



Integrated Annual Report 2020/21

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Chairperson's report

It is an honour, and with great pleasure, that I present the 2020/21 Integrated Annual Report on behalf of the Board of Directors of the Public Servants Association (PSA) NPC.

The PSA reached a momentous milestone during the year under review in that it celebrated 100 years of existence and service-delivery excellence to its members by democratically elected trade union representatives, office bearers and a staff complement in all nine Provinces. The Board welcomed two new non-executive Directors who were elected to the PSA Board in January 2021, and we also expressed our appreciation to two Directors whose term of office ended.

South Africa was not spared from the destruction and severe implications caused by the global COVID-19 pandemic. Many of our members, leaders, and staff members fell victim to the virus and paid the ultimate price with their lives. We honour their lives and salute them for their immense contribution to our organisation over many years. The PSA during this difficult time continued to support vulnerable communities by its corporate social responsibility projects and initiatives which include, amongst others, the provision of food and clothes to the poorest citizens in our country. An amount of R1.2 million was approved for corporate social responsibility projects.

Despite the harsh global economic conditions during the report period, PSA revenue upsurged from R338 441 747 to R345 235 579 because of a dedicated management strategy to ensure an increase in membership fees collections. What makes the increase in revenue more remarkable is the fact that the PSA did not increase its union membership fees for the 2020/21-financial year. Committed to best practice corporate governance, a zero-tolerance approach to corruption and maladministration, the PSA is proud to present a remarkable surplus of R62 619 170 for the period under review. The PSA remains a going concern with a good, sustainable outlook.

Adapting to a new norm of virtual engagement, PSA Branches and offices functioned extremely well under very challenging circumstances caused by the COVID-19 pandemic. The PSA cemented its leading role amongst trade unions and took legal action against the State as employer up to the Constitutional Court for its refusal to pay salary increases for public servants as contained in a collective agreement. Employees' health and safety, especially amidst the pandemic, were prioritised by the PSA. The PSA Pensioner Branch remained focused during the financial year and continued to render quality service in conjunction with staff to our pensioner members.

The PSA's various training interventions continued during the report period. The PSA's Third Annual Labour Law Perspective workshop, for example, reached 960 delegates, compared to 944 delegates during the previous report period. The Union's Organising/Marketing Officers also received virtual training by the PSA Training Section on retention and recruitment during the various lockdown levels of COVID-19.

Sustained communication with members was of even more critical importance during the report period. To underline this fact, the PSA electronic newsletter, Informus, saw an increase from 697 editions in the 2019/20-financial year to 1 281 editions during the report period. The PSA's media presence also expanded during the report period, with 273 media statements being issued, compared to 190 such statements during the previous report period. The Board continuously reached out to structures and visited all nine provinces at least twice during the report period and focused on the stability of the organisation.

I sincerely thank the Board members, structure leaders, trade union representatives, executive management and our employees for their efforts and dedication. Such commitment remains the cornerstone of a strong and principled Union – the PSA.

Pierré Snyman: Chairperson



Management of PSA

Board of Directors

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

Dr Lufuno Mulaudzi (President) – elected 17 September 2018 as President

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

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

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

Mr Ike Monyane (Director) – elected 18 September 2017 (Mr Monyane's term of Office expired on 11 January 2021, and he was not re-elected)

Mr David King (Director) – elected 23 October 2017 (Mr King's term of Office expired on 11 January 2021 and he was not re-elected)

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

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

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

Mr Ivan Fredericks, previous General Manager of the PSA, retired with effect from 31 December 2020. Mr Leon Gilbert was acting General Manager from 15 January 2020 to date.

Board Committees of the PSA

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

| Director | Board | ARC | STIC | Remco | SEC | HRC | CoC | SRC | SC |
|-----------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Dr Lufuno Mulaudzi | 20 | | | | | 3 | 1 | | |
| Cebo Mntwini | 21 | | | 2 | | 1 | | 6 | 4 |
| Pierré Snyman | 22 | | | | | 4 | | 5 | 4 |
| Mosala Seelamo | 19 | 6 | 3 | | | | 1 | 1 | |
| Ike Monyane | 12 | 4 | | 2 | | | | 5 | |
| David King | 15 | 4 | 2 | | 1 | | | | |
| Anadele Coetzee | 22 | | | 2 | 2 | | 1 | | |
| Justice Shiburi | 21 | 2 | | | 2 | 4 | | | |
| Marcus Ramakgale | 21 | 6 | 3 | | | | | 6 | |
| Nomabandla Silinyana | 22 | | 3 | 2 | 0 | | | | |
| Nondumiso Mvubu | 4 | | 0 | | 1 | | | | |
| Tshekiso Sebati | 3 | 1 | | 0 | | 1 | | | |
| Total meetings | 22 | 6 | 3 | 2 | 2 | 4 | 1 | 6 | 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. Several closed sessions were held by the Board of Directors. A closed session is a meeting or continuation of a Board meeting where the agenda item/s directed the Board to discuss items without management's presence.

Audit and Risk Committee (ARC)

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

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

PSA Short-Term Insurance Committee (STIC)

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

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

Remuneration Committee (Remco)

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

Members representing structures

(Appointed by the AGM to serve on the Committee for a period of four years)

Chris Krüger – attended one meeting – re-elected on 18 September 2017

Phumla Dingiswayo – attended one meeting – elected 19 September 2016 (Ms Dingiswayo's term of Office expired on 11 January 2021 and she was not re-elected)

Dimakatso Tsutsubi – attended no meeting – elected 11 January 2021

Solomon Mokoane – attended no meeting – elected 11 January 2021

Mahlatse Ditle – attended no meeting – elected 11 January 2021

Social and Ethics Committee (SEC)

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

Human Resource Committee (HRC)

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

Centenary Organising Committee (CoC)

Ad-hoc Committee

Statute Review Committee (SRC)

Ad-hoc Committee

Stabilisation Committee (SC)

Ad-hoc Committee (Stabilising the PSA)

PSA Fedusa affiliation

The resolve by Federation of Unions of South Africa (Fedusa) to breaking new ground and expand on opportunities remained unquestionable during the report period. Transcending these boundaries to ensure that Fedusa's collective membership remains a formidable force to be reckoned with, requires continuous assessment and review of systems and mechanisms.

Whilst the narrative of the Fourth Industrial Revolution has grown steadily and Fedusa's response has accordingly been defined and shaped, the COVID-19 pandemic forced the Fedusa membership and the workforce in general to adapt to a new mode of engagement. South Africa remains in the grips of the pandemic and Fedusa continues its campaign for the health and safety of front-line workers. For this reason, Fedusa embarked on a new journey to keep abreast of developments and move with the times. Fedusa's acquisition of a ground-breaking app allowed for all forms of training to be conducted digitally and at the pace and space to accommodate members. The pilot phase was conducted from August 2020 to February 2021 with successful results. Training sessions are still conducted in the traditional sense, with all access to materials and certification provided in the new digital format. Blended models of training are increasingly becoming the face of the future and first-mover advantage will continuously allow Fedusa to review and engage in systems that will propel its membership into the space of leaders.

The PSA's involvement in these new training ventures has been well documented and Fedusa is confident that the resolve to continually focus on training and development is on target.

Training and Education Committee

The following training interventions took place during the report period:

- **CCMA: National minimum wage:** 2 - 3 November 2020 (Cape Town) - 10 PSA participants (Total cost: R55 000)
- **OHS COVID-19 online training:** October 2020 to March 2021 - 174 PSA participants (Total cost: R95 700)
- **Leadership and Collective Bargaining Conference:** 29 - 30 March 2021 (Kempton Park) - 2 PSA participants (Total cost: R6 400)
- **Basic Shop Steward training:** 18 October 2020 to 18 March 2021 (Durban, Johannesburg, Cape Town, Nelspruit, Rustenburg, Tzaneen, Kimberley and Mahikeng) – 146 PSA participants (Total cost: R438 000)

Social Justice Committee

Since the PSA's involvement in this Committee, the overall participation and contribution towards social justice and gender has been amplified. Since the start of the training facilitated by the ILO, the complement of Male Gender Champions has increased significantly.

The PSA's role on many fronts remains an important facet of the Fedusa journey. Whilst keeping the pressure mounted on the Fedusa Gender-Based Violence Campaign, #C190Can, the continued improvement and influence of the PSA members in all Government departments remains a critical factor. A webinar was hosted on 14 August 2020 with 20 PSA representatives participating.

Development Committee

The work of the Committee expanded with the inclusion of the sustainability mandate. Subsequently, with the ambition to formally launch the Fedusa Climate Change Policy at the Fedusa Congress in October 2021, levels of input and participation increased quantitatively and qualitatively by the PSA. Fedusa therefore anticipates heightened involvement and the expanded formation of the *#FEDUSAClimateWarriors*.

International

The International Labour Organisation Training Academy presented the Online Training Digital Academy on Trade Union Policies on Eliminating Violence and Harassment in the World of Work, which was attended by Ms N Silinyana, PSA Director and Fedusa Mancom member, from 14 September to 16 October 2020 at a total cost of R15 872.16.

Campaigns

The enhancement of Fedusa campaigns via the newly established Campaigns Committee yielded progressive and positive results. This has been catalysed by the disastrous situation and dismal lack of PPE during the COVID-19 hard lockdown. The looting of PPE funds motivated Fedusa to engage the Orange Mask Campaign, clearly signaling demonstrations every Friday to voice outright dissatisfaction with the scale of theft.

Policy and legislative focus

Fedusa's notable increase in submissions and inputs around key policy matters yielded progressive results in 2020. Greater levels of collaboration and dialogue have seen the Federation engaged on several high-level Ministerial and social dialogue platforms to ensure that the mandates endorsed by the NEC were effectively executed. The PSA's involvement in these processes was vocalised on all fronts amidst attacks on pensions, workplace health and safety, collective bargaining, and many other social and economic areas. The PSA's role as the largest and leading affiliate on many domains therefore remains crucial to continually driving Fedusa and all affiliates' plights. Collectively, many victories were achieved with the aim of advancing more issues in an endeavour to keep Members First.

PSA representation on Fedusa structures

National Executive Committee (NEC)

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

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 Dr L Mulaudzi (Vice-President Public Sector) and alternate member, N Silinyana.

Training and Education Committee (TEC)

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

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.

Development Committee

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

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 Dr L Mulaudzi (Vice-President Public Sector), A Coetzee, P Snyman and J Shiburi.

Provincial Executive Committees

In terms of the Fedusa Constitution, the National Executive Committee establishes Provincial Executive Committees 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 follows:

Eastern Cape: S Siciko (Gender Coordinator), A Killian (Training Coordinator), and L Pheko (Youth Coordinator).

Free State: F Fouche (Deputy Chairperson).

Gauteng: S Mokoane (Chairperson), P Moloi (Secretary), J Moche (Youth Coordinator), G Simelane (Training Coordinator), and S Mabele (Public Sector).

KwaZulu-Natal: N Thwala.

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: SDM Letsapa, N Khunou, and ZV Baloyi.

Northern Cape: R Diraditsile (Chairperson), L Hlophe (Deputy Chairperson), A Coetzee, and R Scholtz (Education).

Western Cape: C Roestoff (Deputy Chairperson), N Adams (Secretary), C Appels, and L Fuller.

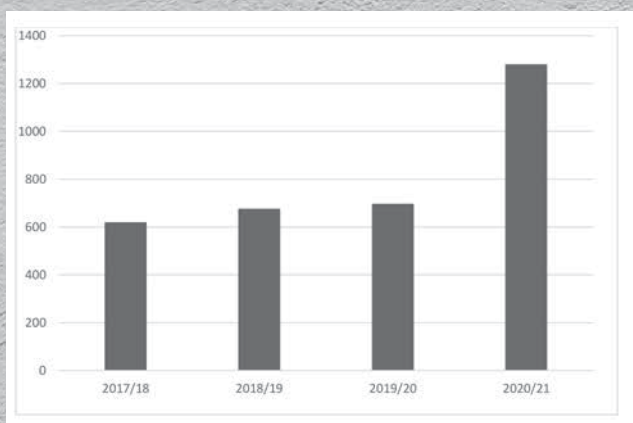
→ Marketing and communication

Communication

The COVID-19 pandemic and subsequent lockdowns presented unprecedented challenges. These not only impacted on the PSA's planned centenary events for 2020, as gatherings were banned from 26 March 2020 to control the spread of the virus but proved the value of effective and consistent communication with members.

The PSA's tried and tested communication tool, the electronic newsletter, *Informus*, remained a critical platform in updating members. This newsletter informs members of developments specific to their workplace as well as providing general PSA news. The volume of editions of this newsletter increased from 697 editions in the 2019/20-financial year to 1 281 editions between 1 April 2020 and 31 March 2021.

The *graph below* reflects the volume of this newsletter for the past four report periods.



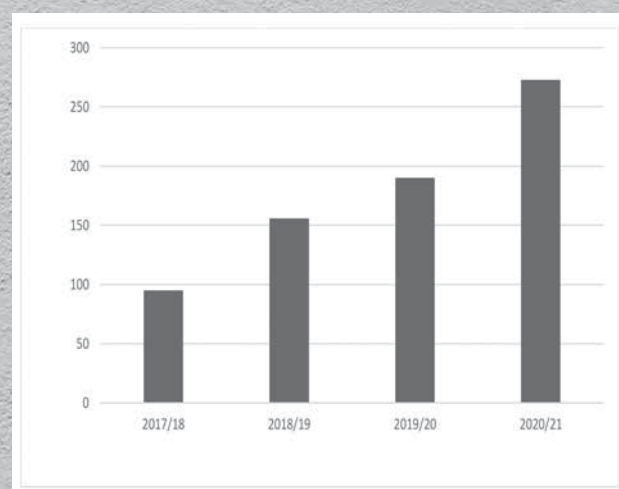
The *PSA magazine* remains an important part of information sharing with members as well as supporting the recruitment of new members by portraying the benefits of PSA membership. A total of four editions of the magazine was published during the report period and were distributed electronically by means of email and SMS with hard copies being distributed by PSA Provincial Offices.

Recruitment competitions launched by means of the magazine were popular with members and continued to produce positive results.

SMSs continue to be used to communicate with members in various instances, including the issuing of welcome messages to new members and to congratulate members on their birthdays.

The PSA regards a strong national media presence as an important means of disseminating information and enhancing the Union's brand nationally. During the report period, 273 media statements were issued, compared to 190 such statements during the previous report period.

The *following graph* reflects the volume of media statements issued during the past four report periods:



In the process, the PSA's media presence yielded 2 094 clips (print board cast and on-line) with an advertising value equivalent of R83 031 904, compared to 1 913 clips with an advertising value equivalent of R80 995 612 for the previous report period.

Following the redevelopment of the PSA website (www.psa.co.za) during the previous report period, further additions were made to the site, including easing the process of membership application through this platform. The website saw a growth in unique visitors from 82 992 during the previous report period to 137 109 records during the period under review. The website provides comprehensive information on the Union's activities, including all publications, contact information for PSA offices and detailed fringe benefit listings of PSA business partners.

Social media is increasingly becoming an important tool to disseminate information. Members can follow the PSA on *Facebook*, *YouTube*, *Instagram* and *Twitter*. The PSA's *Facebook* page experienced a steady increase in followers and likes.

The PSA produced 15 in-house video clips during the report period that were published on the website and social media platforms.

The PSA's electronic helpdesk (ask@psa.co.za), which offers members swift access to service, received 12 392 enquiries during the report period.

Fringe benefits

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

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

During the report period, new national fringe benefits were negotiated.

PSAclub

During the report period, the following new products were added to PSAclub: Sekonda Watch Online Shop, Flowers.co.za Online Flower Shop, MSC Cruises Vacation.

Metropolitan

During the report period, the following new product was added: *Metropolitan's Life Cover Plan* bridges the gap between funeral and life cover, with the plan complementing existing funeral cover, depending on benefits selected. The plan includes free accident cover, terminal-illness and immediate-needs cover are standard for this product, while disability cover, value protection, survival, retirement waiver and cashback benefits are optional.

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 funeral arrangements. *Hollard* also provides unique optional benefits to assist when organising a funeral. *Old Mutual* provides trauma and emergency support.

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

Emergency rescue services with the *Automobile Association (AA)* are provided at a discount. *Lifesaver Legal* included emergency roadside and home assistance service 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 a Money Account. *Old Mutual Finance* pays a cashback bonus every 12 months.

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

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

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

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

Optivest provides quotations and broker appointments for medical schemes and healthcare-related products to PSA members. *Optivest* also liaises with medical schemes regarding unpaid claims and assists to register chronic medication. *Optivest* further provides gap cover.

Zisekele assists members with Road Accident Fund claims.

PSAClub

All PSA members are automatically enrolled. *PSAClub* deals are split into four categories, namely:

EARN POINTS: Accumulate points from selected points shops and accumulate points 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.

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

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

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

For Family - Included benefits: R3 250 Stay Benefit • R1 000 Meals Benefit • R500 Transport Benefit • 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 • Three-Day Car Hire Benefit.

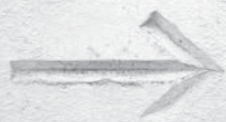
In total, more than 245 000 products and services were utilised by members during the report period.

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 this report period the benefit amount was R4 500. By the end of the report period, a total of 1 229 claims to the value of R5 529 500 were paid. This represented 433 more claims being paid in this period, compared to the previous report period.

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

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



Collective Bargaining

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

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

Public Service Coordinating Bargaining Council

Non-implementation: Clause 3.3 of PSCBC

Resolution 1/ 2018 - Constitutional Court application

The employer did not honour the implementation of the last leg of the PSCBC's Agreement on the Wage Increases for the 2020/21-financial year. The PSA subsequently approached the Labour Appeal Court to enforce the provisions of the agreement as determined in Clause 3.3 of PSCBC Resolution 1/2018. The matter was unfortunately lost at the Labour Appeal Court and subsequently referred to the Constitutional Court for further adjudication. The PSA received directions issued by the Constitutional Court that the matter will be set down for hearing on 24 August 2021 at 10:00.

Wage negotiations: 2021/22-financial year

The PSA tabled its wage demands on 1 March 2021 for the 2021/22-financial year to conclude an agreement as swiftly as possible. Clause 8 of the PSCBC Constitution sets out the procedure to be followed when negotiating on matters of mutual interest.

It was important to ensure that the procedure was followed meticulously, thereby ensuring that there are no technicalities should parties reach a deadlock. It was the PSA's intention to ensure a legally sound process, but also to follow the quickest route possible to finalise negotiations, bearing in mind that members should have received their salary increases with effect from 1 April 2021.

Negotiations continued in a format of the employer asking questions of clarity since 19 March 2021. The response was utterly disappointing and an insult to labour as the employer only responded positively to some of the non-financial issues. The offer for the cost-of-living adjustment for the 2021/22-financial year was a 0% increase. The rest of the substantive demands were also rejected.

Pension-backed housing guarantee

The Government Employees Pension Fund (GEPF) made a presentation on the proposed amendment to the *GEPF Law* to provide for a pension-backed home loan as an alternative form of housing finance. The loan will be secured by the member's retirement savings instead of the actual property. This concept is currently regulated by the *Pensions Fund Act* through a guarantee by the fund. A law amendment is required to empower the GEPF to provide for guarantee for home loans, which includes for an express provision permitting deduction from a member's benefit. Previously, members were requested to provide a mandate on the proposed amendments. The matter is still under discussion and a workshop will be held for constructive engagement.

Professionalisation of Public Service

The National School of Government, through the Department of Public Service and Administration, made a presentation to Council on a draft framework developed by Cabinet on the professionalisation of the Public Service. Amongst matters that the framework intends to address, is the issue of "political appointments".

Labour raised several questions of clarity and concerns regarding the process. It was agreed that the presentation would be circulated amongst labour to study the document as the presentation was a mere overview of the framework. Parties will still engage further at Council level.

General Public Service Sectoral Bargaining Council

The *status quo* is remaining on all matters as reported below, owing to wage negotiations receiving priority.

Compensation for official duties performed during meal intervals

The PSA tabled this matter for discussion in Council. In terms of the provisions of clause 9.4 of PSCBC Resolution 1/2007, compensation for employees who owing to the nature of their work are required to remain on duty during their meal intervals will, where required, be determined in the respective Sectoral Bargaining Councils. The employer, during a Council meeting, informed labour that it identified that the Department of Correctional Services (DCS) as the only Department that will be affected. 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 any categories that could qualify to receive compensation for performing official duties during meal intervals, but no further inputs were received. Negotiations on the matter were finalised and parties agreed to subject it to the final mandating process. Unfortunately, the matter is still not finalised as the employer has requested time to finalise its mandating process. Labour placed the employer on terms and provided it with seven days to revert to Council on the progress it is making with its mandating process. Council is yet to convene to finalise discussions and referral of a dispute on the matter.

Draft Special-Leave Agreement for Sector

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

- Examination
- Study
- Sport
- Resettlement

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

Members' inputs on the draft agreement were incorporated. Negotiations were finalised and the Board previously granted a mandate for the acceptance of the agreement. Unfortunately, the matter is still not finalised as the employer requested more time to finalise its mandating process. Labour placed the employer on terms and provided it with seven days to revert to Council on the progress it is making with its mandating process. Council is yet to convene to finalise discussions and referral of a dispute on the matter.

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 for input and inputs received were incorporated into the draft. Negotiations were completed and the draft agreement was subjected to the PSA's mandating process. A mandate was obtained to sign the agreement. Unfortunately, the matter is still not finalised as the employer requested time to finalise its mandating process. Labour placed the employer on terms and provided it with seven days to revert to Council on the progress it is making with its mandating process.

Other matters

The review of Resolution 3/2001 and Resolution 1/2004 (Full-time shop stewards) and the Amendment of Resolution 2/2009 (Pay progression) is currently still under discussion at the Collective Bargaining Committee. Owing to the COVID-19 lockdown and subsequent wage negotiations, the meetings could not be convened to finalise negotiations.

Public Health and Social Development Sectoral Bargaining Council

Provision of transport for health workers during COVID-19 pandemic

Pursuant to the declaration of the *Disaster Management Act* and the lockdown in March 2020, labour requested the employer to provide transport to frontline health workers. Labour wanted these workers to be protected from being infected with COVID-19 while commuting in public transport.

A collective agreement on the provision of transport to frontline health workers was drafted but the employer failed to secure a reasonable mandate to implement the provisions. As a result of the second wave and the increase of infections amongst frontline health workers, labour re-introduced this agenda item. Labour insisted that the employer should consider the health and safety of these workers as the COVID-19 variant was spreading rapidly. Labour submitted that the employer should review its mandate regarding provision of transport and provide labour with feedback as a matter of urgency. The employer noted labour's submission and committed to re-submit the inputs to its principals to review the mandate on the provision of transport to frontline workers. The employer will provide feedback shortly.

Token of appreciation

Labour registered frustration and disappointment with the employer for failing to provide a token of appreciation to frontline health workers at the forefront of the COVID-19 pandemic. Labour believed that the employer did not take the plight of these workers seriously. The efforts of these workers deserved a token of appreciation such as tax relief or danger allowance, amongst others. The employer promised at the last Council meeting to finalise the matter and implement accordingly. The employer indicated that the consultation process with relevant stakeholders was at the final stage, and it would provide concrete feedback at the next Council meeting. The *status quo* remains.

Standardisation: Remuneration and Conditions of Service for Community Health Workers in Department of Health

Parties to Council resolved to prioritise the standardisation of the remuneration and the conditions of Community Health Workers (CHWs) in the Department of Health. Unfortunately, the provisions as contained in clause 5.5 of Resolution 1/2018 have not been finalised and further engagements are required to address and finalise the specific issues as stipulated in clause 5.5. The clause 5.5 stipulates that, "parties to ensure the development of Standard Operational Procedure for the recruitment, selection, appointment, placement, remuneration, skills development, dispute resolution, occupational health and safety processes and the absorption in the health system for CHWs and the subsequent process that may follow in line with policy framework and strategy for ward-based outreach".

Parties to Council did sign a collective agreement, extending the lifespan of PHSDSBC Resolution 1/2018 with a further 12 months to allow parties to conclude on the outstanding matters as per clause 5.5.

Unfortunately, the issues as per clause 5.5 have still not been finalised and necessitate a further extension of the agreement with 12 months that will allow parties to conclude on outstanding matters. The employer tabled an agreement to extend the timeframe with another 12 months, the effect of such an extension allows that CHWs contracts will continue until 10 July 2021. Most of labour, inclusive of the PSA, supported the principle as it will secure the employment of CHWs while parties committed to finalise on outstanding matters. The PSA subsequently found this agreement beneficial to employees and signed the agreement.

A task team was established to finalise a sustainable model to absorb CHWs. This is work in progress as the National Command Council of the Employer has not pronounced on its mandate yet and a response is awaited. At the last Council meeting labour reserved its right and was considering its options as the collective agreement's lifespan will end on 31 June 2021.

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

A presentation was made by labour, and it was agreed that Social Development would provide a response to the presentation, which it subsequently did. Clause 4.1.1 of the agreement stipulates that within ten days from the date of the agreement, the employer will table a proposed model on rural allowance at the Council for eligible Social Service Professionals and Occupations for negotiation. Clause 4.2.2 stipulates: "Parties agree in principle to amend the OSD for Social Service Professionals and Occupations".

At the last meeting, the employer reneged from its position to engage on the matter and held the view that the matter should be engaged upon at the PSCBC level. Labour expressed dismay with the employer's attitude and only after the PSCBC directed the employer that the PHSDSBC did have jurisdiction to engage on the matter, did the employer accept this. The employer unfortunately did not conclude on its internal processes, and it was agreed that a special Council meeting would be scheduled for 25 June 2020 to engage on the matter. It is unfortunate that the employer is still not ready to engage, and labour reserved its rights in this matter.

Review: Uniform allowance for Nurses

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

- Abolish provision of Uniform Allowance.
- Bring uniformity in a true sense of the word UNIFORM.
- Restore the dignity of Health Professionals.
- Uniform provision to all Health Professionals instead of paying an allowance to some.

The agreement was once again circulated for a mandate to ensure buy in from members although most of labour indicated that they were in support of the agreement and would subsequently sign it. The service providers were to present samples of the uniform fabric whereafter the task team would present its recommendation to Council to appoint a service provider to ensure that the fabric is acceptable and of high standard. Parties are still awaiting the service providers to present samples and once done, a decision will be taken. The process will be concluded in the next report period.

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

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

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

Parties were therefore supposed to conclude on this sustainable model on 29 January 2018, which unfortunately as per the evidence led by labour and the subsequent confirmation from the employer, did not materialise. After the conclusion and favourable outcome of an arbitration process, the employer tabled a draft Sustainable Model. The PSA distributed the draft model for inputs and subsequent inputs were discussed with the employer. A special Council meeting was scheduled for 17 November 2020 to engage on the matter. The most contentious issue is the fact Gauteng FPOs are not covered in this model as they do not fall within the ambit of the OSD agreement.

The PSA raised serious challenges with the draft model, which raised further questions, especially on the recognition of experience, stagnation, and subsequent requirements in relation to Facility Managers' salary levels, etc. Parties agreed that the employer would prepare a response by 30 November 2020. Labour will consider the response and parties subsequently agreed to a marathon session of engagements. Unfortunately, during a meeting on 8 March 2021, the employer still had no mandate to engage on the proposed draft and labour reserved its rights. A way forward is considered on the prospects of success to declare a dispute.

Averaging of working hours: Emergency Medical Services

The employer made a presentation on the averaging of working hours at a special Council meeting on 23 October 2020. The presentation was informed by a need for the consistent application and compliance to legal prescripts that regulate shift systems and the application thereof. The employer indicated that provinces had their own agreements regulating the matter. The PSA requested the employer to provide such agreements to engage constructively. The presentation further proposed that the ordinary hours of EMRS would amount to a maximum average of 45 hours per compressed week, averaged over a four-month period. Overtime payment would be for actual hours worked beyond 180 hours, not on rostered shift hours and would be paid at normal overtime rate. Inputs and mandates were requested from constituencies and the matter was deferred to a task team for further engagement. The task team was scheduled to meet to consult on the employer's proposal. Labour raised various concerns that the employer could not respond to. A final meeting of the task team was held, and the employer tabled a draft agreement. The draft agreement was tabled at Council level and the employer and labour requested time to obtain a mandate on the draft agreement before engagements would commence.

National Departments of Health and Social Development

The PSA is the majority Union in the Departmental Bargaining Chamber (DBC). During the period under review, the DBC dealt with various issues ranging from a new organisational structure for Social Development, policy amendments in the Department of Health and the transfer of Forensic Chemistry Laboratories from the National Department of Health (NDOH) to the National Health Laboratory Service (NHLS).

Below is a detailed report on these issues.

Transfer of Forensic Chemistry Laboratories (FCL) from NDOH to NHLS

The employer tabled the matter for engagement in terms of section 197 of the *Labour Relations Act*, as amended. This follows the promulgation of the *NHLS Act*, which came into effect in 2000, requiring to transfer all forensic services into one service. The President of the country subsequently signed a proclamation in August 2020, which concluded that the transfer of FCL must take effect on 1 April 2021. Not all members were satisfied with the transfer to the NHLS as they feared the NHLS's sustainability and their future job security. The process could not be interdicted as per the demand from some members as it is a process regulated by legislation. Labour, however, ensured that protection measures were agreed to over and above what was guaranteed in terms of section 197, by signing a transfer agreement with the employer. Parties identified significant differences around the benefits between what the NDOH offered, compared to what is in existence at the NHLS. It was agreed that discussions would continue to ensure that these differences are corrected. A task team was established to handle the harmonisation of benefits even after the transfer period.

New organisational structure:

National Department of Social Development

The DBC received a presentation on the new structure where several changes were proposed. The matter is still under discussion as there were other areas that labour identified as a concern regarding the rationale behind the new structure. The employer committed to rework the identified areas and the matter would be presented for further engagement. The employer emphasised that the new structure would not lead to any job losses and the primary aim was to enhance and improve efficiency in the Department.

Education Labour Relations Council

Implementation: Quality Management System (QMS)

A collective agreement on the QMS was signed and supported by all parties in Council. Council previously deliberated on the implementation of the QMS and had to sign a further addendum to reflect new implementation dates. The QMS system was supposed to be fully implemented on 1 April 2021, following a year of training to all employees.

COVID-19 and the restriction on travel and meetings resulted in a delay in the training and parties agreed that the QMS would only be implemented for Principals in 2021 and the rest of employees in 2022.

COVID-19

The pandemic posed serious risks for educators, learners, and parents and the PSA therefore demanded that schools be closed for as long as possible. The school closure ensured that the Department of Education would comply with regulations and provide adequate personal protective equipment. The lack of proper infrastructure, such as running water, was also addressed as learners had to wash their hands regularly to stop the spread of the virus. The impact of the school closure resulted in the amendment of the academic year and school-holiday periods. Parties signed a collective agreement to regulate how employees with co-morbidities would be safeguarded from potential exposure to the virus and to regulate the appointment of replacement educators whilst employees with co-morbidities were working remotely and could not be in a classroom to provide physical teaching.

Redefining scope of ELRC

Discussion is ongoing to amend the scope of the Education Labour Relations Council (ELRC) to include educators or lecturers who work in the Further Education and Training Sector. This matter was escalated to the PSCBC for finalisation. At the PSCBC, the matter could not be concluded and was on the agenda for an extended period. It resulted in a dispute being declared by the South African Democratic Teachers Union and the matter was conciliated. The matter was subsequently also removed from the PSCBC's agenda as it was in dispute.

Other matters

The following items were deferred to various task teams for further investigation and deliberation:

- 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 Personnel Administration Management

By the end of the report period, the task teams were yet to conclude on these items.

Piloting and implementation: Coding and Robotics curriculum Grade R to 9

The employer started a pilot project to introduce a Coding and Robotics curriculum from Grade R to 9. The pilot project was conducted in all nine provinces. It is mainly funded by the European Union for some R60 million. Three teachers from each piloting school are to be trained. Unisa is to be the main institution to conduct the training with support from other universities. An update on the pilot project is to be presented periodically.

South African Police Service

Organisational rights

A South African Police Service (SAPS) circular was issued by the office of the Deputy National Commissioner: Support Services in SAPS, addressing all its constituencies on access to the employer's premises for purposes of organising. The circular instructed SAPS Directorates (i.e., Directorate for Priority Crime Investigations, Divisional Commanders, Deputy National Commissioners, Heads of Corporate Communications, Heads at Head Office, all Section Heads of SAPS Colleges and Training Centres, Commanders of SAPS Academy and Training Centres, and Chief of Staff in the Ministry of Police) that they needed to ensure that only Sapu and Popcru were allowed to access SAPS workplaces for the exercising of organisational rights.

The PSA, on 18 November 2019, approved the utilisation of attorneys for soliciting a legal opinion. The opinion was favourable regarding the prospect of success on this matter. The approach was based on PSCBC Resolution 2/2017. The attorneys commenced correspondence to establish a statement of case by approaching the office of the SAPS National Commissioner, demanding the exercise of organisational rights in terms of clauses 5.2 and 6 of the Resolution. The attorneys sent a letter of demand on behalf of the PSA to the SAPS National Office. The attorneys informed the PSA on 11 December 2019 that the SAPS responded in that its National Office regarded the PSA and members as entitled to exercise organisational rights in terms of *Labour Relations Act 66 of 1995 (LRA)*, as amended, in any of its workplaces. The only conditions were that meetings will be allowed outside working hours and in consultation or arrangement with management in the various workplaces.

The current circular specifically mentions section 12 of the *LRA*, which literally excluded access to all unions, except Sapu and Popcru. It further referred to circulars issued on 22 June 2018 and 12 April 2019, which acknowledged the PSA as a recognised Union.

A recent circular contradicted the response from the National Office as communicated to the PSA's attorneys. It was communicated to all Divisions in SAPS that only Popcru and Sapu are the recognised unions. The PSA was left with no alternative but to approach its attorneys to enforce the settlement agreement.

State-owned entities

Pan South African Language Board of South Africa (Pansalb)

Signing: Recognition Agreement

The long-awaited Recognition Agreement that was negotiated by parties to regulate the relationship between the PSA and Pansalb was signed by parties.

Public Protector of South Africa

Removal of Public Protector

The PSA wrote a letter to the Speaker of Parliament, requesting to be consulted during the investigation into the removal of Adv B Mkhwebane as Public Protector. The PSA submitted inputs on reasons to remove the Public Protector owing to her fitness to run the office. Advocate Mkhwebane abused her powers by purging PSA shop stewards and ill-treating them. The PSA received an acknowledgement of receipt from Parliament. The PSA submitted evidence obtained from members to legal counsel appointed to deal with the PSA's representation. The attorneys will engage with the panel to determine the appropriate time to submit representations.

Revealing Investigators' signatures

The PSA received information that signatures of Investigators were revealed to individuals who were investigated. This posed a serious risk to the safety of members and their families. The PSA wrote a letter to the Public Protector, followed by a meeting with the newly appointed Chief Executive Officer, requesting the employer to refrain from such conduct. The employer acceded to the PSA's request.

Job evaluation

The employer previously embarked on a job evaluation and the outcome was to upgrade Administration staff. The employer refused to implement the outcome. The PSA lodged a dispute with the CCMA. The PSA is waiting a date for conciliation from the CCMA.

Submission: Performance agreements

The PSA received information that the employer issued a communication whereby performance agreements had to be completed by 30 April 2020. The PSA wrote a letter to the employer, demanding the extension of the due date owing to the COVID-19 lockdown. Members indicated that they wanted to engage with their managers to have the same understanding of the agreements. The employer accepted the PSA's demand and extended the due date for submission.

State Information Technology Agency (Sita)

Salary negotiations at Sita for the 2020/21-financial year were suspended owing to the national lockdown as bargaining forum meetings were not taking place. After the lockdown was eased, negotiations resumed, and the PSA tabled its mandated demand for a 12%-salary increase. The employer offered 0% and stated that it was affected by the lockdown and did not make a profit. The PSA rejected the offer and demanded a revised offer. The employer did not move from its offer. The PSA declared a dispute and referred the matter to the CCMA. A few days before the scheduled conciliation, the employer tabled a revised offer. Parties agreed on a once-off bonus and a further 2% increment in the next financial year. The matter was withdrawn from the CCMA. Salary negotiations for 2021/22 were in progress by the end of the report period.

New structure

Sita embarked on creating a new structure and 90% of employees received placements letters. The PSA is represented in the task team dealing with the structure and will ensure that members' rights are protected.

South African Revenue Service (Sars)

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

Wage agreement

The PSA signed a three-year, multi-term agreement, regulating conditions of service and wage increases for the 2019 to 2021-financial years. The last leg of the agreement was due to be implemented on 1 April 2021, but indications were that the employer would not be implementing the agreement.

The PSA obtained a legal opinion that confirmed that the matter differs from the Public Service wage dispute and that the PSA has strong prospects of success. A dispute was subsequently declared.

Hay grading dispute

Sars embarked on a job evaluation process (Hay grading) in 2003. Serious concerns and dissatisfaction were raised by PSA members regarding the process that was followed. Despite numerous attempts by the PSA to have the matter arbitrated in terms of Sars private arbitration procedures, the employer continued to frustrate the process. The CCMA appointed an arbitrator to hear the matter. The national lockdown delayed finalisation of the arbitration. By the end of the report period the PSA was still finding it difficult to get the matter set down to be concluded and wrote to the CCMA, requesting its intervention.

Field Worker allowance dispute

Sars decided to withdraw from the collective agreement that regulates the Field Worker allowance. This allowance is paid to Field Workers who utilise their personal vehicles to perform their day-to-day activities. The withdrawal of the allowance resulted in the employer phasing this out over four years. The PSA declared a dispute on behalf of a group of members in KwaZulu-Natal who forfeited the travel allowance. The dispute was heard by the CCMA, and it ruled in favour of the PSA that the collective agreement varied the employment contract and the mere fact that the employer withdrew from the collective agreement did not give it the right to also withdraw the monetary value that was derived from the collective agreement. The employer lodged a review application to the Labour Court. The matter was still to be heard by the Labour Court when the employer presented affected members with a settlement agreement that was favourably considered by these members.

Travel allowance

Sars replaced the Field Worker allowance with a travel allowance in 2016. In 2019, Sars indicated that it wished to withdraw from the policy and phase out the allowance as it believed that the allowance was not assisting it to operate its business efficiently and cost effectively. The withdrawal of the allowance was discussed and delayed until early 2021 when the employer gave notice to affected employees. The PSA declared a dispute and the matter will be arbitrated by the CCMA on 6 May 2021.

Leave encashment

In previous financial years, members were able to encash up to six days of unused leave. The employer informed labour that owing to financial constraints it could no longer pay out unused leave days. The PSA referred the matter to the CCMA as an unfair labour practice (benefit dispute).

Insourcing: Cleaners

The PSA made a demand that cleaning and security services must be insourced. The employer created a working group to determine if this would be viable. The working group concluded that it was viable to insource Cleaners. Parties deliberated and signed a collective agreement to insource 780 Cleaners. Security workers were next to be considered but the national lockdown impacted on the finalisation of the report. More discussions are needed as the lockdown resulted in a change to working arrangements for employees that will ultimately result in less office space being rented, which will impact the number of security staff. By the end of the report period, discussions on this matter were ongoing.

Trade and Industry Entities

Negotiations on salary increases for the 2021-financial year were ongoing by the end of the report period. A dispute was referred to the CCMA and a certificate on non-resolution was issued. Parties consulted on picketing rules and the CCMA issued the agreed picketing rules.

Council for Geoscience (CGS)

Restitution: Organisational rights

The PSA was served with a notice during the latter part of 2020 that it no longer met the requirements to maintain organisational rights. The PSA requested an appointment with CGS management to engage on this as the lockdown and the fact that employees were still working remotely, made recruitment efforts impossible. The organisational rights were subsequently withdrawn, and the PSA will embark on an intensive recruitment drive to regain admission.

Human Sciences Research Council (HSRC)

Annual salary increment: 2021/22-financial year

The employer re-affirmed that the allocation letter of its funding was not yet received from the Department of Science and Innovation (DSI). It was informed that this had been submitted for the Minister's signature.

It was also reported that by 10 April 2021, the Finance Division would have finalised its transactions and closure of books for the 2019/20-financial year. The PSA raised a question of a surplus in funds, which in normal circumstances, also formed part of salary negotiations for awarding all employees a once-off payment across-the-board. The employer undertook to make a full presentation to the PSA and employees. It also reported that the budget for compensation of employees was in May 2020 cut by R2.8 million, with a further 10% cut in October 2020. The National Treasury indicated, according to the employer, that there might be a further cut of R32 million. The matter was still not concluded at the end of the reporting period.

Discrimination based on race

Members alerted the PSA and the Branch Committee of some acts of racism in the organisation. Owing to the sensitivity, members were reluctant to report incidents. Other allegations were based on remuneration disparities between employees with similar functions, where some race groups are remunerated at higher levels or notches. The PSA requested data and demographics of all HSRC employees. The employer had reservations on sharing such confidential, personal information. Other justification from the employer was that the higher remuneration could be because owing to long service of incumbents. The PSA indicated that the requested information was in terms of workforce profile per unit from an employment equity perspective. The employer indicated that such information was being made available at the HSRC Employment Equity Committee where all parties, including the PSA, participated. It alleged that equity could consider gender and race through the entire organisational landscape. The PSA proposed that the information should be disclosed without mentioning incumbent of posts, as in the reports that were submitted to the Department of Employment and Labour in compliance with *Employment Equity Act* requirements. Alternatively, to allow all parties sign a confidentiality agreement. If valid reason existed for any of the disparities, these would be accepted and consistently applied across-the-board in the organisation. The employer agreed to compile and share the requested information but excluding the information of senior and top management. It would also provide details of professionals as was submitted to the Department of Employment and Labour.

Leave recommendations

It was alleged that accumulative leave had a huge financial implication owing to failure by employees to use leave within the stipulated time frame.

The accumulative effect on retirement or resignation caused a financial burden. The employer was considering recommending to the Board that the process of accumulating leave be terminated with effect from 1 April 2021. Employees were to apply and use such leave days by 31 March 2022. Failure to utilise would result in leave days being forfeited. The PSA informed the employer that such consideration could not be retrospectively implemented and/or recommended.

The employer further proposed that with effect from 1 April 2021, the following be implemented: Family responsibility leave would increase to four days, two days for religious leave, ten days parental leave days to a maximum of three times during the employee's work life in the HSRC with full pay. Any additional leave days would be granted without pay, where the Unemployment Insurance Fund would be responsible for payment of benefits. A commissioning parent in a surrogate motherhood agreement is entitled to ten consecutive weeks of such leave. Permanent employees or long-term contract employees would be entitled to six consecutive weeks paid leave. A further four consecutive weeks unpaid leave to a maximum of three occasions. Leave payout to be reduced and/or limited to 20 days.

Deliberations were to continue in management structures and tabled at the Consultative Forum for further consideration by the PSA and its members. The PSA noted that these proposals changed current conditions negatively and objected to this. The PSA will ensure the members' rights are protected.

South African Social Security Agency (SASSA)

Organisational rights

Parties to the bargaining forum developed and negotiated on the organisational rights agreement and full-time shop steward agreement. Negotiations on this matter were being finalised by the end of the report period.

COVID-19 Steering Committee

A COVID-19 Steering Committee was established to monitor and assess the risk of COVID-19 in SASSA. Protocols were developed and parties engaged regularly on the management of the risk and adjustment of protocols. On 31 March 2021, the employer reported 899 positive cases, 855 recoveries and 41 deaths.

South African Local Government Association

Cost-of-living adjustment: 2020/21

The PSA was the majority Union during the report period with full organisational rights and was engaged in concluding a recognition agreement. Parties were yet to establish a bargaining forum. A demand for a 7%-salary increase was submitted to the employer and after several engagements, the employer approved an increase of 4.5%.

COVID-19 statistics

The PSA was consulted on COVID-19 protocols and risk adjustment plans. The employer by the end of the financial year reported 34 positive cases and no deaths.

Companies Intellectual and Property Commission

Salary agreement

Employees on salary levels 1 to 10 received a 6.5% cost-of-living adjustment and employees on salary levels 11 to 12 received a 4.7% cost-of-living adjustment.

Industrial Development Corporation (IDC)

The PSA is the only recognised Union at the IDC, representing more than 60% of employees. Parties signed an organisational rights agreement, granting the PSA the right to exercise all organisational rights. Salary negotiations resulted in an agreement granting employees on levels salary bands P and M and a salary increase of 3% and 4% to employees on salary bands A and S. The agreement also granted employees the right to encash 100% of their accumulated service leave.

National Departments

(Departmental Bargaining Chambers)

The PSA during the lockdown and challenges brought about by the COVID-19 pandemic, continued to represent the interests of members in the 47 National Departments. Most of the meetings took place as virtual meetings. Where this was not possible, compliance with regulations was strictly adhered to by Councils. Many of the discussions that took place at Departmental Bargaining Chambers were related to compliance with pre-scripts, policy reviews, office space, finalisation of the Reconfiguration of Government Departments process, performance-bonus payments, organisational structures, benchmarking and working conditions of Security Officers as well as the absorption of Contract Workers.

Provincial notes

In the **Eastern Cape**, all Chambers struggled to hold meetings until they all resorted to virtual meetings owing to COVID-19 lockdown restrictions. Involvement in all Provincial Occupational Health and Safety Committees yielded positive results in ensuring members' safety. Salary agreements were concluded on a sliding scale at the Eastern Cape Parks and Tourism Agency as well as the Eastern Cape Liquor Board. The PSA was actively involved in all National and Provincial Departments' forums, which were mainly held virtually.

In the **Free State**, the Provincial Office ensured representation at all collective bargaining forums. The Office and provincial structures continuously promoted the interests of members. Structures assigned to the Office could not hold meetings as planned owing to COVID-19 restrictions. Meetings that were scheduled virtually also presented challenges with the unavailability of resources for some structures. The province, however, successfully completed the nomination and election of the Branches and Committees. A total of 23 collective bargaining meetings were held during the report period, including workplace forums, task teams, Exco and Chamber meetings. A total 50 issues were discussed during these meetings. No disputes were declared, and no collective agreements or policies were signed or adopted during the report period.

In **Gauteng**, the Johannesburg Provincial Office participated on a weekly basis, and sometimes more often, in the steering committees at Gauteng Education, Gauteng Health and the Department of Home Affairs as well as the Provincial Steering Committee. Many problems, specifically at schools and the Department of Home Affairs, were successfully addressed. Salary negotiations for the Gauteng Enterprise Propeller were finalised in January 2021 for 2020/21 and 2021/22. The Pretoria Provincial Office concluded a recognition agreement with the Financial Intelligence Centre and successfully again entered the bargaining forum of the Safety and Security Sector Education and Training Authority, as it became the majority Union at the employer. The Office successfully concluded a salary increase of 4.2% at the Financial Sector Conduct Authority.

In **KwaZulu-Natal**, the PSA was the most active participant in the GPSSBC Bargaining Chamber and submitted more than 100 matters. Full-time shop stewards and shop stewards were given an opportunity to accompany Labour Relations Officers of the Pietermaritzburg Provincial Office to Provincial Chambers.

There was improved participation by the PSA in all collective bargaining forums and a significant increase in the number of agenda points. It was further ensured that the status of collective bargaining in the province was a standing agenda point of all structure meetings.

The PSA actively participated in all **Limpopo** Provincial Chambers of the PSCBC, PHSDSBC, GPSSBC and had a working-together arrangement in the ELRC with the representative of the CTU-ATU attending the Chamber. The PSA enjoyed majority status in the GBSSBC. The PSA collectively achieved the following for members in Limpopo during the report period:

Disinfection of facilities and supply of personal protective equipment: The PSA's intervention led to disinfection of some 174 offices at the Limpopo Department of Social Development and a notice was issued for employees to remain home during the time of fumigation.

Reduction of lunch time at Department of Home Affairs: The PSA assisted members in Polokwane to restore their lunch hour after the employer reduced this to 30 minutes.

Non-payment of salaries for Community Health Workers: Community Health workers were assisted to receive their salaries after the employer failed to pay them from April 2020.

Poor working conditions: The PSA was at the forefront to enforce the implementation of the *Occupational Health and Safety Act (OHSA)* in pursuit of safe and healthy workplace. The PSA, for example, ensured that several departments were closed with the assistance of a Labour inspector by issuing prohibition notices owing to non-compliance with the *OHSA* (e.g., Phalaborwa Home Affairs, Seshego Pharmaceutical Depot and Thohoyandou High Court). The Department of Home Affairs was forced by the PSA to establish a COVID-19 Committee, provide water to employees, and disinfect the offices. At Mankweng Hospital, the PSA ensured that the ICU was closed and disinfected following a COVID-19 case. Active participation and awareness by the PSA ensured that where employees tested positive for COVID-19 at SASSA, the Department of Justice, Department of Social Development, the Department of Transport and Community Safety, the Department of Education, LEDET, the Department of Agriculture and Rural Development, the SARS, the Department of Employment and Labour, Office of the Premier, as well as the Department of Water and Sanitation, the employer would close offices, disinfect, and trace contacts.

The PSA also insisted that labour was represented on COVID-19 Committees in majority of the departments, including TVET Colleges. The PSA also intervened at Phagameng High in Modimolle, the Department of Education's Mogodumo District, WF Knobel Hospital, and Levubu Clinic to ensure a conducive environment.

Shortage of ambulances in health facilities: The critical shortage of ambulances affected employees as they were not able to render effective services. Following the PSA's efforts, 50 ambulances were procured.

In **Mpumalanga**, the PSA enforced section 8(1) of the *OHS Act* in departments, notably the Department of Employment and Labour, the Department of Justice, the Mpumalanga Department of Education and the Department of Health and Social Development where most offices were not complying with safe working environments. The monitoring of government tendencies and activities was a good strategy as the Provincial Office could prepare counter strategies. The Office challenges the Department of Social Development when it unilaterally changed the incentive bonus agreement, instead of paying qualifying employees as per scores, it wanted to pay R3 500 to all qualifying employees. The Provincial Office attended and actively participated in Chamber meetings and submitted a minimum of two agenda items per Chamber meeting.

In the **Northern Cape**, the COVID-19 pandemic necessitated the establishment of occupational health and safety committees in various departments. The Provincial Office engaged in these virtual meetings. The statutory chambers, such as Northern Cape PSCBC, GPSSBC and PHSDSBC were also attended. During the report period, the PSA was party to a dispute declared with the National Task Team following the merger of the Department of Agriculture and the Department of Environment and Nature Conservation. The dispute stemmed from the Department of Agriculture's continued appointment of officials in senior posts, despite a promulgation by the Premier. The process of consultation was disregarded, and the functional structure submitted by Agriculture before the merger differed substantially from the previous structure. The consultation process was ongoing by the end of the report period.

In **North West**, the PSA's majority status in the GPSSBC was maintained. The PSA placed a new item for each meeting of all Provincial Chambers. Transverse issues included the upgrading of Data Capturers, Messengers and Security Officers were actively pursued by the PSA.

The PSA has also made efforts in negotiating salary adjustments as well as issues of mutual interest at state-owned entities in the province.

In the **Western Cape**, the PSA was and was an integral part of the PHSDSBC, GPSSBC and CCPWCP (provincial PSCBC), Western Cape during the report period. The bargaining forums for several state-owned entities, such as the Western Cape Blood Service were also attended to. PSA officials served on various task teams of these chambers, including but not limited to consultative forums and COVID-19 task teams. Representatives from Branches were identified and attended these chambers together with PSA officials. During the COVID-19 lockdown and subsequently, meetings proceeded virtually to ensure matters received attention and were not delayed by the pandemic.



Members' rights

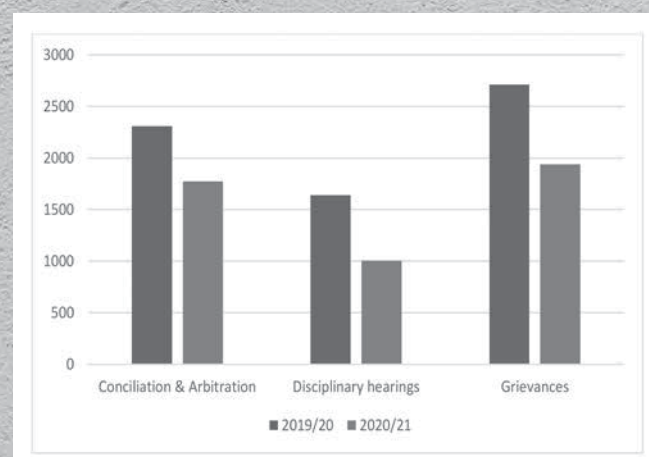
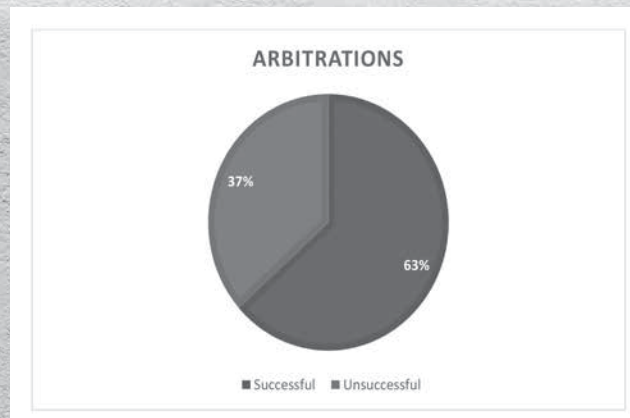
The Members' Rights Unit is a core component of the PSA and seeks to promote and protect the rights of members through representation by PSA officials and union representatives in disputes, including providing legal assistance. Members are represented in the Public Service and some state-owned entities,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

COVID-19 brought about challenges in the field of representation for all cases handled at the employer premises (disciplinary hearings and grievance meetings), in Sector Councils, the CCMA, Labour Courts and other courts. The PSA had to adjust and adapt to new ways of work and get officials up to speed in utilising the virtual platform effectively and efficiently. In these difficult times, the representations of the PSA ensured that members obtained successful outcomes in disputes lodged against employers, whilst in some the PSA was not successful.

The positive 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:

- Finalised arbitrations: 464 (294 successful and 170 unsuccessful)
- Finalised disciplinary hearings: 387 (253 successful and 134 unsuccessful)



| Members' Rights activities | | |
|--------------------------------|---------|---------|
| Report period | 2019/20 | 2020/21 |
| Conciliations and arbitrations | 2 308 | 1 774 |
| Disciplinary hearings | 1 641 | 1 005 |
| Grievances | 2 713 | 1 939 |

During the report period, the PSA provided legal assistance to members at a cost of R2 447 532.09 (compared to R3 350 278.31 in 2019/20). The total value of the awards in favour of the PSA amounted to R13 035 638.41 (compared to R41 962 034.04 in 2019/20).

Provincial notes

In the **Eastern Cape**, the Provincial Office in Mthatha successfully represented members in arbitrations and disciplinary hearings. During the report period, the PSA was successful in eight arbitrations and unsuccessful in four, with the remaining 28 pending. In terms of disciplinary hearings, the Mthatha Provincial Office was successful in 27 out of 28 hearings. The Office has a good track record of grievances resolved. This is owing to good relations established with labour relations components at departmental level. Shop stewards were also encouraged to deal with matters on the ground. An amount of R273 959.55 was paid to members at the Department of Education after a settlement agreement. An amount of R871 871.16 was paid to members at the provincial Department of Sports and Recreation, Arts and Culture and Provincial Department of Education following an arbitration award. Despite the COVID-19 pandemic, the Office secured a victory for a member at the Department of Education in Ngcobo with the member being compensated R6 000 in medical-aid contribution. The Provincial Office in Mthatha did not have finalised court cases during the report period, with various cases still pending.

The Provincial Office in Gqeberha, during the report period, performed well in protecting members' rights, despite the pandemic with eight successful arbitrations and two being unsuccessful, 12 successful disciplinary hearing outcomes and three unsuccessful outcomes. In the 35 grievances lodged, some positive results were obtained and where these were not obtained, the PSA would consider referral to the relevant sectoral council. A total of R891 675.57 was paid to members as a result of arbitration awards, with R180 000 being paid to members following settlement agreements. A total of four arbitrations were taken on review by the employer. Of these, two were referred back to be arbitrated by a different arbitrator. In one of these, the court ruled in favour of the PSA by dismissing the review application whilst the other is pending. In one case, the Provincial Office in Gqeberha assisted a member at the Department of Transport. The member was dismissed in 2018 and the PSA took the matter to the GPSSBC as an unfair dismissal.

The arbitration award was in the member's favour in that the dismissal was unfair, indicating that the member had to be reinstated with payment of all lost salary and benefits. The employer took the award on review. The PSA opposed the review application. The Labour Court in March 2021 dismissed the review application and ruling that the member must be reinstated as if there was never a dismissal. The employer has made a request to Treasury for his back pay from 2018.

The **Free State** Provincial Office, with the assistance of full-time shop stewards and shop stewards, effectively protected the rights of members in the workplace. Constant engagements with shop stewards were key in assisting to identify challenges affecting members and promptly addressing these. Items not resolved in engagements with the employer were escalated to Chambers. This approach was very successful with most cases being dealt with institutionally. Legal assistance was utilised as last option after all possible actions were unsuccessful. Services cover the following cases: Arbitrations: 157 (OSD, pay progression, unfair dismissals, etc.), conciliations: 89 (TIL, OSD, unfair dismissals, etc.), disciplinary hearings: 121, and grievances: 148. A total of 878 members were consulted.

In **Gauteng**, the Provincial Office in Johannesburg registered 580 new cases in the form of grievances, conciliations, and arbitrations during the report period. The Office further assisted members with disciplinary hearings and sought to capacitate full-time shop stewards and shop stewards to represent members in hearings. Favourable outcomes were obtained for members in more than 329 cases during the report period. Despite the COVID-19 lockdown making it difficult to meet with members, the Pretoria Provincial Office registered 119 COVID-19 related cases by the end of April 2020, which was a massive surge in cases after the lockdown was pronounced. However, individual rights cases during that time decreased largely because members were working from home and councils were for some time non-operational. In total, 780 new cases were registered by the Office. The Office reported various incidents of non-compliance to the Department of Employment and Labour that were investigated. The Office remains concerned about the reluctance of the employer to implement successful arbitration awards, thus forcing the PSA to embark on enforcement of cases and similar court action.

In **KwaZulu-Natal**, the Provincial Office in Durban successfully represented more than 20 members in arbitration matters and received awards to the value of R1.8 million.

Since the onset of COVID-19, the Office successfully defended the rights of frontline workers who were expected to work without appropriate personal protective equipment. The PSA placed the employer on terms, with many institutions complying. The Provincial Office in Pietermaritzburg handled 100 disciplinary hearings and was successful in 70 of these. Some 110 arbitrations were handled with a 60% success rate and monetary value of more than R1.5 million. The main contributors in these successes were PSA staff, full-time shop stewards and shop stewards

In pursuit of the protection of members' rights, the Provincial Office in **Limpopo** handled several grievance meetings, disciplinary hearings, conciliations, arbitrations and approached Courts. The Office, during the report period, concluded 21 grievances (16 successful cases), 15 disciplinary hearings (eight successful cases), 15 unresolved conciliations and 19 arbitrations with nine awards in favour of members and four matters being referred to Court. The Office, on several occasions during the report period, stepped in to protect members' rights. Examples of such assistance to members include a member who after being charged with misconduct for alleged dereliction of duties and the use of inappropriate language, was successfully defended by the PSA during the disciplinary hearing. He was found not guilty on both charges. The PSA successfully challenged the unfair transfer of the member, and the arbitration award ordered the employer reverse the transfer with compensation. Other examples are where a member was dismissed after being charged following a process that commenced in 2002 and only finalised in 2016. The PSA assisted the member, and the arbitration award ordered his reinstatement retrospectively from 2016 with backpay of R1 235 904. Two members whose salaries were stopped without any notice and just cause, were assisted. The PSA engaged with the employer and after determining that there was no intention by the employer to correct the situation, the PSA approached the Court on an urgent basis. The employer was ordered to pay, and the members received R260 000 and R40 000 respectively for salaries that were withheld.

The Provincial Office in **Mpumalanga** successfully represented members in various cases. Arbitration awards amounting to R690 810 as compensation were secured. The Office had 61 arbitrations, 32 were awarded in the PSA's favour, four are under review by the employer, and 25 were unsuccessful with the majority being cases related to unfair dismissal and unfair labour practice relating to benefits. In total, ten settlements were reached on PMDS and overtime payments.

The Office strengthened the Union's profile in the Province by successfully challenging workplace-related injustices in all forms. The assistance of three full-time office bearers from the DCS with cases in other departments assisted greatly. In one case, a member at SASSA was assisted in an unfair dismissal. The matter was settled with costs and an amount of R58 488.04 was received.

In the **Northern Cape**, an amount of R1 698 373.04 was obtained from arbitration awards issued in favour of members. The Provincial Office further received positive outcomes for members in the following: Arbitrations: 134, disciplinary hearings: 18 out of 22 cases in favour of members. The Province collected R70 000 from cost orders against employers in various cases. A total of 16 cases were referred to the Labour Court.

The Provincial Office in **North West** mentored many shop stewards to enable them to attend to members' grievances and disciplinary hearings. These shop stewards have been equipped to perform arbitrations. The Office, during the report period, received an influx of matters relating to non-compliance in terms of PSCBC Resolution 7/2000 and PSCBC Resolution 3/2009, with awards being in favour of members. Departments reviewed some of the matters, which were before the Labour Court for adjudication by the end of the report period. The Office represented members in 75 arbitrations, 23 disciplinary inquiries, and 35 conciliations. Favourable arbitration awards amounted to R1 305 320.90 in total. Health and safety in the workplace are serious concerns in many institutions, especially Magistrate's Courts, the Department of Social Development, Agriculture and Labour and Employment. The Office ensured that such matters were attended to promptly.

The **Western Cape** Provincial Office's service to members remained the centre of operations. During the COVID-19 lockdown, member enquiries and requests for assistance increased dramatically. This important function was delivered by PSA Labour Relations Officers assisted by full-time shop stewards and full-time office bearers. This service included the following cases: Arbitrations (58), conciliations (52), disciplinary hearings (66), grievances (108), and collective bargaining meetings (38). There were 13 matters before Court during the report period, which had been ongoing since before the onset of COVID-19. Office bearers from the Province's 23 structures, assisted by shop stewards, dealt with numerous enquiries from members as well as disciplinary and counselling matters.

There were 13 matters for which legal representation was requested in the report period. Four were review applications in the Labour Court, five were opposing review applications in the Labour Court, one was an appeal in the Labour Appeal Court and three were disciplinary hearings where legal representation was required. Of the 13 matters, six have been finalised. Of these, three were successful and three unsuccessful. In one case, a member at the Department of Correctional Services lodged a grievance as he was incorrectly translated to the OSD for Correctional Officers.

The matter was referred as a dispute and the arbitrator found that the Department had correctly interpreted and applied the collective agreement. The PSA took the matter on review to the Labour Court, which application was successful. The Court reviewed and set aside the award. It substituted the award with a finding that the member must be translated to OSD salary band CB5 with retrospective effect to 1 July 2009. The amount owing to the member is R731 391. The Department was also ordered to pay the PSA's costs.

Liaison

The Union's total membership figure on 31 March 2021 stood at 233 700, compared to 249 206 at the end of the previous financial year. The membership figures were severely influenced by the hard lockdown that was implemented from 26 March 2020 owing to the COVID-19 pandemic's impact on the country with no to very limited physical contact recruitment for most of the year (i.e., March to August 2020), as well as an extensive clean-up of non-active members on the PSA's membership database. Despite the apparent decrease in total membership, mostly owing to the clean-up, the number of paying members increased owing to vigilant follow-up projects.

The Organising/Marketing Officers, full-time shop stewards/full-time office bearers and shop stewards persistent with effort in recruiting and servicing members in these difficult times.

During the report period, a recruitment campaign was launched from 31 August until 9 October 2020, with a primary focus on the ELRC, SAPS and Health sectors. Other Public Service institutions were also visited. A total of 4 635 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.

Another recruitment drive was launched for a period of two weeks (i.e., from 16 November until 27 November 2020) to recruit members at the Small Enterprise Development Agency. A total of 136 new members were recruited in that period.

Provincial notes

In the **Eastern Cape**, the Mthatha Provincial Office recruited 1 121 new members during the reporting, which resulted to a total membership of 13 205. The Office also had success in retaining members. Owing to COVID-19 restrictions, Organising/Marketing Officers made special efforts to assist shop stewards with recruitment. The Office ensured involvement of business partners in all face-to-face encounters with members and the GEPP involvement was especially appreciated by members. The Provincial Office in Gqeberha recruited almost 900 new members, despite challenges. Business partners played an important role in the Office's success during the report period.

The **Free State** Provincial Office experienced a steady growth of membership, despite challenges owing to COVID-19 restrictions. This growth was mostly thanks to the commitment Organising/Marketing Officers during the recruitment campaigns. The Office recruited 1 882 new members in the report period.

In **Gauteng**, owing to the high level of commitment by Organising/Marketing Officer during the pandemic, travel permits were obtained to allow for visits to members, especially frontline workers serving the country. The Pretoria Provincial Office recruited 3 022 members during the report period, whilst the Johannesburg Provincial Office recruited 1 243 members.

In **KwaZulu-Natal**, the Durban Provincial Office launched the imvuselelo recruitment campaign to improve service delivery to members. More than 350 members were recruited in the process and more than 150 institutions were also visited during that period. The Pietermaritzburg Provincial Office's visibility on social media during the COVID-19 pandemic assisted the Office to achieve the first and the second position of top recruiters of the PSA during 2020. During this trying period 1865 members were recruited under difficult circumstances

Despite the challenges brought by COVID-19, the Provincial Office in **Limpopo** contained resignations by members and engaged in alternative recruitment modes, including utilisation social media platforms. The distribution of promotional material also assisted in enhancing the PSA's visibility in workplaces and the attainment of retention targets.

In **Mpumalanga**, Organising/Marketing Officers recruited 1 243 members, with membership growth in the Department of Correctional Services and the PHSDSBC. Recruitment is a standing item on the agenda of all Branch/Committee meetings to monitor and encourage structures to support recruitment. The Office contained membership cancellations and the declaration of every Friday as a "PSA recruitment day" assisting in retaining members and ensuring visibility.

Although the Provincial Office in the **Northern Cape**'s membership did not grow, the Office recruited 674 members during this period. The Office was successful in retaining members by following up of non-paying members.

In **North West**, 695 members were recruited during the report period through the active participation of shop stewards, full-time shop stewards, and staff, whose product knowledge ensured that members received accurate information on PSA activities, with collective bargaining being a primary platform in successful recruitment. In support of retention, Labour Relations Officers, shop stewards and full-time shop stewards played a significant role in ensuring that members were represented in disciplinary hearings, grievances, and disputes with a high success rate.

The COVID-19 pandemic also impacted on membership growth in the **Western Cape**, as Organising/Marketing Officers and full-time shop stewards could not visit institutions or be physically visible for a large part of the year. Despite this, 1 239 members were recruited during the report period. Organising/Marketing Officers, assisted by full-time shop stewards, full-time office bearers and shop stewards, undertook various site visits where they engaged with 6 398 officials of whom 2 371 were non-members. Despite the pandemic, six open days and a campaign, "Battle of the Committees Recruitment Drive", were undertaken, resulting in the recruitment of 575 new members. All Branches and Committees in the province were invited to participate in the campaign, which ran over three months. The Provincial DCS Committee was once again the winner, with 274 new members being recruited. The Health and Social Development Branch took second place (136 new members), the Provincial Committee for the Department of Justice took third place (41 new members). The Office, during the report period, undertook 12 liaison tours to outlying regions in the province, travelling more than 68 574 km to reach these officials.

Branch for Associate Members: Public Service Pensioners

Management Committee

The Management Committee of the Branch comprises of Gideon Serfontein (Chairperson), Gerrie Malan (Vice-Chairperson), Dries du Plessis (Secretary), Buks Jordaan (Deputy-Secretary), Hannes Botha, Rita Bessenger, Rienie van Blerk, Pietie Botes, and Stella Morrow as well as the elected Chairpersons of the Regional Committees as mentioned below. During the report period, the Management Committee, owing to COVID-19, could only hold one virtual meeting and held an Annual Members' Meeting on 25 February 2021 where a new Management Committee, as mentioned above, was elected. Despite COVID-19, the Management Committee still carried out its responsibilities and executed matters assigned to it by the PSA Board and the PSA's Annual General Meeting.

Regional Committees

Four functioning Regional Committees handle and promote the interests of Branch members at regional level. These are:

- **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 and encouraging PSA members who are about to retire that they can join the PSA as associate members upon retirement. In addition, the Branch management throughout the report period continued with its project to update its member database and maintain contact with these members. Special efforts and incentives were place to facilitate the recruitment of members of the PSA for continued associate membership, prior to retirement to ensure that a viable Group Branch for Associate Members: Public Service Pensioners is maintained.

Enquiries regarding pension and post-retirement medical assistance

During the report period, the Branch assisted numerous members to resolve their queries regarding pension matters and post-retirement medical assistance, thus continuing to provide a timeous and quality service to members. The proposal for a better dispensation for spouse's pensions will be debated at the PSA Chairpersons' Forum.

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 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 for that reason commendable that the PSA is the only Union that accommodates a Branch Associate Members: Public Service Pensioners as part of its structures.

Examples of instances where the PSA had to intervene to protect the interests of pensioners are plentiful. These include the initiative and intervention of the PSA that ensured that increments for the annual increase of pension payments will not be less than 75% of the annually announced CPI inflation rate. The PSA was also instrumental in ensuring labour representation on the PIC Board, the managing agent for the Government Employees Pension Fund (GEPF).

The PSA has been openly voicing opposition to suggestions to utilise pension funds to salvage struggling enterprises such as Eskom and others. The PSA had to intervene to protect the terms of medical benefits for former members of the Department of Correctional Services. The PSA also regularly speaks out against corruption that impacts on the retirement benefits of pensioners.

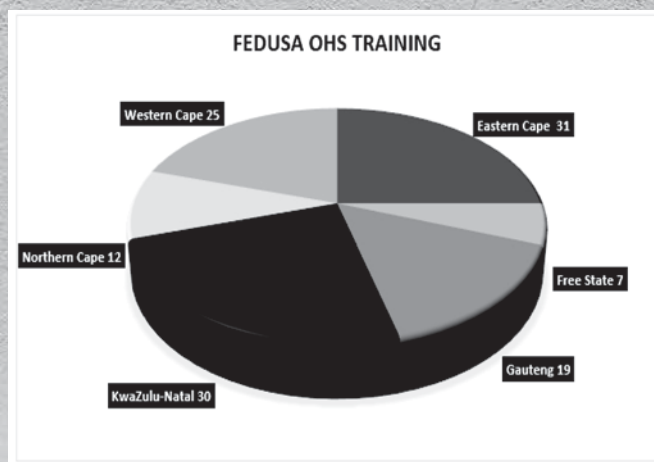
Training

The PSA Training unit was established in 2018. Initiatives related to training interventions and partnerships during the report period as set out below:

Virtual training on retention and recruitment during COVID-19 was conducted by the PSA Training Officer on 21 and 22 July 2020, with 29 PSA Organising/Marketing Officers being trained.

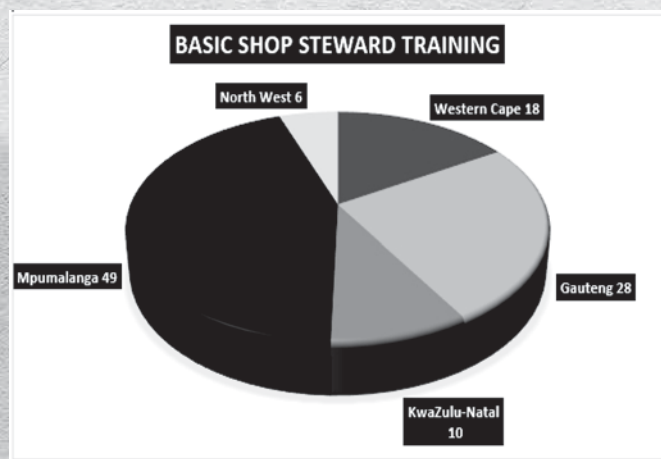
Fedusa Occupational Health and Safety (OHS): COVID-19

This virtual training was conducted in August 2020 by external service provider for 174 shop stewards as indicated in the following graph. Participants were trained on various matters, including understanding OHS legislation, the role of employers in OHS regarding COVID 19, the role of trade union representatives in OHS and COVID 19, implications on non-compliance, an introduction to emerging respiratory viruses including COVID-19, preventative measures, and community engagement.



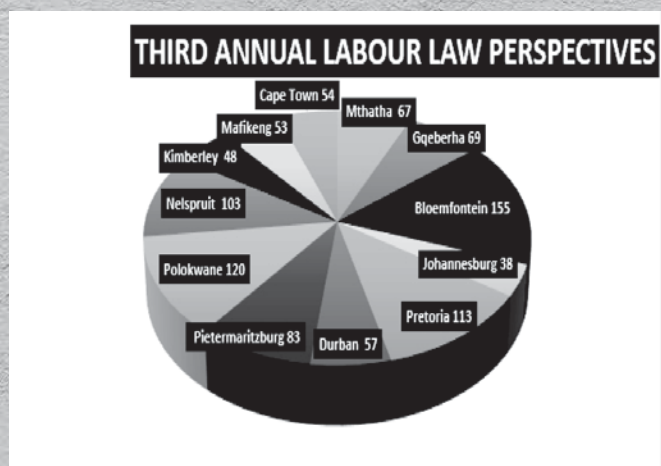
Basic shop steward training

This intervention was rolled out to provinces, with 111 shop stewards being trained between October and December 2020 as reflected in the graph below:



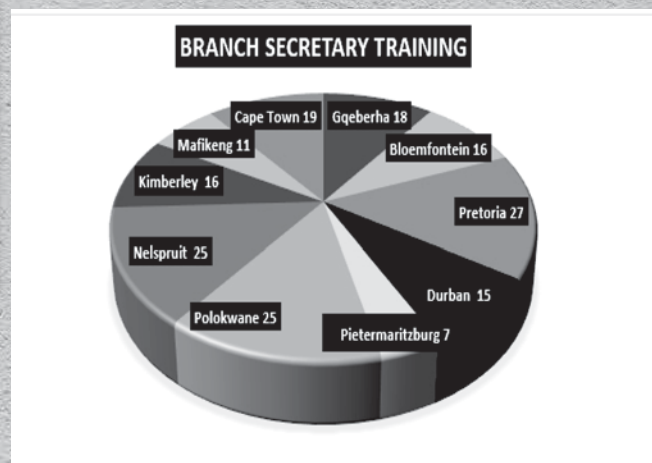
Third Annual Labour Law Updates

These information-sharing seminars provided an update on developments in the field of labour law. The sessions highlighted current changes and developments in South African labour legislation and the applications of labour laws, with specific reference to recent court decisions especially those relevant to the Public Sector and the effects and implications of such legislation. The training was conducted by an external service provider from March to April 2021, with a total of 960 delegates being trained nationally as reflected below:



Branch Secretary training

The training conducted by the PSA Training Officer, with a total of 179 delegates attending nationally between 9 March and 21 April 2021 as reflected in the graph below. Topics such as the responsibilities of secretaries and duties of PSA Branch secretaries, PSA functional structures and procedures, PSA meeting processes and procedures, conducting meetings, writing minutes of meetings, and submission writing were covered.





Corporate social investment

In commemorating a century of dedicated service to public-sector employees in 2020, the PSA also rose to the unprecedented challenges presented by the devastating COVID-19 pandemic and cemented a legacy of being more than a Union.

In commemoration of its centenary year, the PSA undertook various acts of kindness, reaching out to members and communities, and showed support to workers who are regarded as the pillars of society. PSA employees and members also collected plastic bottle caps and, in exchange from a recycling company, wheelchairs were donated to 13 beneficiaries across the country with the assistance of shop stewards and structures. The PSA President, Dr Lufuno Mulaudzi, donated the 13th wheelchair in his home Mudimeli Village in Limpopo.

Various dreams were realised as the PSA assisted ten students with study assistance of R5 000 each. In the Northern Cape, a donation was made towards a member's dream to buy a new bicycle. Caritas Charity Organisation received R20 000 and a further R20 000 was donated towards Kelrn, an organisation that raises funds annually to assist various charities in the province. A member's dream for her son was also supported when he was accepted at Titans Cricket Academy and needed gear.

A competition was launched by the PSA to find the most passionate PSA member working as an educator. A member at AJ Ferreira High School in the Northern Cape walked away with the title. She then nominated the School to receive much-needed paper for printing of examination papers, tests, etc. The PSA also provided water bottles for the entire school and school jerseys to learners in need. A competition was also launched in search of passionate nurses and EMS workers. Their reasons in pursuing these occupations ranged from growing up with the dream of assisting people to being able to serve the community. Six winners came from KwaZulu-Natal, Free State, Eastern Cape, North West and Gauteng.

Planned initiatives to bring the centenary closer to the Union's members were reprioritised with due consideration of COVID-19 regulations. Owing to the hardships caused by the pandemic, the PSA focused its corporate social investment interventions on assisting affected communities. A relief project was launched by the PSA to render assistance to disadvantaged communities, villages, and child-headed households in the form of food parcels, winter clothing and blankets. Relief packs, containing nutritional and hygiene products, were also provided to various centres across the country, including Women Against Woman Abuse (a registered NGO that assists women and children who are victims of gender-based violence), homes for abandoned HIV/Aids babies and the West Coast COVID Relief Fund, as well as individuals providing food to vulnerable people.

In spirit of the PSA's birthday month coinciding with Mandela Day, the PSA embraced the 2020 anniversary of the Day by focusing its efforts to alleviate challenges faced by members and the public. The PSA Head Office made donations towards personal protective equipment for Transoranje School for the Deaf, Pretoria School for Cerebral Palsy and Action for the Blind. Staff members also joined a Ms Teen 2020 finalist to support the Give Them Hope Care Centre in Nelmapius. The PSA organised a nurse from Steve Biko Hospital to share information on COVID-19 at Zodwa Special School in Atteridgeville, Pretoria. Sanitisers, masks and stationery packs were distributed to learners and educators and Adiba Frail Care Centre received much-needed items as well as school back packs for Smile, an NGO in Mooiplaats, that aims for sustainable development by supporting early childhood development in nursery schools.

A food garden and gardening equipment were donated to Ouma Lena's Home in Stilbaai, to sustain itself by growing its own food.

The Khayalitsha Youth Centre received soccer balls, sanitising goods and gas heaters. Ten toilets were donated and installed at Willowvale High School, Mnqabe JSS in Ngqeleni and Nurse Night Primary School in Qumbu. A total of ten sewing machines, as well as blankets were donated to the Temba Community Development Centre.

The PSA donated food parcels and blankets to communities from Gutshwa Trust. The PSA collaborated with the Department of Social Development, Motheo local radio station and the Redcross in the Free State, where blankets were distributed during the winter. Water tanks were donated to two rural schools in Qwa-Qwa to address poor infrastructure in schools and assist with hygiene during the pandemic. The Harmony and Kgomotsego old age homes in the Northern Cape received blankets, while sanitary items were distributed in Limpopo. Omolemo Care and Support Centre, which feeds and teaches more than 75 poverty-stricken children in North West, was supported as well as child-headed families in Nanda, Zululand and Phoenix. The Pietermaritzburg Provincial Office supported five schools in the Province namely, Mahloni Primary School, Mthingane High School, Konsoor Combined Farm School, Collssie Primary School and eNhlanzeni Combined School to each receive eight bicycles to assist children who walk long distances to school. The PSA Provincial Office in Limpopo partnered with *Assupol* and the MEC of Social Development to hand over 100 blankets to Sekutupu Old Age Centre.

The provision of school jerseys to learners in need remained a PSA flagship project. During the report period, 221 school jerseys were donated to four primary and two secondary schools in the rural areas of Limpopo. In Mpu-manlanga, 203 jerseys went to three schools, 74 to jerseys to Zigadini Primary School and 50 jerseys to Evendale Farm School in the Eastern Cape. AJ Ferreira Secondary School in the Northern Cape was assisted with 197 jerseys.

The PSA, as part of the Union's Women's Month interventions, supported the *#SPARWomensMonth* campaign by procuring 2 020 awareness bracelets. Action was pledged against gender-based violence and tangible support to victims was provided in aid of the following non-profit organisations: Rape Crisis Centre in Port Elizabeth, Yellow for Survivors, the Greater Rape Intervention Programme (GRIP), Open Door Crisis Care Centre, Reach for Recovery Breast Cancer Support and Saartjie Baartman Centre for Women and Children. The PSA also recognised the crucial roles of females in society and supported women who are making a difference in their communities.

The PSA teamed up with the SA Police Service in Cradock in the Eastern Cape's K9 unit to raise awareness about crime and distributed 500 pairs of school shoes in five areas in the province.

The project started August 2020 at Solomon Akena Primary School in Cradock with due regard of COVID-19 regulations. This worthy initiative was sparked by Sergeant Frank Pieters when he personally started donating school shoes to Cradock's children. The PSA supported this project as part of the Union's centenary programmes and because of its success expanded to more schools by donating school jerseys and much-needed water tanks to Carinus Primary School and Ilingeletu Creche. The PSA also donated two floodlights to the Cradock K9 unit to assist with visibility around the station when attending to crime scenes at night.

The PSA cares for the environment. The *#100 Trees* project was launched in 2020 with the PSA giving back to communities and contributing to the combatting and education regarding climate change by planting 100 trees in each of South Africa's nine provinces at schools, departments, municipal grounds, and care centres. The project was undertaken in cooperation with *Save our Planet* and with the support of business partners *Assupol* and *PSG*. Trees are a vital part of the planet's ecosystem, and if cared for, will still be growing for the next 100 years, becoming beacons that celebrate the legacy of a responsible Union, enjoyed by future generations.

The PSA annually supports welfare and charity organisations. PSA Branches are invited to nominate needy institutions to benefit from this financial assistance. During the report period, the PSA assisted the following organisations with an amount of R5 000 each:

Angels of Planet Earth for the Mental Challenged (Mpumalanga), Siviwe Stimulation Centre for Children with Disabilities (Mpumalanga), Mankoko Baby Foundation (Limpopo), Tiny Darlings Creche (Limpopo), and Tlotlisang Day Care Centre (Free State).

The **Stiglingh Memorial Bursary** is awarded annually by the PSA to students engaged in studies in medical or natural sciences from funds allocated by the late JH Stiglingh. During the report period, two qualifying students at the University of KwaZulu-Natal and the University of the Western Cape respectively, each received a bursary of R10 000.



Human resources

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

During the report period of 1 April 2020 to 31 March 2021, the PSA's overall workforce profile reflected an increase of 0.8% from 93.47% (229) as at 31 March 2020 to 94.29% (231) at the end of the period under review in respect of employees from designated groups.

Employees from the non-designated group decreased from 6.53% (16) at the end of March 2020 to 5.71% (14) at the end of the report period.

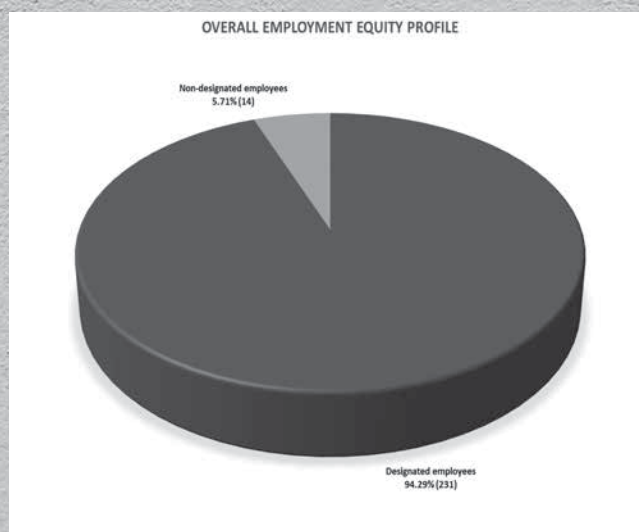
The PSA's representivity statuses in the respective occupational levels as at 31 March 2021 were as follows (**Reasonable goals within five-year period ending 31 December 2022. It should be mentioned that Top Management consists of three positions of which one is currently filled by a white male and two are vacant, i.e., 100% non-designated*):

| Occupational level | Overall designated target % (94.7% = EAP) | Current designated % (filled positions) | Current non-designated % (filled positions) |
|--------------------|--|--|--|
| Top Management | 94.7% | 0.00% (0) | 100.00% (1) |
| Senior Management | *75% | 100% (3) | 0.00% (0) |
| Middle Management | *85% | 82.61% (19) | 17.39% (4) |
| Skilled Technical | *93% | 93.46% (100) | 6.54% (7) |
| Semi-skilled | 94.7% | 97.85% (91) | 2.15% (2) |
| Unskilled | 94.7% | 100.00% (18) | 0.00% (0) |

At the end of the report period, 41.63% (102) of the PSA's workforce consisted of male employees, whilst 58.37% (143) of its workforce constituted female employees. The economically active population of South Africa consists of 55.2% males and 44.8% females.

Since 31 March 2020 until the end of the period under review, 100% (16) of employees recruited by the PSA came from the designated groups and 0% from the non-designated group. In addition, 100% of employees promoted from within the PSA came from the designated groups and 0% from the non-designated group. Terminations for the said period constituted 88.24% (15) from the designated groups of which 17.65% (3) were white females. The non-designated group constituted 11.76% (2) of the terminations.

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



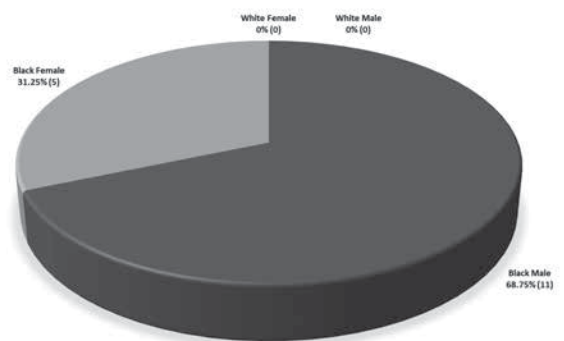
PSA WORKFORCE PROFILE AS ON 31 MARCH 2021

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|--|-----------|----------|----------|-----------|-----------|-----------|----------|-----------|-------------------|----------|------------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management | 10 | 1 | 1 | 4 | 3 | 2 | 0 | 2 | 0 | 0 | 23 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 43 | 6 | 4 | 7 | 30 | 4 | 0 | 13 | 0 | 0 | 107 |
| Semi-skilled and discretionary decision making | 19 | 1 | 0 | 2 | 48 | 8 | 4 | 11 | 0 | 0 | 93 |
| Unskilled and defined decision making | 1 | 0 | 0 | 0 | 16 | 1 | 0 | 0 | 0 | 0 | 18 |
| TOTAL PERMANENT | 75 | 8 | 5 | 14 | 97 | 15 | 4 | 27 | 0 | 0 | 245 |

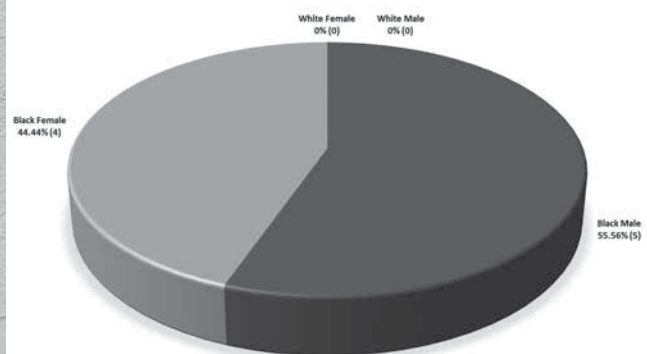
EMPLOYMENT EQUITY PROFILE: GENDER



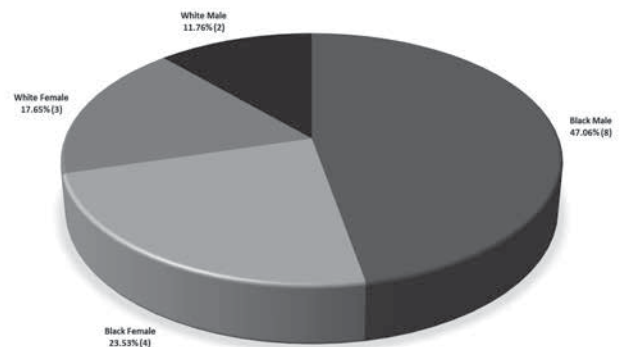
EMPLOYMENT EQUITY PROFILE: RECRUITMENT



EMPLOYMENT EQUITY PROFILE: PROMOTIONS



EMPLOYMENT EQUITY PROFILE: TERMINATIONS



→ Information technology

With the ever-present COVID-19 pandemic and the uncharted waters it presents, the PSA forged ahead in its efforts aimed at service provision, innovation, and normalising operations.

During the report period, the Information Technology (IT) Department delivered several key initiatives and programs designed to enable business process efficiencies, enhance security, root out redundancies and bring down overall costs of business operations.

In mitigating the threats to the Union's environment, the PSA developed and implemented programs that fortified technological defenses. During the report period, the following programs were rolled out:

Cyber security program: Cyber training, consisting of seven modules were launched to be completed in October 2020 by PSA employees. Phishing expeditions were launched to highlight vulnerabilities and promote awareness. Cyber awareness day was also hosted.

Penetration test: The PSA annually conducts this test with a reputable entity in the field to try and legally break the defenses and expose vulnerabilities. The PSA came out trumps with little to no inroads being made past the fortified PSA tech gates.

Following the successful implementation of the PSA Membership Management System, which resulted in greater efficiency, improved productivity and service delivery, various key enhancements were implemented to enable other key business processes related to, amongst others, communication, and website membership application integration.

The infrastructure landscape remains under review. The main thrust being removing the proliferation of devices, reuse where possible and consolidation where opportunities present.

Server infrastructure efficiencies program

- DC03: Decommissioned and DC functionality migrated to the cloud.
- BES01: The functionality was also migrated to the cloud and the turned off *Hyper-V* server is to be decommissioned.
- CQS: Decommissioned data moved to *SharePoint*
- Replaced UPS at Head Office.

Member and employee enablement

Member and employee is another focus area, particularly in an environment where working remotely is the norm and tools to assist in productivity are a key differentiator. PSA Branch secretaries were enabled with tablets to assist in executing their Union duties. Cell phones and laptops of full-time shop stewards and Chairpersons were upgraded. PSA staff cell phones were also upgraded.

Patch management

Managing an IT environment, particularly software and devices, presents various challenges, including keeping software and devices updated. Software houses and devices manufacturers continuously develop software updates and security patches. These are important in closing gaps identified with software or security updates when vulnerabilities are identified. These can be numerous and managing them manually is a challenge and prone to errors.

In response, the PSA successfully implemented a solution to manage all patches and devices in the PSA domain, reducing the risk associated with dated software and patches.



Social and ethical conduct

The Board established a Social and Ethics Committee separately from the Audit and Risk Committee to ensure that due diligence in this regard is performed.

The Charter of this Committee has been reviewed and approved by the Board of Directors. The Code of Conduct for members to address ethical behaviour, which was approved by the Board of Directors in July 2019, is currently under review and was distributed to structures for inputs. A PSA Code of Ethics exists and is applicable to all employees and Board members to recognise the ethical obligations of each stakeholder and the importance of a relationship of honesty, transparency, and fairness.

During the report period, the PSA Ethics and Fraud Hotline was still 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 protected 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 holder of the mining authorisation and is actively mining on the property.

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

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

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

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

Aurecon is an international consulting company which, amongst others, recognises the need for economic growth in conjunction with social development and the protection of the environment.

With this in mind, the PSA appointed *Aurecon* as environmental consultant to execute services taking into consideration statutory as well as common-law provisions. *Aurecon* acts as a liaison between contracted parties, governing bodies, and the PSA. In line with the above, *Aurecon* performs various functions associated with environmental protection such as frequent environmental audits to determine top-soil protection, removal and relocation of various plant species and the introduction of specific indigenous plants. *Aurecon* also acts as liaison between the PSA and the Department of Mineral Resources to finally sign off all areas previously mined and fully rehabilitated.



Financial governance & 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 interest 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 as of a Non-Profit Company (NPC), it has no share capital and the liability of its members is limited to one month’s subscription in the event of dissolution.

The trade union activities of the PSA are the core business, while the PSA also operates a holiday resort, sand mine and a cell captive insurance scheme, under licence from *Guardrisk Insurance Company Limited*, for the benefit of its members.

The Directors are required by the *Companies Act, 2008* to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements. The Directors acknowledge that they are ultimately responsible for the system of internal control established by the PSA and place considerable importance on maintaining a strong internal control environment. To assist the Directors in discharging the responsibility in this regard, the Audit and Risk Committee has oversight over financial governance and risk to assist the Board with its financial responsibility.

The Board also established an Internal Audit Function to provide oversight to obtain reasonable assurance regarding management’s assertions that objectives are achieved for effectiveness and efficiency of operations, reliability of financial information and compliance with laws and regulations. The external auditors are engaged to express an independent opinion on the financial statements of the PSA.

The PSA's external auditor is *SizweNtsalubaGobodo Grant Thornton Inc.* and was re-appointed in January 2021 for a further three-year term.

SizweNtsalubaGobodo Grant Thornton Inc. issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ending 31 March 2021.

The consolidated net profit of the PSA is R62 619 170 compared to a net deficit in the prior year of R18 328 530.

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 2021, 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 2021 are fully set out from page 34 of this report, and do not, in our opinion, require further comments.

→ Annual financial statements for the year ended 31 March 2021

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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

Issued 20 September 2021

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

General Information

| | |
|--|--|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Trade Union |
| Directors | Dr LJP Mulaudzi (President) Mr C Mntwini (Vice President) Mr P Snyman (Chairperson) Mr MK Seelamo (Vice Chairperson) Ms AY Coetzee Mr MJ Shiburi Mr MA Ramakgale Ms NC Silinyana Mr MT Sebati Ms NN Mvubu |
| 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 LA Gilbert |
| Company registration number | 1942/015415/08 |
| Tax reference number | 9009987166 |
| Preparer | The annual financial statements were internally compiled by: N Ndlela Acting AGM: Finance |

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Index

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Preparer

N Ndlela

Acting AGM: Finance

Published

13 September 2021

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Audit and Risk Committee Report

This report is provided by the Audit & Risk Committee appointed in respect of the 2021 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 |
| Mr MA Ramakgale | 09 October 2019 | 6 out of 6 |
| Mr MK Seelamo | 09 October 2019 | 6 out of 6 |
| Mr MJ Shiburi | 23 February 2021 | 2 out of 2 |
| Mr MT Sebati | 23 February 2021 | 1 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 six (6) scheduled meetings during 2020/2021 financial year. Both, Mr Monyane and Mr King 's term of office came to an end on 11 January 2021. Two new members, Mr Shiburi and Mr Sebati were appointed to the committee on 23 February 2021.

3. Annual Financial Statements

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

4. The Effectiveness of Internal Control and Risk Management

The system of controls is designed to provide cost effective assurance that the assets are safeguarded and that the liabilities and working capital are efficiently managed in line with the Companies Act and the King IV Report on Corporate Governance requirements. Internal audit which has been outsourced, provides the 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 MA Ramakgale
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 2021

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

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

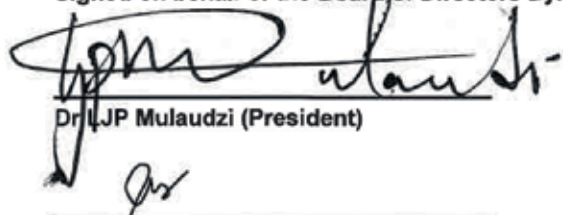
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The annual financial statements set out on pages 11 to 61, which have been prepared on a going concern basis, were approved by the Board of Directors on 28 July 2021 and were signed on its behalf by:


Signed on behalf of the Board of Directors By:



Dr J.P. Mulaudzi (President)



Mr C Mntwini (Vice 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 2021

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 2021.

1. Nature of operations

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

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

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

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

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

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

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

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

2. Review of financial results and activities

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

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

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

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Directors' Report

| 2020 Reconciliation of net income / (loss) | Membership fees | Holiday Resort | Sand | PSA Short-term insurance contract | Total |
|--|--------------------|---------------------|--------------------|-----------------------------------|---------------------|
| Income | 336 168 306 | 296 645 | 914 832 | 51 102 685 | 388 482 468 |
| Cost of sales | (138 137) | - | (28 817) | (3 402 000) | (3 568 954) |
| Other income | 6 878 879 | 11 256 | - | 2 036 749 | 8 926 884 |
| Employee costs | (196 661 298) | (1 530 807) | (185 042) | - | (198 377 147) |
| Other expenses | (151 736 035) | (1 390 800) | (167 090) | (51 797 726) | (205 091 651) |
| Property valuation | 631 556 | (9 331 686) | - | - | (8 700 130) |
| | (4 856 729) | (11 945 392) | 533 883 | (2 060 292) | (18 328 530) |
| 2021 Reconciliation of net assets | Membership fees | Holiday Resort | Sand | PSA Short-term insurance contract | Total |
| Assets | 270 474 173 | 23 811 971 | 227 256 | 29 782 621 | 324 296 021 |
| Liabilities | (39 967 878) | (50 984) | (1 267 563) | (3 918 956) | (45 205 381) |
| | 230 506 295 | 23 760 987 | (1 040 307) | 25 863 665 | 279 090 640 |
| 2020 Reconciliation of net assets | 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 |

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

| | 2021 | 2020 |
|------------------------|-------------------|-------------------|
| Issued | | |
| Stighling fund reserve | 595 411 | 587 531 |
| Insurance reserve | - | 5 709 320 |
| Revaluation reserve | 32 229 595 | 32 484 994 |
| Mark-to-Market reserve | 43 195 492 | 22 404 985 |
| | 76 020 498 | 61 186 830 |

4. Insurance and risk management

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

5. Directorate

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

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Directors' Report

| Directors | Date of Appointment | Designation | Date of resignation | Changes |
|----------------------------------|---------------------|---------------------------|---------------------|----------------------------------|
| Dr LJP Mulaudzi (President) | 17 September 2018 | Non-executive Independent | | |
| Mr C Mntwini (Vice President) | 16 September 2019 | Non-executive Independent | | |
| Mr P Snyman (Chairperson) | 15 September 2016 | Non-executive Independent | | |
| Mr MK Seelamo (Vice Chairperson) | 16 September 2019 | Non-executive Independent | | |
| Mr IT Monyane | 19 September 2017 | Non-executive Independent | 11 January 2021 | Resigned Monday, 11 January 2021 |
| Mr DD King | 23 October 2019 | Non-executive Independent | 11 January 2021 | Resigned Monday, 11 January 2021 |
| Ms AY Coetzee | 17 September 2018 | Non-executive Independent | | |
| Mr MJ Shiburi | 16 September 2019 | Non-executive Independent | | |
| Mr MA Ramakgale | 16 September 2019 | Non-executive Independent | | |
| Ms NC Silinyana | 16 September 2019 | Non-executive Independent | | |
| Mr MT Sebati | 11 January 2021 | Non-executive Independent | | |
| Ms NN Mvubu | 11 January 2021 | Non-executive Independent | | |

Resignation / Appointment of directors

Mr IT Monyane and Mr DD King resigned from directorship on 11 January 2021. Mr MT Sebati and Ms NN Mvubu were appointed to replace the resigned directors. Mr P Snyman was reappointed as Chairperson on 11 January 2021.

6. Events after the reporting period

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

7. Auditors

Sizwe Ntsaluba Gobodo Grant Thornton Inc were reappointed as auditors of the company for further three years, during the 2021 AGM.

8. Secretary

The company secretary is Mr Mr LA Gilbert after the retirement of Mr IP Fredericks.

9. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 28 July 2021. 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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Public Servants Association of South Africa NPC (the company) set out on pages 11 to 62 which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Servants Association of South Africa NPC as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Public Servants Association of South Africa NPC Annual Financial Statements for the year ended 31 March 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

We report in terms of section 98 of the Labour Relations Act No 66 of 1995. The Public Servants Association of South Africa NPC has complied with those provision of the Constitution relating to the 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 provisions of that section.



SizweNtsalubaGobodo Grant Thornton Inc.

Gerard Musthan CA(SA)

Director

Registered Auditor

3 September 2021

20 Morris Street East

Woodmead

Sandton

2191

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

| | Note(s) | 2021 R | 2020 R |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 68 152 960 | 71 238 611 |
| Right of Use - Lease Assets | 3 | 7 451 378 | 3 884 643 |
| Intangible assets | 4 | 5 372 640 | 6 650 046 |
| Investments | 5 | 124 329 214 | 67 749 791 |
| Motor Vehicle Loans | 6 | 5 271 112 | 5 751 705 |
| PSA Short-term insurance contract | 9 | 25 863 665 | 20 702 568 |
| Motor Vehicle Loans - Prepaid Benefits | | 1 013 951 | - |
| | | 237 454 920 | 175 977 364 |
| Current Assets | | | |
| Inventories | 7 | 4 162 771 | 4 246 830 |
| Trade and other receivables | 8 | 11 010 373 | 7 579 182 |
| Investments | 5 | 587 500 | 593 500 |
| Motor Vehicle Loans | 6 | 3 646 630 | 3 558 477 |
| Motor Vehicle Loans - Prepaid Benefits | | 673 017 | - |
| Staff Study Loans | | 30 534 | 119 933 |
| Cash and cash equivalents | 10 | 21 524 895 | 19 009 921 |
| | | 41 635 720 | 35 107 843 |
| Total Assets | | 279 090 640 | 211 085 207 |
| Equity and Liabilities | | | |
| Equity | | | |
| Reserves | | 76 020 498 | 61 186 830 |
| Retained income | | 157 864 761 | 109 823 860 |
| | | 233 885 259 | 171 010 690 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Borrowings | 11 | 5 040 174 | 5 487 277 |
| Retirement benefit obligation | 12 | 2 562 000 | 3 274 000 |
| Provisions | 13 | 1 267 563 | 1 237 411 |
| Right of Use - Lease Liability | 14 | 4 216 734 | 344 752 |
| | | 13 086 471 | 10 343 440 |
| Current Liabilities | | | |
| Trade and other payables | 15 | 17 734 133 | 16 562 116 |
| Borrowings | 11 | 549 356 | 447 050 |
| Retirement benefit obligation | 12 | 160 000 | 152 000 |
| Provisions | 13 | 9 897 138 | 8 364 216 |
| Right of Use - Lease Liability | 14 | 3 778 283 | 4 205 695 |
| | | 32 118 910 | 29 731 077 |
| Total Liabilities | | 45 205 381 | 40 074 517 |
| Total Equity and Liabilities | | 279 090 640 | 211 085 207 |

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2021

Statement of Profit or Loss and Other Comprehensive Income

| | Note(s) | 2021 R | 2020 R |
|--|---------|--------------------|---------------------|
| Revenue | 16 | 345 235 579 | 338 441 747 |
| Cost of sales | 17 | (82 761) | (224 791) |
| Gross profit | | 345 152 818 | 338 216 956 |
| Other operating income | 18 | 808 315 | 7 288 434 |
| Other operating expenses | 19 | (311 601 783) | (343 301 142) |
| Expected credit loss | | (2 540) | (8 916) |
| Operating profit | | 34 356 810 | 2 195 332 |
| Investment income | 20 | 2 474 044 | 2 063 411 |
| Finance costs | 21 | (837 303) | (1 204 354) |
| Changes to amortised cost - Motor Vehicle Loans | | 280 905 | (3 262 666) |
| Deemed interest - Motor Vehicle Loans | | 834 629 | 760 413 |
| Profit / (Loss) from PSA Short-term insurance contract | | 5 161 097 | (2 060 392) |
| Profit (loss) for the year | | 42 270 182 | (1 508 256) |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Actuarial gain / (loss) on defined benefit liability | | (194 000) | (144 000) |
| Revaluation adjustment | | (255 399) | (8 700 130) |
| Total items that will not be reclassified to profit or loss | | (449 399) | (8 844 130) |
| Items that may not be reclassified to profit or loss: | | | |
| Stigling fund interest capitalisation | | 7 880 | 9 158 |
| Financial Assets - FVOCI adjustments | | 20 790 507 | (7 985 302) |
| Total items that may not be reclassified to profit or loss | | 20 798 387 | (7 976 144) |
| Other comprehensive income for the year net of taxation | 22 | 20 348 988 | (16 820 274) |
| Total comprehensive income (loss) for the year | | 62 619 170 | (18 328 530) |



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