1 March 2017. Labour concluded its part but time did not allow for the employer to introduce witnesses and the matter was rescheduled for 3 April 2017. Since National Health is an essential service, members are not allowed to embark on industrial action and the decision of the arbitrator will be final and binding. At the end of the report period, the matter was therefore not finalised.

## National Department of Social Development

#### Special Leave

Special Leave was regulated by a collective agreement that was entered in 2007. The employer tabled a revised document containing amendments to the agreement. The amendments were, in general, favourable to members. Negotiations were concluded and members provided a mandate to sign the agreement. The employer signed the document after which it was circulated for labour's signature. [The PSA, as the majority Union in the Chamber, signed the document and it was submitted to the PHSDSBC and has since been ratified.](#)

## General Public Service Sectoral Bargaining Council (GPSSBC)

#### **Compensation for official duties performed during meal intervals**

The PSA tabled this matter for discussion in Council. In terms of the provisions of clause 9.4 of PSCBC Resolution 1/2007, compensation for employees who owing to the nature of their work are required to remain on duty during their meal intervals will, where required, be determined in the respective Sectoral Bargaining Councils. The employer, during a Council meeting, informed labour that it had identified the Department of Correctional Services (DCS) as the only Department that would be affected. Hence, the employer was already finalising a list of occupations in the DCS to be tabled and a resolution concluded. The PSA requested input from other departments that may have any category that could qualify to receive compensation for performing official duties during meal intervals, but no further inputs were received. Labour is still waiting for the employer to table a draft resolution with a list of qualifying DCS occupations. The departure of several DPSCA negotiators delayed negotiations and progress in Council. The PSA raised its concern with the DPSCA regarding the situation. This matter was still in process at the end of the report period.

#### **Draft Special-Leave Agreement for Sector**

It was previously reported that the PSA had raised a concern about the inconsistent provision of special leave by some of the Public Service departments. Because of this situation, the PSA demanded that the employer should table an agreement for discussion in the Council to regulate special leave in the Sector. The draft special-leave agreement seeks to regulate the following categories of leave:

- Examination
- Study
- Sport
- Resettlement
- Rehabilitation
- Natural Disaster
- Life Endangerment
- Compliance with Legislation
- Interviews in the Public Service
- Trips outside the RSA borders



Members' inputs on the new draft proposal were received and incorporated. Negotiations commenced in Council to conclude an agreement that will be presented to members for a mandate in terms of the PSA's mandating processes. The departure of several DPSA negotiators also affected progress in this matter and the PSA raised this with the DPSA. This matter was still in process at the end of the report period.

### **Additional categories of Danger Allowances in the Public Service**

Danger allowances for public servants were addressed during previous negotiations in the PSCBC with the signing of Resolution 5/2015. Clause 3.1 of the agreement provides that the employer will undertake a comprehensive review of the danger dispensation applicable to the Public Service and that the modalities for the payment of danger allowance will be tabled at the PSCBC for negotiations. Clause 3.2 of PSCBC Resolution 5/2016 requires that Sectors identify and agree on new categories that may be included under the new danger dispensation.

The PSA tabled a list of categories to the employer for consideration to be included with those already identified to receive danger allowances. Once again, the departure of several DPSA negotiators delayed progress and the matter was still in process at the end of the report period.

## **National Departments (Bargaining Chambers of GPSSBC)**

In accordance with the GPSSBC Constitution, Chambers should meet at least four times a year. Most of the Chambers consequently chose to meet on a quarterly basis, except where additional urgent meetings took place. On average, almost half of the activities in all Chambers related to the review of existing human-resource policies and related policies on matters that can be construed as of mutual interest such as subsistence and travel. In general, the approach to what can be considered a fair and reasonable consultation process remained a challenge. Discussions, however, took place regularly in Chambers (DBC) regarding matters that affected members' interests. Some prominent issues dealt with in the GPSSBC Chambers during the report period are the following (as listed per Department):

### **Department of Home Affairs (DHA)**

#### **Proposed Amendments to Operational Hour arrangements: Civic Services and Front-Line Desk Offices**

Following the DHA's introduction of new working hours, parties were involved in protracted discussions to resolve the matter up until the point where it was set down for conciliation on 2 April 2015. At the conciliation meeting, the DHA raised a jurisdictional point in *limine* that it did not regard the issue as a matter of mutual interest and that PSA members could therefore not strike. Unfortunately, at that time, the Commissioner ruled in favour of the DHA. The PSA referred the Commissioner's ruling to the Labour Court for review as it did not agree with the ruling. Judgement was delivered on 22 September 2015, whereby the Commissioner's jurisdictional ruling was set aside. The Judge, in fact, agreed with the PSA that working hours are matters of mutual interest on which members can strike if parties are not able to reach consensus. The judgment directed the GPSSBC to set down the matter for conciliation by another Commissioner. Following the judgment, the DHA filed a notice of application for leave to appeal. Judgment in the application for leave to appeal was delivered on 15 March 2016.

The DHA's application to appeal the Judgment was dismissed with costs. Subsequently, the DHA referred the matter to the Constitutional Court. The long-awaited hearing took place on 28 February 2017 with the Court reserving judgment. [The ruling was still outstanding by the end of the report period, but the PSA is confident of a favourable outcome.](#)

### **Funded, vacant posts**

The DHA reported that a Ministerial meeting was held on 17 January 2017 where the funding and filling of posts with effect from 1 April 2017 was approved. These are posts that were vacant from 1 September 2016 until 31 March 2017.

## **Department of Transport (DoT)**

### **Possible restructuring**

The DoT reported that the Director-General indicated intent to investigate the possible re-organisation and/or re-alignment of divisions, not excluding possible restructuring of certain components. The DoT issued letters to employees who were seconded to the Driver's License Card Account (DLCA) to indicate if they were willing to officially transfer from the DoT and the Public Service to the DLCA, which will operate as an entity on its own. Labour challenged the legitimacy of the DLCA and after various consultation where consensus could not be reached, labour declared a dispute.

During the first facilitation session with the Secretary of Council, parties agreed to form a task team to investigate how the DLCA was established and determine its legitimacy. Developments will be reported in the next report period.

### **Clothing Allowance**

It came to the PSA's attention that the DoT failed to pay a clothing allowance to qualifying employees, as per practice, annually by the end of January. When the PSA raised this matter, the DoT pleaded ignorance and undertook to investigate. After the PSA declared a dispute, the DoT agreed to pay affected members the outstanding clothing allowance.

## **Sport and Recreation SA (SRSA)**

### **Filling of vacant posts**

The high vacancy rate was previously discussed and SRSA undertook to implement a recruitment plan to assist with the filling of vacant posts. SRSA reported that new appointments were done monthly, more interviews were scheduled, and appointments would follow. This process was halted when the Department of Finance reduced SRSA's wage-bill ceiling. Talks were, at the end of the report period, underway to increase the funding for appointments in critical, vacant positions.

### **Health and safety**

SRSA indicated that labour's concern regarding the quality of drinking water was taken up with Tshwane Municipality, which confirmed that the water was safe for consumption. SRSA complied with a request to also obtain written confirmation from the Municipality.

During the report period, SRSA experienced a fire in the building. Although, the fire was easily extinguished and no injuries were reported, it highlighted a serious concern for labour on SRSA's evacuation procedure.



A full investigation was lodged and a report was shared with labour that highlighted all areas of concern. A dispute was also declared and during the dispute process, SRSA committed to replace all health and safety equipment identified in the report. The matter was therefore concluded.

## **Department of Justice and Constitutional Development and National Prosecuting Authority (DOJCD NPA)**

### **Senior Family Advocates LP 9 translations: Arbitration**

The PSA successfully arbitrated the dispute on behalf of Senior Family Advocates who raised a concern that their salaries were incorrectly translated in terms of the OSD Agreement. The award indicated that these salaries must be translated to LP 9 with retrospective effect from 1 July 2007. The DOJCD took the arbitration award on review to the Labour Court. Parties were finalising their written heads of arguments at the end of the report period.

### **Payment of performance bonuses**

The DOJCD indicated at the end of 2016 that owing to financial constraints, it could not pay performance bonuses for the 2016/17-financial year. The PSA declared a dispute. The DOJCD started to pay employees on salary level 1 to 11. At the first dispute meeting, it indicated that it had started with payments for employees on level 12 and outstanding payments for only 60 employees would be paid by the end of April 2017.

### **LP 10 positions in NPA**

The NPA did not translate any employees to the LP 10 level as per the Occupational-Specific Dispensation (OSD) agreement. Instead, various meetings took place with Deputy Directors of Public Prosecutions (DDPPs) where the NPA indicated that they will be translated to the salary scale of LP 10.

The NPA followed this promise up in writing to individual employees, even giving employees a breakdown and explanation of the financial impact. After the NPA's failure to implement the new salary scales for DDPPs, the PSA was approached for assistance. The matter was referred to the GPSSBC for arbitration and the matter was still in process at the end of the report period.

## **Office of the Chief Justice (OCJ)**

### **Establishment of Departmental Bargaining Chamber (DBC)**

On 1 April 2016, employees were transferred from the DOJCD to the OCJ. Owing to capacity problems, the employer could not agree to the establishment of the DBC. Together with the Secretary of Council (SOC), parties agreed to give the employer six months to get its house in order after which the SOC would go ahead and establish the DBC. In February 2017, the OCJ convened its first DBC meeting.

## **Department of Science and Technology (DST)**

### **Security and Receptionist uniform**

Members informed the PSA that they had not received their clothing allowance in terms of the DST's internal clothing allowance policy for the past two financial years. The PSA declared a dispute and the DST informed the PSA that it already secured a service provider to supply the required uniform to identified personnel.

It was expected that uniforms would be ready for distribution to qualifying personnel by the end of June 2017. The PSA further demanded for members to be compensated for the past two financial years as they had to buy their own uniform during this time. These discussions were not concluded at the end of the report period.

### **Payment: Performance bonuses**

The DST indicated at the end of 2016 that owing to financial constraints, it could not pay the performance bonuses for the 2016/17-financial year. The PSA, however, managed to convince the DST to ensure that payment of performance bonuses is effected to all qualifying employees. Parties agreed that the payment would take place before the DST closed for the December holidays and the matter was therefore concluded.

## **Department of Mineral Resources (DMR)**

### **Agreement: Recognition of Improved Qualifications in the Public Service - GPSSBC Resolution 5/2015**

The PSA tabled this item to enable the DBC to monitor compliance with the Resolution, which amongst others, will be to ensure that the DMR complies with the following:

- Define the qualifications that are relevant and related to the DMR's respective areas of work and which it intends to recognise.
- Consult relevant identified qualifications with labour at the DBC.

The DMR reported that it had commenced with the process to identify the relevant qualifications and labour would be consulted when this was finalised. This matter was further deliberated in various Policy Task Team meetings where labour, including the PSA, noted and agreed with the document after inputs were incorporated. The DMR made a submission to the Director-General for approval after which the document would be forwarded to the DPSA for concurrence.

### **Non-payment: Danger Allowance - Inspectors of Mines**

The PSA tabled this matter at the DBC when it became apparent that the DMR was not adhering to paying danger allowance to Inspectors of Mines in terms of the determination and directive on danger allowance in the Public Service. After various deliberations and consultations in the DBC, the DMR had no choice but to comply with the determination and effect payment of the danger allowance to Inspectors of Mines.

### **Review: Clothing Policy**

The matter was tabled at the DBC on 30 June 2016 by the PSA with the request that the wearing of ties should not be compulsory, as demanded by the DMR. After various consultations, parties reached a deadlock and the matter was referred to the Council for facilitation. The PSA demanded that the *status quo* should remain in the policy as there was an agreement that was signed in 2012 by parties where it was agreed that the wearing of ties should be optional. The DMR had no choice but to withdraw and allow the *status quo* to remain.

## **National Treasury (NT)**

### **Departmental Structure Review**

The NT developed a revised "top structure" and made a presentation on the proposed draft structure of all divisions that will be restructured.

The NT indicated that the process was completed and employees were placed on the new structure. The PSA responded that the NT excluded it from the processes of conducting a skills audit, matching and placing of positions, and the finalisation of the micro structure of the Office of the Chief Procurement Officer. Furthermore, it was indicated that no employee could be placed against a new structure as it was still a proposed structure that was not approved. The NT indicated that no employee would be retrenched as it was envisaged that the structure would contain additional posts. Most restructuring processes were concluded. All employees were retained owing to the additional posts that were created.

## Government Pensions Administration Agency (GPAA)

### Absorption: Contract Workers

The absorption of Contract Workers in the GPAA has been on the agenda of several meetings.

After various deliberations in the DBC, the GPAA indicated that it made a submission to the Minister of Finance through the Office of the CEO and recommended that the Minister approves

that GPAA considers approving the absorption of Contract Workers and to deviate from the requirements of the Public Service Regulations. Parties were awaiting the Minister's response and developments will be reported in the next report period.

### Restructuring

The GPAA is undertaking restructuring and labour is participating in the consultation process. The GPAA tabled the proposed structure for consultation and the placement protocol documentation regulating the matching and placing of members. The consultation process was ongoing at the end of the report period.

## National Department of Tourism (NDoT)

### Restructuring

The most important issue that was dealt with in the DBC was the restructuring process. The NDoT gave the assurance that no dismissals were contemplated during the process. During consultations it, however, commenced with the matching and placing process without fully consulting labour. The intervention of the Council was subsequently sought by the PSA to resolve the matter. The NDoT insisted that it had meaningfully consulted with labour in terms of the DPSA pre-prescripts on restructuring. The PSA indicated its dissatisfaction with the way the NDoT handled the matter. The PSA indicated that it was not happy with the consultation process as it was not meaningfully consulted, specifically regarding the migration plan. After the NDoT refused to engage the PSA meaningfully, clause 17 of the Chamber governance rules was invoked that allows the Council to intervene. The matter was still in process at the end of the report period.

## Department of Arts and Culture (DAC)

The DAC consulted with labour in the DBC and held workshops on several policies that were to be adopted. Despite a report received from the DPSA, the DAC attempted to consult with labour on special leave to draft and adopt a policy. [The PSA, as the majority Union, prevented the DAC from doing so and requested a meeting with the Secretaries of the GPSSBC and the PSCBC to advise the DAC on the contents of PSCBC Resolution 5/2001.](#) This Resolution states that special leave should be negotiated at the relevant Sectoral Councils. A further meeting was held between the PSA and senior management of the DPSA where it was agreed that the DPSA would draft a framework document on special leave to be discussed and agreed upon in the GPSSBC. This matter was still in process at the end of the report period.

## Department of Rural Development and Land Reform (DRDLR)

### Project Vulindlela

Project *Vulindlela* refers to the project that the DRDLR launched around the digitisation/automation of the processes, records and documents dealt with by the Deeds and Surveyor-General Offices. The process deals with issues such as changes in ownership of property, maintaining a public-land register, determining the extent and ownership of land parcels, maintaining boundaries, and providing access to spatial and geospatial information relating to a land parcel such as minerals and servitudes. The Project was discontinued and subsequently substituted with the Departmental Re-Engineering Project, which was shared with labour in the form of a presentation. It came out clearly in the presentation that the Project entailed restructuring. The PSA thus requested that the DRDLR should consult labour. The DRDLR undertook to consult labour in May 2017 after finalisation of the preliminary stage.

### Centralisation: Bid Evaluation Process

This matter was tabled in the DBC by the DRDLR to share with labour its intention to centralise the Bid Evaluation Process. The PSA opposed information sharing on this matter, and proposed that it be consulted, following a presentation on the structure and an indication of personnel who will be affected. The DRDLR agreed and the matter was still being consulted in the DBC at the end of the report period.

### Parking

The PSA tabled this matter in the DBC based on a shortage of parking that was experienced by members and non-members. The DRDLR obtained 560 additional parking spaces through the Bid Evaluation Committee and the National Department of Public Works.

## Department of Women (DoW)

### Employment Equity Report: 2016

The DoW tabled this matter in the DBC to share developments with labour. The PSA raised a concern on a jurisdictional point of view. The concern was about the DBC that does not have jurisdiction to deal with the matter as the *Employment Equity Act No 55 of 1998* provides for designated employers to develop an Employment Equity Consultative Committee to deal with all equity matters. The PSA further requested the DoW to urgently develop such a structure in which parties will engage on the report and other equity matters.

## **Department of Water and Sanitation (former Department of Water Affairs) (DWS)**

### **Departmental Structure Review**

The DWS recommenced with the restructuring process with the appointment of a new private service provider, Organisation Development Africa (ODA), to develop a revised structure, which would incorporate the sanitation function. Various processes were dealt with during the report period such as the business process analysis and the diagnostic report dealing with the “as is” and “to be” phases of the project. The macro structure and options were also presented to top management for consideration at the end of September 2016. Top management requested additional time to deliberate on several strategic issues. Based on the outcome of these discussions, further consultations will be scheduled with affected branches if required. In the meantime, the DWS was busy with micro-structure consultation sessions across all branches and regional offices. This process was ongoing by the end of the report period.

### **Review of Conditions of Service: Construction Branch**

Employees involved in the building of dams and related water resource infrastructure are appointed in terms of section 76 of the *National Water Act, 1998* (referred to as construction employees/workers), on either project-based, standard or specialist contracts.

Owing to their unique working environment, the relevant section of the *Act* allows for the Director-General to appoint these employees on provisions outside the *Public Service Act, 1994*, subject to consultation with the DPSA. Construction therefore has its own, unique conditions of service, salary structure, and measures that are not in all regards aligned with the Public Service prescripts and provisions. Labour requested the DWS to consider a review of these conditions of service as these had not been done since 2001. The DWS subsequently tabled a draft document. The review process has been ongoing for the last three report periods, involving numerous workshops where updated drafts were discussed, and numerous communications issued to members, informing them of developments and requesting their inputs. A limited response was, however, received from members. The PSA's final, consolidated input, based on the final draft, was presented to the DWS in September 2016. The DWS acknowledged labour's input and indicated that the submission for approval to submit the document to the DPSA for consideration and engagement was on route to the Minister.

Subsequently, the DWS indicated that the Minister referred the submission back to the Director-General for consideration during the structural-review process. The DWS could not shed light on the implications and labour expressed severe dissatisfaction with the delay. The matter was still being discussed in the DBC at the end of the report period.

### **Occupational-Specific Dispensation (OSD): Construction**

The issue relates to the DWS's failure to extend and implement the various Resolutions of the GPSSBC on OSD to employees appointed in terms of section 76 of the *National Water Act, 1998*, referred to as “Construction” employees.

The process eventually reached the stage where labour could no longer tolerate the delaying tactics by the DWS and a facilitation intervention by the Secretary of Council (SoC) was requested. At the facilitation meeting on 6 July 2016, the SoC made it clear that Construction employees fall within the scope of Council and therefore the relevant OSD Resolutions apply. The matter was deferred back to the DBC for the DWS to deal with this. The DWS informed labour that it had identified the OSD positions in Construction and that the costing for translation was being done after which it would be sent to the Director-General for a decision. The DWS later backtracked and indicated that the matter was complicated and that there was still no clear decision on implementation. It was re-emphasized that affected employees would be prejudiced since they could not qualify for both the Rank Designations and Requirements (RDR) system unique to Construction and the OSD.

The DWS made it clear that it could not implement both systems and abolishing the RDR system in favour of the OSD would effectively amend the conditions of service of Construction employees. Labour proposed that a combined task team be appointed to deal with this matter finally. The DWS did not have a mandate to agree and indicated that it would go back and get a mandate but was then instructed to first engage the DPSA on the future of OSD in general before considering the matter further. It became clear that the expectation between labour and the DWS on what the task team will accomplish and deal with, were not the same and the PSA feels that the task team is not going to resolve the matter as expected. The DWS informed labour that four Construction employees have since formally lodged grievances, which if unresolved, should be referred to the GPSSBC as interpretation and application disputes. It is hoped that these cases will assist to resolve the issue of whether the relevant Resolutions apply to employees appointed in terms of section 76 of the *National Water Act* or not.

The PSA again advised all qualifying Construction employees to lodge grievances and pursue these as rights disputes. Developments will be reported in the next report period.

## **Independent Police Investigative Directorate (IPID)**

### **Restructuring**

The IPID tabled its intent to restructure late in 2016. After a few consultation sessions, it was clear that the process was not being meaningfully consulted and that the IPID was forging ahead unilaterally. After numerous engagements with the IPID and employees, it was clear that the PSA would have no choice but to embark on the dispute route. However, in the first quarter of 2017, the IPID indicated to labour that it was withdrawing the process and reversing all decisions that were taken during this process.

## **Department of Environmental Affairs (DEA)**

### **Sea-Going Allowance**

During 2009, the DEA entered into a collective agreement with the majority union for the payment of a flat-rate Sea-Going Allowance, inclusive of overtime payment, night-shift, and standby allowances to all such employees.



PSA members did not provide a mandate to sign. The agreement contained a clause that indicated that it would be terminated on the signing of an OSD for the relevant Natural Scientists. The agreement therefore effectively lapsed with the signing of GPSSBC Resolution 3/2009. When the Finance Section of the Department picked this up, payments should have been terminated. However, the DEA took an “interim” decision to continue with the payment of the allowance. The DEA and the majority union discussed the possibility of “amending” the existing agreement rather than reviewing it totally, but no proposals were introduced. The PSA raised concern that without an unambiguous agreement replacing the lapsed agreement, members were at risk of receiving payments that could later be considered by auditors as irregular or unauthorised expenditure that had to be paid back. Based on the continuous pressure exerted by the PSA, the DEA approached the DPSA for assistance. The DPSA raised a substantial number of questions and requested further information. It instructed the DEA to collaborate with other departments performing functions in the same environment, such as the Department of Agriculture, Forestry and Fisheries, and Public Works. The submission of all required information to the DPSA was finalised in a previous report period and even resubmitted. Additional information on the budget was also submitted, as requested by the DPSA. At the close of the report period, approval by the Minister of Public Service and Administration (MPSA), as the sole custodian of allowances was still pending. Developments will be reported in the next report period.

## Department of Labour (DoL)

### Transfer: Sheltered Employment Services (SEF)

The decision to migrate SEF to the DoL came over many years after it became clear that the SEF was not sustainable and viable and that urgent intervention was necessary to secure its future and open new trading opportunities. Part of the Business Case Model was to ensure that firm governance steps were taken and compliance to all relevant legislation was ensured. The migration of SEF personnel to government was consequently done in terms of a migration plan. The migration process presented challenges and the most salient issue was employees’ pension contribution, which varied between the two separate funds to the detriment of employees. The PSA indicated to the DoL that should it be necessary, the PSA would approach courts to obtain interdict against the DoL. The PSA subsequently declared a dispute and arbitration was held on 29 March 2017. At arbitration, the DoL tabled a settlement agreement whereby it agreed to pay the additional liability to fund the full recognition of service in the GEFP by on or before 30 April 2017. Parties to the settlement subsequently signed the agreement and requested the Commissioner to certify it as an award. [This victory to the PSA amounted to a settlement of R52 million.](#)

### Job evaluation: SEF

All posts transferred from SEF to the DoL were subjected to a job evaluation process. The outcome of the process, with the necessary recommendations, was signed off by the Director-General of the DoL. The DoL, however, refused to provide the results as it was of the view that the Minister must first sign off the submission on the regrading of certain job categories. The PSA declared a deadlock in terms of the Governance Rules of the GPSSBC and requested a facilitation meeting. At the DBC, the DoL announced that the Minister had approved the outcomes of the job evaluation and it was compiling a list of qualifying employees. [This is a victory for the PSA - the Union will continue to defend the rights and interests of members.](#)

At the DBC, the DoL reported that it was finalising the performance assessment as contemplated in the Public Service Regulations to give effect to the job evaluation outcome. The implementation date will be the first day of the month following the month during which the Executing Authority approves the outcome of the job evaluations. All employees were subsequently placed on their correct notches.

### Implementation: UIF approved structure

The PSA was inundated with calls from members regarding the process the DoL embarked on at the Unemployment Insurance Fund (UIF). Members informed the PSA that the DoL was advertising positions without considering the incumbents in the posts and with criteria being inconsistently applied in the Debt Collection Section. The PSA raised concerns with the process that the DoL embarked on and indicated that it needed to comply with process as outlined in the Migration Framework as well as legislation regulating restructuring. The DoL indicated that the PSA is represented by the National PSA Chairperson on the Matching and Placing Committee that was established through the migration Framework and that the Committee was still finalising its work where after a close-up report would be provided. The PSA indicated to the DoL that it will not allow an unfair process to unfold and that this was the reason why it brought the matter to the DBC for intervention. The DoL appreciated the information and undertook to investigate the PSA’s allegations. It further indicated that the migration framework allowed for a dispute resolution process whereby an aggrieved party may refer this to the Committee to resolve the dispute. This matter was in process at the end of the report period.

### Job evaluation: Inspection Enforcement Services (IES) Team Leaders

Over the past two years, IES has been effecting Phase One of the specialisation of Inspectors, which dealt with the Provincial Offices’ Structures. Newly created vacancies were filled through the recruitment and selection process. Unfortunately, Phase Two was stopped owing to budgetary constraints, but the PSA proceeded in applying pressure on the DoL. The PSA requested the DoL to indicate whether Team Leaders posts were evaluated. To the PSA’s dismay, the DoL indicated that the last evaluation was conducted in 2009. Labour demanded that the posts of IES Team Leaders be evaluated. After lengthy deliberations, the DoL conceded and committed to conclude with the process within three months. This matter was still in process at the end of the report period.

## Department of Cooperative Governance and Traditional Affairs (CoGTA)

Various policies were consulted and finalised during the report period, including Loss Control; Debt Management; Media Relations; Occupational Health and Safety; Security Services; Sexual Harassment; Employment Equity; Travel; Transport; as well as Wellness Management.

## Department of Traditional Affairs (DTA)

### Bursary Policy

The PSA introduced an agenda item to obtain feedback on the reasons for the DTA deviating from the provisions of the existing, approved Bursary Policy by not inviting bursary applications for the 2017-academic year and considering such applications by the Human Resource Committee. The DTA indicated that it experienced challenges to establish a committee. After establishment late in February 2017, Committee members requested training. It was acknowledged that for the first semester no invitations were considered. However, the DTA was engaging employees who paid for themselves to deal with possible reimbursements.

A communication was issued to employees to invite applications for the second semester and the DTA would ensure that employees are aware that this was applicable to them.

## **Office of the Public Service Commission (OPSC)**

### **Relocation**

The Office relocated to Absa Towers on a temporary basis while permanent accommodation was being sourced. Members complained about health hazards they were exposed to after relocation. The PSA tabled the complaint in the DBC and the OPSC responded that a task team had already been established to investigate. Labour representatives were co-opted in the task team. The PSA, irrespective of the OPSC's initiative, approached the Health and Safety Inspector of the DoL and requested an inspection of the workplace. The Inspector issued the notice compelling the OPSC to comply with occupational health and safety. The matter was still receiving attention at the end of the report period.

### **Alignment: PMDS Policy**

The OPSC tabled the PMDS Policy to consult proposed amendments with labour and align the Policy with the amended Public Service Regulations. The alignment proposed by the OPSC was consulted with labour. Consensus was reached on proposed alignment and parties agreed to solicit mandates from principals for adoption. This matter was still in process at the end of the report period.

## **National Department of Public Works (NDPW)**

### **Relaxation: Qualification requirements**

A task team was established to investigate the possible relaxation of qualification requirements and thereby accommodating long-serving, experienced, and competent employees who did not have relevant qualifications to advance to higher positions when advertised. After an investigation, the report with recommendations was submitted to the DBC. The NDPW confirmed that the report had been escalated to the Director-General, but was not approved as the Director-General indicated that advice should be sought from the Department of Higher Education and the DPSA. The NDPW, while seeking advice, found that the relaxation was covered in other prescripts regulating the employment relationship in the Public Service, including the Policy of the Department. The matter was referred to a task team for finalisation and report back to the DBC and was, by the end of the report period, still receiving attention.

### **Revised Performance Management and Development System Policy (PMDS)**

The NDPW tabled the policy and informed labour that the proposed amendments were informed by amended Public Service Regulations. The proposed amendments were consulted. Some were not agreed to as they are in contravention with some of the provisions of the Regulations. The PSA and the NDPW had differences on those amendments and it was decided that the NDPW should approach the DPSA for advice. Developments will be reported in the next report.

## **Department of Communications (DoC)**

The DBC for the DoC was established by the GPSSBC and held its first Annual General Meeting on 18 November 2016. [The reading of the vote weights revealed that the PSA was the majority Union.](#) The DBC consulted on the following policies: Recruitment and Selection; Resettlement; Job Evaluation; Retention; Leave; Overtime; Sexual

Harassment; Training and Development; Bereavement; Wellness; PMDS; Gender; Workplace; and People with Disabilities. All Policies were finalised, except the Resettlement and Training and Development Policies.

## **Department of Trade and Industry (DTI)**

### **Movement of National Liquor Authority to Trading Entity (NLA)**

The DTI reported that it was taking the National Liquor Authority Unit out of the DTI to a Trading Entity. The DTI circulated the business case to labour and the focus meeting would follow after getting dates from the relevant Unit. The DTI also reported that the legislative process was not finalised and the business case that was sent to labour was a draft. It indicated that proper consultation would commence once the legislative process was finalised. The PSA demanded that the DTI should consider the benefits of affected employees to be on a cost-to-company basis to avoid mistakes and discrepancies that were experienced in the past. The DTI noted the PSA's concern. This matter will be discussed further in the DBC and developments will be reported in the next report.

### **PMDS**

The DTI made a presentation on the automated PMDS system and indicated that it intends to introduce a new, paperless system. The aim was to implement the new system on 1 April 2017. The PSA rejected the presentation as the item was not on the agenda and should be tabled as new matter in the DBC. The DTI indicated that it would still like to continue with the presentation in the next DBC meeting. The matter was still in process at the end of the report period.

## **Department of Basic Education (DBE)**

At the PSA's insistence, a Departmental task team was established to, amongst others, address the review of policies as there had been a "split" or "re-organisation" of the original Department of Education into the Departments of Basic Education and Higher Education and Training. All policies were finalised during the previous report period, approved by the Director-General, and were effectively implemented. The PMDS policy was, however, not implemented properly. Parties further amended the Policy to address identified deficiencies. The Broadband Management and Senior Management welcomed the policy and made recommendations. The policy will be amended and submitted to the Director-General for signature. The DBE and labour agreed to meet to discuss further amendments.

## **National School of Government (NSG)**

Further re-alignment of the organisation that was discussed during the previous report period, was the most contentious and pressing issue on the agenda of the DBC. The PSA took a strong position and needed the NSG to disclose information regarding transformation that may affect members. It came to light that the NSG could be embarking upon a unilateral restructuring process. The NSG embarked on a process to change the name of Palama to the National School of Government after a Presidential declaration. The PSA raised serious concerns with the way in which this matter was approached without consulting employees. The PSA tabled its concern at the DBC and parties agreed that an independent facilitator would be appointed to ensure that the correct procedure would be followed to protect the rights and interests of members. A task team, consisting of all parties, was established to deal with all restructuring processes.

During the last DBC meeting, the NSG reported that the *Public Administration Management Bill (PAM Bill)* had been signed off by the President. The NSG indicated that it would be established as an institution of Higher Learning. Consultation would take place between the Minister of Higher Education and Training and his counterparts from the DPSA. The current mandate of the NSG was to train public servants and it would now expand to education and training. The NSG informed parties that the Act did not specify that the NSG must only train public servants. It therefore implied that it might be able to train people who are not public servants. The NSG is currently undergoing restructuring to re-align the operational structure with an approved structure. A task team was established to ensure meaningful consultation in accordance with legislation. This matter was still in process at the end of the report period.

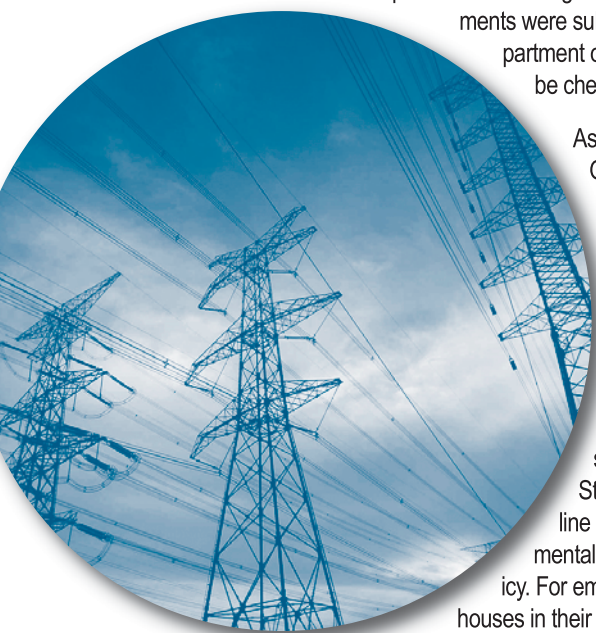
## Department of Energy (DoE)

### Policies

Since the “split” of the former Department of Minerals and Energy into the Department of Mineral Resources and the DoE respectively, the DBC reviewed and adopted departmental policies on Recruitment and Selection; Resettlement; Salaries and Allowance; Condolence; ICT-Change Management; Laptop; ICT-Software Asset Management; Sexual Harassment; ICT-Logistical; ICT- Incident and Problem Management; ICT-Risk Management; ICT-Business Continuity; and Inventory Management.

### Relocation

The DoE's Head Office was to relocate to the new building that was allocated to the old Land Bank Building at Visagie Street in Pretoria. The Communication Committee dealt with the design and completed the process of rezoning the offices. Documents were submitted to the Department of Public Works to be checked.



As far as Regional Offices are concerned, some relocation could take place and would be consulted in the DBC. The PSA is of the view that relocation should be done at State expense in line with the Departmental Resettlement Policy. For employees with houses in their current cities, the employer would also assist with transfer costs.

The DoE would consolidate all information and determine how many employees had been affected and consultations would then proceed. During the report period, the DoE indicated that the Director-General had signed the letter and forwarded it to the landlord for the construction of extra offices for the Head Office. The PSA requested the DoE to seek intervention from the Department of Public Works to fast track the process. At the last DBC meeting, the DoE reported that progress had been made and that accommodation in Centurion would be on temporary basis. It was further indicated that construction of accommodation had commenced. The relocation of offices, including some of the Provincial Offices, was work in progress that was under consideration.

## Department of Defence/South African Defence Force (DoD/SANDF)

### PSA obo Members v Minister of Defence and Others: Demilitarisation of then-Finance Personnel

During the process of “demilitarisation”, which commenced around 1996, Finance personnel of the then-SANDF were taken out of the uniform dispensation and placed as civilians (*Public Service Act* dispensation). During 1998, individual members signed contracts agreeing on the transfers. Throughout various discussions and much correspondence, members' concerns were raised and assurances were given by management that demilitarisation would not result in members being worse off in the new dispensation. However, over years following the transfer, much documentation was generated, including collective grievances, wherein it was raised that members were, in fact, worse off in a few respects. Some of the unresolved issues appeared to be promotions, merit bonuses, clothing allowances, post-level reduction, and compulsory retirement age. An agreement was concluded and signed off by parties regarding the pension benefits and pensionable age. The agreement maintained the *status quo* with effect from October 1998. An amount of R267 million was transferred to the Government Employees Pension Fund (GEPF) to meet the Department's liability for re-instituting the *status quo*.

## Department of Correctional Services (DCS)

### Circumstantial Allowance/Safety in Prisons

The PSA, on numerous occasions, tabled concerns regarding the continued failure by the DCS to ensure that correctional facilities are adequately staffed. To date, these concerns have not been addressed, thus posing a significant risk to the health and safety of, amongst others, employees. The DCS ignored employees' outcry and the PSA declared a dispute that was arbitrated on 2 October 2015. The GPSSBC issued a jurisdictional ruling finding that the dispute between the PSA and the DCS was not a matter of mutual interest and the arbitrator thus ruled that the GPSSBC had no jurisdiction to conduct an interest arbitration. The PSA then applied to the Labour Court to review and set aside the jurisdictional ruling on an expedited basis. The application was unopposed, but the Court did not expedite the hearing and set it down for 12 January 2017. In pursuit of ensuring DCS employees' safety, the PSA is demanding that a collective agreement be signed in setting the staffing norms as tabled at the DBC.

The PSA also demands that in facilities where ratios exceed those set out in the proposed agreement, employees should be required to perform only services related to opening and locking up; counting; and the provision of food, medical services, clothing, bedding, and exercise. The PSA is deeply concerned about its DCS members' wellbeing and will continue to protect their rights and interests regardless of delaying tactics by the DCS. [The Labour Court judgment is an enormous victory and the PSA will pursue this matter until it has been resolved through the arbitration process as ruled by the Labour Court.](#) The arbitration was scheduled to take place during the next report period.

### Overtime

GPSSBC Resolution 2/2009 provides for overtime payment for “non-centre” and “centre-based” officials. This overtime should be paid in accordance with PSCBC Resolution 1/2007. The DCS refused to pay officials backdated overtime and the PSA declared a dispute.



The DCS raised a point *in limine* on the jurisdiction of the PSCBC to arbitrate this matter. The arbitration was, however, held and an award in favour of the PSA was issued. The DCS once again, using delaying tactics, applied to review the award on jurisdiction. The matter was set down for 26 April 2016 of which the DCS brought a rescission application, which the PSA instructed its attorneys to oppose. The rescission application by the DCS failed and the matter is to be set down for arbitration. The PSA requested set down before a Senior Commissioner owing to the magnitude of the case. Developments will be reported in the next report period.

### Second-phase OSD

Parties concluded a collective agreement, GPSSBC Resolution 2/2009, in the DBC on 24 June 2009 regarding an OSD for Correctional Officers. The objective of the Resolution was to introduce an OSD dispensation for Centre and Non-Centre-based Correctional Officials and furthermore, to provide, amongst others, for the introduction of a unique salary structure and the recognition of appropriate experience. The agreement also provides for translation measures of two phases, of which phase one was concluded. The second phase, which entails the recognition of experience, was not implemented in accordance with the collective agreement. The PSA declared a dispute on interpretation and application of a collective agreement. The DCS tabled a settlement agreement to resolve the matter. The PSA obtained a mandate to accept the settlement and it was implemented.

### Re-alignment of post establishment to OSD

The PSA tabled this matter as the DCS's current post establishment does not provide for certain posts as per the collective agreement (GPSSBC Resolution 2/2009). The DCS indicated that it was busy with an audit to address the PSA's concerns. [The PSA was not satisfied and indicated that it is unacceptable that after five years nothing was done to re-align the establishment.](#) The PSA invoked clause 17 of the governance rules to try and resolve the matter. A facilitation meeting was held. The DCS agreed to provide the PSA with the outcome of the audit report and referred the matter to a workshop for further engagement. There has, however, been no movement as the DCS is still dealing with its audit report. With the current budgetary constraints, no additional funds are available for the expansion of the post establishment. This matter was still in process at the end of the report period.

## Department of Agriculture, Fisheries and Forestry (DAFF)

### Unfavourable working environment

The PSA received numerous complaints from members in Limpopo regarding unfavourable working conditions. This matter was tabled at the DBC and an inspection *in loco* was undertaken where it was found that the working conditions are indeed unconducive. Feedback reports were received from the areas that were visited and a task team consolidated the reports into one document. It was noted previously that the DAFF did not issue a circular as agreed at a previous meeting, apparently owing to insufficient information at its disposal. The information would have enabled it to explain how it envisaged granting all eligible employees the camping allowance.

This allowance was stopped pending the outcome of the reports. The DAFF also previously reported and confirmed that all reports of visits undertaken by various task teams were submitted. These included observations and relevant recommendations. Parties adopted the report.

The DAFF indicated that deliberation on the report and the final decision on the recommendation of the task team, which is to be submitted to the Head of the Department for approval, must be agreed upon after interaction with the Directorate: Animal Health. The DAFF intended to schedule a special meeting for deliberation. The PSA emphasised that it is inundated with calls from members questioning the slow progress. Members' allowances were unceremoniously suspended on the understanding that the DAFF and unions were investigating. Thereafter, there would be reinstatement of the allowance to those who qualify. Nevertheless, consensus was reached that the matter was long overdue and needed urgent attention. After the inspection *in loco*, the DAFF issued a circular, indicating that none of the employees are based at camps, but rather at workstations and/or headquarters. Upon analysis of the information collated during the visits, it justified the stopping of the camping allowances, since it was not in line with the definition of a camp, which is defined as a temporary station away from headquarters where an employee has been appointed. This is in line with the DAFF's Camping Allowance Policy. It was furthermore agreed that monies that were erroneously paid in respect of camping allowances would not be recovered as per section 38 of the *Public Service Act*. Should employees work outside their headquarters, they will be eligible for S&T. This matter was still in process at the end of the report period.

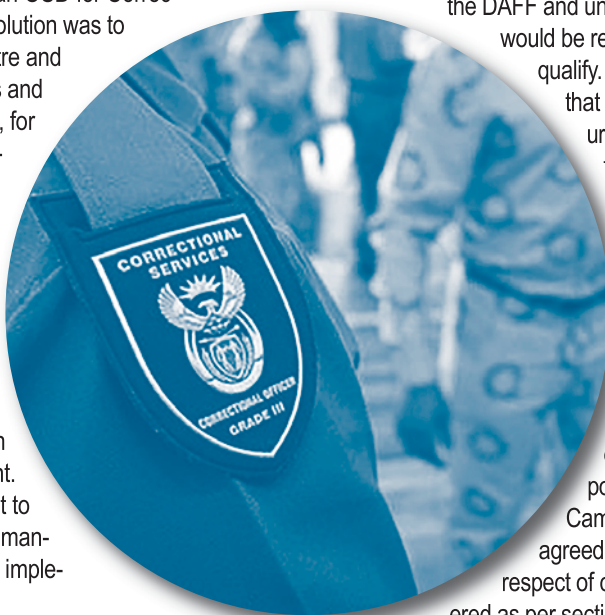
## Government Printing Works (GPW)

### GPW versus State-Owned Company (SOC)

The PSA tabled the matter following complaints from members that the Chief Executive Officer had informed employees that the GPW would be established as a Stated-Owned Company (SOC). At a special DBC meeting on 20 September 2016, the GPW indicated the decision to establish the GPW as a SOC was taken by Parliament in 2009. It also indicated that the process to establish the GPW as a SOP was still in infant stage. The GPW also indicated that it was developing a draft *Government Printing Works Bill* that would contain how translation would take place, and the *Security Printing Bill* that would address the security-industry regulation and how the GPW fitted in. Labour was assured that as soon as the draft Business Case, *Government Printing Bill*, and the *Security Bill* were completed, these would be tabled at the DBC for inputs from labour and other stakeholders, including the Portfolio Committee on Home Affairs. This matter was still in process at the end of the report period.

### Job evaluation: Delivery and Store Assistance posts

The PSA tabled these matters following complaints from members and demanded that the GWP should conduct job evaluation for these posts. The GPW indicated that a job evaluation on these posts was done in 2013. Following long deliberation, the GPW acceded to the PSA's demand and indicated that the job evaluation would be conducted during the 2017/18-financial year.



## Department of Planning, Monitoring and Evaluation (DPME)

### Restructuring

The PSA tabled the matter following concerns from members after restructuring in the DPME. The DPME indicated to the PSA that it had been looking at the process to review the departmental structure for the past two years as the current structure did not address needs. The PSA was given the assurance that no employees would lose his/her job because of the process. The PSA was informed that in terms of the proposed structure, the post establishment would increase from 350 to 449 and that this would provide opportunities for employees when posts are advertised. This matter was still in process at the end of the report period.

### Reasonable accommodation:

#### Employees living with disabilities

The PSA tabled the matter following complaints from members that the DPME seemed not to have a policy addressing the needs of employees living with disabilities. The PSA requested that the DPME should provide the DBC with a report on measures that it had developed to address the needs of employees living with disabilities. The DPME indicated that in all the Departmental policies it catered for such employees. Following deliberation, the DPME committed to table a draft disability policy for employees living with disability. The matter was still in process at the end of the report period.

## The Presidency

### Cost-cutting measures

The Presidency tabled the matter following an instruction issued by the National Treasury that cost-cutting measures should be explored and implemented. It made a presentation on the strategies and cost-saving methods that it intended to implement to comply with the Treasury instruction. The strategies identified relate to finance, goods, services, and compensation of employees. During the presentation, it indicated that Treasury had once again reduced the compensation of employees by R12 million during October. The PSA noted the presentation and indicated that it was a transverse matter that, in the Union's view, should be dealt with at PSCBC level.

The PSA further demanded that the Presidency should put all the processes related to cost-cutting on hold until the matter has been dealt with at PSCBC level. The Presidency indicated it would consult its principals on the PSA's demand. This matter was still in process at the end of the report period.

## Department of Economic Development (EDD)

### Organisational structure

The most important issue discussed in the DBC during the report period was the departmental structure. The EDD made a presentation on the proposed structure and indicated that this had been aligned to accommodate its new mandate. Labour noted that the proposed structure contained new post titles and requested the EDD to provide the new mandate and the reason for the change of post titles. A task team under the auspices of the DBC was established to engage on the matter and report back to the DBC. The DBC decided that the task team's terms of reference would be established and circulated to parties before the next task team meeting. This matter was still in process at the end of the report period.

## Statistics South Africa (StatsSA)

### Alternative placement of employees

The most important issue dealt with was the alternative placement of employees owing to changes in StatsSA because of relocation to a new building. Employees from Fleet Management Logistic and Security Services (FMLS) were affected, including 45 Security Officers and 18 General Assistants. These employees were previously given an opportunity to choose divisions/sections for redeployment. The placement of affected employees was completed and they were given a six-month grace period to amend their choice before they would be issued with letters to confirm their placement. Affected employees were undergoing training to expose them to the new environment and familiarise themselves with new roles and responsibilities under different mentors. This matter was still in process at the end of the report period.

## Safety and Security Sectoral Bargaining Council (SSSBC)

The PSA is not an admitted party to the SSSBC, but the Union represents members individually and collectively within the SA Police Service.

## South African Police Service (SAPS)

### Organisational rights

The SSSBC concluded a new procedural agreement to regulate the relationship between the SAPS, as employer, and the two recognised unions with organisational rights in the SAPS, namely Popcru and Sapu, and the SSSBC. The agreement provided for deductions of union membership by means of serial numbers allocated to the two unions only. Unions that do not comply with the mentioned process may therefore not have access to stop-order facilities. [To continue with stop-order facilities and unrestricted access to the workplace to enhance the level of service being rendered to SAPS members, the PSA successfully challenged the SAPS at the Commission for Conciliation, Mediation, and Arbitration.](#) A settlement agreement was subsequently signed between the SAPS and the PSA, granting the PSA stop-order rights and the right to the employer's premises as contemplated in sections 12 and 13 of the *Labour Relations Act, 1995*, as amended.

### Parastatals

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

## South African Weather Service (SAWS)

Collective bargaining at the SAWS is regulated in terms of the Constitution of the SAWS Bargaining Forum. Bargaining Forum meetings took place in terms of an agreed year plan. Wage negotiations were concluded when parties signed an agreement resulting in employees receiving a 7%-increase across-the-board.

The matter of payment of overtime for employees earning above the threshold, as determined by the Minister of Labour, deadlocked and was, by the end of the report period, in a process of private arbitration.

## National Library of South Africa (NLSA)

Negotiations with the NLSA resulted in a final agreement being reached for a 7%-salary increment across-the-board. Parties further agreed to a R300 increase per month in the housing allowance, effective from June 2016.

## State Information Technology Agency (Sita)

### Salary negotiations

The salary agreement that was signed on 15 September 2016, provided for the following (backdated to 1 April 2016):

- Levels A1 – C5 - 7% across-the-board
- Levels D1 – D5 - 6% across-the-board
- Standby Allowance increased from R100 to R200 per standby session

### Merit increases 2016

Following the signing of the wage agreement, the PSA endeavoured to engage Sita on outstanding issues such as merit increases. However, Sita's negotiation team collapsed owing to resignations and suspensions. This impacted on the functioning of the *interim* negotiation forum that was established to deal with conditions of employment and other matters of mutual interest and the forum became dormant. The PSA made efforts to assist with normalising the situation and a letter was sent to the CEO in December 2016 regarding this matter as well as the issue of merit increases for 2016. A follow-up was done in January 2017. This resulted in two sessions in close succession with the CEO and management representatives. The outcome was that although Sita did not have sufficient funds, it acknowledged the need for some form of merit payment in recognition of performance achieved and indicated that R14.6 million was available. Based on this, a once-off amount calculated as a percentage of the total guaranteed package (TGP) and as reflected in the model below, was paid in February 2017 in recognition of performance:

End range (less than)	Rate	% of total cost-to-company
71.00 - 80.99	3	0.75
81.00 - 90.99	4	1.00
91.00 - 100.00	5	1.25

## South African Revenue Service (Sars)

During the report period, the Sars National Bargaining Forum (NBF) addressed and resolved several matters of mutual interest. The PSA has a vibrant, active negotiating team consisting mainly of full-time shop stewards, assisted by the PSA Administration.

### Wage agreement

The PSA signed a three-year, multi-term agreement regulating conditions of service and wage increases for the 2016/17-, 2017/18-, and 2018/19-financial years. For 2016/17, employees received an 8%-salary increase. Other conditions of service that were increased included:

- Introduction of a pay progression system.
- Expansion in definition of family responsibility.
- Introduction of additional discretionary leave.
- Paternity leave of five days per occasion and per child.

- A 10% increase in long-service awards in year one and for year two and three, the increase for long-service awards will be linked to inflation.

### Membership growth

The PSA experienced tremendous membership growth in Sars during the past two financial years. This resulted in the PSA qualifying to elect an additional full-time shop steward for reaching 45% representativeness in the Bargaining Forum and maintaining this for a 12-month period. During the report period, the membership percentage increased to just below 50% membership representativeness in the NBF and solidifying the PSA position as the leading Union of Sars employees.

### Team Leaders

Sars embarked on an exercise to re-grade all Team Leaders and convert the post into that of Operational Manager. Team Leaders had to undergo an assessment to determine their effectiveness. Employees who passed the assessment were immediately translated to Operational Managers. Employees who failed the assessment had to undergo 12 to 18 months of training and, if successful, would also be translated to Operational Managers. The necessary training did not commence as agreed with labour. After raising this matter at the NBF, Sars agreed to do away with the training and translate all such employees to Operational Managers. The necessary re-grading and salary adjustments would also be made for affected employees. A dispute was also declared as Sars did not implement the payment date uniformly. Parties ultimately settled the matter, resulting in backdated payment for affected members.

## National Health Laboratory Service (NHLS)

### Wage agreement 2016

The most important aspects of the wage agreement, with effect from 1 April 2016, are as follows:

- 7.6% annual salary adjustment.
- Extending the bargaining unit of the BLRF to grade D1 employees.
- Increase in maximum monthly medical-aid subsidy to R2 513.50.
- Increase in monthly housing/living allowance to R1 500.
- Introduction of a 13th cheque, effective from December 2016, and annually thereafter.
- Improvements in long-service awards.
- Increase in the number of recognised medical-aid schemes.
- Removal of the limitation on the number of confinements for which maternity leave may be granted.

Most of the meetings during the report period focused on ensuring that all aspects of the wage agreement were complied with and dealing with some outstanding issues from the 2015-wage agreement. Labour also tabled its 2017-wage demand in March 2017. Developments will be reported in the next report period.

## Pan South African Language Board (Pansalb)

### Review: Organisational Rights Agreement

Parties were during the report period finalising the review of the organisational rights agreement. The final draft was circulated for inputs and amendments where made and then it would be formally tabled for negotiations.



## Medical aid

The Pansalb issued a circular that indicated its intention to reduce the medical-aid schemes being utilised by staff from six to three. The PSA raised a serious concern with the way Pansalb was forcing employees without any consultation. [The PSA raised questions on the waiting periods if an employee was forced to move to other medical aid.](#) The PSA demanded that the Pansalb should withdraw the circular and start with consultation on the matter. The Pansalb agreed to comply.

## Companies Intellectual and Property Commission (CIPC)

The CIPC was established in 2011 in terms of the *Companies Act 71, 2008*. After this, employees who previously provided same or similar services as those of the CIPC were transferred from the Department of Trade and Industry to the CIPC. [Through the PSA's efforts, the Bargaining Forum was established and is functioning.](#) The PSA's submission to the Minister and efforts for the establishment of the Forum were also recognized by other unions. Employees' terms and conditions of employment are now discussed at the Forum.

## Office of Health Standards Compliance (OHSC)

The OHSC was listed as a section 3A Public Entity with effect from 1 April 2014. It is a statutory body, tasked in terms of an amendment to the *National Health Act, Act 61, 2003*, to protect and promote the safety of users of health services by monitoring health services, and enforcing their compliance with prescribed norms and standards. In terms of PHSDSBC Resolution 1/2016, members who perform inspection and compliance services from the National Department of Health should be transferred to the OHSC in term of section 197 of the *Labour Relations Act, Act 66, 1995*. The OHSC made a presentation of the draft organisational rights on 26 January 2017 for inputs from labour. Unions admitted at the PHSDSBC had automatic organisational rights with OHSC until 31 March 2017, while a bargaining forum should be established, with new negotiated rights. The period for automatic organisational rights with the OHSC was later extended by labour and the OHSC until 31 March 2018.

## South African Social Security Agency (Sassa)

### Implementation: PSCBC Resolution 3/2009

The PSA raised the matter following complaints from members that Sassa was refusing to implement the Resolution for salary level-6 employees who were transferred from the Department of Social Development. Sassa indicated that the reason for not implementing the Resolution for these employees was that they were not placed at level-6 graded posts as required by the Resolution. Labour demanded that Sassa should conduct a workshop on how the transfer process took place that resulted in the placement of these employees to salary level-5 posts. Labour also demanded that a job evaluation should be conducted on all post levels where these employees were placed. Sassa did not accede to labour's demand for the workshop and indicated that the transfer process was dealt with in terms of the transfer agreement entered at the Public Health and Welfare Sectoral Bargaining Council (PHWSBC), now known as Public Health Social Development Sectoral Bargaining Council (PHSDSBC) Resolution 1/2006. Sassa also reported that it was still consulting with its principals on labour's demand for a job evaluation and that feedback would be provided at the next Forum meeting. The PSA expressed dissatisfaction with the report and indicated that it seemed not to be a mandated report.

The PSA also indicated that the continued lack of commitment and unwillingness by Sassa to resolve issues affecting the interests of members will compel labour to mobilise members and resort to industrial action as labour strongly believed that the actions and attitude of Sassa were undermining labour and collective bargaining. The PSA consulted its legal representatives for a legal opinion on the way forward. This matter was still in process at the end of the report period.

## Future plans posts Cash Paymaster Services (CPS) contract

The PSA tabled the matter following the Constitutional Court judgment in 2015, wherein the Court declared invalid the contract between Sassa and CPS for the payment of social grants. The matter relates to the functions of the service provider, Cash Paymaster System (CPS), which is currently rendering the service of payment of social grants in Sassa. [The PSA tabled the matter as it not only has an impact on beneficiaries, but also on Sassa employees.](#) Since the matter was tabled in December 2015, Sassa was only able to share information with labour at the Bargaining Forum meeting on 22 February 2017, where labour was informed that it was not ready to take over by 1 April 2017. It indicated that it was entering into a new contract with the current service provider based on stringent terms and conditions, especially regarding illegal deductions by financial institutions. Labour was assured that there would not be any personnel implication for Sassa officials as the *status quo* would remain from 1 April 2017. It was agreed that a special Forum meeting would be held on monthly basis to engage on plans of how Sassa intended to take over the service of the payment of social pensions.

## Public Protector SA (PPSA)

### Draft Constitution of Bargaining Forum

[The PSA, as the majority Union at the PPSA, tabled the draft Constitution of the Bargaining Forum for negotiation.](#) The PPSA requested an opportunity to discuss the draft Constitution with the new Public Protector to obtain a mandate to sign the document. This matter was still in process at the end of the report period.

### Assistant Investigators: Career progress

The PSA raised the matter following complaints from members regarding the requirement outlined in the advertisement of Investigators' positions that seemed to discriminate against Assistant Investigators when applying for such positions. The PPSA indicated that the matter had come to its attention and that it was being considered. Feedback would be provided in the next Bargaining Forum. In the meantime, the PPSA undertook that no job advertisements for Investigators would be issued that discriminated against certain Assistant Investigators by virtue of their qualifications.

## Group Branch Public Service Pensioners

**The Group Branch: Public Service Pensioners is a fully-fledged group branch of the PSA aimed at serving the interests of its members who have retired from the Public Service and opted to continue their membership of the PSA as associate members.**

## National Management Committee

The national management committee comprises four office bearers namely Gideon Serfontein (Chairperson), Manie Lemmer (Vice-Chairperson, Dianne Kloka-Speight (Secretary), and Buks Jordaan (Deputy Secretary), as well as five regular members namely Hannes Botha, Louis Janse van Rensburg, Rita Bessenger, Rienie van Blerk, and Koot Myburgh (co-opted).

Effective 1 January 2017, the chairpersons of the regional committees of the Group Branch, or their designees, became members of the national management committee. They are Stan Davis (Southern Cape), Eben Fischer (Bloemfontein), Rob Moody (Cape Peninsular), and Jakkie van Dyk (Waterberg).

## Annual General Members' Meeting

On 20 October 2016, the Group Branch held its 54th Annual General Members' Meeting in Pretoria. The highlight of the meeting was the presentation on the Government Employees Pension Fund (GEPF) by Dr. F le Roux, the pensioner-elected trustee on the GEPF Board, and Ms A van Niekerk, the GEPF Company Secretary. Since it was an elective meeting, the election of members to the National Management Committee also took place.

## Regional Group Branch Committees

The national Management Committee is supported by four Regional Committees that manage and promote the interests of Group Branch members at regional level.

- The Bloemfontein Regional Committee serves the greater Bloemfontein area and is chaired, in a caretaker capacity, by Eben Fischer. The Deputy Chairperson is Muller Els and the Secretary is Trien Coetzee.
- The Cape Peninsular Regional Committee serves all the suburbs in the City of Cape Town and is chaired by Rob Moody. The Deputy Chairperson is Faldela Martin and the Secretary is Basil May.
- Stan Davis is the Chairperson of the Southern Cape Regional Committee. The Secretary is Joan Booysen. This Committee serves George and surrounding areas.
- The Waterberg Regional Committee is chaired by Jakkie van Dyk and serves the Waterberg and surrounding areas. The Deputy Chairperson is Koos Smit and the Secretary is Johan Els.

During 2016, delegated members of the Group Branch Management visited three of the Regional Branch Committees to have discussions on matters of mutual interest. The visit to the Southern Cape Regional Committee is planned for 2017.

## Membership

In close cooperation with the PSA Administration, the Group Branch management embarked on a process during 2016 to clean its database of members and update members' details. This is a time-consuming process that should be completed in 2017.

## Liaison with other organisations

Regular liaison with similar organisations such as the Centurion Council for the Aged takes place on an ongoing basis to ensure that the Group Branch keeps up to date with matters concerning the interests of retired persons in connection with medical and social services.

## Pension and post-retirement medical assistance

Over the past year, the Group Branch assisted numerous members to resolve their queries regarding pension matters and post-retirement medical assistance. The Group Branch requested the administration of the GEPF to provide a nodal point or forum to deal more effectively with the enquiries, queries and complaints of Group Branch members regarding their pension and post-retirement medical assistance matters. The response was being awaited by the end of the report period. It is with appreciation that it was learned in March 2017 that the GEPF had increased pensions with 6.6%, effective 1 April 2017.

## In memoriam

The Group Branch pays tribute to Mrs Stephanie Finlayson, a former Secretary of the Cape Peninsular Regional Committee of the Group Branch, who passed away on 30 January 2017, as well as Mr Fred Kayser and Dr Colin Cameron, whom both made major contributions in the interest of the Group Branch over many years. Similarly, we remember and honour all other members who have passed away during the report period.

# Provincial service delivery

## Eastern Cape

### Mthatha

The success in service delivery by the Provincial Office in Mthatha lies in the fact that shop stewards are engaged to identify challenges affecting members at grass-roots level for these matters to be added to the agenda of Bargaining Chambers. One such example was the issue of Heavy-duty Drivers who were not paid at the same level and the payment of Performance Bonuses by EMS in the Eastern Cape.

The Office during the report period handled 29 disciplinary hearings, 22 arbitrations and one court case for members. The success rate of 86% was achieved in cases.

### Port Elizabeth

The Provincial Office in Port Elizabeth continued to build on the foundations of the previous year to finalise cases in the shortest possible time. Where members were entitled to receive outstanding payment from the employer, the PSA left no stone unturned to ensure that members received what was due to them. This was made possible by means of the PSA issuing letters of demand to employers. Where employers failed to comply, the relevant courts were approached to obtain a court order to compel payment. Where non-adherence still prevailed, an attachment order was obtained to entitle the Sheriff of the Court to remove State property. Government vehicles were, for example, removed from the Departments of Education and Health to be auctioned. On the morning of the auction, the outstanding payments to members, with 15% interest and the PSA's legal costs, were paid by the Departments. In total, an amount of just under R1 million was recovered in this way.

During the report period, Labour Relations Officers trained 60 shop stewards to assist members with disciplinary hearings, grievances, arbitrations, and conciliations. These interventions not only included the theoretical aspects, but also gave trainees exposure to real-life situations in workplaces when they attended hearings and arbitrations. [This empowerment of shop stewards resulted in them being geared to assist members facing disciplinary charges and thus also enhancing the visibility and accessibility of the Union.](#)

## Free State

The core function of the Union is to protect the rights and promote the interests of members. The theme in all functional areas conducted by the Provincial Office in Bloemfontein during the report period was "Member First". Full-time shop stewards and shop stewards played a vital role in increasing capacity to enhance service delivery.

Thanks to the dedication and efforts of a core group of shop stewards, the Office had a high success rate during the report period. A total of 158 disciplinary hearings were dealt with by the Office's Labour Relations officers, full-time shop stewards, full-time office bearers and other shop stewards with a success rate of more than 80%.

A total of 173 arbitrations were done by the same group with a success rate of more than 65% in favour of PSA members, amounting to compensation of more than R60 million for members.

A few of the prominent cases dealt with by the Office during the report period are highlighted. The case against the Department of Health related to Security Officers' compressed working hours backdated to 2007, had a huge impact on all other provincial departments. The backdated payments were prioritised and the Department had to recalculate the working hours of the Security staff for the period backdated to 2007.

PMDS for the Department of Health, which was outstanding since 2011/12, had to be paid to all qualifying PSA members, amounting to more than 8 000 employees. The monetary value of these payments amounted to more than R50 million.

The PSA is active in the Free State Chambers of the PSCBC, PHSDSBC, and the GPSSBC with more than 80% of agenda items being registered by the Union. [The PSA is the majority Union in all ten provincial task teams that resorts under the GPSSBC.](#) Chairpersons have been utilised with great success to attend Chambers and displayed their skills during negotiations.

During the report period, the Free State issued 29 editions of the *Informus* newsletter to update members in the Province on issues of mutual interest that the PSA was dealing with in provincial bargaining forums.

## Gauteng

### Johannesburg

Outstanding cases inherited from the Pretoria Provincial Office following the demarcation of the East Rand, were prioritised for finalisation. The creation of a fourth Labour Relations Officer post in the Provincial Office assisted with the higher demand for service delivery and reduced complaints from members. Strict adherence to turn-around times for responses to members yielded positive results.

The Office successfully obtained a Labour Court judgment in December 2016, declaring section 34 and 38 of the *Public Service Act* as unconstitutional. This came after the Gauteng Department of Health started deducting a huge amount of money from a member's salary following a salary error many years previously. This matter was referred to the Constitutional Court to set aside the two sections of the *Act*.

The outcome will have a huge impact in future in cases where members allegedly owe money to employers. The Office also obtained interdicts against three other employers to prohibit them from deducting money from members' salaries for alleged overpayments and other debts. The active participation of the Office in the collective bargaining structures in the Gauteng Province resulted in financial benefits for many members in the form of incentive bonuses that were negotiated at, amongst others, the Gauteng Department of Health, Social Development, and Education. PSA Provincial Chairpersons attended collective bargaining meetings, which empowered them to report back to members.

Restructuring in E-Government is nearing finalisation and will include a proper division of functions between the Provincial Treasury, E-Government, and the Office of the Premier. Shop stewards in these Departments actively participated in the processes under guidance of the PSA.

Regular communication to members after collective bargaining meetings through the *Informus* resulted in positive responses and appreciation from members.

The Provincial Office, through its active involvement in the Provincial Chambers, is leading the intensive processes on the health and safety of members in buildings not meeting the required standards of the *Health and Safety Act*.

### Pretoria

The Liaison Component of the Provincial Office together with shop stewards and full-time shop stewards/office bearers during the report period identified issues that required intervention to ensure the PSA's competitive advantage. The Office received several last-minute requests for representation, with several new members joining the PSA only once they have already been charged. This posed a challenge to ensure timeous representation. These members were, however, assisted through the services of shop stewards and Labour Relations Officers. The protection of members' rights has become an issue of competitive advantage and the caliber of shop stewards and Labour Relations Officers who assist with cases is becoming increasingly experienced, ensuring increased success. Many cases were resolved in Departments by shop stewards and full-time shop stewards. This also contributed to the retention of members. In addition, efficient work was conducted by Liaison Officers to provide members with sound advice and assistance. The Provincial Office in Pretoria Office is responsible for also collective bargaining at various institutions. The Labour Relations component was greatly assisted during the report period by diligent Chairpersons at these institutions.

### Agriseteta

The PSA finalised the organisational rights agreement. The cost-of-living adjustment was negotiated and resulted in the following salary adjustments: Grades P8 - P12: 7.5%; Grades 13 - 15: 8%; and Grades 16 - 17: 8.5%. The agreement is still to be finalised, and by the end of the report period, the PSA was busy with verification to ensure completeness.

### SASSeta

The PSA represents members at the SASSeta despite the organisational rights agreement still being underway. The PSA addressed a range of matters, including job grading, the SASSeta constitution, issues from the 2014/15-financial year, the organisational rights agreement, and cost-of-living adjustments for the 2017/18-financial year.



In respect of job grading, the Administrator reported that it tried to benchmark against the DPSA salary structure. Job evaluation will be consulted with the PSA on how to deal with various issues coming from the report such as employees who are overpaid. It was reported that the SASSeta had sufficient funds to upgrade qualifying employees in terms of the new grading process.

The Constitution of SASSeta was approved by the Minister of the DHET.

Performance bonus: 2014/15-financial year: After consultation with the PSA, it was agreed that a new Moderating Committee would be established. The SASSeta indicated that the bonus would be paid at the end of April 2017.

Remuneration Policy: The Administrator indicated that it was doing the calculation relating to the cost-to-company process. Once finalised, the SASSeta would be in the position to adjust the remuneration policy.

The organisational rights agreement is a standing agenda item that still must be finalised.

The SASSeta organisational structure was also a standing agenda item throughout 2016/17 and gave rise to other deliberations, which resulted in the SASSeta re-looking certain processes. Engagements were ongoing by the end of the report period.

The costs-of-living adjustment for the 2016/17-financial year amounted to 8% for Practitioners and 9% for other staff. By the end of the report period, the PSA was engaging the SASSeta on a demand for 2017/18 of 11% for Practitioners and 12% for other staff.

### **South African Pharmacy Council (SAPC)**

The organisational rights agreement at the SAPC was by the end of the report period still being finalised. A labour consultant was sourced to assist. Issues under discussion at the SAPC are:

Pay progression: This was raised by labour and the SAPC agreed that this should be done to assist employees. Workshops are being held to educate employees before agreements can be reached.

Performance assessment cycle: This matter came under discussion and a need arose for a change. The cycle was shifted from the start of November to the start of October each year, from October 2017. The matter was still under discussions by the end of the report period with a need to seek a mandate from members.

Revision of HR policies: Policies were provided to employees for comments. This allows involvement of members and ensures that PSA members are aware of their rights.

## **KwaZulu-Natal**

### **Durban**

The Labour Relations component on the Provincial Office in Durban, despite excellent service rendered found it difficult during the report period to cope with the influx of grievances, disciplinary hearings, and arbitrations. Simple grievances that should have been attended to by shop stewards filtered to the Office and impacted on capacity. The effective use of full-time shop stewards was key to overcoming this problem. All full-time shop stewards were integrated into the Office environment and can function independently. A core group of shop stewards also assisted with labour-related matters.

### **Pietermaritzburg**

The PSA Provincial Office in Pietermaritzburg secured some R579 555, which the employer had to pay to members following successful arbitrations and settlement agreements. The Office completed 36 disciplinary hearings during the report period. This figure does not include cases that were withdrawn, not completed, not dealt with via informal disciplinary hearings, terminated at the hearing such as in the DCS where timeframes were not adhered to, where staff or full-time shop stewards were able to avert the actual disciplinary hearing by entering into discussions with the employer and resolving the issues. In some instances, these cases took between five and ten working days to finalise. The Office reported a 97% success rate for completed disciplinary hearings. In addition, the Office represented members with 27 arbitration hearings, which were completed and do not include cases which were withdrawn, referred to conciliation by mutual consent, not finalised owing to outstanding awards from commissioners that are still awaited and instances where commissioners had lost notes or recordings were faulty and parties are still trying to reconstruct the arbitration hearings. The Office achieved a 92%-success rate in completed arbitration hearings. The Office was also successful with most grievances of members.

The success rate for disciplinary hearings, arbitration hearings and resolving grievances can be attributed to scrutiny of cases, thorough preparation and being open-minded to alternative solutions. The Office was also involved with eight court litigation cases during the report period.

Besides the Labour Relations Officers, three full-time shop stewards assisted the Office in representing members with bilaterals, grievances, conciliation boards, arbitration hearings, and disciplinary hearings.

Collective bargaining takes place in all three Chambers in the Province and are shared between the two Provincial Offices, i.e. Pietermaritzburg and Durban. The PSA once again tabled most of the agenda items in all Chambers and, with seasoned staff, took the lead in Chamber discussions.

The Pietermaritzburg Provincial Office is responsible for the KZN PSCBC Chamber where the Provincial Manager is the elected Chairperson. Disputes that were resolved or finalised include the non-payment of bonuses in respect for the 2009/10- and 2015/16-financial years (withdrawal of circular) and the closing of hostels in KZN Education (withdrawal of circular).

## **Limpopo**

One of the strategic objectives of the PSA is to protect the rights and promote the interests of members. The Provincial Office in Limpopo strives to execute this objective by means of exceptional service. Three Labour Relations Officers, a Senior Clerk and four committed shop stewards represented members in 47 grievances meetings, 64 disciplinary hearings, 54 conciliations and 43 arbitrations during the report period. The Office had an overall success rate of some 70%. The Office also dealt with 17 court litigation cases that were outsourced to local attorneys at a cost of some R463 446. The total value of settlement agreements and arbitration awards in favour of members amounted to R1 130 006 for the report period.

A few prominent cases that were dealt with during the report period are highlighted. Three Immigration Officers at the Department of Home Affairs were charged with misconduct for allegedly wrongfully deporting a Botswana citizen. After a marathon-disciplinary hearing they were found not guilty on all charges. The Minister of Home Affairs had, in the meantime, made a public announcement that these members would be dismissed. They were charged for a second time. The PSA approached the Labour Court for urgent relief but the Court ruled that the hearing could continue. The members were found guilty and a sanction of three month's suspension without pay was handed down.

The members were assisted with an appeal. The sanction was reduced to one month's suspension without pay. The PSA declared a dispute based on substantive unfairness. The arbitrator found that the employer had committed an unfair labour practice, set aside the suspension and ordered the Department to pay the members their salaries for one month.

A member at the Limpopo Department of Transport was charged with misconduct involving alleged fraud and theft. It was alleged that the member had assisted a service provider to get a tender of R6 million. The hearing went on for several months as the employer tried to discharge the onus to prove the allegations. The member was found guilty and a sanction of a demotion was handed down. The PSA appealed the finding and sanction, citing that the Chairperson had failed to apply his mind on the evidence before him. The appeal was upheld and the member, after a lengthy suspension, resumed duty.

The PSA is active in the Limpopo Chambers of the PSCBC, GPSSBC and PHSDSBC. The PSA also has the responsibility to chair the latter Chamber. The Chairpersons of the respective Branches form part of the PSA delegates in these Chambers. By attending the Chamber meetings, Chairpersons get exposure to basic negotiation skills. No collective agreements were concluded but crucial matters were dealt with, including the 24/7 service at Primary Health Care facilities (clinics) across the Province. The Department of Health had endeavoured for more than a year to introduce this service. The PSA and other unions repeatedly objected as the Department is not geared to render such a service. A task team was established, consisting of representatives from the employer and labour, to investigate the feasibility of the system. It was found that there are not enough nurses to work the intended shift system. Security at most clinics is virtually non-existent. The infrastructure is poor at most clinics and extensive maintenance and upgrading will be required. The Department noted the findings and is considering ways of overcoming the shortcomings as well as the cost implications. The matter remains on the agenda of the Health and Social Development Chamber.

During the report period, the Provincial Office drafted 19 editions of the *Informus* for members employed by the Limpopo Provincial Government to keep them updated on matters of mutual interest.

## **Mpumalanga**

[The PSA Provincial Office in Nelspruit strengthened the Union's profile in the Province by successfully challenging workplace injustices.](#) Member structures are fully involved in collective bargaining activities and contribute agenda inputs. All Bargaining Chamber meetings were attended and the PSA actively participated by contributing agenda items and engaging in negotiations.

The PSA, for example, successfully compelled the employer at the PHSDSBC to translate all Nurses by placing them according to the departmental organogram.

The Office, during the report period, declared a dispute on the implementation of PSCBC Resolution 1/2012 (update of level 9/10 and 11/12) and most members were correctly placed and the PSA is continuing with the dispute to ensure that all affected members are upgraded. The PSA also compelled the Department of Agriculture, Forestry and Fisheries to issue protective clothing to employees working under hazardous conditions without any protective clothing. The Department of Community Safety, Security and Liaison was furthermore prevented from deploying Traffic Officers to work unpaid overtime in areas where there is increased fatalities and crashes.

The Province's member database was updated, which eased correspondence with members and the issuing of membership cards. Member structures were encouraged to create *WhatsApp* groups, which worked well for example during the Department of Home Affairs working hours matter where members communicated on developments, updates as well as the PSA's efforts.

The Office's Labour Relations Officers, full-time shop stewards, and shop stewards assisted 410 members in disciplinary hearings, conciliations, and arbitration during the report period with a 58% success rate and a monetary value of more than R429 006 for members. These successes include members who were unfairly dismissed, appointed to act on higher posts without remuneration, and PMDS payments.

## **Northern Cape**

Service delivery is regarded as the corner stone of the Union's operations in the Province. Meeting Council deadlines, excellent presentations, the conduct of representatives, and general interaction contributed towards brand enhancement during the report period. Strict adherence to PSA norms and standards resulted in a reduction of service-related complaints by members. Referrals were made on time and members were promptly informed of their representatives. Increased assistance by shop stewards with cases was of great value as matters could be attended to quickly.

Advanced training rolled out by Labour Relations Officers in 2016 alleviated pressure on staff as shop stewards could effectively deal with grievances at their respective workplaces. The involvement of shop stewards in the GPSSBC and PHSDSBC Chambers ensured that the PSA actively participated in Bargaining Chambers in the Province. These shop stewards were also trained on collective bargaining in October 2016.

The Provincial Office has a full-time office bearer who is based in the Office in Kimberley where he is involved with members' rights cases, recruitment, and structure meetings.

The Province also has two full-time shop stewards who assist cases, collective bargaining in the GPSSBC and the Provincial PSCBC. The PSA has requested the release of two more full-time shop stewards (elected and supported by their Committees) from the DCS for the Pixle-ka-Seme and ZF Mngcwawu district, and one from the GPSSBC, who will be based in JT Gaetsewe district to bring services closer to members.

The PSA's business partners played an active role in the Province during the report period. Structure meetings were attended and Metropolitan assisted with recruitment of members during an open day in Vioolsdrift in October 2016. *Mahala*, *Old Mutual*, and *Metropolitan* also supported the Inter-sectoral meeting in Kuruman in December 2016.

The Northern Cape, being the biggest Province in the country, presents the Provincial Office with travelling challenges. For example, Kimberley is approximately 1 200 km from Vioolsdrift, and Alexander Bay, which are the furthest points where members must be serviced. Full-time shop stewards are based at the furthest corners of the Province to service members in rural areas, and recruit new members. Full-time shop stewards add further capacity in respect of communication with members, improved case management, and ensuring the PSA's visibility.

Some of the cases handled successfully during the report period are highlighted:

- A shop steward represented a member who was dismissed by Sita after being charged with fraud. It became evident after the disciplinary hearing that Sita had not followed its own code of disciplinary procedures in that no progressive and corrective discipline had taken place and Sita did not suffer any financial loss. The member was re-instated at the arbitration.
- At the Department of Social Development, four members approached the PSA for assistance regarding a PMDS matter. After lengthy process, the matter was dealt with by the Labour Court, which ruled that the members had to be re-evaluated. After the moderating committee had convened, all the members were awarded a PMDS bonus.
- At the Department of Correctional Services, four PSA members were charged together with a member from another union following an escape from a prison. The PSA, noting the severity of the charges, entered a plea bargain resulting in the members keeping their jobs.
- A member at StatsSA approached the PSA with a complaint regarding a salary upgrade. She had been appointed in 2005 as a Principal Training Officer. After conclusion of PSCBC Resolution 1/2012, it became apparent that per the approved functional structure, the post of Principal Training Officer did not exist and that she should have been an Assistant Director at salary level 10. The matter was referred as a dispute of interpretation and application of a resolution. The member was awarded R138 000.
- An Educator member was demoted after an investigation, with no formal tribunal sitting. The PSA had the decision reversed by way of an award. The member was re-instated to his position as Deputy Principal.
- A member, who had acted in a higher position, approached the PSA for assistance with an acting allowance. The employer refused to pay the allowance and the matter was referred to arbitration. The employer then settled and paid the member R157 800 for the acting period.
- Sassa unfairly terminated the contract of a PSA member. A dispute was declared and the award ordered Sassa to pay the member R65 000.
- The PSA assisted a member at the Department of Social Development with an unfair labour practice (promotion) dispute. The member met the minimum requirements of the post, but was not short-listed. He was awarded R795 000 compensation.
- At the Northern Cape Department of Education, a Circuit Manager was charged and suspended for longer than the stipulated 60-day period. The PSA challenged the suspension and the member was compensated with R98 000.
- The Northern Cape Economic Development Agency dismissed a PSA member unfairly. The matter was challenged and the member was re-instated by means of an award and the employer being ordered to pay him R311 000.

## North West

Service delivery by the Provincial Office in Mmabatho improved during the report period owing to assistance by full-time shop stewards with liaison and labour-relations work. Assistance from shop stewards with disciplinary hearings, grievances, and recruitment improved substantially. Complaints from members reduced thanks to commitment of staff, shop stewards, and full-time shop stewards.

The Provincial Office was, however, still faced with a challenge in that not all shop stewards were willing to assist members. Through active engagement of the shop stewards in training, an improvement was noted. The success rate in members' cases that were handled by the Office's Labour Relations Officers, full-time shop stewards, and shop stewards reflects their commitment and dedication.

The Office's Liaison Officers visited 6 194 members during the report period to ensure the PSA's visibility. The Office reduced the backlog in cases. Cases that are reported to the Office are scrutinised and prioritised. The Labour Relations Officers and shop stewards aim to ensure that members receive a quality service. During the report period, awards and settlement awards in favour of members amounting to more than R18 million were obtained.

During the report period, the Office experienced a tendency where members who are managers in various provincial and national departments were disciplined for not pursuing political agendas to open positions for cadre deployment. The Office represented these members successfully and will continue doing so as a politically non-aligned Union.

Regarding collective bargaining, the Office contributed towards the improvement of bargaining in the various Chambers during the report period. In the past, the Office struggled with the collective bargaining processes in the PHSDSBC and CCNWP chambers, but this improved substantially. Active participation and involvement of the PSA in various Chambers yielded positive results. This was reflected by the way in which the Office concluded negotiations for three parastatal institutions, namely North-West Development Corporation (NWDC), Mmabana Arts, Culture and Sports Foundation, as well as Golden Leopard Resorts.

The PSA ensured the correction of salary disparity at the NWDC and also concluded an agency shop agreement at the NWDC. The PSA contributed meaningfully to all Provincial Chambers.



It was, for example, successful in forcing the employer to repair air conditioners at Brits Hospital. This situation was so severe that the Hospital was unable to perform surgery in its theatre. The PSA maintained its majority status in the GPSSBC and experienced meaningful growth in the PHSDSBC during the report period.

Members structures in the Province contributed much to identify agenda items for placement on the agendas of the various Provincial Chambers. The Provincial Chairpersons of the various Branches were actively involved in Chamber meetings. A significant improvement was experienced with mandating processes.

## Western Cape

The theme for the Provincial Office in Cape Town for the report period was “Be Proudly PSA”, meaning that the PSA Administration, office bearers, and structures focused on living out the core values of the PSA and focused on being humane, humble, honest, and true leaders in all dealings with members and social partners. Service remained at the centre of the offering to members and prospective members and included the following cases for the report period:

- Arbitrations (57 - TIL, OSD and unfair dismissals represented the top three disputes).
- Conciliations (60 - TIL, OSD and unfair dismissals represented the top three disputes).
- Disciplinary hearings (32).
- Grievances (73).
- Collective bargaining meetings (54 - including workplace forums, task teams, Exco and Chamber meetings).

The Office's staff and office bearers travelled 28 500 km to assist members across the Province. The Office also brought seven new matters before court, with another four being ongoing at the end of the report period.

## Communication with members

**The PSA regards effective communication with members as a service pillar. Related activities represent a substantial level of engagement with the Union's broad membership. The PSA is committed to improve and enhance its communication with members. The Union is open to innovative ways to get in touch with members to accommodate their diverse needs.**

The report period saw the introduction of various interventions by the PSA to enhance interaction with members. The introduction of hosted discussions forums, PSA Today, for tomorrow- Let's Talk, offered a new channel where members can be part of discussions with experts from different fields on topics that affect them. The intervention was launched at the 2016 PSA Annual General Meeting in Gauteng. Three interventions were subsequently hosted by the end of the report period.

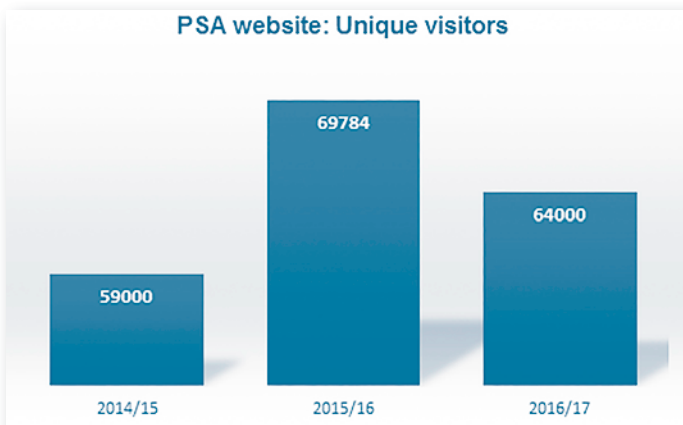
Departmental interventions, such as newsletters in support of Branch Annual General Meetings and Open Days, were also undertaken. The Departments of Transport, Energy, Basic Education, and Tourism were, for example, assisted during the report period to gain maximum benefit from member gatherings.

The PSA engages with members by means of various social media platforms, i.e. *Facebook*, *YouTube*, and *Instagram*. During the report period, a *Twitter* account was opened. Members can now follow the PSA @PSA\_Union on *Twitter* for a range information updates. A *WhatsApp* facility for Chairpersons was also introduced during the report period to enhance information sharing.

The electronic helpdesk, *ask@psa.co.za*, provides members with an alternative channel to lodge enquiries to the PSA. Members can either send their enquiries to this email directly or access it *via* the PSA web-site.

*PSALink*, a newsletter aimed at shop stewards, *PSA explains*, offering insight on various topics, and *PSA opinion*, a series of in-depth articles, also form part of the Union's information sharing with members

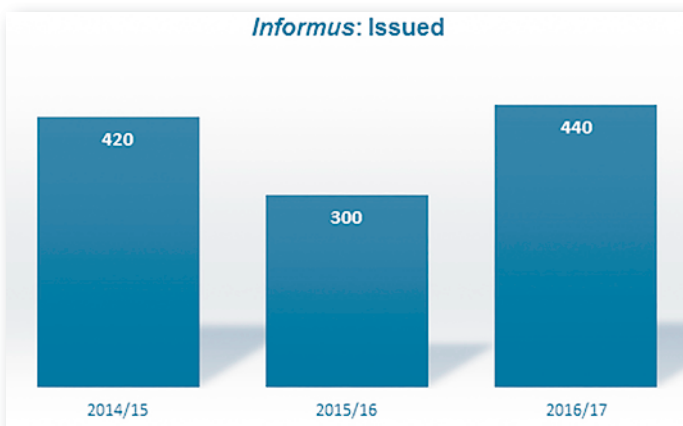
The PSA website (*www.psa.co.za*), as a window on Union activities, is a popular platform with more than 64 000 unique visits being recorded during the report period.



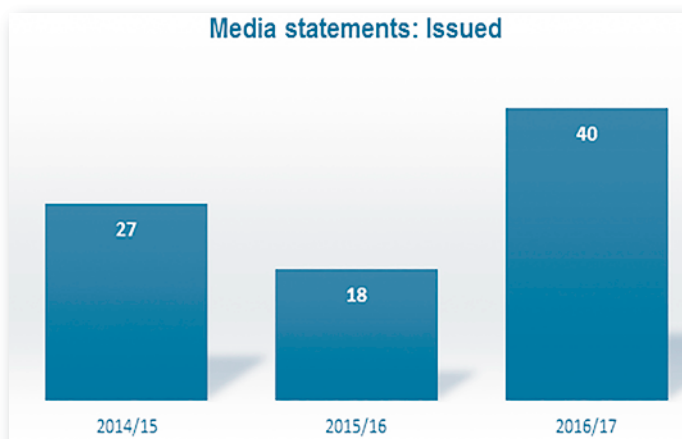
The PSA mobile site (*m.psa.co.za*) provides a short version of the website for members' convenience.

The PSA *magazine* remains popular with members and plays a strong supporting role in recruitment of new members. The magazine was enhanced during the report period to widen its impacts and extend the value offering. The publication, of which four editions are published per year, is distributed electronically and by postal delivery to members.

The *Informus* is a targeted electronic newsletter and regarded by the PSA as a trusted method for communication with members regarding workplace-specific matters issued by means of email.



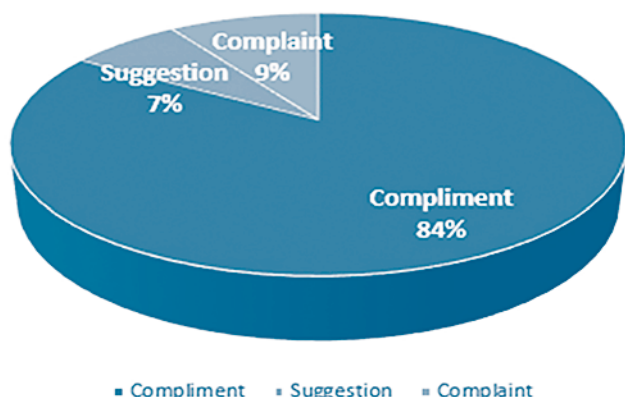
The PSA regards the media as an important stakeholder in disseminating Union-related information to a broader audience. The PSA issued 40 media statements during the report period to highlight the Union's position on, amongst others, labour and socio-economic issues affecting workers. In support of this function, daily media monitoring is performed to track the Union's media profile and remain informed of developments affecting the Union and its members.



During the report period, PSA media coverage (print, broadcast, and online) resulted in an advertising value equivalent of more than R7.8 million being achieved.

The PSA values members' inputs on the Union's services. The PSA website offers a facility where members can rate their experience at PSA Provincial Offices. In an effort to enhance the Union's service offering and engagement with members, the PSA, in October 2016, supplemented website-based rating facility with the introduction of feedback devices in all PSA Offices. Surveys are a recognised means of more accurately determining the needs of people and obtaining valuable information.

These devices provide a user-friendly, qualitative facility whereby the PSA receives daily, weekly, and monthly reports on member responses related to their service experience of the Union. Members can submit *verbatim* feedback under three categories, i.e. complaint, compliments, and suggestion. Over the six-month period up to the end of the report period, the PSA's services were highly rated by members, i.e. 84% of responses related to compliments, as reflected in the chart below.



The PSA prides itself in its communication offering to members and appeal to members to update their contact details regularly to ensure an uninterrupted service.

## Fringe benefits

**In addition to its service to members in line with its core business of protecting and promoting their rights and interests in the workplace, the PSA also offers a range of national and provincial fringe benefits to members.**

These benefits, set 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 at a provincial level where they are also actively involved in many PSA activities, including joint social responsibility initiatives.

During the report period, new national fringe benefits were negotiated with *Indwe* and *Old Mutual*. A new contract was concluded with *Indwe* for short-term and long-term products. The following new products were included: Motor alone short-term insurance product, *Jenrus medical* advice and gap cover, and legal advice and cover underwritten by *Zurich*, marketed as *Lipco Law*. *Old Mutual* offers a Money Account, two fully transactional accounts.

The **PSA Short-Term Insurance Scheme** has 5 746 members. The facility is insured by *Guard Risk* and administrated by *Alexander Forbes* with effect from 1 April 2013.

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

Funeral services are rendered to PSA members by *Doves* at discounted rates. Legal services are provided by *Community Legal Clinic* and *Legalex*.

Emergency rescue services with the *Automobile Association (AA)* are provided at a discount. As far as health care is concerned, *AIG* provides unique hospital cash plans and accident benefits. An agreement with *Barloworld Motors* provides free on-the-road charges to members (licence, registration cost, delivery cost, pre-delivery inspection cost, and number plates). *Old Mutual Finance* provides consolidations and unsecured personal loans.

Members can obtain education finance to further their studies and those of their dependents for university, school fees, laptops, and books with *Fundi*. The *PSA Mahala Loyalty Program* is a rewards program. *Mahala* includes the loyalty program to all PSA members applying for the Lifestyle Insurance Plan policies underwritten by *Hollard*. *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.

In total, more than 202 000 policyholders are making use of the various schemes.

The *South African National Parks* contract was terminated on 30 November 2015. Members can, however, still qualify for 10% discount through the *Mahala* loyalty plan.

The **PSA Holiday Resort**, near East London in the Eastern Cape, 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. This R2 500 grant is awarded on an *ex-gratia* basis, subject to available funds. By the end of the report period, a total of 695 claims, to the value of R1 737 350 have been paid. In comparison, 93 less funeral claims were paid during the report 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, comprehensive insurance cover on death or permanent disability.



# MEMBERSHIP

## Membership growth and retention

**For PSA to remain pertinent, the Union must evolve through creativity, innovation, and technological advancement to advance its product offering.**

Creativity and innovation in any business is vital to its successful output. Conceiving of both creativity and innovation as being integral parts of essentially the same process, the PSA introduced new, integrated processes that are inclusive within the Administration and beyond. The PSA notes that technology is in the forefront of research into creativity, typically the evolution of generational ideals.

These efforts have created additional capacity to reach more members utilising multiple innovative ideas from technology to traditional methods of communication. The PSA will in the new financial year be finalising a state of the art membership administration system that will capsule members' data and all activities with the Union. Another milestone is the eminent development of an App that will be supported through Android and Apple operating systems.

The PSA is looking at expanding the Union's market share by targeting a full spectrum of its scope. For this to become a reality, a massive investment into training and development of staff and shop stewards will be undertaken.

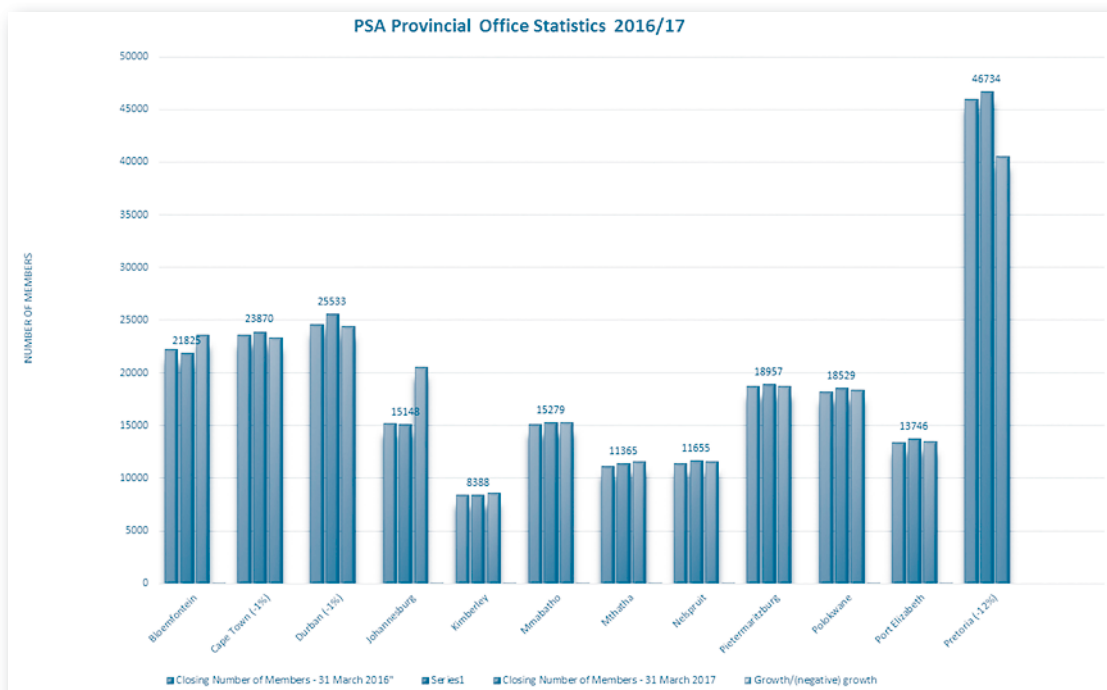
The Union's research capacity into socio economic challenges is a further addition to the product offering.

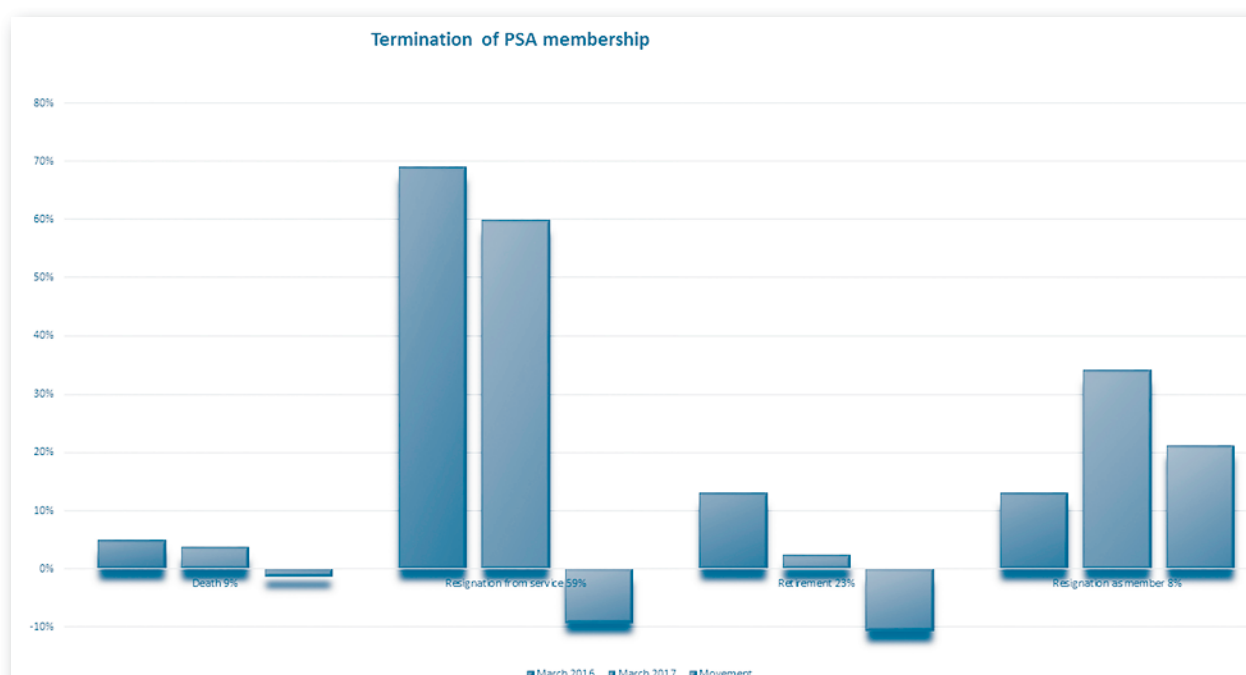
The statistics below demonstrates the PSA's output and activities in respect of membership growth and retention for the report period:

Points visited	-	17 938
Members addressed	-	136 341
Non-members addressed	-	39 815
Meetings attended (i.e. Branches)	-	329
Training sessions (shop stewards)	-	244
Distance travelled	-	489 921 km
Members recruited	-	20 068

Though recruitment and retention of members have been consistent over the years, the collection of revenue is still a major challenge.

The statistics below demonstrate the matrix of recruitment and retention for the report period:





## Provincial overview

### Eastern Cape

#### Mthatha

The Provincial Office recruited 1 261 new members during the report period. Several recruitment drives and regular open days enhanced visibility and improvement of service delivery received attention. This success could not have been achieved without the involvement of all stakeholders, including the Union's business partners. In respect of the PHSDSBC recruitment drive, the Office recruited 462 new members that moved the Union's representation levels in the PHSDSBC Chamber to 18%. PSA membership in the Education Sector grew with more than 200 members during the report period.

#### Port Elizabeth

During the report period, the Provincial Office participated in national recruitment drives conducted by the PSA in the GPSSBC and PHSDSBC. The involvement of all structures and shop stewards formed an essential part of the recruitment strategy and enabled Liaison Officers to recruit 1 366 new members and retain existing members during report period.

### Free State

During 2016, the PSA became the largest Union in the Free State PSCBC. Liaison Officers, full-time shop stewards, full-time office bearer, and other shop stewards recruited more than 2 687 new members during this period with a nett growth of 1 250 new members. This brought the Office's membership figure to more than 23 500 members. These results will have a major impact on vote weights in Provincial Chambers for 2017.

The current vote weights for 2017 are as follows:

GPSSBC Provincial Bargaining Chamber Free State	57.8%
(outright majority)	
PHSDSBC Provincial Bargaining Chamber Free State	39%
(largest in Province)	
PSCBC Provincial Bargaining Chamber Free State	27.4%
(largest in Province)	

All three Liaison Officers of Office were amongst the top-ten recruiters for the report period after they had travelled 41 358 km to conduct nine tours and participated in the eight-week PHSDSBC recruitment drive.

### Gauteng

#### Johannesburg

The demarcation of the East Rand to the Johannesburg Provincial Office was finalised during the report period. Members previously complained that the traveling expenses to the Pretoria Provincial Office were costly while many of them had to travel past the Johannesburg Office to receive service at the Pretoria Office. The Johannesburg Office thus gained approximately 5 200 members on 1 June 2016. Service to members was prioritised and PSA's visibility in the area was increased. All structures in the East Rand were re-elected or confirmed to properly include them into the shop steward data base and structures of the PSA.

New members were recruited in all the jurisdictional areas of the Office by motivating shop stewards in the workplace to prioritise recruitment.

Gauteng Enterprise Propeller staff members all joined the PSA and an organisation rights agreement was concluded with the parastatal, which resorts under the jurisdiction of the Department of Economic Development. This resulted in a substantive membership increase. The PSA now holds 100% membership in this parastatal.

The overall growth in membership again saw a positive increase in the membership numbers for the Office.

The Office invited business partners to all activities, including members' meetings and training sessions for shop stewards.

### **Pretoria**

Recruitment, based on teamwork, remained a priority for the Provincial Office. Recruitment drives were held and assisted with the PSA's visibility at the various workplaces. Business partners contributed towards the success of open days and recruitment drives. The Office's Liaison Officers did well in introducing new members to the Union and all met and exceeded their norms. The Office, however, suffered a negative growth of 1% that is attributed to the demarcation of East Rand members to the Johannesburg Provincial Office, resignations, retirements, and deaths.

Norms and standards in dealing with members' issues were adhered to and where required, corrective measures were implemented.

Workers' Day was not celebrated in the Province during the report period as per the decision by Chairpersons. The Province planned an Inter-sectoral meeting with all PSA members. Most employers did not grant approval for members to attend the meeting owing to organisational rights agreements in determining approved times for meetings. As a result, to avoid fruitless expenditure, the meeting was cancelled.

In assisting the Office with recruitment initiatives, *Old Mutual* donated R50 000, and *Assupol* R3 000. *Sanlam Sky* sponsored an event at the Department of Transport for members in celebration of PSA Day. *Dignity Funeral Schemes* sponsored R5 000 towards the success of Nelson Mandela Day. The Office is grateful for the support of its business partners.

## **KwaZulu-Natal**

### **Durban**

The Provincial Office in Durban's recruitment is undertaken mainly by Liaison Officers and a core group of shop stewards. In early 2010, it was realised that recruitment alone would not hold the Union and that an overall improvement in the functioning of the Office needed to be undertaken. During the report period, Liaison Officers met their recruitment norms thanks to hard work and the contribution of dedicated shop stewards. The Office is optimistic to maintain the PSA's majority status in the GPSSBC and enhance the status in the PHS-DSBC to being the majority Union.

### **Pietermaritzburg**

The recruitment of new members unfortunately did not result in a membership growth by the Provincial Office, but it maintained its membership numbers. The single biggest contributing factor that caused lower recruitment was the cost-cutting measures implemented in the Public Service, which had a direct effect on the filling of posts in the Public Service and consequently reduced recruitment potential.

The Office's Liaison Officers performed well, despite trying circumstances. One of them was recognised as the PSA's top recruiter for 2016. In addition, two of the Office's three shop stewards were rewarded as the PSA's third and seventh best recruiters for 2016. The Office achieved good results in the national PHSDSBC recruitment drive. The Office has always been successful in this Sector and recruited the second highest number of new members during the drive, i.e. 520 new members.

## **Limpopo**

The PSA had a 1%-nett growth in Limpopo during the report period. This is attributed to the commitment of Liaison Officers, full-time shop steward, and a few dedicated shop stewards. The support from the Office staff also contributed to the success. The Office's full-time shop steward was second overall in the top ten recruiting shop stewards. A shop steward at Mankweng took the sixth position. A Liaison Officer was the third-best overall recruiter amongst Liaison Officers for 2016.

The Office's Liaison Officers travelled 43 677 km during the report period to recruit and service members. This includes six liaison tours and an eight-week PHSDSBC recruitment drive. The Office participated in a Nurses' Day event in Polokwane together with other unions and the Department of Health. About 800 nurses from across the Province attended. The Office also hosted its fifth annual Women's Day event in Lebowaqomo. This popular event that was attended by some 400 women, improved the PSA's visibility in the Province as a Union that cares.

## **Mpumalanga**

The optimum use of shop stewards, full-time shop stewards, and business partners, especially *Dignity Funeral Schemes*, *Metropolitan*, and *Old Mutual* contributed to the success of recruitment in the Province. The declaration of every Friday as a recruitment day also contributed substantially to the Union's visibility and as a result, the Union recorded a 1% growth in membership to the Province during the report period.

## **Northern Cape**

The Provincial Office achieved a 7% growth in membership during the report period. All structures, i.e. Branches and Committees, were maintained.

## **North West**

The Provincial Office in Mmabatho actively recruited members during the report period. Two of the full-time office bearers contributed much to recruitment and one of them was acknowledged as one of the PSA's top-five recruiting shop stewards. Two of the full-time shop stewards are also dedicated shop stewards and recruited more than 700 new members during the report period. Despite competition from rival unions, the Office recorded a growth in membership during the report period. Improvement on visibility through liaison visits and Inter-sectoral mass meetings, assistance to members by Labour Relations Officers, full-time shop stewards, and shop stewards when representing members in disciplinary processes, grievances, and disputes, attributed positively towards retention and growth in membership.

Full-time shop stewards and other shop stewards contributed substantially to assist members with grievances and representation during disciplinary hearings and grievances. Without their assistance, the Office would not have enough resources to assist all members. In some instances, the Office had to represent up to six members in cases in a single day and the assistance of shop stewards, the Office managed to provide a quality service to members.

The Office did not achieve its target in the PHSDSBC recruitment drive but learned lessons on how to improve in future. The Office recruited more than 300 Educators during the report period - most of these members were members of another union.



During the report period, the PSA increased its visibility in the SA Police Service, which resulted in positive recruitment results in this Sector. Invitations were received directly from SAPS employees for the PSA to address them.

## Western Cape

The Provincial Office in Cape Town, recorded a 1% negative membership growth for the report period, this despite more members being recruited than the previous year. Unfortunately, there were more terminations owing to retirement, death, and resignation from the Public Service. Liaison activities to recruit new members included PSA open days, recruitment drives and tours. During the report period, the Office's liaison team travelled 232 668 km to 2 646 visiting points, to interact with 21 511 members and non-members. A total of 2 566 new members were recruited in the process.

# STRUCTURE EMPOWERMENT

**The PSA's member structures are an integral part of the Union's continued success. Branch managements and shop stewards are vital stakeholders to ensure effective interaction between the Board of Directors, the PSA Administration, and members.**

### Leadership training

One-day leadership training sessions were held for 118 PSA Chairpersons in all Provinces between July and September 2016. Training modules covered personal mastery, the PSA's values and culture, interpersonal skills, team dynamics and leadership, as well as strategic thinking.

The purpose of the programme was to equip and align newly-elected and re-elected leadership of PSA member structures with insight into their roles as leaders within the work context and providing them with the skills and knowledge to better fulfil their roles and function within the organisation. It is important for the Union's elected leadership to understand the difference between administrative functions and their role as leadership within their structure and the Union in general.

To this end, the one-day workshops were held in all Provinces to empower the elected leaders. Trainees were guided on contextualising their role as leader within statutory requirements, PSA structures and within the PSA's organisational culture. Leaders were assisted to align their own role as an elected leader by initiating a process of leadership growth focusing on:

- Internalisation of required skills, and leadership insight to understand own style; identify areas of personal growth; and action growth through application of personal leadership principles including, values, vision, accountability, trust, emotional intelligence, and locus of control.
- Develop interpersonal skills and qualities to interpret behaviours; and to lead, influence and motivate individuals and teams.

- Develop an aligned understanding of the supporting responsibilities/ roles of the leader as a manager who provides direction to members with an integrated understanding of PSA strategy and business plan.

Feedback from trainees underlined the value of this training interventions in which the PSA invested some R275 000.

In addition to the workshops, a discussion session on the PSA's values and the development of a Code of Conduct was held during the Congress. Delegates were divided into groups and given a value to discuss and formulate associated behaviours. Stemming from this, delegates, amongst others, agreed to represent members' aspirations with dignity and to always be available for them. They also committed to compliance with and upholding the PSA Statute, consistency, and high service levels of service delivery to members aligned with the principle of "Batho Pele".

### National Branch support

In pursuit of best possible service and streamlining the efficiency of National Branches a centralised, administrative office was established at the PSA Head Office on 1 August 2016 to manage all administrative activities of the twelve National Branches, namely:

- Correctional Services
- Home Affairs
- Justice
- Labour
- National Prosecuting Authority
- Public Works
- SANDF
- Technical Vocational Education and Training
- Saps
- Sars
- Sassa
- Water and Sanitation

The aim with centralising the administration is to ensure optimum support for the National Branches which assist the Union in member retention, membership growth, and improving communication and information sharing with structures. The new office also added contributed to improved service delivery by providing national branches with relevant membership statistics.

## Eastern Cape

### Mthatha

During the report period, the Provincial Office in Mthatha trained 150 shop stewards to empower them by improving their skills when representing members in grievance procedures and disciplinary hearings and also to be knowledgeable on the PSA's product offering, which assisted with recruitment.

Concerted efforts by the Office resulted in the SAPS Provincial Committee being revived. The structure is now fully functional and making strides in the Safety and Security Sector. All structures assigned to the Office held the required number of meetings to ensure that matters of mutual interest are discussed and members informed of developments in their workplaces.

During the report period, a joint Inter-Sectoral Meeting was for the first time co-hosted by the two Provincial Offices after which delegates expressed their pride to be associated with the PSA as their Union of Choice. The meeting was attended by 164 management members of structures in the Province.

Various agenda points were discussed, including membership growth, structures' involvement in collective bargaining, employer relations, training of shop stewards, the collection of unpaid membership fees, fringe benefits, and various recruitment drives.

Special events by the Office included the celebration of Workers' Day in Matatiele with some 400 members in attendance. The celebration of Nurses' Day reflected the Union's appreciation towards this group of health workers.

### Port Elizabeth

The two Provincial Sectoral Branches and seven Provincial Committees of the National Departments, including parastatals, as well as three Provincial Committees of Provincial Departments in the Eastern Cape held the required meetings in accordance with the PSA *Statute*. This underlines the fact that the PSA's structures in the Province are functioning well and have the interests of members as a priority.

The Provincial Office in Port Elizabeth is responsible for the GPSSBC and ELRC Branches in the Province. Nominated members to these structures participate with the Office's Labour Relations Officers in negotiations in the GPSSBC Chamber and the Coordinating Chamber of the PSCBC for the Eastern Cape (CCPECP). This practice not only gave structures the opportunity to be exposed to labour-relations activities, but has also provided them with first-hand information to give comprehensive feedback to members. PSA business partners joined the Office's Liaison Officers at several meetings to ensure visibility. *Sanlam, Old Mutual, Dignity Funeral Schemes, and Metropolitan* were valuable contributors to various joint ventures.

## Free State

Formal training was conducted to equip shop stewards in the Province to improve their skills and assist members more effectively. A total of nine training sessions were conducted during the PHS-DSBC recruitment drive with all Sector shop stewards being trained for five days. In addition, 92 shop stewards from the bigger centers in all districts were trained on basic labour relations and organisational rights.

Inter-sectoral members' meetings took place in all five regions of the Free State and were attended by some 8 900 members. All the business partners of PSA were involved at these meetings.

Workers' Day was celebrated on 1 May with PSA staff and shop stewards visiting various hospitals and police stations across the Province to pay tribute to Public Service employees who had to be on duty on that day. Nurses' Day was incorporated in the PHSDSBC recruitment drive with visits to various units across the Province by Liaison Officers, full-time shop stewards, full-time office bearers, and other shop stewards.

## Gauteng

### Johannesburg

Various training sessions took place during the report period. All newly-elected shop stewards were inducted and trained on grievances and disciplinary hearings. The Provincial Branches elected new Branch Managements, i.e. Chairpersons, Secretaries, and Deputies during Branch meetings - this included the Gauteng SARSWU South Committee. Many new shop stewards were elected during the election processes in institutions that brought many new Branch members to structures. Branches have become too big to be effective and the PSA Administration together with Branch Chairpersons are creating district committees where only one shop steward per district will attend the Branch. This will reduce Branch numbers from approximately 75 participants to between 16 and 20 participants to support effective functioning.

### Pretoria

Some Departmental Branches submitted requests for the establishment of National Branches, e.g. Rural Development and Land Reform; Agriculture, Forestry and Fisheries, as well as Statistics SA. As a result, the Provincial Office drafted a submission for the establishment of Provincial Committees and National Branches for the DRDLR and the DAFF subject to approval by the Board. Some Departments have a presence in provinces, but not sufficient to form Provincial Structures such as Statistics SA. This presents a challenge in the co-ordination of matters affecting all employees in the Department, irrespective of the province, especially when the Chairperson is also only elected from one Province (in this case, Pretoria). Currently, the Chairperson at Head Office level addresses and coordinates matters.

The Department of Communication split into the GCIS and the Department of Telecommunication and Postal Services (DTPS). A submission to recognise the DTPS was made to the Board and approval was being awaited at the end of the report period.

A further submission to the Board referred to the recognition of the Civilian Secretariat for Police as a National Branch; the establishment of Provincial Committees; recognition of Pansalb, NHLS, CIPC and Council for Geoscience as National Group Branches; amendment of the FETC to TVET; disbanding of HPCS; CAA and Law Society. All these submissions were by the end of the report period awaiting confirmation or approval by the Board.

The Provincial Office elected new shop stewards and Branch Management Committee members in 2016. Challenges were experienced by the structures owing to poor attendance by members of mass meetings to conclude the process. This resulted in a number of postponed meetings. Annual General Members' meetings were held in the smaller Departments to attract members to meetings for election purposes.

Training of shop stewards was an ongoing process and the Provincial Office trained approximately 250 shop stewards. Requests were received from structures for the PSA to offer accredited training. There was huge appreciation for the initiative by the Head Office to provide Leadership Training to Chairpersons in 2016.

Shop stewards and Labour Relations Officers were utilised to assist members with grievances, conciliations, and hearings and the Labour Relations component gained more exposure in Labour Court processes. In ensuring that operational objectives were met, the Office reviewed the case-management system and increased shop steward utilisation to empower structures and bring services closer to members.

## **KwaZulu-Natal**

### **Durban**

The mandating process by structures is slowly taking shape, but requires more attention. As a start, the Provincial Office encouraged Chairpersons to include the mandating process as a standing item in all structure meetings to sensitise members. As it is not easy for shop stewards to convene meetings at short notice, the Office has appointed a dedicated staff member to assist with this process on an ad-hoc basis.

### **Pietermaritzburg**

Members are involved in collective bargaining at grass-roots level in that they submit collective bargaining items *via* their shop stewards, or where they have representatives in the Branches and Committees, *via* such representatives.

Shop stewards also submitted issues for consultation and negotiation and Liaison Officers identified issues when interacting with members during liaison visits. Training was provided to various groups of shop stewards during the report period. A full-time shop steward accompanied the Office's Labour Relations Officers on the Juba Labour Law Seminar in Durban in September 2016. The two newly-elected Sars shop stewards received training from a seasoned Sars shop steward at the newly-opened Sars Office in Newcastle. The PSA Provincial Manager was instrumental in providing training on the functioning of Branches and Committees as well as responsibilities of chairpersons and secretaries to the Province's Justice Committee. Labour Relations Officers conducted three basic shop steward training courses in Newcastle, Ladysmith, and Dundee.

The second Inter-sectoral Meeting for KwaZulu-Natal was held on 17 March 2017 in Pietermaritzburg. The event was attended by 140 Branch and Committee members, shop stewards, members, staff, business partners, and invited guests attended. The two Provincial Offices had two meetings with the Provincial Chairpersons of Branches and Committees during the report period, where matters of mutual interest were deliberated. The Pietermaritzburg Provincial Office also had regular interaction with business partners such as *Dignity Funeral Schemes* that assisted with the sponsorship of various mass meetings, as well as *Metropolitan Group Schemes* that sponsored the Province's Inter-sectoral meeting in Pietermaritzburg.

## **Limpopo**

Formal training was conducted during the report period to equip structures to improve their service and functioning. A workshop was held for office bearers dealing with the PSA Strategic Plan, *Statute*, and basic labour relations. A total of 62 management members attended the workshop. A three-day workshop for ten shop stewards representing members at disciplinary hearings was also conducted. Two training sessions were held in each district of the Province dealing with basic labour relations and organisational rights. A total of 107 shop stewards attended these workshops.

The annual Inter-sectoral members' meeting was held in Tzaneen and was attended by 260 members. It was the first time that this gathering took place outside Polokwane - attendance was therefore satisfactory. PSA business partners, *Metropolitan*, *Old Mutual*, and *Dignity Funeral Schemes* exhibited their products.

## **Mpumalanga**

Capacity building was conducted in all four districts of the Province for 130 shop stewards and all structure members collectively. When Labour Relations Officers attend to cases and related matters, they ensure that they are accompanied by shop stewards for developmental purposes. The Inter-sectoral members' meeting was held in Nelspruit and was attended by structures members. PSA business partners, *Metropolitan*, *Dignity Funeral Schemes*, and *Old Mutual* also attended and addressed members.

## **Northern Cape**

The start of the 2016-financial year saw the election of new shop stewards in the Province. New managements were elected for all structures in the Province. All structures held three meetings during the report period and were informed of the PSA's objectives. In December 2016, an Inter-sectoral meeting was held in Kuruman. Delegates were briefed on developments in the Province's Bargaining Chambers.

A total of four training sessions on members' rights were held in Calvinia, Kimberley, Springbok and Upington. A total of 51 shop stewards were trained on a variety of topics, including disciplinary and grievance processes, listening and talking skills, arbitrations, collective bargaining, ethics, conflict management, interview norms and standards, the PSA *Statute*, case law and labour law trends, as well as amendments to the *Labour Relations Act* and the impact on employees.



## **North West**

The Provincial Office conducted basic and intensive training for the leadership of member structures. Advanced training was provided to shop stewards who actively assisted members with grievances, disciplinary hearings, and arbitrations. This resulted in a further improvement in service delivery to members by shop stewards. The Office also started to train members of Branches and Committees about their roles within the structures. The Office ensured that the issues of recruitment and collective bargaining be entertained as fixed standing items on the agendas of all structures. The importance of mandating processes and sponsoring of agenda items for Chambers, was also emphasised during structure meetings.

The Office arranged a successful inter-sectoral members' meeting in Potchefstroom in February 2017. The two-day event was attended by Provincial Chairpersons, Secretaries, and Deputy Chairpersons of all Branches and Committees and members of the PSA Administration. During a gala dinner, structures were acknowledged for various outstanding achievements. Business partners were also in attendance.

## **Western Cape**

The Provincial Office attended to 58 structure meetings during the report period. The highlight was the successful Inter-sectoral meeting during the last quarter of the year. The event was held at Goudini Spa with 250 delegates from 17 PSA structures in attendance. A recruitment competition was run as part of the event, with 212 new members being recruited over the three-week duration of the competition.

The Union's new talk show "PSA Today, for tomorrow – Let's Talk" was hosted in the Western Cape during the report period with the PSA President and newly-appointed General Manager as quest speakers.

Cohesion between members of structures and amongst PSA structures was enhanced with joint meetings being held over two days at venues outside Cape Town.

All Chairpersons attended a successful leadership training session to equip them as leaders of their respective constituencies. A total of eight basic induction training sessions were presented to 112 shop stewards and one advanced training session was presented to 25 nominated shop stewards.

The Provincial Office's relationship with business partners remained sound. Their role and function at workplace and structure meetings added value to such meetings.

# SOCIAL RESPONSIBILITY

The PSA regards its interventions aimed at societal upliftment as a crucial component of the Union's services. Over the past decade, the PSA has made meaningful contributions to various causes.

## National projects

### School bags and stationery

The PSA, at the beginning of the 2017-school term, donated 500 school bags with stationery to learners at rural schools in the Eastern Cape (Mthatha area) and Limpopo. The project is aimed at supporting teaching and learning at rural schools where many learners do not have school bags and carry their belongings in plastic bags. On rainy days, their books often get wet and damaged. A cooperative based in Gauteng, which the PSA has been supporting over years, was tasked to produce the bags. Cooperatives have been developed to operate in the mainly informal and marginalised sector of economy and serve to empower small businesses.

The PSA included Mathematics sets and notepads with the bags to be used by learners who are currently in Grade 6 to support progression to Grade 7. Learners at the following Schools in the Mthatha area were assisted:

Manka Junior Secondary School, Khwezi Junior Secondary School, Lower Esinxaku Primary School, Elalini Junior Secondary School, Ngewangule Junior Secondary School, and Zwelakhe Junior Secondary School.

In Limpopo, learners at the following Schools were assisted: Thanda Bantu Primary School, Tshiakhatho Primary School, Khakhanwa Primary School, Muungadi Primary School, Makgoathane Primary School, Thoka Primary School, Mafharalala Senior Primary School, and BN Ntsanwisi Primary School.

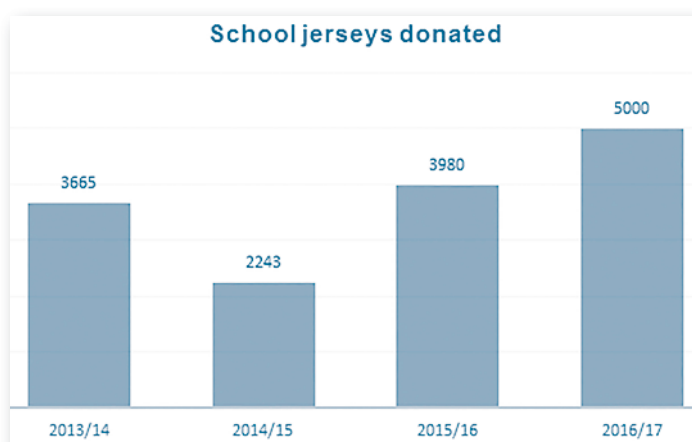
In response to a request from a member employed as a library worker at Botshabelo Multi-functional Library in the Free State, the PSA donated 50 school bags as well as a variety of educational toys. In the Western Cape, stationery and school bags were donated to Wupperthal Primary School as part of the Heuningvlei Community upliftment project. This community and School are nestled deep in the Cederberg Mountains far from the conveniences of everyday life. This was a joint venture with *Dignity Funerals Schemes* and *Pep Stores* that collaborated with the PSA to assist the learners.

### School jerseys

The PSA annually supports learners at rural schools with school jerseys to offer protection against the Winter cold. PSA Provincial Offices participated in this project by nominating schools that meet the criteria. Early in 2017, a total of 5 000 jerseys were distributed to learners of the following schools:

Free State	Springfontein Primary School Retsamemaile Primary School Bolokehong Primary School Makgulo Primary School
KwaZulu-Natal	Sultan Mary's Primary School Natest Primary School Zibukezulu Technical High School Sanelisiwe Primary School Bhekundi Secondary School
Northern Cape	Hantam Primary School Carnarvon Primary School
North West	Thuto Boswa Primary School DP Kgotleng Primary School
Eastern Cape	Qhokoma Junior Secondary School Mphunga Junior Secondary School Nolitha Special School Gqala Primary School
Mpumalanga	Landulwazi Combined School Ezrom Primary School Matitinya Primary School

The graph below reflects the impact of this ongoing project since the start of the initiative in 2013, bringing the PSA's total contribution by the end of the report period to more than 15 000 jerseys:



### Shop steward interventions

The PSA's top recruiting shop stewards for the 2015/16 period who each recruited more than 100 new members for the Union, were invited to nominate projects meeting the social responsibility guidelines and criteria to the value of R16 500 each. As a result, 16 blood pressure machines were donated to clinics in the Free State, Briardale Primary School in Kwazulu-Natal was assisted with maintenance and plumbing expenses, and 20 school desks were donated to Jongintaba Secondary School in the Eastern Cape. In North West, learners of Losperfontein Primary School were assisted with school uniforms and in the Pretoria area of Gauteng soccer and netball kits were donated to a club in Mamelodi with a jungle gym going to Boitumelo Community Home Centre for orphans, abused and abandoned children in Soshanguve.

### Stiglingh Memorial Bursary

The PSA annually awards study bursaries, subject to criteria, to students studying towards a qualification in Medicine or Natural Sciences. During the report period, an amount of R32 500 was approved and allocated to five qualifying students who met the criteria. Each student received an amount of R6 500.

### PSA study assistance towards a teaching qualification

The PSA, with effect from 2015, annually grants study assistance to students studying towards a teaching qualification at a registered College or University in South Africa. Students may apply for the Bursary from the second year of study. The value of the study assistance is R5 000 per recipient. During the report period, only one applicant met the criteria and was assisted.

### Mandela Day 2016

The PSA, with its profound belief in social responsibility, once again made its mark on this memorable day. On 18 July, PSA staff across the country took 67 minutes of their time to render services in their local communities in celebration of Nelson Mandela's birthday (also see provincial reports).

PSA Head Office staff visited the Mental Health Unit at Mamelodi Day Hospital, east of Pretoria, with *Sanlam Sky* as a joint venture. The staff planted flowers with patients and contributed garden furniture, toiletries, radios, and indoor games to be used by the patients.

## Provincial projects

### Eastern Cape

#### Mthatha

The Provincial Office in Mthatha was involved in several projects ranging from distributing school jerseys, school bags, and school desks to various schools situated primarily in the deepest rural areas of the Eastern Cape. *The learners who benefitted from these gestures could not thank the PSA enough and mentioned that the PSA brand is entrenched in their hearts and minds.* Mandela Day was celebrated when the Office's staff and some shop stewards gave their time by providing lunch to personnel at the Santa Centre in Mthatha.

### Port Elizabeth

The Provincial Office in Port Elizabeth was involved in school jersey projects in Peddie and Whittlesea. Both these rural areas hampered by poverty where the project made a significant difference to 500 learners children and their parents.

The Office celebrated Nurses' Day at the Bhisho and Frere Hospitals in East London where Nurses were treated with chocolates. On Mandela Day, staff and full-time shop stewards showed their commitment to the cause when they cleaned up a stretch of the beach. PSA Day in July 2016 was celebrated in another rural area in Sterkspruit where some 130 members celebrated their Union's achievements. Teamwork, resilience, perseverance, and commitment contributed to the overall success of the Office in ensuring that the PSA remains the Union of Choice in the Eastern Cape.

### Free State

The school jersey project remains a high priority on the annual calendar of the Province. During the report period, learners of three schools in Qwa-Qwa, which is a predominantly rural area, were assisted.

The Office's staff contributed 67 minutes of their time on Mandela Day at a centre for cancer patients near Universitas Hospital in Bloemfontein where fleece blankets for children were distributed.

### Gauteng

#### Johannesburg

A successful project was conducted at a school that was in urgent need of a refrigerator and freezer. The school is located in a disadvantage area and runs a feeding scheme for children. The meal that the children receive at the school is, in most instances, the only proper food they get for the day. The PSA bought and delivered the refrigerator and freezer to the school.

#### Pretoria

The Office participated in the national school jerseys project. Mandela Day was not celebrated in 2016 by the Office as a collective, but was honoured through individual activities and participation of staff.

The Office donated non-perishable items to an orphanage in Atteridgeville made possible by staff contributions. *Dignity Funeral Schemes* donated R5 000 towards the project. *Sanlam Sky* sponsored an event in celebration of PSA Day at the Department of Transport.

In support of health awareness, the Office supported the PSA Chairperson of the Department of Mineral Resources in a fundraising spinning marathon.

### KwaZulu-Natal

#### Durban

The Provincial Office participated in the "Feed-the-child" project and donated jerseys to two rural schools. The joy of giving to those who are less fortunate is a precious experience.



## Pietermaritzburg

The Provincial Office handed 250 school jerseys to learners of Rheibokspruit Primary School in the deep-rural area of Thintwa Village in Bergville, uKhahlamba near the Drakensberg as part of the PSA's social responsibility program - 23 May 2016 was a particularly cold and windy day and learners were pleasantly surprised by the PSA's gesture. The Principal and teachers thanked the PSA for the much-needed donation of school jerseys which was just in time for the cold winter months.

During a liaison tour to the Tugela Ferry, Kranskop and Greytown areas, a PSA Liaison Officer also handed 61 jerseys to Craigmillar Primary School, a school in the remote area of Tugela Ferry. These learners received the jerseys with joyful hearts. The Principal immediately joined the PSA as a new member because he had never experienced such an event at his school. Much joy was experienced by the two shop stewards who had accompanied the PSA to deliver the jerseys.

The Office donated decommissioned office furniture such as desks and chairs to Project Gateway, which looks after homeless people and forms part of the Old Prison complex in central Pietermaritzburg. The Provincial Office also donated a decommissioned copier on in November 2016 to Mbay'mbayi Youth Development Initiative as they had approached the PSA requesting us to donate office equipment to assist their cause. Mbay'mbayi Youth Development Initiative is a non-profit organisation operating in Pietermaritzburg with the mandate to empower the youth with knowledge and skills development.

PSA staff, a full-time shop steward and a member of the Board of Directors for KwaZulu-Natal and also Chairperson of the KZN GPSSBC Branch celebrated Mandela Day on 18 July 2016 by cleaning up the pavements in Jabu Ndlovu Street where the PSA Office is situated.

The Office also contributed towards the Annual Provincial Sports Gala for Mental Health Care Service Users, which took place on 21 July 2016, and was hosted by Fort Napier Psychiatric Hospital. There are six psychiatric hospitals (Umgeni, Townhill, Fort Napier, Ekuhlengeni, UMzimkhulu and Madadeni) in KwaZulu-Natal of which five resort under the Pietermaritzburg Provincial Office's area of jurisdiction. They take turns in hosting this event. The Office received the following letter of appreciation from the event coordinator: "We are humbled by the gesture of your organisation. We value your social responsibility with special recognition".

The Office made a donation towards the Southern Regional Office of the Department of Public Works, which hosted a Sports Tournament on

28 October 2016 at the Protea Sports Complex in Pietermaritzburg. Approximately 300 employees from the Midlands, eThek-wini, North Coast and Head Office participated in the tournament as players and spectators incorporating the spirit of togetherness, oneness and *ubuntu*.



## Limpopo

The school jersey project remains a high priority on the calendar of the PSA in Limpopo. The Province is predominately rural and has large numbers of learners who come from very poor homes. It was a privilege to distribute 500 jerseys to learners between the ages of six and twelve in the Vhembe, Mopani, and Capricorn districts. A photocopy machine was donated to Westernburg Secondary School in Polokwane. Most of the learners come from a very poor community and cannot afford school fees. The School thus has no funds to purchase stationery or repair office equipment. Donations of this nature alleviate the plight of educators who often use their personal funds to keep the administration going.

Staff of the Provincial Office contributed money to fund the Mandela Day project. Soup was prepared and served at places in Polokwane where homeless people are known to gather. On a cold and cloudy day, homeless people appreciated a warm cup of soup and fresh bread from the Union.

## Mpumalanga

The Provincial Office staff and structures demonstrated the values of the PSA as a caring Union by assisting needy schools in deep-rural, poverty-stricken areas with the donation of school jerseys. The following schools were assisted: Hosia Aphane Combined School, Cathulane Primary School, and Ekhayeni Primary School. The Office also assisted the Zamokuhle Disabled Group with a donation of office furniture.

## Northern Cape

The Provincial Office has a high regard for social responsibility interventions and undertook various projects during the report period. School jerseys were donated to learners of Van Zyl Combined School in Kuruman and Louwrieville Intermediary School in Colesburg.

Staff participated in Mandela Day activities at the Galeshewe Pre-School, where the yard was cleaned and children were assisted with schoolwork. A mobile classroom was donated to Ga-Morona Village in Kuruman and a food garden was established for Ba'one School for the intellectually challenged in Seeding Village, also in Kuruman.

A member in Upington was assisted by staff and shop stewards to plant a food garden after winning a PSA competition to promote food production.

## North West

The Provincial Office was actively involved in social responsibility activities during the report period. A highlight was the donation of a mobile library at Moedwil Combined School at Kgetleng near Rustenburg, some 160 km from Mmabatho. The ceremony was attended by the PSA's General Manager, educators, administrative staff, and learners.

Two PSA members from Potchefstroom and Brits respectively, were assisted to establish food gardens to fight poverty in their communities. Three students from Potchefstroom University received bursaries from the PSA to assist them with their studies. These students were grateful and thanked the PSA for helping them to pursue their studies.

## Western Cape

To complement the PSA's presence in the workplace, the Provincial Office completed various social responsibility projects identified by structures in their communities, including a successful Mandela Day event – where the resources and time came from PSA members themselves. A tea-and-cake event was hosted for 60 elderly people at Riebeek Kasteel. The event was organised by the PSA full-time shop steward in the area with the assistance of shop stewards and members who reached out to the elderly who often spend days alone without any visitors.

The Office also participated in the national school jersey project and 240 jerseys were donated to learners of TM Ndada Primary School in Mossel Bay.

The highlight of events was the joint sponsoring of stationery and school bags to learners of Wupperthal Primary School. The PSA collaborated with *Pep Stores* and *Dignity Funeral Schemes* to host the event and assisted more than 250 children with much-needed school stationery and treats. The children, in return, honoured the PSA with a special dance demonstration.



# PSA EMPLOYMENT PROFILE

On 1 May 2012, the PSA commenced with the implementation of its approved Employment Equity Transformation Plan and Procedure (EETPP) for the five-year period 2012 to 2017. During the report period, i.e. 1 April 2016 to 31 March 2017, the PSA's overall workforce profile reflected an increase of 1.25% from 90.28% as at 31 March 2016 to 91.53% at the end of the period under review in respect of employees from designated groups. Employees from the non-designated group decreased from 9.72% (24) at the end of March 2016 to 8.47% (21) at the end of the report period.

The PSA's representivity statuses in the respective occupational levels as at 31 March 2017 were as follows:

Occupational level	Overall designated target %	Current designated % (filled positions)	Current non-designated % (filled positions)
Top Management	93%	50.00% (1)	50.00% (1)
Senior Management	93%	66.67% (2)	33.33% (1)
Middle Management	80%	71.43% (15)	28.57% (6)
Junior Management	92%	92.70% (165)	7.30% (13)
Semi-skilled	93%	100.00% (37)	0.00% (0)
Unskilled	93%	100.00% (7)	0.00% (0)

At the end of the report period, 38.71% (96) of the PSA's workforce consisted of male employees, whilst 61.29% (152) of its workforce constituted female employees. The Economically Active Population of South Africa consists of 54.80% males and 45.20% females.

Since 31 March 2016 until the end of the period under review, 100% (14) of employees recruited by the PSA came from designated groups and 0% from the non-designated group. A total of 93.10% (27) of employees promoted from within the PSA came from the designated groups and 6.90% (2) from the non-designated group.

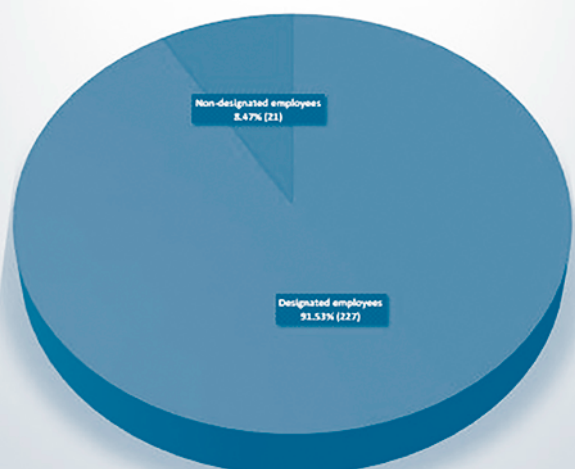
Terminations for the said period constituted 75% (9) from the designated groups of which 25% (3) were white females. The non-designated group constituted 25% (3) of the terminations. The PSA is committed to and has been working aggressively towards a transformed workplace as is reflected by the figures above. The slower progress made with transformation in the senior and middle management levels may be attributed to the lower turnover in these levels in the PSA.

## PSA WORKFORCE PROFILE AS ON 31 MARCH 2017

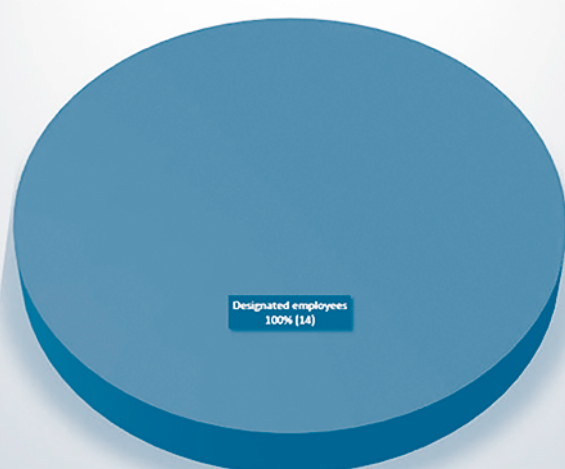
Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	1	0	1	0	0	0	0	0	0	2
Senior management	1	0	0	1	0	0	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management	6	0	1	6	3	1	0	4	0	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	47	6	5	13	61	13	4	29	0	0	178
Semi-skilled and discretionary decision making	6	0	0	0	23	4	0	4	0	0	37
Unskilled and defined decision making	2	0	0	0	5	0	0	0	0	0	7
<b>TOTAL PERMANENT</b>	<b>62</b>	<b>7</b>	<b>6</b>	<b>21</b>	<b>92</b>	<b>18</b>	<b>4</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>248</b>



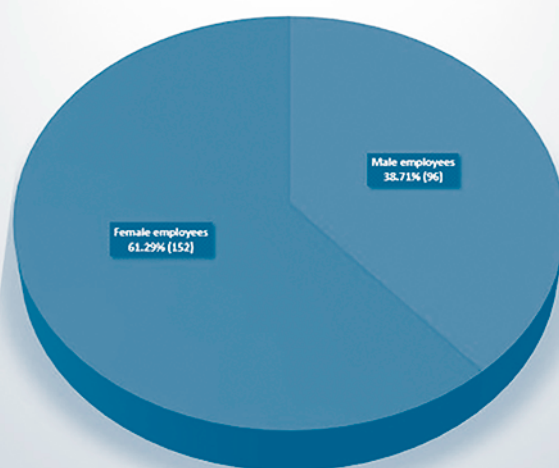
Overall Employment Equity Profile



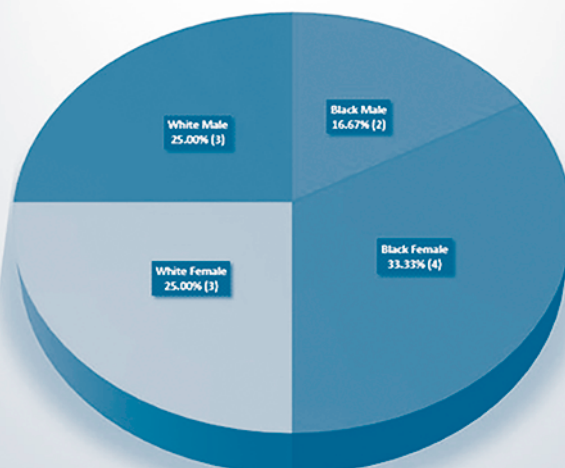
Employment Equity Profile: Recruitment



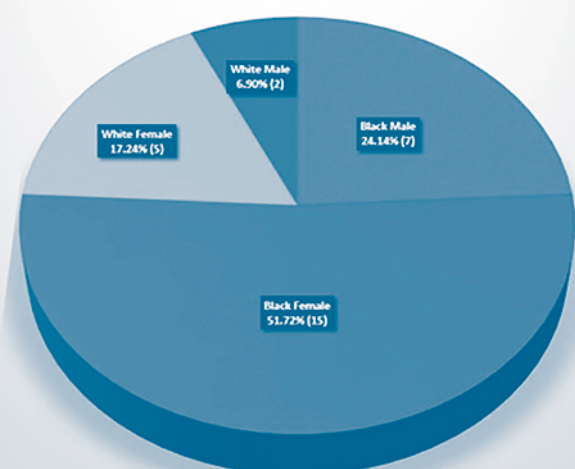
Employment Equity Profile: Gender



Employment Equity Profile: Terminations



Employment Equity Profile: Promotions



# 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 open-cast mine mines material, primarily building sand, by means of extraction by an excavator.

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

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

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

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

## SOCIAL AND ETHICAL CONDUCT

It was reported during the previous report period that a PSA Ethics and Fraud Hotline had been established, which is administered by *KPMG* on behalf of the PSA. The aim of the Hotline is to enhance an honest work ethic, while 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. It was also established to create further capacity to the already-existing “whistle-blowing” policy of the PSA.

The PSA Hotline operates 24 hours a day, seven days a week - including public holidays. The cost related to said Hotline amounts to approximately R32 000 per annum.

By the end of the previous report period, one complaint had been received and was under investigation. The General Manager had the complaint investigated, but no evidence could be found to substantiate the allegations and the complaint was subsequently dismissed. No complaints were received during the report period of 1 April 2016 to 31 March 2017.



# 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 represent the core business, while it also operates a holiday resort, sand mine and a *Cell Captive Insurance Scheme* under licence from *Guardrisk Insurance Company Limited* for the benefit of its members.

The Directors are required by the *Companies Act, 2008* to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements. The Directors acknowledge that they are ultimately responsible for the system of internal control established by the PSA and place considerable importance on maintaining a strong internal control environment. To assist the Directors in discharging its 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 auditors for the past four financial years have been *PricewaterhouseCoopers Inc.* *PricewaterhouseCoopers* has issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ended 31 March 2017.

The consolidated net profit of the PSA is R18 993 275, comparing to a net profit in the prior year of R17 272 694. The actual profit was mostly made up of a saving in salary cost amounting to R5 878 500 owing to vacancies in key positions; additional revenue of R5 533 354, as well as variable savings of R5 417 921.

The summarised financial performance of the different business divisions of the PSA are indicated under item 2 on pages 6 and 7 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 2017, 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 points:

- Reconciliation of Equity paragraph 3 on page 8 of the Annual Financial Statements, which indicates the liquidity of retained income.

In the previous *Integrated Annual Report (2015/16)* the Board reported on a possible overcharging of the PSA by a service provider. It has been established that overcharging did occur and the Board instituted disciplinary action. The IT Manager resigned from service as at 28 February 2016. During the report period, the PSA attorneys took the matter up with the liquidators that were still setting up meetings with the creditors and verifying the total assets available in the Close Corporation at year end.

The audited detailed Financial Statements of the PSA for the year ended 31 March 2017 are fully set out from page 42 of this *Report*, and do not, in our opinion, require further comments.





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

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.  
Issued 18 September 2017

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## 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>	Adv R Daniels (President) Dr CV Dyantyi (Vice President) Mr P Snyman (Chairperson) Mrs AC Rencken (Vice-Chairperson) Mr E Louw Mr D Maphoto Mrs GF Masinga Mr OJ Motshwane Mr L Mulaudzi Mr NS Ndlovu
<b>Registered office</b>	563 Belvedere Street Arcadia Pretoria 0007
<b>Business address</b>	563 Belvedere Street Arcadia Pretoria 0007
<b>Postal address</b>	PO Box 40404 Arcadia Pretoria 0007
<b>Auditors</b>	PricewaterhouseCoopers Inc. Chartered Accountants (SA) Registered Auditors South Africa
<b>Secretary</b>	Mr IP Fredericks
<b>Company registration number</b>	1942/015415/08
<b>Tax reference number</b>	9009987166
<b>Preparer</b>	The annual financial statements were internally compiled by: N Ndlela B.Com (Acc)

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Index

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The reports and statements set out below comprise the annual financial statements presented to the members:

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### Preparer

N Ndlela  
B.Com (Acc)

### Published

18 September 2017



# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Audit and Risk Committee Report

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This report is provided by the Audit and Risk Committee appointed in respect of the 2017 financial year of Public Servants Association of South Africa NPC.

### 1. Members of the Audit Committee

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

Name	Date of appointment	Audit and Risk Committee	Termination date
Mr P Snyman	25 August 2010	4 out of 4	
Miss OM Lefifi	24 October 2012	3 out of 3	19 September 2016
Ms AC Rencken	15 March 2016	3 out of 4	
Mr AD McAnda	15 March 2016	3 out of 3	19 September 2016
Mr E Louw	19 September 2016	1 out of 1	
Mr OJ Motshwane	19 September 2016	1 out of 1	

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

### 2. Meetings held by the Audit Committee

The audit 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 4 scheduled meetings during 2016/2017 and the members of the committee attended the meetings as indicated above.

### 3. External auditor

The annual general meeting has appointed PricewaterhouseCoopers Inc. as the independent auditor and Sizwe Mtetwa as the designated partner, who is a registered independent auditor, for the 2017 audit.

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

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

### 4. Annual Financial Statements

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

# **Public Servants Association of South Africa NPC**

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## **Audit and Risk Committee Report**

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### **5. The Effectiveness of Internal Control and Risk Management**

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

On behalf of the audit committee



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**OJ Motshwane**  
**Chairperson Audit and Risk Committee**

**Pretoria**

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## 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 in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has 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 10 to 12.

The annual financial statements set out on pages 13 to 52, which have been prepared on the going concern basis, were approved by the board of directors on 26 July 2017, and were signed on its behalf by:

### Approval of financial statements

  
\_\_\_\_\_  
Mr P Snyman (Chairperson)  
\_\_\_\_\_  
Mrs AC Rencken (Vice-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 2017

## 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 2017.

### 1. Liability of members

Public Servants Association of South Africa NPC was registered in South Africa with and in terms of the Companies Act 71 of 2008, as a Non Profit Company and in terms of Section 96 of the Labour Relations Act 1995, and operates as a trade union. In terms of its Memorandum of Incorporation, 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 Memorandum of Incorporation as at the date of dissolution. The company operates in South Africa.

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

### 2. Review of financial results and activities

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

As an employee organisation, the Public Servants Association of South Africa NPC (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. Apart from the aforementioned function the company is also involved in other operations in the interest of its members.

The PSA Insurance Services operates under license from Guardrisk Insurance Company Ltd. According to the agreement the company shares in the profits and losses of the undertaking.

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

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment. The financial performance and position of the PSA business divisions are tabled on the next page:

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Directors' Report

<b>2017 Reconciliation of net income/(loss)</b>	<b>Membership</b>	<b>Holiday resort accommodation</b>	<b>Sand</b>	<b>PSA Short- Term Insurance Contract</b>	<b>Total</b>
Income	278,041,361	448,335	1,286,503	52,015,567	331,791,766
Cost of sales	(520,110)	-	(42,395)	(3,299,689)	(3,862,194)
Other income	3,975,984	46,009	-	2,285,803	6,307,796
Employee costs	(161,517,690)	(1,016,578)	(509,596)	-	(163,043,864)
Other expenses	(101,109,456)	(695,384)	(74,226)	(52,580,237)	(154,459,303)
Property revaluation	2,259,074	-	-	-	2,259,074
	<b>21,129,163</b>	<b>(1,217,618)</b>	<b>660,286</b>	<b>(1,578,556)</b>	<b>18,993,275</b>
<b>2016 Reconciliation of net income/(loss)</b>	<b>Membership</b>	<b>Holiday resort accommodation</b>	<b>Sand</b>	<b>PSA Short- Term Insurance Contract</b>	<b>Total</b>
Income	259,515,465	708,848	993,281	50,925,065	312,142,659
Cost of sales	(165,713)	-	(31,245)	(2,877,732)	(3,074,690)
Other income	3,039,739	43,735	-	2,066,841	5,150,315
Employee costs	(156,684,804)	(1,071,603)	(641,168)	-	(158,397,575)
Other expenses	(89,907,694)	(736,643)	(107,076)	(47,526,596)	(138,278,009)
Property revaluation	(270,006)	-	-	-	(270,006)
	<b>15,526,987</b>	<b>(1,055,663)</b>	<b>213,792</b>	<b>2,587,578</b>	<b>17,272,694</b>
<b>2017 Reconciliation of net assets/liabilities</b>	<b>Membership</b>	<b>Holiday resort accommodation</b>	<b>Sand</b>	<b>PSA Short- Term Insurance Contract</b>	<b>Total</b>
Assets	122,865,376	4,640,871	144,856	23,882,496	151,533,599
Liabilities	(19,743,502)	(14,907)	(1,392,871)	(7,269,561)	(28,420,841)
	<b>103,121,874</b>	<b>4,625,964</b>	<b>(1,248,015)</b>	<b>16,612,935</b>	<b>123,112,758</b>
<b>2016 Reconciliation of net assets/liabilities</b>	<b>Membership</b>	<b>Holiday resort accommodation</b>	<b>Sand</b>	<b>PSA Short- Term Insurance Contract</b>	<b>Total</b>
Assets	96,156,311	3,632,008	113,155	30,132,387	130,033,861
Liabilities	(12,569,829)	(9,491)	(886,792)	(11,940,896)	(25,407,008)
	<b>83,586,482</b>	<b>3,622,517</b>	<b>(773,637)</b>	<b>18,191,491</b>	<b>104,626,853</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 2017

## Directors' Report

### 3. Reconciliation of Equity

Capital development reserves	2,000,000	2,000,000
Social and welfare reserve	1,000,000	1,000,000
Strike reserve	2,000,000	2,000,000
Funeral benefit reserve	3,000,000	3,000,000
General reserve	6,686,448	6,686,448
Swedish AIDS education fund reserve	37,420	37,420
Stiglingh reserve	560,589	551,939
Insurance reserve	5,709,320	5,709,320
Sand rehabilitation reserve	3,500,000	3,500,000
Revaluation reserve	13,487,574	11,228,500
Market-to-market and PSA Short-Term Insurance Contract reserves	42,373,241	42,410,139
	<b>80,354,592</b>	<b>78,123,766</b>

General reserves excluding the PSA Short-Term insurance contract, are represented by the liquidity of the retained income and is tabled below:

#### Retained Income

Cash and cash equivalents (Excluding PSA Short-Term Insurance Contract)	18,431,631	17,095,576
Other assets (Non cash assets)	24,833,903	9,407,511
	<b>43,265,534</b>	<b>26,503,087</b>

### 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	Office	Designation	
Adv R Daniels (President)	President	Non-executive Independent	
Dr CV Dyantyi (Vice President)	Vice President	Non-executive Independent	Appointed 19 September 2016
Mr P Snyman (Chairperson)	Chairperson	Non-executive Independent	Appointed 19 September 2016
Mrs AC Rencken (Vice-Chairperson)	Vice Chairperson	Non-executive Independent	Appointed 19 September 2016
Mr E Louw	Other	Non-executive Independent	Appointed 19 September 2016
Mr OJ Motshwane	Other	Non-executive Independent	Appointed 19 September 2016
Mr D Maphoto	Other	Non-executive Independent	Appointed 19 September 2016
Mrs GF Masinga	Other	Non-executive Independent	
Mr L Mulaudzi	Other	Non-executive Independent	Appointed 19 September 2016
Mr NS Ndlovu	Other	Non-executive Independent	
Miss OM Lefifi	Other	Non-executive Independent	Term ended 19 September 2016
Mr AD McAnda	Other	Non-executive Independent	Term ended 19 September 2016

The previous General Manager, Mr DZ Adonis, retired on 30 June 2016. Mr IP Fredericks was appointed by the Board of Directors as acting General Manager from 1 July 2016 and General Manager from 01 March 2017.



# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Directors' Report

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### 6. Directors' interests in contracts

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

### 7. Events after the reporting period

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

### 8. Going concern

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

### 9. Auditors

PricewaterhouseCoopers Inc. continued in office as auditors for the company for 2017.

### 10. Secretary

The company secretary is Mr IP Fredericks.

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

The annual financial statements have been authorised for issue by the directors on 26 July 2017. No authority was given to anyone to amend the annual financial statements after the date of issue.

The annual financial statements set out on pages 13 to 52, which have been prepared on the going concern basis, were approved by the board of directors on 18 September 2017.



## *Independent auditor's report*

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

### *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Servants Association of South Africa NPC (the Company) as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### **What we have audited**

The Public Servants Association of South Africa NPC's financial statements set out on pages 12 to 52 comprise:

- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

### *Other information*

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, the Audit Committee's Report and the Company's Secretary Certificate. 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 and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

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*PricewaterhouseCoopers, 2 Eglin Road, Sunninghill 2157, Private Bag X36, Sunninghill 2157, South Africa*  
T: +27 (11) 797 4000, F: +27 (11) 209 5800, [www.pwc.co.za](http://www.pwc.co.za)

Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk  
The Firm's principal place of business is at 2 Eglin Road, Sunninghill where a list of the partners' names is available for inspection.  
VAT reg.no. 4070182128.



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#### *Responsibilities of the directors for the financial statements*

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

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

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#### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

.....  
A handwritten signature in black ink that reads "PricewaterhouseCoopers Inc." with a stylized flourish at the end.

**PricewaterhouseCoopers Inc.**

**Director: NBT Mtetwa**

**Registered Auditor**

**Johannesburg**

**26 July 2017**

# Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Statement of Financial Position as at 31 March 2017

	Note(s)	2017 R	2016 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	37,005,641	35,142,299
Intangible assets	5	3,328,960	1,818,940
Investments	6	59,202,751	40,791,895
Motor Vehicle Loans	7	8,332,412	8,443,321
		<b>107,869,764</b>	<b>86,196,455</b>
<b>Current Assets</b>			
Inventories	8	648,493	1,168,603
PSA Short-Term Insurance Contract		16,612,935	18,191,491
Trade and other receivables	9	5,608,295	5,066,393
Investments	6	589,563	544,480
Motor Vehicle Loans	7	1,751,824	1,744,372
Study loans		21,094	26,491
Cash and cash equivalents	10	18,431,631	17,095,576
		<b>43,663,835</b>	<b>43,837,406</b>
<b>Total Assets</b>		<b>151,533,599</b>	<b>130,033,861</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		80,354,592	78,123,766
Retained income		43,265,534	26,503,087
		<b>123,620,126</b>	<b>104,626,853</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Finance lease liabilities	12	881,277	-
Retirement benefit obligation	14	3,508,000	3,930,000
Provisions	13	1,073,268	886,792
		<b>5,462,545</b>	<b>4,816,792</b>
<b>Current Liabilities</b>			
Trade and other payables	16	20,710,959	18,071,928
Finance lease liabilities	12	538,421	153,820
Retirement benefit obligation	14	248,000	132,000
Provisions	13	953,548	2,232,468
		<b>22,450,928</b>	<b>20,590,216</b>
<b>Total Liabilities</b>		<b>27,913,473</b>	<b>25,407,008</b>
<b>Total Equity and Liabilities</b>		<b>151,533,599</b>	<b>130,033,861</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 2017

## Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2017 R	2016 R
Revenue	22	279,776,199	261,217,594
Cost of sales		(520,110)	(165,713)
<b>Gross profit</b>		<b>279,256,089</b>	<b>261,051,881</b>
Other operating income	23	1,469,001	1,412,983
Other operating expenses		(264,822,392)	(249,240,029)
<b>Operating profit/ (loss)</b>		<b>15,902,698</b>	<b>13,224,835</b>
Investment income	25	2,010,728	1,670,491
Finance costs	26	(1,150,979)	(1,016,769)
<b>Profit / (loss) for the year</b>		<b>16,762,447</b>	<b>13,878,557</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains / (Losses) on property revaluation		2,259,074	(270,006)
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		8,650	9,405
Available-for-sale financial assets adjustments		1,541,660	1,067,161
PSA Short-Term insurance contract		(1,578,556)	2,587,577
<b>Total items that may be reclassified to profit or loss</b>		<b>(28,246)</b>	<b>3,664,143</b>
<b>Other comprehensive income for the year</b>	27	<b>2,230,828</b>	<b>3,394,137</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>18,993,275</b>	<b>17,272,694</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 2017

## Statement of Changes in Equity

	Funds		Revaluation reserve		Mark-to-market reserve and PSA Short-Term insurance contract		Other non-distributable reserves		Total reserves		Retained income		Total equity	
	R		R		R		R		R		R		R	
<b>Balance at 01 April 2015</b>	<b>542,534</b>		<b>11,498,506</b>		<b>38,621,079</b>		<b>23,933,188</b>		<b>74,595,307</b>		<b>12,488,846</b>		<b>87,084,153</b>	
Profit for the year	-		-		-		-		-		13,878,557		13,878,557	
Other comprehensive income	9,405		(270,006)		3,654,738		-		3,394,137		-		3,394,137	
<b>Total comprehensive income for the year</b>	<b>9,405</b>		<b>(270,006)</b>		<b>3,654,738</b>		<b>-</b>		<b>6,692,919</b>		<b>13,878,557</b>		<b>(10,866,249)</b>	
Market to market adjustment	-		-		134,322		-		134,322		135,684		270,006	
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>		<b>-</b>		<b>134,322</b>		<b>-</b>		<b>134,322</b>		<b>135,684</b>		<b>270,006</b>	
<b>Balance at 01 April 2016</b>	<b>551,939</b>		<b>11,228,500</b>		<b>42,410,139</b>		<b>23,933,188</b>		<b>78,123,766</b>		<b>26,503,087</b>		<b>104,626,853</b>	
Profit for the year	-		-		-		-		-		16,762,447		16,762,447	
<b>Total comprehensive income for the year</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>16,762,447</b>		<b>16,762,447</b>	
Other Comprehensive Income	8,650		2,259,074		(36,898)		-		2,230,826		-		2,230,826	
<b>Total comprehensive income for the year</b>	<b>8,650</b>		<b>2,259,074</b>		<b>(36,898)</b>		<b>-</b>		<b>2,230,826</b>		<b>-</b>		<b>2,230,826</b>	
<b>Balance at 31 March 2017</b>	<b>560,589</b>		<b>13,487,574</b>		<b>42,373,241</b>		<b>23,933,188</b>		<b>80,354,592</b>		<b>43,265,534</b>		<b>123,620,126</b>	
Note(s)	18&27		19&27		21&27		20				27			

# Public Servants Association of South Africa NPC

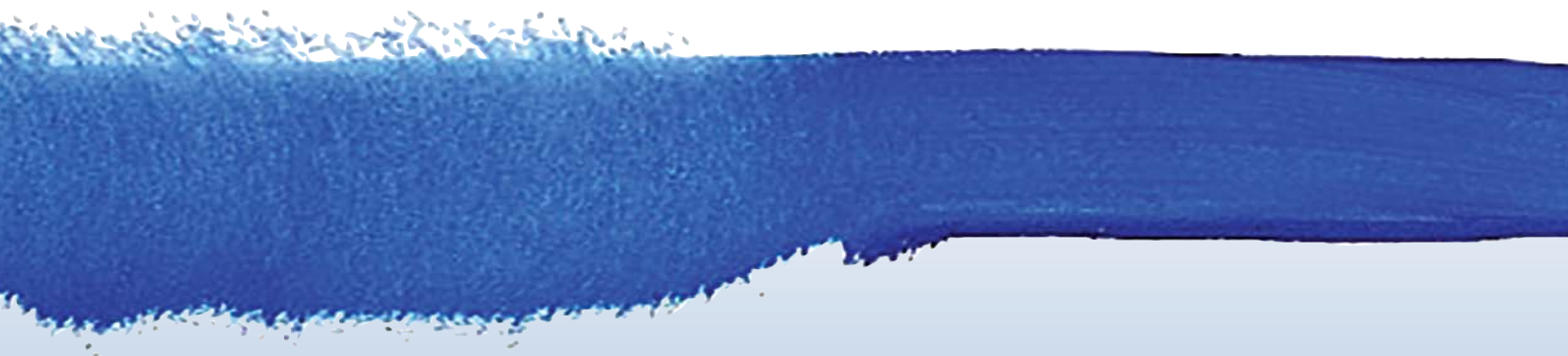
(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2017

## Statement of Cash Flows

	Note(s)	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash receipts from members and customers		279,234,297	262,854,983
Cash paid to suppliers and employees		(256,697,229)	(253,255,792)
Cash generated (used in) from operations	28	22,537,068	9,599,191
Interest income		2,010,728	1,670,491
Finance costs		(1,150,979)	(1,016,769)
<b>Net cash from operating activities</b>		<b>23,396,817</b>	<b>10,252,913</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(2,936,273)	(2,860,104)
Sale of property, plant and equipment	4	298,345	(8,316)
Purchase of other intangible assets	5	(1,762,258)	(785,213)
Movement in PSA Short Term insurance contract		(1,578,556)	2,587,577
PSA Short-Term insurance funds invested by PSA		-	15,000,000
Movement in financial assets		(17,420,114)	(18,579,537)
Motor vehicle loans granted		(6,241,262)	(6,105,301)
Sale of motor vehicle loans		6,315,593	5,871,439
Study Loan repaid		179,106	53,581
Study loan granted		(189,871)	(69,741)
<b>Net cash from investing activities</b>		<b>(23,335,290)</b>	<b>(4,895,615)</b>
<b>Cash flows from financing activities</b>			
Movement in funds (capitalised)		8,650	9,405
Finance lease payments		1,265,878	(805,034)
<b>Net cash from financing activities</b>		<b>1,274,528</b>	<b>(795,629)</b>
<b>Total cash movement for the year</b>		<b>1,336,055</b>	<b>4,561,669</b>
Cash at the beginning of the year		17,095,576	12,533,907
<b>Total cash at end of the year</b>	10	<b>18,431,631</b>	<b>17,095,576</b>



*The PSA (Public Servants Association of South Africa) is a registered trade union at the forefront of labour developments. The PSA is the largest, politically non-affiliated, fully representative Union in the Public Service. With a proud history of more than 96 years of service to its members, the PSA represents more than 235 000 public sector employees, guided by the following commitment:*

*“As a leading trade union, we the PSA, will protect the rights and promote the interests of our members, through professional, dedicated and competent staff and member structures in an assertive, innovative, ethical and financially sound manner - at all times striving to exceed members’ needs and remain the union of choice.”*