



Integrated Annual Report 2019/20



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Chairperson's **REPORT**

This report is submitted on behalf of the Board of Directors of the Public Servants Association of South Africa (PSA) (NPC) for the performance period 1 April 2019 to 31 March 2020. The Board is satisfied with the performance of the organisation in relation to its strategic objectives and compliance with the provisions of the *Companies Act*.

Despite challenging conditions and an increasingly grim economic outlook for the country as a result of the COVID-19 pandemic in South Africa, the PSA's overall financial position is undergoing some corrective measures. The external auditing firm that was appointed by the Annual General Meeting to audit the PSA and oversee the PSA's financial affairs, issued an unqualified audit opinion for the report period, confirming that the PSA is a going concern.

In addition, the PSA continued to record a growth in membership during the report period, bringing the Union's total membership to 249 206 on 31 March 2020, compared to 244 413 at the end of the previous financial year. Despite an increasingly challenging recruitment market, the increase in membership underlines a great need for the PSA to render quality and professional services.

The PSA continued demonstrating leadership in collective bargaining structures in pursuit of protecting and promoting members' rights and interests. The Union is also increasingly recognised for speaking out on employees' occupational health and safety as well as the protection of their pension benefits against exploitation.

Furthermore, the PSA assisted members in resolving 6 662 conciliations and arbitrations, disciplinary hearings and grievances during the report period. The total value of awards in favour of the PSA showed a huge increase and amounted to more than R41.9 million, compared to R19.4 million in 2018/19.

The PSA's service standards were enhanced during the report period by means of various successful training interventions under the leadership of the PSA Training Section. A total of 944 delegates, for example, attended the PSA's Second Annual Labour Law Perspective workshop, whilst 297 delegates benefited from Corporate Governance Training for management of provincial structures. In addition, 262 shop stewards attended an induction training course for capacity building purposes.



The PSA maintained a strong media presence during the report period, reflecting the Union's broad range of actions and interventions. The extent of activity is illustrated by the continued increase in media releases (i.e. 95 in 2017/18, 156 in 2018/19 and 190 in 2019/20).

The PSA in 2020 reached a centenary of existence. Various planned initiatives to bring this momentous occasion closer to members were, however, affected by the COVID-19 pandemic and will be reprioritised. The Board mourns the passing of all loyal and dedicated PSA members who succumbed to the COVID-19 pandemic and wishes to thank all workers for their tireless efforts in rendering quality services during these unprecedented testing times.

The Board also wishes to convey a word of gratitude to all PSA members, leaders, executive management of structures and staff members, for their contributions, efforts and dedication to the Union that has stood the test of time. Our continued dedication will ensure that the PSA will continue to be a force to be reckoned with in centuries to come.

A handwritten signature in dark ink, appearing to read 'Pierré Snyman'.

Pierré Snyman
CHAIRPERSON

Management OF PSA

Board of Directors

The PSA's Board of Directors, in the absence of the General Assembly in session, acts in its stead and is responsible for the strategic direction and oversight of the PSA's business. During the period under review, the following members served on the PSA's Board of Directors:

- Mr Lufuno Mulaudzi (President) – elected 17 September 2018 as President.
- Dr Vuyo Dyantyi (Vice-President) – elected 19 September 2016 (fulfilled the duties of the PSA President as from 28 March 2018 until September 2018). Dr Dyantyi's term of office expired on 16 September 2019 and he was not re-elected.
- Mr Cebo Mntwini (Vice-President) – elected 16 September 2019.
- Mr Pierré Snyman (Chairperson) – re-elected 18 September 2017.
- Ms Annetjie Rencken (Vice-Chairperson) – re-elected 19 September 2016. Ms Rencken's term of office expired on 16 September 2019 and she was not re-elected.
- Mr Mosala Seelamo (Vice-Chairperson) – elected 16 September 2019.
- Mr Ike Monyane (Director) – elected 18 September 2017.
- Mr David King (Director) – elected 23 October 2017.

- Ms Anadele Coetzee (Director) – elected 17 September 2018.
- Mr Marcus Ramakgale (Director) – elected 16 September 2019.
- Mr Justice Shiburi (Director) – elected 16 September 2019.
- Ms Nomabandla Silinyana (Director) – elected 16 September 2019.
- Mr David Maphoto (Director) – elected 19 September 2016. Mr Maphoto's term of office expired on 16 September 2019 and he was not re-elected.
- Mr Oupa Motshwane (Director) – elected 19 September 2016. Mr Motshwane's term of office expired on 16 September 2019 and he was not re-elected.

Mr Ivan Fredericks was the General Manager and acted as Secretary of the PSA (appointed 1 March 2017). Mr Leon Gilbert acted as General Manager from 15 January 2020.

Board Committees of the PSA

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

The following members serve/served on the different Board Committees of the PSA and attended meetings as indicated:

Director	Board of Directors	Audit and Risk Committee	Short-Term Insurance Committee	Remuneration Committee	Social and Ethics Committee	Centenary Organising Committee (<i>ad hoc</i>)	Statute Review Committee (<i>ad hoc</i>)
Lufuno Mulaudzi	13					3	
Cebo Mntwini	7			2	1		2
Pierré Snyman	13	1					4
Mosala Seelamo	7	2	1			1	
Ike Monyane	13	4		1			4
David King	11	4	2		1		
Anadele Coetzee	13			1	1	3	
Justice Shiburi	7				0		
Marcus Ramakgale	7	2	1	2			2
Nomabandla Silinyana	6		1	0			
Dr Vuyo Dyantyi	4	2		1			
Annetjie Rencken	6	2	1	1		2	
David Maphoto	6		1		1		3
Oupa Motshwane	6		1				3
Total meetings	13	4	2	1	1	3	4

Board Meetings

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

Audit and Risk Committee

The Audit and Risk Committee monitors and oversees the financial expenditure of the organisation. This Committee is also responsible for overseeing policies and procedures as well as the audits performed to assist the Board in assurance. The following matters were presented to the Committee:

- Quarterly management reports
- Audited Annual Financial Statements
- External audit reports
- Internal audit reports
 - Asset Management
 - Supply Chain Management
 - Fraud Prevention and Corruption
 - Legal Compliance
 - Third Party Performance
 - Revenue
 - Membership Management
- Provincial Offices Audit – The following offices were audited during the current financial year: Cape Town, Bloemfontein, Pietermaritzburg and Pretoria
- Annual and Revised Budget
- Financial and IT Policies

PSA Short-Term Insurance Committee

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

- Quarterly financial reports
- Quarterly claims loss ratio
- Marketing plan
- Charter review

Remuneration Committee

The Remuneration Committee recommends the remuneration of senior management, the Board and sitting fees of Chairpersons and Board members and submits its recommendations to the Board and Congress for approval.

The following members were appointed by the Annual General Meeting to serve on the committee for a period of four years:

- Chris Krüger – attended one meeting - re-elected on 18 September 2017
- Khwezi Madikane – attended one meeting – elected on 18 September 2017
- Logan Naidoo – attended one meeting – elected on 19 September 2016
- Phumla Dingiswayo – attended one meeting – elected on 19 September 2016

Social and Ethics Committee

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

PSA Fedusa affiliation

Breaking the shackles of dominance, populism, and alignment through strategic advancements on training and social dialogue forums, allowed the footprint of the Federation of Unions of South Africa (Fedusa) to expand. Alternate voices and narratives owing to diversity of media platforms allowed the Fedusa to take up a new-found space and ensure that affiliates are allowed greater access to platforms where recognition is based on truth and factual representation, instead of a battle for deployment that compromises the mandate of putting workers first.

Continued inroads and access to networks nationally, regionally and internationally, allowed Fedusa to sustain opportunities of training and development for the progression and influence of members. Fedusa's focus on the mandate to propel PSA members to new frontiers grows more intense each year. The outline and advancement of training to build the capacity of grassroots and seasoned shop stewards on equality, labour relations and as part of a growing international mandate, gender equality and the sustained focus on gender-based violence and the move towards the realisation of ratifying ILO Convention 190 advanced the Fedusa presence. The PSA, through its affiliation to Fedusa, has transcended these boundaries to ensure that its collective membership remains a formidable force. Collaboration with international and like-minded partners presents further prospects of advancing service excellence.

South Africa remains in the grips of the COVID-19 pandemic and Fedusa continues its fight for the health and safety of front-line members. At the time of reporting, Fedusa secured funding for the training and development of members to deal with the pandemic and prepare themselves for the return to work protocols. Several applications from the PSA were received and training and master training scenarios will ensure the continued awareness, capacity, and sensitisation of members in dealing with the pandemic.

Training and Education Committee

In 2019, training in Fedusa remained specific in its application and intent to ensure that affiliates could defend and safeguard the mandate of protecting and preserving pensions. The continued drive by Government to utilise collective contributions of public servants by way of the Government Employees Pension Fund (GEPF) remained a key area for capacity building and sensitisation. Lifetime contributions of public servants could no longer be placed in jeopardy owing to consistent bailouts of dismally performing state-owned entities owing to corruption, maladministration, and lack of governance.

Most training interventions focused on policy positions and upskilling of members on the threats and opportunities of holding funds accountable.

Social Justice Committee

A total of 23 PSA representatives attended the National Gender Conference in Boksburg on 9 and 10 December 2019. The Solidarity Centre GBVF training in Parktown on 5 and 6 March 2020 was attended by three PSA delegates.

Provincial training and outreach initiatives

- Train and Trainer workshop: 2 to 5 April 2019 (KwaZulu-Natal) – One PSA representative
- *NMWA* and *BCEA* amendment: 29 April 2019 (KwaZulu-Natal) – Sixteen PSA representatives
- Digital Round-Table Discussion: 23 May 2019 (Western Cape) – Two PSA representatives
- Ditsela Workshop on amended *BCEA*, *LRA* and enforcement of *NMWA*: 10 June 2019 – Four PSA representatives
- Fedusa/Financial Literacy Sessions: 26 June 2019 (Western Cape) – Four PSA representatives
- Third Annual CCMA Shop Stewards and Union Officials Conference: 12 to 13 September 2019 – Six PSA representatives

May Day 2019

May Day remains a fundamental facet of engaging with grassroots membership and through collaboration, greater outreach is possible. Fedusa actively participated in the PSA's 2019 event in Mthatha where there was engagement on the realities, opportunities and threats that are brought about by a digitized global economy. Embracing the digital revolution to save jobs was the focus of the day, with Fedusa pledging R159 750 towards the event.

Helping hand to safeguard COVID-19 frontline workers

Fedusa continues to honour workers who have been at the frontline of the battle against the COVID-19 pandemic. Fedusa's fight continued to escalate the plight of public servants. The fight for personal protective equipment continued, and Fedusa ensured that 20 000 bottles of sanitisers were dispatched to essential service workers. As health and safety violations continued to be exposed, requiring the employer to be held accountable, Fedusa's interventions ensured that intimidators could be held accountable and implement full compliance following links with the Ministry and the Federation.

PSA representation on Fedusa structures

Fedusa National Executive Committee (NEC)

The management of Fedusa between National Congresses vests in the NEC. All affiliates are represented in this structure, which is the highest decision-making body in the Fedusa between congresses and is convened approximately once every two months. The PSA is represented by P Snyman, M Seelamo, C Mntwini and N Silinyana.

Fedusa Management Committee

This Committee consists of ten persons, namely elected National Office Bearers, the General Secretary, the Deputy General Secretary and four persons appointed by the NEC. It oversees the day-to-day affairs of Fedusa and meets between NEC meetings and reports to the NEC. The PSA is represented by L Mulaudzi.

Fedusa Training and Education Committee (TEC)

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

Fedusa Social Justice Committee (SJC)

The SJC is a constitutional structure of Fedusa and is actively engaged in dealing with socio-developmental issues. The SJC stands for freedom, dignity, equality in the workplace, the development of men and women in South Africa, transparency, fair labour practices and upward mobility for all. The PSA is represented by C Mntwini and A Coetzee.

Fedusa Development Committee

The Committee is the champion of youth struggles. The PSA is represented by M Ramakgale.

Fedusa Public Sector Committee (PSC)

The PSC is a constitutional structure that deals with issues and developments affecting the Fedusa membership in the public sector. All affiliates organising in the public sector are represented on the PSC by worker leaders or officials. The PSA is represented by the Vice-President Public Sector, L Mulaudzi, A Coetzee, P Snyman and J Shiburi.

Provincial Executive Committee (PEC)

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

Eastern Cape

S Siciko (Gender Coordinator), A Killian (Training Coordinator), L Phoko (Youth Coordinator) and R Vosloo.

Free State

F Fouche (Deputy Chairperson), N Nkosi (Training Coordinator), S Mbhele (Youth Coordinator) and O Odendaal.

Gauteng

S Mokoane (Chairperson), P Moloi (Secretary), J Moche (Youth Representative), J Ndlovu (Member), S Mabele (Member), A Vumisa (Member), G Simelane (Member), N Ntsiko (Member) and H Hall (Member).

KwaZulu-Natal

C Mbali, Z Manyoni, M Ziqubu and JB Ndlovu.

Limpopo

MP Tlowana (Deputy Chairperson), MM Rakhanga (Gender Coordinator), MMK Masilela (Youth Coordinator) and MC Sebothoma.

Mpumalanga

J Nwaila (Chairperson), M Nkosi (Training Coordinator), F Mthimunye (Gender Coordinator) and A Mashego.

North West

K Appelgryn (Vice-Chairperson), K Moalosi (Secretary), SDM Letsapa, N Khunou, ZV Baloyi and K Moalosi.

Northern Cape

R Diraditsile (Chairperson), L Hlophe (Deputy Chairperson) and A Coetzee.

Western Cape

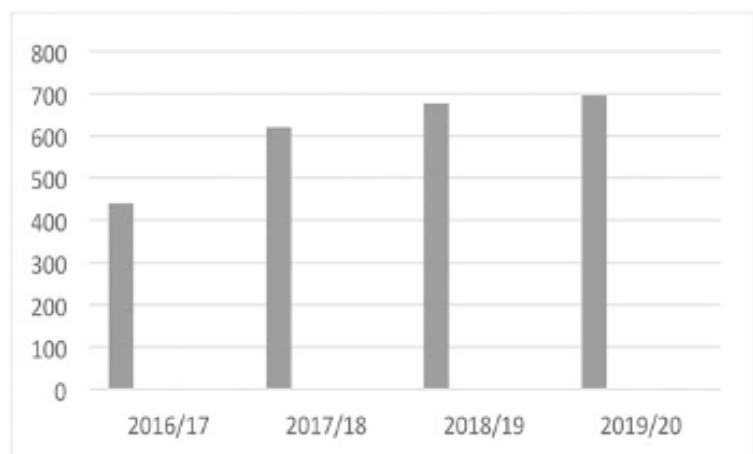
C Roestoff (Deputy Chairperson).

Marketing **AND COMMUNICATION**

Communication

The dissemination of targeted information represents a pillar of the PSA's operations and supports the Union's marketing efforts.

The PSA's electronic newsletter, *Informus*, is by nature the information channel with the highest frequency and volume. This newsletter, which informs members of developments specific to their workplace as well as general PSA news, during the report period experienced a further growth in volume with 697 editions being issued. The table reflects the volume of this newsletter for the past four report periods.



The *PSA magazine* is distributed to members on a quarterly basis. Various recruitment competitions carried in the magazine are popular and yield good results.

Apart from hard-copy distribution by organising/marketing officers and shop stewards, the magazine is also distributed to members electronically via email or SMS. SMSs are furthermore used to communicate with members in various instances, including the issuing of welcome messages to new members and to congratulate members on their birthdays.

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

The efficiency of the PSA's communication interventions is influenced by the accuracy of members' information on the PSA's Membership Management System. In view of this, the updating of the system is undertaken continuously using various methods.

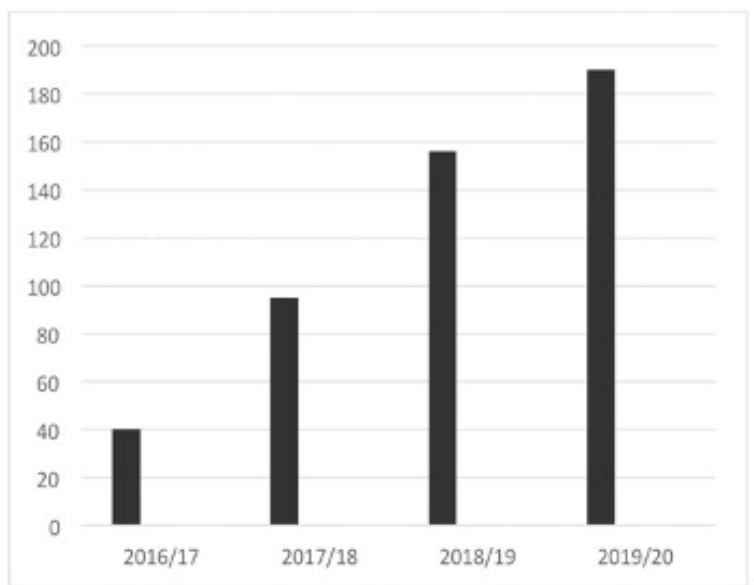
The PSA website (www.psa.co.za) underwent comprehensive redevelopment during the report period to be responsive and include new functionality. The website offers an overview of the Union and its various activities. During the report period, the website recorded 82 992 unique visitors.

Social media platforms are becoming increasingly important information channels and the PSA's social media platforms experienced steady growth during the report period. Members can follow the PSA on *Facebook*, *YouTube*, *Instagram* and *Twitter*. PSA Provincial Offices also use social messaging platforms to communicate with and update structures and members.

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

The PSA's electronic helpdesk (ask@psa.co.za) received, on average, some 1 000 enquiries per month during the report period.

The PSA conducts ongoing media monitoring to ensure that it remains in touch with matters that impact on public servants and workers in general and generate timeous media responses. The PSA furthermore issues proactive media statements in support of its brand promotion initiatives. This activity increased to 190 media statements being issued during the report period compared to 156 statements during the previous report period. The table reflects the volume of media statements issued during the past four report periods.



In the process, the PSA's media presence increased, resulting in an advertising value equivalent of R80 995 612.

Fringe benefits

The PSA, in addition to its core business, offers a range of national and provincial fringe benefits to members. These benefits are in the form of group or other products at discounted rates to place members in a better bargaining position. The PSA has a close relationship with its business partners nationally and provincially, where they are also actively involved in many PSA activities.

During the report period, new national fringe benefits were negotiated. The PSA concluded an agreement with *Credit Gateway*, which developed, owns, and maintains an internet-based platform through which members can access financial services and products such as a free credit report and credit report fix. Members' credit profile can be assessed and rehabilitated, with unwanted red flags or irregularities being removed from members' credit record.

Debt negotiation: Credit Gateway provides legal assistance to members who are over-indebted to lower monthly installments.

Credit life insurance consolidation: All existing credit life policies are consolidated to a single credit life premium, reducing the rate by up to 60% of the existing monthly premium. This policy is insured by *African Life*.

PSA Club

PSA Club deals, to which all PSA members are automatically enrolled, consist of four categories, namely:

Earn points: Accumulate points from selected points shops in the member's e-wallet. The points can be exchanged for goods such as airtime, grocery vouchers or an exotic holiday.

Discount: Discount when purchasing from discount shop partners.

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

Stamps: Collect stamps from participating shops and earn a free product for collecting the required number of stamps.

During the report period, *Isoleso Vision*, *John Craig*, *Plant Ranch*, and *Russells* were added as new products. PSA Club also added four insurance products to add points to the PSA-Club e-wallet.

Supporter

Included benefits: 24/7 Medical Advice, 24/7 Legal Advice, Tutor Assist, and Stokvel Lotto Benefit.

Guardian Angel

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

For Family

Included benefits: R3 250 Stay Benefit, R1 000 Meals Benefit, R500 Transport Benefit, and R1 000 Drinks Benefit.

Protect

Included benefits: R250 Airtime Benefit, R750 Prepaid Power Benefit, R750 Grocery Benefit, R1 500 Butcher Benefit, R1 000 Flower Benefit, and Three-Day Car Hire Benefit.

Other benefits

- The PSA has a short-term insurance contract with *Indwe*, an independent short-term insurance broker.

- Funeral schemes are available through *Assupol, Dignity, Hollard, Old Mutual, Metropolitan, Zisekele, and Sanlam.*
- Assurance and other products are available from *Old Mutual, Metropolitan, Assupol, Optivest, Zisekele, AIG, Hollard and Sanlam.*
- *Dignity* has a support service that helps to arrange, support, advise and assist clients with a funeral arrangement. *Hollard* also provides unique optional benefits to assist when arranging a funeral. *Old Mutual* provides trauma and emergency support.
- Legal services are provided by *Livesaver Legal, Community Legal Clinic, Legalex and Lipco Law.*
- Emergency rescue services with the *Automobile Association* are provided at a discount. *Livesaver Legal* included emergency roadside and home assistance services provided by *Europ Assistance* to policy holders.

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

- *Old Mutual Finance* provides consolidations, unsecured personal loans and a fully transactional account known as Money Account. *Old Mutual Finance* pays a cash-back bonus every twelve months.
- *Finwell* assists with debt mediation, debt counseling and assistance with a home-ownership program with *SA Home-loans.*
- *Thuthukani* provides home improvement finance and a cash pay-out benefit of 20% of the total loan amount for labour-related cost for home improvements.
- *GetBucks* provides loans from R500 to R10 000 with a one-to six-month pay-back term.

- *Optivest* provides quotations and broker appointments for medical schemes and healthcare-related products. It also liaises with medical schemes regarding unpaid claims and assists to register chronic medication.
- *Zisekele* assists members with Road Accident Fund claims.

Homebid that provided discount on estate agency fees and assisted with mortgage loans at all banks ceased operations in January 2020.

In total, more than 242 000 products and services were utilised by members during the report period.

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

Other exclusive benefits administered by the PSA include the **PSA Funeral Benefit** where, in the event of a member's death, the dependents or next of kin can approach the PSA (within six months of the death) for financial assistance with funeral costs. During the report period the benefit amount was R4 500. By the end of the report period, a total of 796 claims, to the value of R3 223 500, were paid. This amounted to 19 more claims compared to the previous period.

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

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

Collective **BARGAINING**

The Collective Bargaining Unit is a core component of the PSA, which is key in establishing new rights through constructive engagements at various levels of negotiations at recognised platforms. An integral function of the Collective Bargaining Unit is to negotiate and conclude collective agreements in respect of matters of mutual interest and to ensure that organisational rights are established as contemplated in the *Labour Relations Act.*

The PSA is currently representing members in the Public Service Coordinating Bargaining Council (PSCBC), General Public Service Sectoral Bargaining Council (GPSSBC), Education Labour Relations Council (ELRC), and the Public Health and Social Development Sectoral Bargaining Council (PHSDS-BC), as well as their sub-structures and in various state-owned entities.

Public Service Coordinating Bargaining Council (PSCBC)

Amongst matters addressed at Council, the following is reported for the report period:

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

On 25 February 2020, at a Council meeting, the employer made a presentation on the management of the Public Sector wage bill. The purpose of the presentation was to seek to engage unions on a review of Clause 3.3 of Resolution 1/2018. Unions were not interested in any review of the Resolution as they were of the view that it is a binding document and should be implemented accordingly. During the report period, the PSA drafted a letter to the employer, requesting it to announce the projected CPI. On 13 March 2020, the employer announced the projected CPI to be 4.4%.

On 25 March 2020 the employer made another presentation at Council, indicating that Government had a deficit of R30.2 billion and could not afford to honour the agreement. By the end of the report period the matter was still to be heard by the Labour Court. Other unions followed a different route and invoked the dispute mechanisms of Council relating to the interpretation and application of Resolution 1/2018.

Clause 8.1.1: Resolution 3/2009

The matter relates to the provision to review Resolution 3/2009. Labour previously submitted a proposal to the employer on proposed amendments. Unfortunately, the employer responded that the implementation of the wage agreement had resulted in over-expenditure and necessitated the implementation of measures to reduce the Public Service wage bill. The demand was thus regarded as being unaffordable.

Government Employees Medical Scheme (GEMS)

The Scheme made a presentation, updating parties on the status of processes in terms of benefit design and pricing, with a focus on the CPI increase and membership growth projections, benefit changes proposed for 2020, benefits of the *Tanzanite One* option compared to similar options in the market, and the proposed contributions increase. Labour appreciated the proposed changes that would be coming with the introduction of *Tanzanite One*, as these demonstrated that the resolution was being implemented to ensure that employees at lower levels have access to decent healthcare.

A circular was also issued, announcing the adjustment of the medical-aid subsidy for employees belonging to GEMS. This is an annual subsidy adjustment with the medical price index for the preceding year as per provision of PSCBC Resolution 2/2015.

It was agreed that the adjustment should be widely announced, and a request be made to GEMS to allow members to extend the period they have for choosing a benefit plan, considering the subsidy increase.

Reconfiguration of Departments: National Macro Organisation of Government 2019 (NMOG)

During report period the employer informed parties in the PSCBC about the reconfiguration of Departments for the 6th Administration. To ensure that the interests of members were advanced as well as their job security with the implementation of the process, labour tabled the matter for negotiation. Parties subsequently signed a collective agreement to regulate the reconfiguration process and the GPSSBC proceeded to establish departmental task teams to monitor and consult on the implementation of the agreement. The task teams reported to the National Inter-Departmental Task Team at the PSCBC, which monitored the implementation of the agreement. The reconfiguration was subsequently implemented on 1 April 2020. The Chambers of the GPSSBC were monitoring the implementation of the agreement at departmental level by the end of the report period. The PSA acknowledges that there are still challenges regarding the NMOG implementation between the employer and unions. The PSA remains steadfast in resolving grievances from branches where the employer deviates from proper implementation.

ELRC: Confirmation of scope as certified by Registrar of Labour Relations

This matter has been on Council's agenda for some time and deals with the proposed amendment of the ELRC's scope as far as the Further Education and Training Colleges (FETC)/Community Education and Training (CET) sector is concerned. These institutions employ two groups of staff, as provided for in section 20 of the *Community Education and Training (CET) Act, 2006* (as amended). The ELRC's scope does not include employees employed in terms of the *Public Service Act*, and more specifically those employed in terms of section 20(1)(a) of the *CET Act, 2006*, as amended. It, however, does refer to employees employed in terms of section 20(1)(b) of the *CET Act*. Therefore, *Public Service Act* employees, unless specifically included in the scope of a sector council, will fall within the scope of the GPSSBC. In this instance, employees employed in terms of section 20 (1)(a) of the *CET Act, 2006* as amended, will fall within the scope of the GPSSBC. Labour unfortunately found it difficult to obtain a mandate to make a clear pronouncement. The matter was still being deliberated by the PSCBC by the end of the report period.

Reduction in percentage allocation of performance bonuses

The Department of Public Service and Administration (DPSA) issued a circular, dated 30 January 2019, indicating that the Minister of Public Service and Administration approved a decremental adjustment of the percentage that can be allocated from the remuneration budget for the payment of performance bonuses.

In terms of the Public Service Regulations, Regulation 73(3), *“The Minister shall from time to time determine a percentage of a departments’ remuneration budget that shall not be exceeded for the purpose of granting performance rewards. The Minister shall from time to time determine the maximum percentage performance rewards to be granted to an employee or categories of employees.”* The approved incentive framework (2017) provides that departments may not utilise more than 1.5% of their annual remuneration budget for the purpose of resourcing departmental financial performance incentives schemes.

The PSA was of the view that the DPSA circular, amongst others, contravenes existing PSCBC resolutions and referred the matter to the PSCBC for tabling as an agenda item. The maximum percentages approved by the Minister for budgeted provisioning for performance rewards are:

- Year 2018/19: 1.5% is the maximum of the remuneration budget
- Year 2019/20: 0.75% is the maximum of the remuneration budget
- Year 2020/21: 0.5% is the maximum of the remuneration budget
- Year 2021/22: 0% is the maximum of the remuneration budget

Labour filed a dispute relating to unfair labour practice. Conciliation failed and labour is set to file a new dispute.

General Public Service Sectoral Bargaining Council (GPSSBC)

The Council engaged and finalised negotiations on the following matters:

Compensation for official duties performed during meal intervals

The PSA tabled this matter for discussion in the 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 meal intervals will, where required, be determined in the respective Sectoral Bargaining Councils. The employer, at a Council meeting, informed labour that it identified the Department of Correctional Services (DCS) as the only affected department. Hence, the employer was already finalising a list of occupations in the DCS to be tabled and a resolution to be concluded. The PSA requested input from other departments that may have a category that could qualify to receive such compensation, but no further inputs were received. Negotiations on the matter were finalised. The employer is finalising calculations with the DCS and will obtain a final mandate for signing.

Special-Leave Agreement for Sector

The PSA raised a concern about the inconsistent provision of special leave by some Public Service departments.

The PSA demanded that the employer should table an agreement for discussion in the Council to regulate special leave in the Sector. The 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, and trips outside RSA borders. Members’ inputs on the draft agreement were incorporated. Negotiations were finalised and the Board previously granted a mandate to accept the agreement. The employer unfortunately indicated to Council that it did not yet have a mandate to sign the agreement and by the end of the report period it was subjected for re-negotiation.

Sea-going allowance

A draft sea-going allowance agreement, seeking to amend the previous agreement, was tabled by the employer. The draft was circulated amongst members and inputs received were incorporated in the draft. Negotiations were completed and the draft agreement was subjected to the PSA’s mandating process. By the end of the report period the employer was yet to sign the draft agreement.

Education Labour Relations Council (ELRC)

During the report period the long-awaited quality management system (QMS) was signed and being implemented. Training would be conducted during 2020 with the QMS system to be fully implemented on 1 January 2021.

The PSA was elected as one of the Vice-Chairpersons for labour during the last Annual General Meeting. This will ensure that members are fully represented in all collective bargaining processes in the ELRC.

During the report period parties also signed a collective agreement, ensuring that contract workers are translated into permanent posts, if meeting the set criteria. The process was concluded during the report period.

The equalisation of pay progression was also finalised during the report period. This resulted in all educators also receiving 1.5% pay progression, the same as other public servants.

The following items were deferred to various task teams for further investigation and deliberations and the task teams are yet to conclude on these items:

- Draft Collective Agreement: Salary Structure for Educators
- Draft Collective Agreement: Agreement on Rewards, Incentives and Performance Bonus for Educators Employed in terms of the *Employment of Educators Act 76 of 1998*
- Prevention of Re-Employment of Former Educators Dismissed or Deemed Dismissed for Misconduct or Deemed Resigned
- Amendments to the PAM

Public Health and Social Development Sectoral Bargaining Council (PHSDSBC)

The PSA is one of the biggest Unions in the PHSDSBC. The Council during the report period engaged on guidelines of who are members in good standing in accordance with membership audits. Whilst this might have not been necessary in the past, the latest challenges on the review of membership figures brought into sharp focus the need to provide guidance on what will constitute members in good standing in the Council. This matter was not resolved, and an independent mediator was appointed to assist parties to finalise guidelines to comply with the Council's Constitutional provisions.

Forensic Pathology Officers (FPOs)

A collective agreement was entered between parties at Council and enjoyed majority signature on 29 June 2017. The objectives of the agreement were, amongst others, to provide for the payment of a danger allowance to employees operating in forensic pathology services in the Health Sector and to provide for a special allowance for qualifying FPOs and other employees who were performing the same functions under the direct supervision and direction of the responsible medical officer in the Health Sector. The agreement, amongst others, provides for the following:

- Parties agreed to introduce a standard danger allowance of R397 per month to qualifying FPOs effective from 1 April 2017.
- To pay a remedial once-off, non-pensionable amount of R4 800 to qualifying FPOs performing the same functions.
- To introduce a provisional special allowance of R594 pending finalisation of the process, entailed in clause 4.5.2 of this agreement, with effect from 1 April 2017 as follows:
 - FPOs and other employees who are and/or were performing the same functions will be authorised to perform dissecting work under the direct supervision and direction of the responsible pathologists or medical officers; and
 - Parties agree to negotiate and conclude a sustainable model to allow FPOs to register with a statutory body as professionals, to have career pathing and job evaluation within six months after this agreement attains majority signature.

Parties at Council agreed to establish a task team to deal with the matter, but the task team did not yield the desired outcome and was dissolved. The matter was elevated to the Executive Committee. A joint Exco and Task Team meeting was scheduled for 19 July 2019 where a decision was taken that the employer should develop, amongst others, a sustainable model and present it. A Council meeting was scheduled for 29 August 2019. The employer once again dismally failed to present any report or sustainable model with proposed salary levels attached to the model. Labour parties indicated at the Council meeting that they reserved their rights and subsequently declared a dispute on failure to reach agreement.

Conciliation failed and the matter was referred for arbitration. Unfortunately, owing to the COVID-19 lockdown, the matter could not continue as scheduled on 31 March 2020.

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

During the report period, several presentations were made on the above-mentioned topic. It was agreed that Social Development would provide a response to the presentations, which it subsequently did. Clause 4.1.1 of the agreement stipulates that within ten days from the date of the agreement, the employer will table a proposed model on rural allowance for eligible social service professionals and occupations for negotiation.

In terms of clause 4.2.2 of PHSDSBC Resolution 2/2017, the Occupational-Specific Dispensation (OSD) for Social Services professions should be reviewed. At the December 2019 Council meeting, the employer and labour agreed to review the OSD for social service professions.

At the last meeting, the employer negated from its position to engage on the matter and held the view that the matter should be engaged upon at the level of the PSCBC. Labour expressed dismay with the employer's attitude and only after the PSCBC directed the employer that the PHSDSBC did have jurisdiction to engage on the matter, did the employer accept this. The employer unfortunately had not concluded its internal processes by the end of the report period.

Audited membership figures 2017/18

The General Secretary (GS) to Council must review the annual membership figures, as at 31 December of the previous year, of all admitted unions to Council. This review must take place as soon as reasonably possible after 1 April of each year. The GS must report this decision to Council by not later than 14 May of each year, or such later date as the Council may decide. The audited membership figures of each union with regards to its members that fall within the registered scope of the Council, as referred to in section 100(a) of the *Labour Relations Act*, must be submitted to the GS by 31 March each year. The GS may request the employer to provide figures of the number of employees for whom it deducts membership dues of any union by means of stop orders, which the employer must provide. Unions must provide audited figures of members good standing in accordance with the guidelines on membership audits issued by the Council from time to time. The Council will be entitled to instruct Councils and/or an independent auditor to verify these figures.

During the report period, the 2017-dispute was settled by a settlement agreement and the 2018/19-audited membership figures dispute was postponed *sine die* whilst parties were engaging on guidelines for the submission of audited membership figures as per the Council's Constitution.

Parties agreed that a mediator be appointed to assist with the drafting of guidelines. Mediation was held on 20 January 2020 and parties agreed in principle to draft a draft agreement. Owing to the COVID-19 pandemic, mediation could not continue as all Councils suspended functions.

National Chamber for Health and Social Development

National Department of Health

Transfer of Port Health Services

PHSDSBC Resolution 2/2014 facilitated the transfer of employees performing Port Health Services in Provincial Health Departments to the National Department of Health. The PSA placed an item on the National Chamber agenda in 2015 when it was made aware by members of outstanding payments by provinces due to employees for performance management, shift allowance, overtime, and travel expenses. The employer has for the last five years been providing labour with progress reports on the implementation of the transfer and challenges to get provinces to deal with outstanding payments. The employer all along maintained that it did not have budget to deal with this. Members are also silent, creating the impression that the issues were mostly resolved. The rest of labour is, however, resisting the removal of the item. Labour will continue exerting pressure on the employer to ensure that any outstanding payments are not swept under the carpet. The close-out report remained pending by the end of the report period.

Performance assessment: 2018/19-evaluation cycle

It has become the norm for the PSA to annually introduce an agenda item to monitor the assessment process for a relevant cycle and timeously identify challenges that could delay implementation to ensure that these are addressed. During the said assessment period, occupational health and safety (OHS) issues at the head office impacted on the attendance and service delivery of employees and the employer's ability to ensure a proper moderation process. Furthermore, the Department of Public Service and Administration (DPSA) introduced amendments to the performance management and development system (PMDS), due for implementation 1 April 2018. Because of the situation at Civitas building, employees could not be trained on the revised system. At the PSA's insistence, the employer obtained permission from the DPSA to postpone implementation to 1 April 2019 so that members could use a system that they were familiar with. The PSA also continuously put pressure on the employer to make facilities outside the building available for the training of employees before it could implement the revised PMDS.

Owing to the OHS situation, another challenge presented itself. Most employees could not comply with the PMDS because they could not report for duty as normal. The PSA tabled a demand that all employees be given the benefit of the doubt owing to the employer's failure to ensure a safe work environment and be considered to at least have performed satisfactorily so that they would qualify for pay/grade progressions.

Furthermore, where members had managed to comply, they had to be assessed and granted the relevant performance incentives where applicable.

The employer delayed getting a mandate and the PSA declared a dispute that was joined by another union on the day of the conciliation in March 2020. Labour maintained that all employees, irrespective of where they found themselves, had submitted their performance assessments but supervisors either refused to accept the documents from employees or to consider these. Furthermore, the OHS situation only commenced from the third term of the cycle, which meant that there had been full compliance for the first two terms. The employer hinted that the dispute was premature as the moderation process had not fully unfolded but undertook to issue a written directive to supervisors and management structures by close of business on 6 March 2020, informing them that parties (employer and labour) committed and agreed that all employees must be assessed in terms of the policy and that such assessments would be subject to moderation. By the end of the report period, the moderation was still underway.

Non-compliance: Operational Security Uniform

A policy was consulted and adopted in 2016 but Security personnel was never provided with uniforms. The PSA requested the urgent establishment of a Uniform Committee in accordance with the policy to consult employees on uniform needs. At the end of the report period the employer was still not able to respond or comply owing to the impact of the OHS situation on the availability of the responsible manager and related challenges.

Reimbursement owing to failure to provide Operational Security Uniforms

Based on the employer's failure to provide uniforms to Security personnel since 2016, members insisted that PSA should table a demand for a reimbursement of R15 000 per annum retrospectively from 2016, which amount should be increased by the annual inflation rate. The amount was based on the last amount spent on the procurement of a uniform per security employee. The employer noted, but by the end of the report period still did not have a mandate.

National Department of Social Development

Performance assessment: 2017/18-evaluation cycle

The PSA introduced an agenda item in the previous report period to monitor and obtain a report on the outcome and implementation of the assessment process. The employer, however, stopped attending the Chamber in November 2018 and no formal report was received until recently, which confirmed that the assessment process for the 2017/18-cycle was concluded and payments effected. Labour noted the report but indicated that it had been overtaken by events and further interrogation of the information would serve no purpose at this late stage. The item was removed.

2018/19-cycle

The employer presented a written report confirming that the process was concluded, and payment effected. The PSA was comfortable with the information, but the other unions requested time to interrogate the report and verify the information.

Multilateral Engagement Forum

During the previous report period, the employer representatives from Social Development began boycotting meetings of the National Chamber as it had established an internal Multilateral Engagement Forum that was dealing with collective bargaining issues affecting the employer and employees outside the National Chamber. Only after an intervention by Council was the matter resolved but, in the process, time was lost and new matters as indicated below that were tabled only started to be dealt with towards the end of the report period. These were furthermore overtaken by the COVID-19 pandemic, which resulted in activities of the National Chamber being closed at the end of the report period.

Monitoring: Implementation of clause 18.1 of PSCBC Resolution 1/2012

The said clause determines that employees whose posts are graded on salary levels 10 and 12 are to be appointed and remunerated on salary levels 10 and 12, respectively. Based on allegations by labour that the agreement was not correctly implemented, it was agreed that a task team be established to investigate. Labour submitted the names of their representatives and presented draft terms of reference. The employer noted the document and indicated that it would be considered and inputs or counterproposals, if any, would be submitted.

Administrative Model

The item was tabled by the employer in August 2013. The Model aimed to ensure an efficient and even distribution of administrative support provided to Senior Management Service and was consulted with labour in the DBC until conclusion in October 2015. It was subsequently alleged that the Model had not resulted in an even distribution of support, which created an imbalance and inconsistencies in the utilisation of Administrative Assistants. Labour therefore requested a review of the Model. The employer presented a report on the background to the development of the Model and how the process unfolded, emphasising that no grievances were received. Labour requested more time to consult members on the report.

Organisational Review and Enhancement process

The Department indicated a need to review the organisational structure to address inefficiencies such as functional duplications, silo approaches on the execution of operations, etc., and indicated that the Government Technical Advisory Committee was commissioned to assist with the development of the organisational structure and related aspects. A Project Steering Committee (PSC) was established and labour representatives from recognised unions in Council were nominated to the PSC. The employer indicated that internal consultation was at a much broader level with all employees. Labour asked to also be represented on the Project Management Team.

The matter was still in process by the end of the report period.

Safety and Security Sectoral Bargaining Council (SSSBC)

The PSA was confronted by a challenge, which was also submitted by the SAPS National Branch, on recognition of organisational rights by the South African Police Service (SAPS). The employer circulated numerous circulars in various divisional, regional and provincial offices setting out that, on interpretation by Commissioners, the PSA is not entitled to any organisational rights as it is not a party to the SSSBC. The PSA solicited a legal opinion, which that the Commission for Conciliation, Mediation and Arbitration Agreement concluded between the SAPS and PSA on 16 August 2016 gave the PSA organisational rights in the SAPS. The rights emanate from section 19 of the *Labour Relations Act of 1995 (Act 66, 1995)*, as amended. The agreement provides for formal exercising of access to the employer's premises and a stop-order facility in the SAPS in terms of sections 12 and 13 of the *LRA*.

The PSA is still enjoying the stop-order facility. PSA officials and/or office bearers are entitled to enter premises to perform union-related activities and serving members' interests, including meetings with members. Such access is subject to the relevant SAPS Supervisors and/or Commanders being informed of envisaged meeting/s and that the venue/s for such meetings is/are made available. Where such meetings are requested, the PSA must give the employer reasonable notice of not less than five working days, where possible, of any intended meeting and will be advised of the availability of the venue on such date. PSA officials and/or office bearers must comply with any security requirements for access to SAPS premises before being allowed on the day of the meeting. This agreement provides that such rights came in force with effect from 16 August 2016 and will continue for as long as the PSA remains a party to the PSCBC. No variation of this agreement was entered into since its conclusion. The PSA and the SAPS consented to this agreement being made an arbitration award in terms of section 142(1) of the *LRA*.

PSCBC Resolution 2/2017 was concluded on 27 June 2017 by majority parties, establishing an agreed threshold of representativeness that registered unions must meet, as contemplated in section 18 of the *LRA*, to exercise organisational rights in the Public Service. Clause 5.2 of the Resolution provides that unions that are admitted as parties to the Council as at the date on which this agreement became effective, are granted organisational rights as conferred by sections 12, 13, 14, and 15 of the *LRA* in the relevant workplace. The rights of such admitted unions will not be affected by the coming into effect of this agreement and such unions will continue to exercise all the organisational rights that they enjoyed prior to the coming into effect of this agreement. In the definitions clause, the SSSBC is also enlisted.

Clause 5 of the SAPS Circular issued in 2018 dealt with the granting of exercising of organisational rights. It explicitly brings to the attention of all its constituencies, *i.e.* Divisional Commissioners, Regional Commissioners, Provincial Commissioner, Deputy National Commissioners, National Head: Directorate for Priority Crime Investigations, Heads: Head Office, Commanders: SAPS Academy and Training Centres as well as Chief of Staff: Ministry of Police, the entitlement of PSA to the exercise of organisational rights emanating from the CCMA Settlement Agreement.

The PSA management issued an instruction to all its Provincial Offices on the implementation of these organisational rights. Considering all these three above-mentioned measures concluded during the three consecutive years from 2016, it is expected that all responsible PSA officers and/or office bearers must be able to execute the implementation of these rights. Rights in respect of section 14 and 15 will be enforced based on the PSCBC Resolution, as the SSSBC is a designated sectoral Council of the PSCBC.

State-owned entities

The PSA represents members at various state-owned entities. Highlights of events in some of these institutions are reflected in this report.

Department of Trade and Industry (DTI) Entities

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

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

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

South African Weather Service

Salary parity

The Phase-1 parity process addressed the core functionaries of the organisation. Phase 2 was to address non-functionaries and/or support services.

The PSA raised various concerns, including the variance of new and old salary scales, the tenure or duration of the process until finalisation and level, information that will affect employees during the implementation of this exercise. Management established a new task team with new terms of reference, where parties can submit inputs. The PSA requested to be furnished with the program of the task team.

Agency Shop Agreement

Parties to the Forum, including the employer, consented that all employees must be unionised or pay a fee that will be determined by the Forum to be used to promote collective bargaining. The rationale behind the proposal is that non-affiliated members also enjoy the proceeds of the Forum. The decision is not to coerce any employees to affiliate to any union. The employer undertook to finally consult its principals.

South African Health Products Regulatory Authority (SAHPRA)

The *Medicines and Related Substances Act, 1965* was amended to provide for the establishment of the SAHPRA with effect from 1 June 2017 as an organ of state outside the Public Service. The formation of SAHPRA resulted in the disbanding of the Medicines Control Council and the transfer of employees from the NDOH who are engaged in the regulation of medicines and health technologies and radiation control to the newly established SAHPRA. Since the transfer of employees is in accordance with section 197 of the *LRA, 1995*, the employer as per the custom in Council, introduced a draft agreement to regulate the transfer of the rights and interests of employees. Although the law does not require an agreement, except where the new employer wants to vary conditions of employment, the process nevertheless presented an opportunity for the PSA to discuss and resolve key issues and, where possible, include these in the agreement such as around medical-aid schemes.

Negotiations were concluded but the PSA could not obtain a mandate from members to sign the agreement. The matter was eventually removed from the agenda of the National Chamber and Resolution 3/2018 was subsequently signed in Council.

Organisational Recognition and Procedural Rights Agreement

The employer on 14 February 2019 tabled an agreement for negotiation. The agreement primarily provided for the establishment of organisational rights for a recognised or sufficiently representative (at least 30% of employees) union and a formal bargaining structure for consultation/negotiation.

The PSA presented inputs on the draft, which were discussed in various meetings, but agreement could not be reached on the following two key issues:

- Right of union officials to represent members in proceedings unless the employer has granted permission.

- Decisions of the Workplace Bargaining Forum on matters other than matters for collective bargaining that decided by a vote of the employer together with at least one of the unions. This could result in one union “outvoting” another on a matter for consultation such as an organogram for the organisation.

This resulted in the declaring of a dispute at the CCMA and the matter was eventually amicably resolved between the PSA and the employer. However, since the PSA is not the majority union in the workplace, the agreement must also be signed by the other active union in the workplace. By the end of the report period, the other union had not yet signed the document.

South African Social Security Agency (SASSA)

Establishment of Regional Consultative Forums (RCFs)

The PSA participated in the process of establishing Regional Consultative Forums in SASSA to give effect to the collective agreement that the PSA signed in September 2017. The purpose of the RCFs is to empower labour in regions to tackle issues of mutual interest that require dialog, consultation and information sharing at regional level without the need to escalate every issue to the SASSA National Bargaining Forum (SNBF).

Industrial Development Corporation (IDC)

Long-term sustainability plan organisation alignment

The IDC embarked on a restructuring process aimed at placing the right skills in positions identified as key for the strategic objectives set for the long-term sustainability plan of the organisation. The process involves section 189 of the *LRA (Act 66 of 1995)*, which may result in the retrenchment of some employees. A task team was established between the PSA and the IDC for consensus-seeking consultation and the PSA influenced the process in favour of employees. Although the process has not been finalised, by the end of the report period no employee had been retrenched.

Public Protector of South Africa

Removal of Public Protector

The PSA wrote a letter the Speaker of Parliament, requesting to be consulted during the investigation into the removal of the Public Protector as the PSA wanted to submit inputs to remove her owing to her unfitness to run the office. The Public Protector abused her powers by purging PSA shop stewards and ill-treating them. The PSA received an acknowledgement of receipt from the Speaker of Parliament. The PSA will ensure that its inputs are received by the panel that will be formed to investigate the matter.

Resignation of Chief Financial Officer (CFO)

The PSA received information that the CEO, Mr V Mahlangu, was dismissed by the Department of Rural Development and Land Reform before being appointed as CEO of the Public Protector.

The PSA wrote a letter to the Public Protector, demanding answers as to why Mr Mahlangu was appointed as CEO and the reasons for appointing a corrupt official. The PSA persisted on this matter, exchanging letters with the Public Protector until the CEO felt the pressure and resigned in December 2019.

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 an active negotiating team in the Forum, consisting mainly of full-time shop stewards and the PSA Administration.

After a mutual-interest dispute was declared and a two-day strike, a three-year, multi-term wage agreement was signed, providing an 8% increase in year one and projected inflation plus 2% for years two and three. Scorecards for the Debt division were challenged and resulted in a revised scorecard being implemented from the second quarter. The PSA actively pursues grade anomalies and, during the report period, this resulted in the correction of grades in the Customs division. A demand was also placed for security and cleaning functions to be insourced. After consultations and the conclusion of a feasibility study, SARS agreed to insource the cleaning function. The Security function requires more investigation but SARS agreed, in principle, that this function will also be insourced.

State Information Technology Agency (SITA)

Proposed 6.3%-salary increase across-the-board for employees (salary level A1 – D5)

Salary negotiations were suspended owing to the national lockdown as bargaining forum meetings were not taking place. All efforts were directed at the lockdown and employees' safety. Salary negotiations will resume once regulations are relaxed.

South African Local Government Association

The employer unilaterally implemented a 6.2% across-the-board salary increment.

National Library of South Africa

The mandating process in terms of the employer's offer of a 5% across-the-board salary increase for levels 1 to 11 and the R100 addition on the housing allowance was accepted by the majority of members and management approved signing off on the agreement. The matter was concluded.

Office of Health Standards Compliance (OHSC)

The salary item was tabled by the PSA to start with salary negotiations for the 2019/20-financial year. The employer requested an opportunity to get a mandate from its principals for negotiations and provide feedback to the PSA.

The employer reported that the OHSC remuneration policy and conditions of service did not allow for salary negotiations as the entity receives funds from Treasury and aligned its salary dispensation with the Public Service. The PSA demanded the amendment of these policies. The PSA is engaging with the entity to amend the policies.

Companies and Intellectual Property Commission

A cost-of-living agreement of 6.5% for employees on salary levels 1 to 10 and 4.7% for employees on salary levels 11 to 12 was concluded and signed by the employer and another union. The PSA did not receive a sufficient mandate from members to sign the agreement.

Provincial notes

In the **Eastern Cape**, the Provincial Office in Mthatha maintained effective dialogue in all councils and chambers where the promotion of members' interests was ensured. The effectiveness of councils to resolve matters was also monitored. In one case, the Department of Transport was not consistent in the appointment of airport fire fighters. After the PSA intervened, an agreement was reached in the bargaining chamber for members at the Mthatha Airport to be paid danger allowance from the date of their appointment.

With the three chambers in the province, the Provincial Office in Port Elizabeth is responsible for the PSCBC (CCPECP) where there were many challenges. The employer displayed a lack of commitment, resulting in the non-functioning of the Chamber. The matter was escalated to the Premier and the General Secretary of PSCBC for intervention. A meeting was convened in February 2020 where parties to the Chamber and the General Secretary aimed to resolve the problems. At the subsequent Chamber meeting, some of the items from the PSA were the filling of vacant posts, which the employer only responded to those that it prioritised, failure by the employer to implement settlement agreements and arbitration awards resulting in unnecessary expenses, and the use of private attorneys in disciplinary hearings.

The GPSSBC had two sittings where some of the agenda items from the PSA were the recognition agreement on qualification, the state of government buildings and settlement agreements that are not complied with. In respect of state-owned entities, recognition agreements were signed with the South African Library for the Blind (SALB) and the Eastern Cape Liquor Board (ECLB). By the end of the report period, salary negotiations at the ECLB were at an advanced stage, whilst the SALB's agreement is valid until next year. At the Eastern Cape Parks and Tourism Agency, the PSA finalised salary negotiations with the employer's final offer of 7% being accepted by members.

The PSA is actively involved in all national departmental forums in the province where structure members also attend to empower them in the identification agenda items for collective bargaining.

The PSA Provincial Office in the **Free State** ensured representation at all collective bargaining forums. The Office and structures continuously promote the interests of members. This allowed the PSA to enhance its representation in all bargaining forums in the province. Structures assigned to the Provincial Office held meetings to ensure that matters of mutual interest are discussed. Members were informed of developments in their respective workplaces as well as the PSA product offering to enable them to recruit new members. To enhance structures' visibility, functioning and participation in PSA activities, the Provincial Office completed the election of structures and committees for the new term in March 2020.

A total of 26 collective bargaining meetings were held during the report period, including workplace forums, task teams, Exco and chamber meetings, where 111 issues were discussed. In addition, four disputes were declared. No collective agreements or policies were signed or adopted during the report period.

The PSA concluded recognition agreements at parastatal institutions in **Gauteng** such as the Financial Sector Conduct Authority (FSCA). The Provincial Office in Johannesburg conducted successful wage negotiations at the Gauteng Enterprise Propeller. Negotiations to conclude recognition agreements with parastatals such as Financial Intelligence Centre (FIC) started during the report period. The PSA also commenced with wage negotiations at the FSCA, the South African Nursing Council, and the South African Pharmacy Council. The PSA remains the leading Union in taking the Gauteng Provincial Government to task regarding the condition of its buildings as well as occupational health and safety issues. In Johannesburg, the PSA was for the last four years at the forefront with demands to provincial politicians regarding the conditions of several buildings.

In respect of collective bargaining at provincial level, the PSA was active in three provincial bargaining chambers during the report period. The PSA is the majority Union in the Gauteng GPSSBC Chamber that resulted in many consultation processes driven by the PSA to be resolved without the political influence of the other political aligned unions. The PSA has taken the leading role in the CCPGP Chamber on transverse issues such as policies and other important issues.

In **KwaZulu-Natal (KZN)**, the Provincial Office in Durban raised several collective issues in the KZN Provincial General Public Service Sectoral Bargaining Council (KZN GPSSBC), the KZN Provincial Public Service Coordinating Bargaining Council (KZN PSCBC), and the KZN Public Health and Social Development Sectoral Bargaining Council (KZN PHSDSBC).

Apart from the Department of Health, every other Provincial Department has a Labour Relations Forum established by the KZN GPSSBC to address issues that are pertinent to that Department. Issues related to workers in the Health and Social Development sectors are dealt with by the KZN PHSDSBC. Matters will initially be tabled in the KZN GPSSBC and thereafter be referred to the Labour Forum for discussion and conclusion. The matter will then revert to the KZN GPSSBC for ratification. Whilst many issues were tabled for discussion, the provision for additional hours for the working of overtime for Road Traffic Inspectorate (RTI) staff, the Operational Manual for RTI staff, the installation of tracking devices and police officer devices in RTI vehicles, the phasing out of lay counsellors, unilateral changes to working hours at various clinics, upgrades for lower level employees, increased hijackings of state vehicles and the risks employees, transparency in recruitment and selection processes, and arrear payments for overtime serve as examples of the issues raised by the Provincial Office.

The Provincial Office was during the report period inundated with complaints from members regarding occupational health and safety. Complaints of poor maintenance of buildings in general, non-functioning air conditioners and dangerous electrical connections were the most common complaints. The PSA engaged management on these issues. In addition, members and shop stewards at the Department of Employment and Labour, who are Labour Inspectors, were engaged to assist in the investigation of complaints. Through the Department of Public Works and Infrastructure, errant landlords were placed on terms, which compelled them to purchase mobile air conditioners and electrical fans as interim measures until air conditioners are repaired.

At the Umlazi Magistrate's Court, which was under refurbishment, members were irate about the dust and noise generated by the construction, the lack of security and the generally unbearable working situation. The PSA successfully negotiated with the Department of Justice to arrange with the contractor to put measures in place to minimise dust and noise and to put additional security measures in place. The atrocious conditions and generally poor state of the Umgeni Road Department Home Affairs offices were exposed through the media. This pressure resulted in new air-conditioners being installed and the refurbishment of offices and toilets. Members' were grateful for the PSA's intervention, which also created opportunities to recruit members from other unions.

The Provincial Office in Pietermaritzburg attended the chambers with the Provincial Office in Durban and actively participated and sponsored agenda items. Structures are also involved in collective bargaining since ensuring that in all structure meetings collective bargaining is a standard agenda item to identify items. This assisted in increasing the number of items sponsored to chambers. In some instances, shop stewards participated in chambers as part of their development and empowerment.

In **Limpopo** the PSA, through engagement with the employer at chamber level, secured trauma counselling and protective clothing for Forensic Pathology Officers.

The PSA also addressed challenges faced by Social Workers who were expected to work without tools. Engagement in the chamber resulted in working tools amounting to R8 million being procured for Social Workers. The PSA also stepped in to prevent the employer from outsourcing staff at Seshego Depot without consultation and ensuring that EMS employees continue working 160 hours per month instead of 173 hours.

In **Mpumalanga**, the PSA enforced section 8(1) of the *Occupational Health and Safety Act* in state departments, notably in the Department of Agriculture and Fisheries where most workstations did not comply with health and safety standards, posing a risk to members without protective clothing. The PSA also intervened at the Department of Justice where air-conditioners in some courts were not functioning and the Department of Health where security staff at hospitals went on strike because of untimely payment of salaries. The PSA challenged the Department of Social Development when it unilaterally changed the incentive bonus agreement. Instead of paying qualified employees as per achieved scores, it wanted to pay a fixed R7 500 to all qualifying employees. The Provincial Office attended and actively participated in chamber meetings by complying with the standard to at least submit two agenda items per meeting. The employer was also successfully convinced to translate qualified professional nurses from the date they obtained their qualifications.

The PSA is active in all chambers in the **Northern Cape** and the consultative forums of the various Departments such as at the Department of Home Affairs and Education Committees. All chambers were sponsored with a new agenda point for every meeting. The PSA also noted the non-scheduling of Northern Cape Provincial Coordinating Chamber of the Northern Cape owing to postponements by the employer or other unions. The PSA was part of the provincial task team dealing with the merging of Departments in the province. No collective agreements were concluded in the province during the report period.

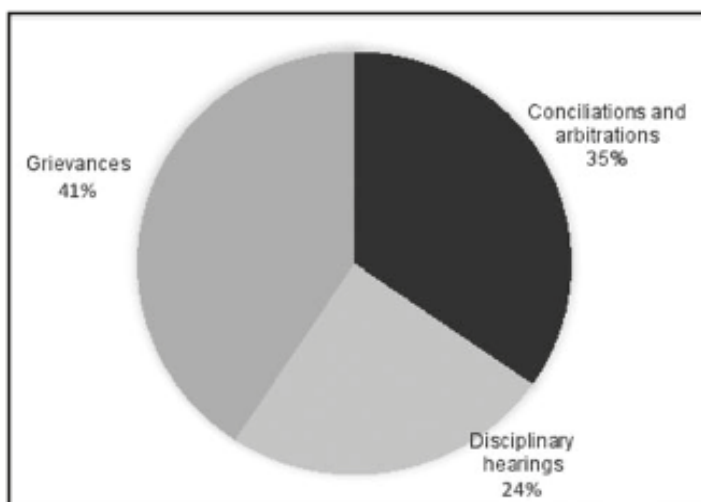
In **North West**, the PSA maintained its majority status in the GPSSBC. The PSA achieved its objective of placing one new agenda item per meeting in all provincial chambers. Transverse issues dealt with include the upgrading of Data Capturers, Messengers and Security Officers. The PSA participated in negotiating salary adjustments and issues of mutual interest at the North West Development Corporation (NWDC) and North West Parks Board during the report period. At the NWDC the R10 000 minimum wage and ten days parental leave were negotiated for implementation from 1 April 2019. The employer pleaded poverty and only an *ex-gratia* amount of R1 800 was paid to each official in the bargaining unit.

Members' RIGHTS

The Members' Rights Unit is a core component of the PSA, which seeks to promote and protect the rights of members through representation by PSA officials and union representatives in disputes, including providing legal assistance. Members are represented in the Public Service and some state-owned entities, in internal disciplinary enquiries, grievance meetings (in the department and at the Public Service Commission), at the Commission for Conciliation, Mediation and Arbitration and at public sector councils.

In these representations, the PSA has been able to ensure that members obtain successful outcomes in disputes lodged against employers, including the state as employer. Outcomes vary and constitute reinstatements and re-employment with dismissals being overturned, compensation being granted where appropriate or in matters pertaining to successful challenges of unfair labour practices under, amongst others, section 186 of the *Labour Relations Act of 1995*, as amended. These outcomes also include the dismissal of employer cases by the Labour Court seeking to review favourable awards to members.

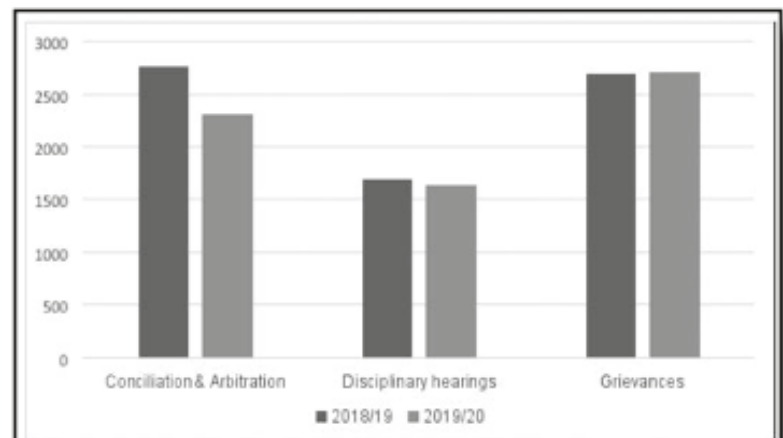
The countrywide activities for the report period are as follows (depicted in percentages in the graph below):



Conciliations and arbitrations: 2 308
Disciplinary hearings: 1 641
Grievances: 2 713

The following table reflects a comparison of the extent of the various interventions undertaken countrywide during the current and previous report periods and shows a decrease in members' need for assistance in conciliations/arbitration and disciplinary hearings, whilst showing an increase in grievances.

During the report period, the PSA provided legal assistance to members at a cost of R3 350 278.31 (compared to R4 786 882.80 in 2018/19). The total value of awards in favour of the PSA amounted to R41 962 034.04 (compared to R19 416 531.14 in 2018/19).



Provincial notes

In the **Eastern Cape**, the Provincial Office in Mthatha assisted members and ensured effective protection of their rights in the workplace in pursuit of the PSA's prescribed turn-around times. Effective dispute resolution mechanisms were in place and prescripts were adhered to. An effective case management system is in place, and the monitoring of new and old cases was undertaken to ensure that members' rights are protected. The Office secured efficient and effective legal assistance services in complex cases and in the safety and security sector. The Office had various individual case successes during the report period. In one instance, a member in Bizana was reinstated by the Department of Education and in another a member was paid three months' salary as compensation after he was unfairly demoted from a Principal to a Deputy Principal position. The Provincial Office in Port Elizabeth during the report period performed well in protecting members' rights achieving, amongst others, awards with a monetary value attached, awards that led to salary upgrades, as well as compensation for unfair suspensions and unfair transfers. In addition, the Office had a large success rate in disciplinary hearings and grievances handled. Cases pursued by legal practitioners were reduced from 15 to five by the end of the report period.

The Provincial Office in the **Free State** continued to effectively protect the workplace rights of members with improved turn-around times and utilising available case management tools to monitor feedback to members.

Staff members are encouraged to conduct thorough preparation of cases in consultation with members. There was constant engagement with shop stewards in identifying challenges affecting members and yielded positive results. The Office also strove to engage more effectively with employers to avoid escalation of disputes. This approach had a recognisable success rate with most cases being dealt with institutionally and not requiring external intervention. Legal assistance was utilised only when other available avenues were unsuccessful. Service delivery was achieved by the PSA's Labour Relations Officers, assisted by a team of full-time shop stewards, full-time office bearers and shop stewards to handle conciliations and arbitrations, on issues of temporary incapacity leave, occupational-specific dispensations, unfair dismissals being the top three disputes followed by disciplinary hearings and grievances.

In **Gauteng**, the PSA during the report period dealt with prominent cases such as the Labour Court case concerning the grading of level 9 to 12 employees and the overlapping hours dispute for Emergency Medical Services. The PSA was furthermore instrumental in settling a dispute to reinstate four dismissed shop stewards at a parastatal institution. The employer's compliance with the *Occupational Health and Safety Act* deteriorated during the report period in that buildings were not maintained. The PSA had been challenging the employer on the Civitas building in Pretoria, which hosts the National Department of Health and the National Archives and Video and Film Archives of the Department of Arts and Culture.

In **KwaZulu-Natal**, the Provincial Office in Durban declared several disputes where members' rights were violated. At the Westville Management Area of the DCS, several members complained about not being paid for the overtime they were required to work owing to the shortage of staff. The matter went to arbitration and the award was in favour of the members, resulting in them receiving compensation. Several disputes were declared on behalf of members who were denied due promotions. In one such case, a member at the SAPS Supply Chain Division was overlooked for promotion for reasons related to equity. The commissioner, however, awarded in her favour as it was shown that the successful candidate had not assumed duty in her post despite being promoted and the member was still performing duties in the post. The member received all arrear salary whilst the arrear interest is pursued and pending. In another case, a Constable was seconded and from assumption of duty, she was sexually harassed and victimised for refusing the advances. On approaching the PSA, she was assisted with a referral to the CCMA for unfair discrimination. The award was in favour of the member and compensation or damages were awarded. In the Regional Office of the Department of Water and Sanitation, several management members who are PSA members were evicted from their offices and prevented from reporting for duty by members of another union. After several unsuccessful meetings with management, the matter was escalated to the Office of the Public Service Commission. Within days, the members were allowed access to the building and their safety was guaranteed by the Department.

The Provincial Office in Pietermaritzburg started the year under review with engagements with shop stewards in identifying grievances of members and attending to these promptly. Grievances that remained unresolved through bilateral and grievance meetings were escalated to the bargaining council for dispute resolution. The Office during the report period handled more than 100 disciplinary hearings and many arbitrations. A total of ten cases were at the Labour Court for review or opposing review with the assistance of attorneys. Favourable awards were obtained related to unfair labour practices in relation to grade progressions, unfair suspensions, acting allowance and promotions disputes with members receiving compensation. The training of shop stewards was conducted to empower representatives with skills and knowledge to represent members more effectively in cases and to participate in meetings more effectively.

In **Limpopo**, the PSA was during the report period at the forefront of enforcing implementation of the *Occupational Health and Safety Act* in pursuit of safe and healthy workplaces at the EMS in Sekgosese, Musina Magistrate's Court, Limpopo Department of Rural Development and Land Reform, Malamule Hospital in the Vhembe district, Groblersdal Hospital and Davhana Clinic. The discriminatory departmental policy of allowing only medical specialists to apply for remunerative work outside the Public Service was also successfully challenged and addressed with the employer acceding to the PSA's demand that all categories of staff should be allowed to apply. The inconsistency in remuneration of Data Capturers was also addressed, resulting in a benchmarking exercise followed by the correct grading being applied.

In **Mpumalanga**, the PSA strengthened its profile by successfully challenging workplace-related injustices in all its forms. The PSA successfully represented members in several matters, namely unfair dismissal disputes with reinstatement and related compensation, promotion and other unfair labour practice disputes on PMDS, obtaining compensation for favourable awards. Furthermore, compensation was provided in a successful arbitration on the overtime work rendered and not paid for to 21 members at the Department of Labour, and the implementation of Resolution 1/2012.

The **Northern Cape** Provincial Office obtained successful arbitration awards to the value of more than R500 000 for members and received positive outcomes in a substantial number of arbitrations and some disciplinary hearings. The Office ensured an improvement in service delivery to members by applying PSA norms and standards.

The Provincial Office in **North West** mentored many shop stewards to attend to grievances and disciplinary hearings. A number of these shop stewards also undertook arbitrations. The Office received an influx of matters relating to non-compliance in terms of Resolutions 7/2000 and 3/2009 and achieved awards in favour of members.

Departments reviewed some of the matters, which were by the end of the report period pending before the Labour Court for adjudication. The PSA also brought eight new matters before court, with another seven still being in process by the end of the report period. Matters related to workplace health and safety were of serious concern in many institutions, especially Magistrate's Courts, Social Development, Agriculture and Labour. The PSA ensured urgent attention to such matters, with temporary measures being put in place to ensure members' wellbeing.

In the **Western Cape**, service to members remained the priority for Labour Relations Officers and a team of eleven full-time shop stewards and full-time office bearers. Office bearers from the 17 structures, assisted by local shop stewards, dealt with numerous enquiries from members as well as less serious disciplinary proceedings and counseling matters. This service included arbitrations and conciliations with temporary incapacity leave, occupational-specific dispensation, and unfair dismissals being the top three. Matters related to disciplinary hearings with the highest number of cases, followed by grievances, and collective bargaining meetings, including workplace forums, task teams, Exco and chamber meetings. The PSA also brought several new matters before court during the report period, with another four still being in process by the end of the report period. PSA officials and office bearers traveled almost 50 000 km during the period under review to be of assistance to PSA members across the province.

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

- Two members at the **Department of Cooperative Governance and Traditional Affairs (COGTA)** in KwaZulu-Natal (KZN) were seconded to the Limpopo Department of Health without any paperwork since 2013. COGTA then terminated their salaries in March 2019 on the basis that the members were not subjected to processes regulating the secondment. The members requested the PSA's assistance and COGTA was engaged for the reinstatement of the members' salaries. The employer's stance was that they should return to KZN before reinstatement of their salaries. The PSA intervened and insisted that COGTA should arrange for transport and accommodation in terms of its policies, noting that the members were not paid for three months. The members were allowed to continue working in Limpopo, their salaries were reinstated, and they were paid R94 900 in arrears.
- A member at the **Department of Justice and Constitutional Development** was charged and dismissed owing to misconduct relating to fraud. He approached the PSA and a dispute of unfair dismissal was declared. The dispute was escalated for arbitration where the commissioner found that the dismissal was substantively unfair and ordered the member's reinstatement with backpay of R160 000.

- Four members at the **Department of Public Works** were assisted by the PSA with a dispute of unfair labour practice relating to promotion. The unfavourable arbitration award was successfully reviewed, and the Labour Court remitted the matter back to the council to be adjudicated by a different commissioner. The PSA argued that the employer conducted job evaluations for positions of Admin Clerks to level 6 in 2006 and again in 2009 from level 6 to level 7. In 2006, the employer only implemented the outcomes of job evaluations for head office personnel with the exclusion of district personnel. The commissioner found that the employer's conduct amounted to an unfair labour practice and ruled that it must upgrade the members from levels 2 and 3 to level 6 from 2006 and from level 6 to level 7 with effect from 2009.
- A member at the **Department of Public Works** was charged with allegations of unlawful possession of state property/building material and gross dishonesty. The PSA represented the member in the disciplinary hearing and pleaded not guilty. The chairperson found the member not guilty even though the employer called three witnesses to prove the allegations.
- A member at **SASSA** was assisted in a disciplinary hearing after the employer charged him with allegations of fraud and contravention of a departmental policy. The chairperson of the disciplinary hearing found the member guilty and subsequently pronounced a sanction of dismissal. The PSA declared a dispute of unfair dismissal on behalf of the member. The matter was not resolved at conciliation, resulting in the PSA referring it for arbitration. The PSA argued the substantive and procedural fairness of the dismissal. The commissioner ruled that the dismissal was unfair and ordered that the member must report for duty on or before 31 March 2020.
- A member at the **Department of Education** was assisted to declare a dispute regarding an acting allowance after the employer failed to pay the member. The employer argued that the member did not qualify as the acting was not approved by the Head of the Department. The PSA argued that the requirement in terms of the acting allowance resolution had been met by the member, and therefore he deserved to be paid an acting allowance. The commissioner ruled that the member qualified, and he was paid R133 671 as an acting allowance.
- A member at the **Department of Justice** was assisted following four allegations by the employer for misrepresentation in his performance assessment report, in that he submitted motivation for undertaking trips he did not take, submitting the same incidents as in the previous financial year, and thus defrauding the Department of R11 623. The member pleaded not guilty to the allegations.

The employer had to call three witnesses to prove its case whereas the member called one witness to prove that he deserved to be paid the performance bonus and that he traveled as per the submitted motivation. The chairperson found the member not guilty on all allegations.

- A member at the **Department of Social Development** was assisted by the PSA in a disciplinary hearing based on allegations of misappropriation of R269 500, gross dishonesty, dereliction of duties, dishonesty and bringing the Department into disrepute. The PSA appealed the sanction, but the dismissal was confirmed. The PSA then declared a dispute, which went for arbitration. The PSA argued that the employee did nothing wrong as the final approval rested with the head office. The commissioner in his award stated that there was no evidence presented that proved that the member committed misconduct. He ruled that the dismissal was procedurally and substantively unfair and ordered reinstatement and payment of some R637 832.

- The PSA, at the **Department of Health**, assisted a member with a financial misconduct debt deduction from his salary. This came after the member was charged with allegations of fraud and irregular expenditure, which resulted in the chairperson pronouncing a sanction of dismissal. Based on the PSA's appeal, the appeal authority issued a sanction of a final written warning. The employer subsequently informed the member that he owed the Department some R127 000 as a result of financial misconduct. This amount was already implemented on the Persal system, but the money was not deducted from the member's salary yet. The PSA intervened and wrote a letter to the employer, citing clause 8.6 of the disciplinary code and procedure and that the appeal authority opted to reduce the sanction from dismissal to a final written warning. The Department was therefore not allowed to add the deduction of irregular expenditure as it benefitted from the services and the member wrote a submission that was approved. The PSA gave the employer 24 hours to stop the deduction, to which it complied.

Liaison REPORT

The net growth in PSA membership during the report period was 4 793, bringing the Union's total membership to 249 206 on 31 March 2020, compared to 244 413 at the end of the previous financial year. The dedication of Organising/Marketing Officers (previously Liaison Officers), full-time shop stewards/full-time office bearers and shop stewards contributed towards the growth and the retention of members.

During the report period, a recruitment campaign, Project "Khula", was launched in August and November 2019, with a primary focus on the Health, Educator and Safety and Security sectors. Other Public Service institutions were also visited. In total, 9 395 new members were recruited during the campaign. Several PSA business partners committed to the campaign, rendering support in numerous ways. This strengthened the working relationship to the benefit of all stakeholders.

The statistics below on core activities reflect the commitment to growth and retention of membership:

Worksites visited	15 642
Members addressed	134 148
Non-members addressed	43 037
Training session attended	101
Branch meetings attended	226
Distance traveled (km)	522 902

The PSA's membership distribution per Provincial Office at the end of the report period was as follows:

Eastern Cape (Mthatha)	13 630
Eastern Cape (Port Elizabeth)	13 959
Free State	26 520
Gauteng (Johannesburg)	22 108
Gauteng (Pretoria)	44 291
KwaZulu-Natal (Durban)	26 193
KwaZulu-Natal (Pietermaritzburg)	20 851
Limpopo	20 772
Mpumalanga	13 197
North West	14 925
Northern Cape	9 063
Western Cape	23 697
Total membership	249 206

Provincial notes

The PSA Provincial Office in Mthatha in the **Eastern Cape** applied an effective strategy to recruit new members and extended this to structures and shop stewards. Staff and shop stewards underwent extensive internal training to ensure empowerment and it was ensured that information reached structures for distribution to members.

Growth in all sectors was monitored to ensure that the PSA remained the majority Union in most departments. Recruitment drives were undertaken in the SAPS, DCS and the Education sector. The Office increased its membership figure to 13 630 members in 2019/20. All officials cooperated to minimise cancellations by interacting with members. The Office focused on retiring members to recruit them as pensioner members.

The Office also hosted various events during the report period, including inter-sectoral meetings in Butterworth and Lusikisiki, PSA Day in Dutywa, Nurses' Day in Tsolo and Women's Day in Mthatha. The Worker's Day event in Mthatha attracted 2 000 members and was attended by the PSA President and Fedusa's General Secretary.

The Provincial Office in Port Elizabeth recruited some 900 members during the report period with gains in the SAPS and Educator sector. Business partners played an important role in the Office's successes.

In the **Free State**, the Provincial Office continued to effectively maintain and empower member structures and Union representatives and experienced a steady growth in membership, resulting in the top position in terms of growth in 2019. The growth is ascribed to recruitment drives, weekly liaison visits, special day activities, and achieving weekly recruitment norms. This success could not have been achieved without the involvement of all stakeholders, including business partners. The province also hosted successful inter-sectoral meetings with members in the different regions during the report period, namely Fezile Dabi (in Kroonstad on 6 December 2019 with 1 000 members in attendance), Motheo and Xhariep (in Bloemfontein on 15 November 2019 with 5 000 members attending), Thabo Mofutsanyane (in Qwa Qwa on 6 December 2019 with 1 000 members attending), Lejweleputswa (in Welkom on 22 November 2019 with 1 000 members attending).

In **Gauteng**, the Pretoria Provincial Office increased its membership figure to just over 44 000 by the end of the report period. This was mainly achieved by recruiting members in the Health sector through the PSA's product offering. The Office also recruited Community Health Workers at clinics and hospitals. By the end of the PSA's national recruitment drive (Project "Khula") in November 2019, the Provincial Office had recruited 1 794 members to claim the top position in this initiative.

The Provincial Office in Johannesburg excelled in recruitment during the report period, growing with more than 2 000 members.

In **KwaZulu-Natal**, the Provincial Office in Durban recruited some 1 530 members during the report period. Steps were taken to retain members by means of mass meetings at workplaces, open days, one-on-one engagement with members, assistance with grievances and collective bargaining issues, disseminating newsletters and the distribution of corporate items such as diaries and centenary golf shirts to members.

Requests for termination of membership were investigated, resulting in a high retention rate. The Office's Organising/Marketing Officers undertook tours to Ulundi, Mahlabathini, Nongoma, Ceza, Empangeni, Richards Bay, Ngwelezana, Esikhawini, Ingwavuma, Bhambanani, Jozini, Mkuze and Ubombo in the far northern parts of KwaZulu-Natal. These one-week tours enabled the PSA to visit all departments in the area, conduct mass meetings, and elect new shop stewards. The tours were successful, and several new members were recruited.

Individual members were serviced, with their concerns being addressed. Members were also updated on the latest developments in the workplace emanating from the various bargaining councils. Several shop stewards were trained in Ulundi and surrounding areas. Training material was issued to new shop stewards, with training covering aspects such as macro and micro perspectives of labour relations, grievance procedure, basic disciplinary procedures, the formation of structures, the roles, responsibilities and rules of bargaining councils, as well as the role of shop stewards.

The Office and business partners celebrated Worker's Day with members at the GJ Crookes Hospital in Scottburgh in recognition of the important role they fulfill in the healthcare system. The Office and business partners jointly hosted a Women's Day function in Durban where female shop stewards were hosted to interesting discussions and a lunch. The highlight of the event was the keynote address of the Fourth Industrial Revolution and the opportunities it will present, especially for women.

The Provincial Office in Pietermaritzburg showed the second highest growth during the report period. The Office, through concerted efforts by Organising/Marketing Officers, full-time shop stewards, shop stewards and members, recruited some 2 600 members. The Office's activities on Mandela Day, PSA Day and Worker's Day as well as social responsibility programs, also rendered positive recruitment results. Business partners such as *Metropolitan*, *Dignity* and *Old Mutual* further contributed to the success.

In **Limpopo**, the Provincial Office in Polokwane was the third fastest growing office, having recruited more than 2 000 members and minimising resignations. The participation of shop stewards and business partners in recruitment campaigns contributed towards the growth in membership.

In **Mpumalanga**, the PSA experienced a growth in membership in the DCS and departments under the PHSDSBC. In order to promote recruitment at the SAPS, the Office conducted liaison visits at night to reach these employees. Recruitment is a standing agenda item at all branch and committee meetings to encourage structures to assist with this task. The Office continued with the practice of utilising Fridays as a "PSA recruitment day", whereby all staff members assist in maintaining visibility, which proved to be successful in the recruitment and servicing of members.

A marginal growth in membership was registered in the **North-ern Cape** during the report period. The Provincial Office also minimised membership cancellations with the assistance of its full-time shop steward.

In **North West**, membership growth was supported by the active participation of shop stewards, full-time shop stewards and staff. Members were supplied with information on PSA activities related to collective bargaining, resulting in recruitment successes and more than 350 members being recruited in Project “Khula”. In ensuring the retention of members, the Labour Relations Officers, shop stewards and full-time shop stewards played a significant role in ensuring that members were well represented in disciplinary hearings, grievances and disputes.

Despite challenges during the report period, 1 575 new members were recruited in the **Western Cape**, which brought the PSA membership in the province to 23 697 at the end of the reporting period. The liaison team, assisted by full-time shop stewards, full-time office bearers and shop stewards, attended to 960 site visits where they engaged 15 859 officials. The Office conducted various visibility activities throughout the province. These included PSA open days, recruitment drives in various sectors and seven liaison tours to outlying regions. The team traveled more than 55 800 km to reach these officials. The Office’s recruitment highlight was once again its Battle of the Committees campaign, which resulted in 539 members being recruited in the Western Cape. The Provincial DCS Committee was once again the winner in the provincial recruitment competition with the Provincial Committee for the Department of Justice taking second position, and the Health and Social Development Branch ending in the third place.

Branch for Associate Members: Public Service Pensioners

Management Committee

The Management Committee of the Branch comprises of Gideon Serfontein (Chairperson), Louis Janse van Rensburg (Vice-Chairperson), Dianne Kloka-Speight (Secretary), Buks Jordaan (Deputy-Secretary), Hannes Botha, Rita Bessenger, Rienie van Blerk, Koot Myburgh and Eddie Trollip as well as the elected Chairpersons of the Regional Committees as mentioned below. During the period April 2019 to March 2020, the Management Committee met three times to carry out its responsibilities and execute matters assigned to it by the PSA Board and the PSA’s Annual General Meeting.

Regional Committees

Four functioning Regional Committees handle and promote the interests of Branch members at regional level, namely:

- Cape Peninsula Regional Committee, chaired by Rob Moody, with Faldela Martin as Deputy Chairperson and Basil May as Secretary.

- Southern Cape Regional Committee, chaired by Stan Davis with Joan Booysen as Secretary.
- Free State Regional Committee, chaired by Eben Fischer, assisted by Karel van den Berg, the Deputy Chairperson, and Giel Marais, the Secretary.
- Waterberg Regional Committee chaired by Jakkie van Dyk, with Johan Wessels as Deputy Chairperson and Johan Els as Secretary.

Domestic rules

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

Membership and recruitment

The Branch continued to play an active role in alerting PSA members who are about to retire that they can join the PSA as associate members upon retirement. In addition, the Branch management throughout 2019 continued with its project to update its member database.

Enquiries regarding pension and post-retirement medical assistance

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

Special events

The Branch’s 57th Members’ Meeting, attended by 46 members, was held on 24 October 2019. Dr Frans le Roux, the elected Pensioners Trustee on the Board of Directors of the Government Employees Pension Fund (GEPF), delivered the keynote address.

Liaison with other organisations

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

Strategic planning

There should be no doubt that the challenges that face former members of the public service do not cease upon their date of retirement, with specific reference to, amongst others, pension and medical-benefit issues. It is commendable that the PSA is the only Union that accommodates a Branch Associate Members: Public Service Pensioners as part and parcel of its structures. Examples of instances where the PSA had to intervene to protect the interests of pensioners are plentiful.

Amongst others, it is the initiative and intervention of the PSA that ensured that the increments for the annual increase of pension payments will not be less than 75% of the annually announced CPI inflation rate.

The PSA was instrumental in ensuring labour representation on the Board of the Public Investment Corporation, which is the managing agent for the GEPE. It is the PSA that openly voiced opposition to suggestions to use pension funds to salvage struggling enterprises such as Eskom and others. It is the PSA that intervened to protect the terms of medical benefits of continuation members for former members of the DCS. It is the PSA that regularly speaks out against corruption that impacts on the retirement benefits of pensioners.

We need to applaud the special efforts and incentives put in place by the PSA to facilitate the recruitment of members of the PSA for continued associate membership, prior to the members' retirement date. This is a step in the right direction and will ensure that a viable Branch for Associate Members: Public Service Pensioners is maintained.

Equally important is the steps taken to update the data base of pensioners. It is important that every effort is applied to secure the contact details of retiring members and their significant others. Pensioners often relocate owing to aging and changing physical and health issues and contact with them can easily be lost.

Training

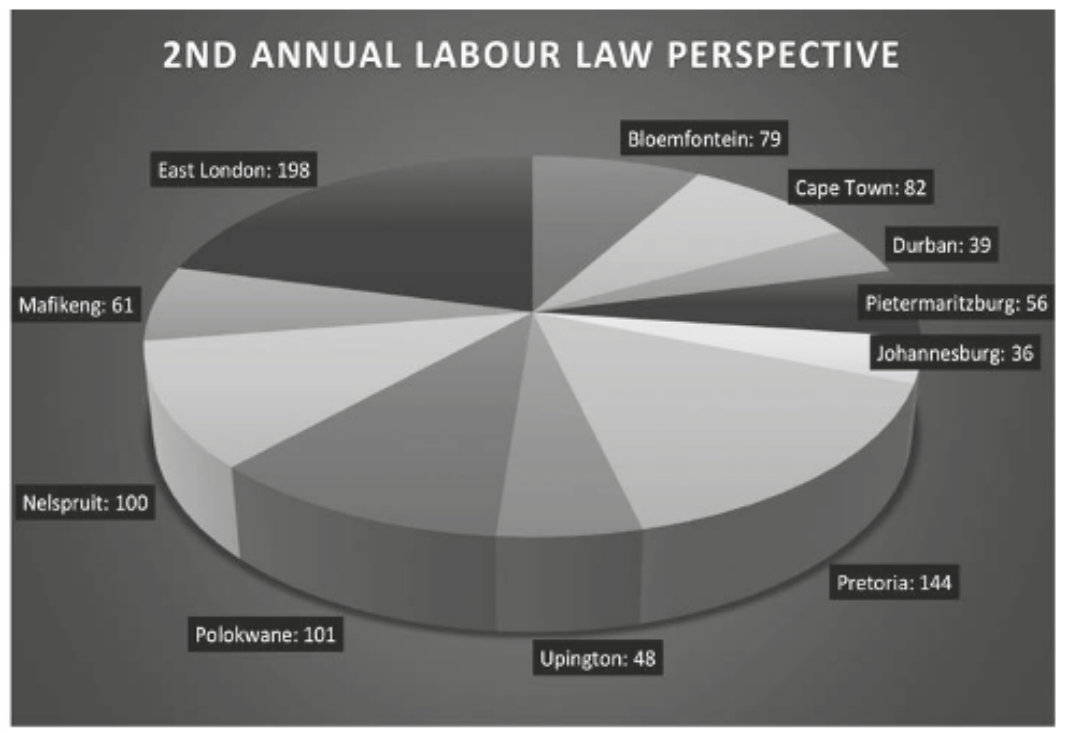
In 2018, PSA established a Training unit. An internal training needs-analysis survey was conducted, followed by the development of a training strategy and plan. Initiatives related to training interventions, partnerships, collaborations, meetings and conferences during the report period are set out below:

Second Annual Labour Law Perspective

Training for 944 delegates was conducted by an external service provider, *Ilanga Inc.* The dynamic work environment necessitates continuous empowerment of the workforce to ensure that they can cope with the demands of the changing world. Annual labour law perspective updates are meant to empower the PSA's labour relations workforce with knowledge, skills and improve attitudes. The PSA strives for dynamic human resources and a capable workforce in the labour relations function to deliver effective and efficient services.

The information-sharing seminar highlighted changes and developments in South African labour legislation and the application of labour laws, with specific reference to recent court decisions and especially those relevant to the public sector, as well as the effects and implications of such legislation.

The chart below indicates the number of delegates trained:



Political Economy of Labour Relations in South Africa and the Fourth Industrial Revolution

This internal, non-accredited two-day training was conducted by the PSA's Training Officer for 28 PSA employees.

Secretarial Writing Skills

In this intervention, the PSA's Training Officer trained four secretaries and personal assistants on conducting meetings and writing minutes, reports and various submissions.

Organisational Administration and Personal Productivity Training

The training was conducted by an external service provider, *Kgwebong Consulting*, to 38 PSA employees on Peromnes level 10 to 13. Training covered organisational culture, work behaviour and work ethic, interpersonal and group dynamics, internal organisational communication and engagement with clients, practical and theoretic aspects of administration and management in the context of a union such as the PSA, self-mastery, setting and evaluating goals, routines and scheduling tools for efficient and timeous execution of tasks, project management techniques, as well as organising the physical and virtual workspace for efficiency and effectiveness.

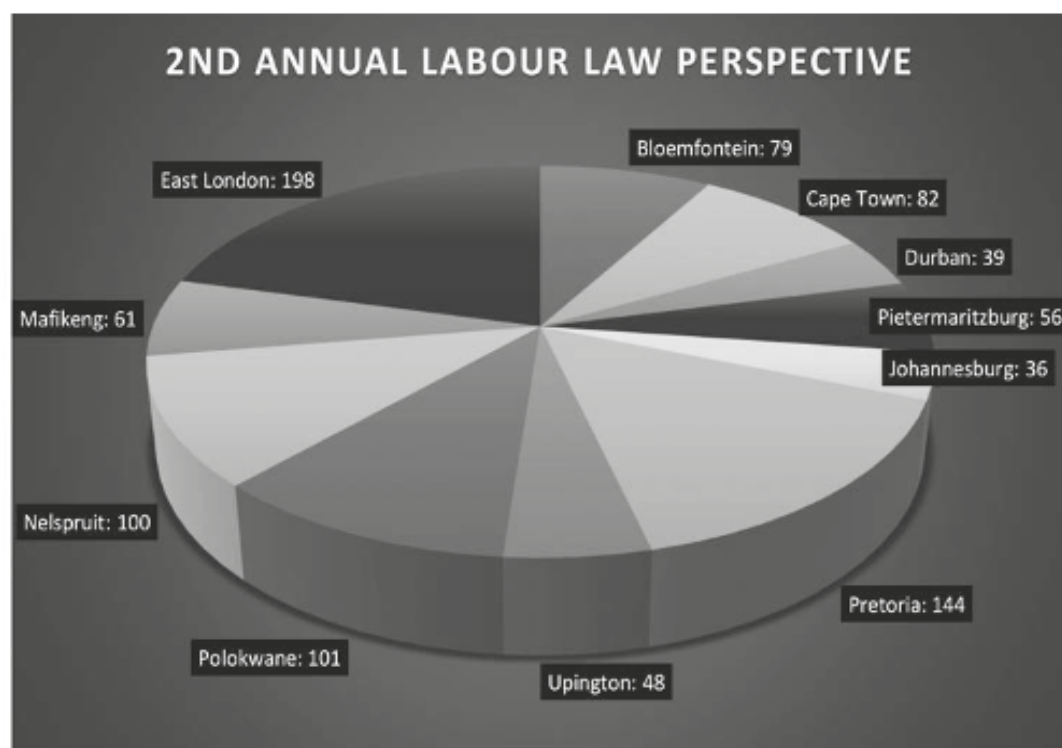
Corporate Governance Training for Management members of Provincial Branches/Committees

The training was conducted by an external service provider, Advocate S Sethene, for 297 delegates who were trained in facilitating compliance to corporate identity, organisational culture, PSA strategic objectives and the policy and legal framework within which it operates, improving accountability, transparency, sustainability and growth of the Union, as well as enhancing confidence of the constituency, stakeholders and the public PSA structures, process and programs.

The objective was to equip branch and provincial committees with knowledge on the PSA's corporate identity, values, mission, vision, strategic objectives, organisational culture and what it stands for in the labour environment. Furthermore, to ensure knowledge in the *PSA Statute*, constitution, labour laws, the *Companies Act* and the regulatory framework within which the PSA operates.

The final objective was to build functioning and efficient branch and provincial structures that can inform and shape the advancement of the strategic objectives of the Union, providing leadership, overseeing the organisation, and reporting to constituencies and stakeholders about their stewardship.

The chart below indicates the number of delegates trained:

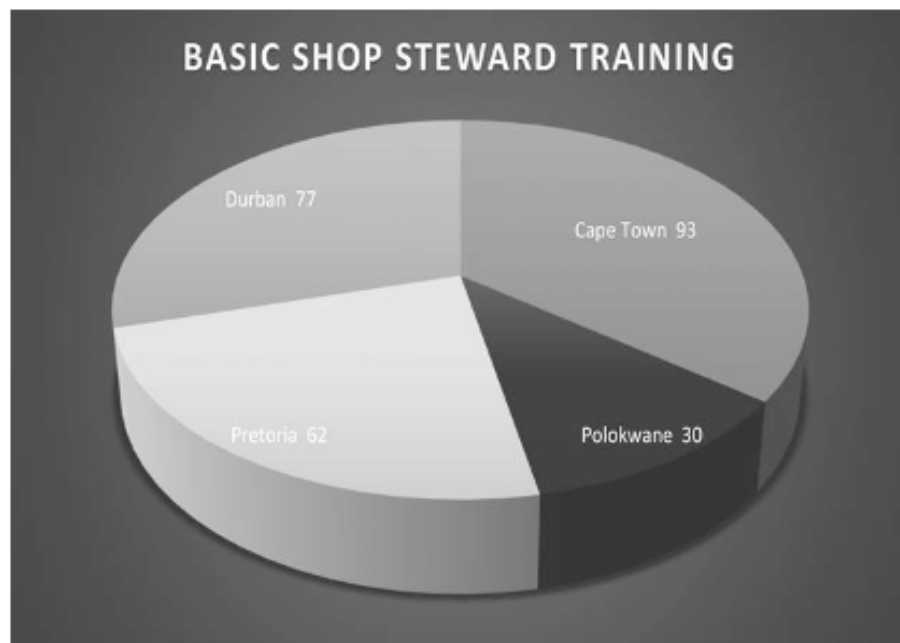


Basic Shop Steward Training

This shop steward induction programme focuses on basic information and skills required for shop stewards to perform their duties and responsibilities.

The training of 262 shop stewards was conducted by the PSA's Training section and covered topics such as the history and traditions of trade unions, organisational culture and principles of the PSA, duties and responsibilities of shop stewards, defending workers' rights, workplace negotiations, and disciplinary procedure in the public sector.

The chart below indicates the number of delegates trained:



One-day management retreat

Training was conducted by external service provider, *Schuitema*, to 32 management level employees. Topics covered included leadership excellence, motivational management, and developing high-performance teams.

Professional Front Office/ Work Enhancement Training Workshop

The workshop was conducted by and external service provider to 33 employees (i.e. clerks, receptionists, messengers, tea servers and office assistants).

The workshop dealt with problem solving and critical thinking, information management, teamwork, personal management, and effective communication.

Corporate SOCIAL INVESTMENT

The PSA continued with its corporate social investment initiatives during the report period. Projects were aligned with the Union's centenary objectives. In this regard, the PSA will be planting 100 trees in each of the country's nine provinces during the centenary year in cooperation with *Save our Planet* and with the support of business partners. This project was delayed by the COVID-19 pandemic, which also made its devastating presence known in South Africa.

Finalisation of the annual school jersey project was also delayed by the pandemic. A total of 745 learners at identified schools in Limpopo, the Eastern Cape, Mpumalanga, the Northern Cape and Western Cape will benefit from this intervention. A project, whereby 500 pairs of school shoes to the value of some R90 000 were to be provided the learners in five areas of the Eastern Cape, was affected by the COVID-19 national lockdown and will be finalised as soon as possible.

Also, as part of the Union's centenary events, the PSA has been rolling out random acts of kindness under its *#Dream* project, reaching out to members and communities, and showing support to workers who are regarded as pillars of society. Participating members received gift vouchers in aid of their identified needs and ten students were assisted with R5 000 each in support of study expenses.

The PSA sponsored a shop steward from the Northern Cape with some R4 780 to enable her participation in the Justice Pageant, which is aimed at empowering participants to be moral leaders to shape the youth. In return, the shop steward availed herself to the PSA to engage in training and workshops to empower young women in PSA initiatives.

On Mandela Day, the PSA visited police stations across the country, with staff providing soup and treats to police officers.

Donations were also made towards SAPS victim-friendly rooms and included couches, bedding and items for staff coffee stations.

Members of the PSA's Branch for Associate Members: Public Service Pensioners, through their continued membership, contribute to funds that enable the PSA to execute its corporate social responsibility obligations and make contributions to deserving non-profit organisations. The Branch's 2019 nomination, Bitou 10 Education Development Foundation, in Plettenberg Bay received a R10 000 donation from the PSA.

The Sages Senior Golf Club was assisted with R10 000 in support of its *Cansa* fundraiser, a PSA member in Gauteng was sponsored with R800 in a spinning marathon in aid of the *Beeld* Children's Fund, and the Masakhe Foundation was assisted with R2 100. In addition, Tshwane School of Music was assisted with R10 000 in support of its annual bursary fundraiser.

The PSA annually awards the Stiglingh Memorial Bursary to students engaged in studies in medical or natural sciences from funds allocated by the late JH Stiglingh. During the report period, three qualifying students received a bursary of R5 000 each.

Despite the PSA's centenary projects and events having been affected by the COVID-19 pandemic and lockdown regulations, the PSA is well equipped to rise above adversity and further cement its legacy as being "MORE THAN A UNION". Centenary initiatives were reprioritised in support of COVID-19 intervention. The first initiative during the report period was the procurement of 12 000 units of hand sanitisers for distribution to members at the frontline of the battle against the pandemic.

Provincial investments

Projects undertaken by PSA Provincial Offices to assist with specific needs ensured that the Union's interventions cascaded to communities across the country.

In the **Eastern Cape**, the Mthatha Provincial Office participated in a school jersey project at Vane Junior Secondary School in Ntabankulu and Zamukulungisa Senior Primary School in Qumbu, where learners were provided with jerseys. An event was hosted by the Office on National Women's Day. Contributions received during this event were utilised towards purchasing a much-needed freezer for Mzomtsha Children's Home that houses 80 abandoned children.

In the Port Elizabeth area, communities that benefited from social responsibility programs were identified by structures including beneficiaries of school projects. These interventions demonstrated the value of the PSA to support needy communities with poverty alleviation and the promotion of education. Business partners were part of these initiatives and played an important role with contributions.

School jerseys were donated to Nomathamsanqa Primary School in rural Despatch. Sinethemba Children's Home in Korsten, caring for 30 babies and youths up to the age of 25 were assisted with a fridge, clothing, toiletries, gift bags and refreshments.

The Provincial Office in the **Free State** raised more than R30 000 during its annual golf day in support of social responsibility initiatives.

In **Gauteng**, the Pretoria Provincial Office's three Gauteng branches clubbed their budgets together and decided to embark on a bigger project to build toilets at a needy school. This project, however, requires more funding and the branches are consulting with PSA's business partners for assistance.

In **KwaZulu-Natal**, the Provincial Office in Durban on Mandela Day provided soup to members of the public at two offices of the Department of Home Affairs in Durban. In the Pietermaritzburg area, school jerseys were donated as part of the PSA's to support to needy communities. Structures assisted in identifying these schools that benefited from the PSA's support.

In **Limpopo**, the Provincial Office continued to ensure that not only members, but community members feel the touch of the PSA as the Union with a Soul by means of the donation of 294 school jerseys to three primary schools in rural areas, namely Zwanani Primary School in Sephaku Village and Moganetswa Primary School in Tafelkop Village, both in Sekhukhune District and Matsiri Mokgokong Primary School in Ga Mokgokong Village in Capricorn District. On Mandela Day, slippers were donated to 58 patients of Thabamopo Psychiatric Hospital at Lebowakgomo by means of staff contributions. The Office also facilitated the donation of office chairs and desks to Khumanani Disable Centre at Lulekani in Phalaborwa, Mopani Districts and Ikageng Drop-in Centre in Lethaleng Village in Senwabarwana. These institutions were using very old furniture and the donation assisted in restoring their dignity.

In **Mpumalanga**, the Provincial Office staff and member structures demonstrated the value of the PSA as a caring Union by identifying four schools in rural areas that were assisted with pressing needs. Motswedi Primary School received school jerseys and shoes for 30 learners, Silindokuhle Special School received school jerseys and a food garden, whilst Diphswa Primary School was assisted with a mobile library and school socks for 25 learners.

In the **Northern Cape**, an educator member won a *PSA magazine* competition and nominated the school where she teaches to receive paper for the printing of examination papers and tests to the value of R5 000. The PSA made her dream come true and included water bottles for all learners as well as school jerseys for pupils in need.

In **North West**, the PSA identified Pelonomi Primary School, which is situated in a rural area for a donation of school jerseys to learners.

To complement the PSA's presence in the workplace, the Provincial Office in the **Western Cape** conducted various corporate social responsibility projects identified by structures in their communities, including a successful school jersey project, partnering with *Old Mutual*, for Berzelia Primary School on the West Coast. The Office also participated in the collection of plastic caps and clips and collected enough caps and clips, to qualify for a wheelchair to be donated to a handicapped child.

A nomination for the PSA's centenary *#Dream* campaign was identified and approved, resulting in the PSA donating groceries for a year to the *Silwer Jare Dienssentrum* for vulnerable elderly in Gans Bay. The PSA also donated 40 scientific calculators and school bags to Qhayiya Secondary School. On Mandela Day, the Office served soup to SAPS Milnerton, assisted by *Dignity* and *Vital*.



An event was also held at Attie van Wyk Primary School, where PSA members and shop stewards from the Western Cape Department of Education handed toiletries and sanitary bags to children. All the resources and time came from PSA members, shop stewards, officials and personnel from participating business partners.

Human RESOURCES

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

During the report period, i.e. 1 April 2019 to 31 March 2020, the PSA's overall workforce profile reflected an increase of 0.7% from 92.77% (218) as at 31 March 2019 to 93.47% (229) at the end of the period under review in respect of employees from designated groups.

Employees from the non-designated group decreased from 7.23% (17) at the end of March 2019 to 6.53% (16) at the end of the report period.

The PSA's representivity statuses in the respective occupational levels as at 31 March 2020 were as follows:

Occupational Level	Overall Designated Target % (94.7% = EAP)	Current Designated % (filled positions)	Current Non-designated % (filled positions)
Top Management	94.7%	66.67% (2)	33.33% (1)
Senior Management	*75%	75% (3)	25.00% (1)
Middle Management	*85%	82.61% (19)	17.39% (4)
Skilled Technical	*93%	92.31% (96)	7.69% (8)
Semi-skilled	94.7%	97.85% (91)	2.15% (2)
Unskilled	94.7%	100% (18)	0.00% (0)

**Reasonable goals within next five-year period.*

At the end of the report period, 40.82% (100) of the PSA's workforce consisted of male employees, whilst 59.18% (145) of its workforce consisted of female employees. The Economically Active Population of South Africa consists of 55.2% males and 44.8% females.

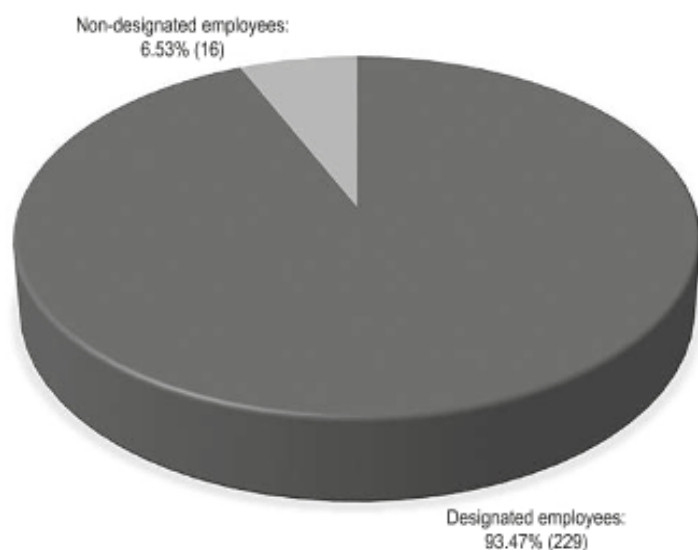
Since 31 March 2019 until the end of the period under review, 100% (23) of employees recruited by the PSA came from designated groups and 0% (0) from the non-designated group.

A 100% of employees promoted in the PSA came from designated groups and 0% (0) from the non-designated group.

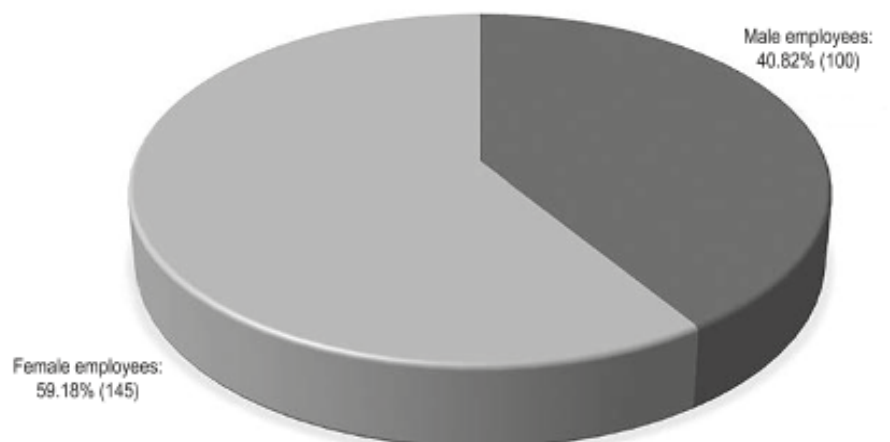
Terminations for the said period constituted 92.31% (12) from designated groups of which 15.38% (2) were white females. The non-designated group constituted 7.69% (1) of the terminations.

The PSA remains committed to aggressively transforming its workplace.

OVERALL EMPLOYMENT EQUITY PROFILE



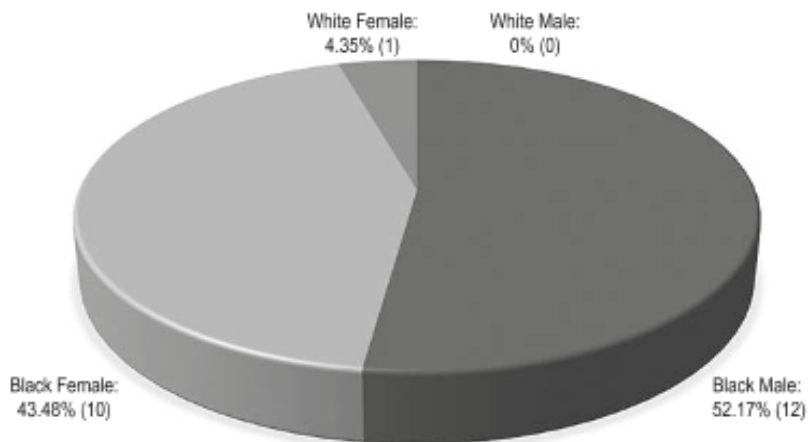
EMPLOYMENT EQUITY PROFILE: GENDER



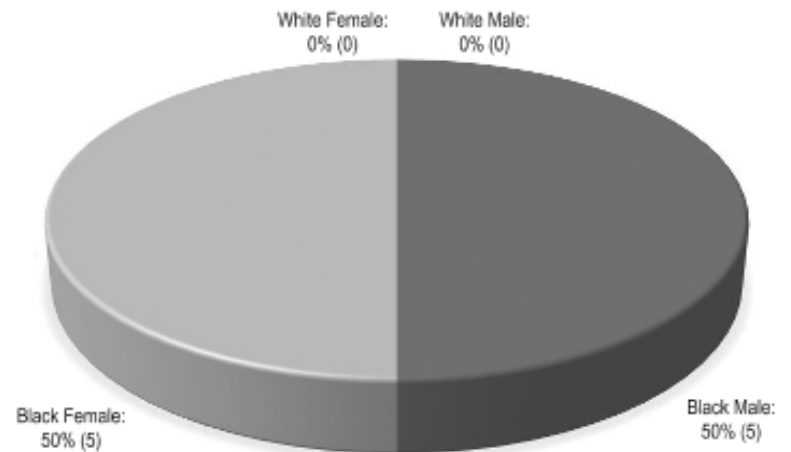
PSA workforce profile as on 31 March 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1	1	0	1	0	0	0	0	0	0	3
Senior Management	2	0	0	1	0	0	0	1	0	0	4
Professionally qualified and experienced specialists and mid-management	10	1	1	4	3	2	0	2	0	0	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	40	4	6	8	28	4	0	14	0	0	104
Semi-skilled and discretionary decision making	17	0	0	2	48	9	4	13	0	0	93
Unskilled and defined decision making	1	0	0	0	16	1	0	0	0	0	18
TOTAL PERMANENT	71	6	7	16	95	16	4	30	0	0	245

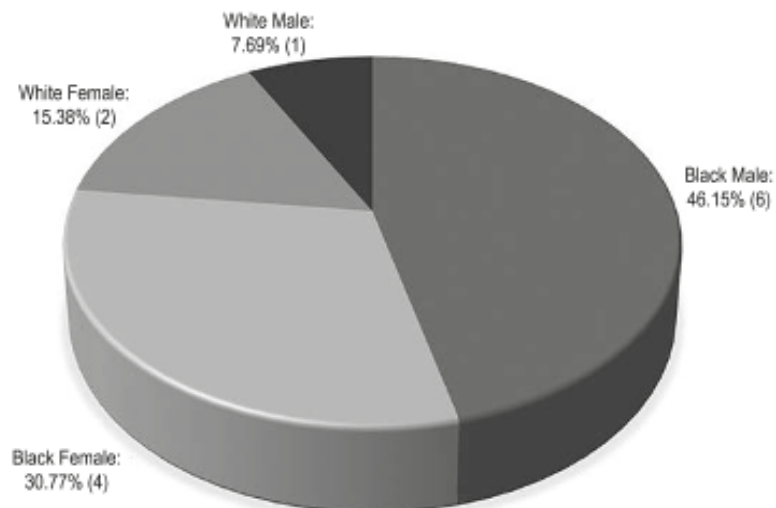
EMPLOYMENT EQUITY PROFILE: RECRUITMENT



EMPLOYMENT EQUITY PROFILE: PROMOTIONS



EMPLOYMENT EQUITY PROFILE: TERMINATIONS



Information **TECHNOLOGY**

Information technology continues to enable business process efficiencies, enhances security, roots out redundancies and brings down overall costs of business operations. There is an ever-present threat of cybercrime, with a huge number of organisations having breaches in their cyber security, resulting in compromised operations. The PSA is not immune to these threats, with many unsuccessful attempts on record. In response and with input from security assessment findings, the IT department implemented Next Generation Unified Threat Management (UTM), which provides protection by managing perimeter security, network security and desktop-device security. It will ensure that the PSA can feed of the latest technology in organisational protection with regular solution updates.

The PSA's IT department has, since 2016, had the vision of enabling remote/off-site operation or working for users. The department has over the years implemented enabled solutions and processes to ensure this is realised, including mobile desktop devices with high-end security and encryption, devices with in-build data sim card to increase mobility and reduce devices, contracts with high data packages, VPN for secure connection to all business applications, UTM enablement to ensure protection where ever devices connect, integrated anti-virus with UTM, soft phones for VOIP, Wi-Fi-enabled devices, and adopting and migrating solutions to the Cloud. As a result, users are fully functional anywhere. This strategy was successfully tested with the advent of the COVID-19 pandemic and subsequent lockdown.

The PSA continues to annually invite industry experts to test the robustness of the Union's security through the annual organisation Pen test.

The exercise focuses on testing the Union's security through the three tier processes of phishing, brute force attacks (black box and gray box and physical security breaches attempts).

Together with the service provider, the PSA migrated all servers, applications, and breakouts points to state-of-the-art hosting facility, *Teraco*, the primary data breakout point in Africa where all content providers ISPs and peering partners congregate. The migration opens new opportunity for organisation in the environment such as agility in terms of hosting options and partners, reducing data transfer costs with peering and providing data storage options.

During the report period, the PSA upgraded its website to incorporate new efficient functionality and ensure continuity and usability. This includes functionality that enables potential members to apply for PSA membership online.

In addition, an internal communication platform in the Intranet, using *Microsoft* standard software, was rolled out. The intention is to grow the platform into the Union's premier internal content consumption spot.

The PSA furthermore upgraded its telephony (VIOP) to 3CX. This enabled the Union to implement technology such as soft phones, which saved costs on the number of physical handsets required and physical network connectivity. In the final instance, functionality of the membership management system was enhanced with the implementation of a case management module. This automated a key business process, enhancing efficiency and accountability in support of improved service delivery to members.

Social and **ETHICAL CONDUCT**

The Board of Directors in November 2018 established a Social and Ethics Committee separately from the Audit and Risk Committee to ensure that due diligence in this regard is performed. The Charter of this Committee was reviewed and approved by the Board of Directors.

The Social and Ethics Committee drafted a Code of Conduct for members to address ethical behaviour, which was approved by the Board of Directors in July 2019. The Code of Ethics is applicable to all employees and Board members to address ethical behaviour.

The PSA Ethics and Fraud Hotline is managed by *KPMG* on behalf of the PSA. The aim of the Hotline is to enhance an honest work ethic, while 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.

The PSA also has a Whistle Blowing Policy to give effect to the *Protected Disclosures Act*. Any protective disclosure is reported on the PSA Ethics and Fraud Hotline.

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

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

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

In order for the PSA to comply with the pre-scripts of the *Act* and attain the commitment to the ecological impact of mining operations, *Aurecon* was appointed to, amongst others, act as environmental consultants to monitor and minimise the ecological impact 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. The PSA appointed *Aurecon* as environmental consultant 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 the above, *Aurecon* performs various functions associated with environmental protection such as frequent environmental audits to determine top-soil protection, removal and relocation of various plant species and the introduction of specific indigenous plants. *Aurecon* also acts as liaison between the PSA and the Department of Mineral Resources to sign off all areas previously mined and fully rehabilitated.



Financial **GOVERNANCE AND PERFORMANCE HIGHLIGHTS**

As an employee organisation, the PSA is registered in terms of the *Labour Relations Act, 1995* as a trade union. The PSA is recognised and admitted to 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 a Non-Profit Company (NPC), it has no share capital and the liability of its members is limited to one month’s subscription in the event of dissolution.

The trade union activities of the PSA are the core business, 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 the responsibility in this regard, the Audit and Risk Committee makes recommendations to the Board on financial governance and risks 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 are *SizweNtsalubaGobodo Grant Thornton Inc.* who were appointed in September 2016. The auditors issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ended 31 March 2020.

The consolidated net deficit of the PSA is R18 328 530 comparing to a net surplus in the prior year of R11 007 347.

The summarised financial performance of the different business divisions of the PSA are indicated under item 2 on page 5 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 2020, the Financial Statements support the financial viability of the PSA and reflect the view that the PSA will be a going concern in the foreseeable future based on its potential to raise adequate revenue to meet its obligations.

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

- Reconciliation of Equity paragraph 3 on page 6 of the Annual Financial Statements, which indicates the liquidity of retained income.

The audited detailed Financial Statements of the PSA for the year ended 31 March 2020 are fully set out from page 32 of this report, and do not, in our opinion, require further comments.

Annual
**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act,
71 of 2008.
Issued 14 September 2020

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

General Information

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

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

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Preparer

N Ndlela
B.Com (Acc)

Published

14 September 2020

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

Audit and Risk Committee Report

This report is provided by the Audit & Risk Committee appointed in respect of the 2020 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	Number of meetings attended
Mr IT Monyane	02 November 2017	4 out of 4
Mr DD King	02 November 2017	4 out of 4
Dr CV Dyantyi	02 November 2017	2 out of 2
Ms AC Rencken	15 March 2018	2 out of 2
Mr M Ramakgale	09 October 2019	2 out of 2
Mosala Seelamo	09 October 2019	2 out of 2

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

2. Meetings held by the Audit Committee

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

The committee held four (4) scheduled meetings during 2019/2020. Both, Dr Dyantyi and Ms Rencken's term of office came to an end on 16 September 2019. Two new members, Mr Ramakgale and Mr Seelamo were appointed to the committee on 09 October 2019.

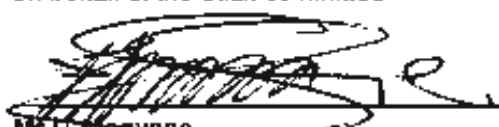
3. Annual Financial Statements

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

4. The Effectiveness of Internal Control and Risk Management

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

On behalf of the audit committee


Mr IT Monyane
Chairperson Audit and Risk Committee

Pretoria

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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.

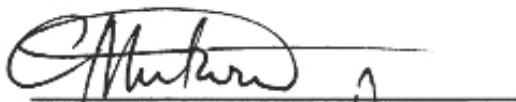
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2021 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

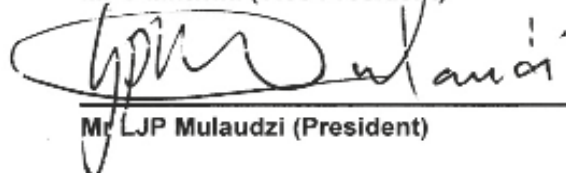
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 9 to 11.

The annual financial statements set out on pages 12 to 56 which have been prepared on a going concern basis, were approved by the Board of Directors on 29 July 2020 and were signed on its behalf by:

Approval of financial statements



Mr C Mntwini (Vice President)



Mr LJP Mulaudzi (President)



Mr P Snyman (Chairperson)

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Public Servants Association of South Africa NPC for the year ended 31 March 2020.

1. Nature of business

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

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

2. Review of financial results and activities

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

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

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

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

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

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

2020 Reconciliation of net income /(loss)	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Income	336 168 306	304 241	914 832	51 102 685	388 490 064
Cost of sales	(138 137)	-	(28 817)	(3 402 000)	(3 568 954)
Other income	6 878 879	3 660	-	2 036 749	8 919 288
Employee costs	(196 413 310)	(1 530 807)	(185 042)	-	(198 129 159)
Other expenses	(151 984 023)	(1 390 800)	(167 090)	(51 797 726)	(205 339 639)
Property valuation	631 556	(9 331 686)	-	-	(8 700 130)
	(4 856 729)	(11 945 392)	533 883	(2 060 292)	(18 328 530)
2019 Reconciliation of net income /(loss)	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Income	314 193 231	318 610	970 679	56 448 421	371 930 941
Cost of sales	(41 004)	-	(31 287)	(3 600 000)	(3 672 291)
Other income	5 490 236	4 740	-	2 011 989	7 506 965
Employee costs	(187 313 534)	(1 444 878)	(236 183)	-	(188 994 595)
Other expenses	(119 760 626)	(1 143 717)	(164 326)	(51 265 700)	(172 334 369)
Property valuation	(3 294 890)	-	-	-	(3 294 890)
	9 273 413	(2 265 245)	538 883	3 594 710	11 141 761

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Directors' Report

2020 Reconciliation of net assets /liabilities	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Assets	199 490 144	24 254 412	188 170	27 226 998	251 159 724
Liabilities	(32 273 225)	(39 451)	(1 237 411)	(6 524 430)	(40 074 517)
	167 216 919	24 214 961	(1 049 241)	20 702 568	211 085 207
2019 Reconciliation of net assets /liabilities	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Assets	194 552 960	33 938 026	85 275	29 779 527	258 355 788
Liabilities	(27 888 035)	(51 942)	(1 177 225)	(7 016 567)	(36 133 769)
	166 664 925	33 886 084	(1 091 950)	22 762 960	222 222 019

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

3. Reconciliation of Equity

	2020	2019
Reserves		
Stigling fund reserve	587 531	578 373
Insurance reserve	5 709 320	5 709 320
Revaluation reserve	32 484 994	41 185 124
Mark-to-Market reserve	22 404 985	30 390 287
	61 186 830	77 863 104

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.

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Directors' Report

5. Directorate

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

Directors	Designation	Date of Appointment	Date of Resignation
Mr LJP Mulaudzi (President)	Non-executive Independent	17 September 2018	
Mr C Mntwini (Vice President)	Non-executive Independent	16 September 2019	
Dr CV Dyantyi (Vice President)	Non-executive Independent	21 September 2017	Resigned, 16 September 2019
Mr P Snyman (Chairperson)	Non-executive Independent	15 September 2016	
Mr MK Seelamo (Vice Chairperson)	Non-executive Independent	16 September 2019	
Mrs AC Rencken (Vice Chairperson)	Non-executive Independent	19 September 2016	Resigned, 16 September 2019
Mr SD Maphoto	Non-executive Independent	19 September 2017	Resigned, 16 September 2019
Mr OJ Motshwane	Non-executive Independent	23 October 2017	Resigned, 16 September 2019
Mr IT Monyane	Non-executive Independent		
Mr DD King	Non-executive Independent	23 October 2017	
Ms AY Coetzee	Non-executive Independent	17 September 2018	
Mr MJ Shiburi	Non-executive Independent	16 September 2019	Appointed Monday, 16 September 2019
Mr MA Ramakgale	Non-executive Independent	16 September 2019	Appointed Monday, 16 September 2019
Ms NC Silinyana	Non-executive Independent	16 September 2019	Appointed Monday, 16 September 2019

Dr CV Dyantyi (Vice President), Ms AC Rencken (Vice Chairperson) and Mr OJ Motshwane resigned as non-executive directors effective Monday, 16 September 2019. Mr C Mntwini (Vice President), Mr MK Seelamo (Vice Chairperson), Mr M Ramakgale, Mr J Shiburi and Ms N Silinyana were appointed on Monday, 16 September 2019 to succeed the resigned directors.

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 would like to bring to the attention of the users that due to the countrywide lockdown as a result of COVID-19, the company was not able to carry out the normal recruitment of members during the first quarter of the new financial year.

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Directors' Report

8. Going concern

As a result of the COVID-19 pandemic effects on the financial markets, the company suffered losses of almost R8m on its investments. During the months of April, May and June, 2020, the markets had recovered slightly in an attempt to offset these losses. By the end of June 2020, the losses had performed better and all the losses at year end had been recovered.

The directors believe that the company has adequate financial resources to continue its operations 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 / subsequent material developments that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the company.

The going concern assessment is further supported by the fact that as at 31 March 2020, the company had accumulated surplus of R109 823 860 (2019: R108 225 145), and that the company's total assets exceed its liabilities by R171 010 690 (2019: R156 088 250).

9. Auditors

Sizwe Ntsaluba Gobodo Grant Thornton Inc continued in office as auditors for the company for 2020

10. Secretary

The company secretary is Mr IP Fredericks.

11. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 29 July 2020. No authority was given to anyone to amend the annual financial statements after the date of issue.

Independent Auditor's Report to the members of the Public Servants Association of South Africa NPC

Opinion

We have audited the financial statements of the Public Servants Association of South Africa NPC (the company) set out on pages 13 to 57, which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Public Servants Association of South Africa NPC as at 31 March 2020, 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, 71 of 2008

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Public Servants Association of South Africa NPC Annual Financial Statements for the year ended 31 March 2020", which includes the Director's Report and Audit and Risk committee Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express 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 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual 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 director'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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


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

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

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

Report on Other Legal and Regulatory Requirements

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



Gerard Musthan

SizweNtsalubaGobodo Grant Thornton Inc.

Director

Registered Auditor

09 October 2020

20 Morris Street East

Woodmead

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R	2019 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	71 238 611	79 412 002
Right of Use - Lease Assets		3 884 643	-
Intangible assets	4	6 650 046	4 891 740
Investments	5	67 749 791	77 723 582
Motor Vehicle Loans		5 751 705	5 684 794
		155 274 796	167 712 118
Current Assets			
Inventories	7	4 246 830	600 119
PSA Short-Term insurance contract	8	20 702 568	22 762 959
Trade and other receivables	9	7 579 182	9 011 633
Investments	5	593 500	589 563
Motor Vehicle Loans		3 558 477	3 660 115
Staff Loans		119 933	15 446
Cash and cash equivalents	10	19 009 921	17 870 066
		55 810 411	54 509 901
Total Assets		211 085 207	222 222 019
Equity and Liabilities			
Equity			
Reserves		61 186 830	77 863 104
Retained income		109 823 860	108 225 146
		171 010 690	186 088 250
Liabilities			
Non-Current Liabilities			
Borrowings	11	5 487 277	3 079 521
Finance lease liabilities	13	-	72 207
Retirement benefit obligation	12	3 274 000	3 464 000
Provisions	14	1 237 411	1 177 225
Right of use - Lease liability	15	344 752	-
		10 343 440	7 792 953
Current Liabilities			
Trade and other payables	16	16 562 116	18 546 114
Borrowings	11	447 050	195 479
Finance lease liabilities	13	-	264 997
Retirement benefit obligation	12	152 000	144 000
Provisions	14	8 364 216	9 190 226
Right of use - Lease liability	15	4 205 695	-
		29 731 077	28 340 816
Total Liabilities		40 074 517	36 133 769
Total Equity and Liabilities		211 085 207	222 222 019

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Annual Financial Statements for the year ended 31 March 2020

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue	18	337 853 225	315 246 091
Cost of sales	19	(224 791)	(46 523)
Gross profit		337 628 434	315 199 568
Other operating income	20	7 876 956	2 267 873
Other operating expenses	23	(343 310 058)	(312 117 070)
Operating profit		2 195 332	5 350 371
Investment income	21	2 063 411	1 851 704
Finance costs	24	(1 204 354)	(102 464)
Derecognition (losses) gains on financial assets at amortised cost		(3 262 666)	1 606 864
Gains on reclassification of financial assets from fair value through other comprehensive income to fair value through profit and loss		760 413	-
Profit for the year		552 136	8 706 475
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability/asset		(144 000)	532 000
Losses on property revaluation		(8 700 130)	(3 294 890)
Share of comprehensive income of equity accounted investments		(2 060 392)	3 594 709
Total items that will not be reclassified to profit or loss		(10 904 522)	831 819
Items that may not be reclassified to profit or loss:			
Stighling fund interest capitalisation		9 158	9 529
Available-for-sale financial assets adjustments		(7 985 302)	1 593 938
Total items that may not be reclassified to profit or loss		(7 976 144)	1 603 467
Other comprehensive income for the year net of taxation	26	(18 880 666)	2 435 286
Total comprehensive (loss) income for the year		(18 328 530)	11 141 761

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Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

	Stiglitz Fund	Revaluation reserve	Mark-to-Market reserve	Other NDR	Total reserves	Retained income	Total equity
	R	R	R	R	R	R	R
Balance at 01 April 2018	568 844	44 480 014	28 796 349	5 709 320	79 554 527	76 223 712	155 778 239
Profit for the year	-	-	-	-	-	8 706 475	8 706 475
Other comprehensive income	9 529	(3 294 890)	1 593 938	-	(1 691 423)	4 126 709	2 435 286
Total comprehensive income for the year	9 529	(3 294 890)	1 593 938	-	(1 691 423)	12 833 184	11 141 761
Transfer - PSA Short term insurance contract	-	-	-	-	-	19 168 250	19 168 250
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	19 168 250	19 168 250
Balance at 01 April 2019	578 373	41 185 124	30 390 287	5 709 320	77 863 104	88 713 157	166 576 261
Profit for the year	-	-	-	-	-	552 136	552 136
Other comprehensive income	9 158	(8 700 130)	(7 985 302)	-	(16 676 274)	(2 204 392)	(18 880 666)
Total comprehensive income for the year	9 158	(8 700 130)	(7 985 302)	-	(16 676 274)	(1 652 256)	(18 328 530)
Transfer - PSA Short term insurance contract	-	-	-	-	-	22 762 959	22 762 959
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	22 762 959	22 762 959
Balance at 31 March 2020	587 531	32 484 994	22 404 985	5 709 320	61 186 830	109 823 860	171 010 690
Note(s)	6&26	29&26	29&26	25		26	