

PSA Annual

Integrated Report

2011/2012



PSA

The Union Of Choice

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Chairperson's message

Another good year for a vibrant, growing Union

An African proverb teaches us to hold a true friend with both hands.

The fact that the Public Servants Association of South Africa *NPC (PSA) is in the privileged position to be able to reflect upon an exceptionally good year, as captured in this report covering the period 1 April 2011 to 31 March 2012, can, to a great extent, be ascribed to helping hands being reached out in service, friendship and compassion.

The PSA's mission, as a registered trade union and service organisation, served as the clear guiding principle and motivation behind its work in the protection of the rights and promotion of the interests of a growing membership reflective of the entire Public Service. Loyalty, transparency, respect, integrity, consistency and service excellence are the values which continue to inspire the PSA's service to members and its interaction with other stakeholders. This report aims at providing a balanced overview of the PSA's varied activities and services during the period under review.

The PSA's growing reputation as a leading public sector trade union - as confirmed by statistics - however, brings with it strong demands and challenges: Continuously raising the bar to not only meet, but exceed the expectations of members (amidst fierce competition) and enhance the stature of the organisation.

The attitude and commitment with which PSA staff and representatives in taking hands in their service tasks have once again been a decisive factor in the achievements covered in this report - taking hands and reaching out to bring the gift of service to those who serve our country.



Paul Sello
CHAIRPERSON



Service delivery

PSA management

Board of Directors

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

During the period under review, being 1 April 2011 to 31 March 2012, the following members served on the Board (*pictured below*):

Adv Rashied Daniels (President) – elected (26 September 2011)

Oniccah Lefifi (Vice-President)

Paul Sello (Chairperson)

Jurie Saal (Vice-Chairperson)

Peter Tlowana (Director)

Annetjie Rencken (Director)

Ronny Maepa (Director)

Pierré Snyman (Director)

Ben Jacobs (Director) – elected (26 September 2011)

Dr C V Dyantyi (Director) – elected (5 December 2011)

Danny Adonis (*left*) is the General Manager and acts as Secretary of the PSA.



Assistance to members

The Rights Section in the PSA's Directorate Members' Affairs experienced a very successful time in rendering a quality service to members during the period under review. The success can be ascribed to the dedication and commitment from each staff member, shop steward, full-time shop steward (FTSS) and full-time office bearer (FTOB). All roleplayers are thanked for the excellent work that they have done to achieve the PSA's objectives.

The following information serves as background to the Section's activities during the period under review:

Day-to-day enquiries received

169 056

Conciliations

Shop stewards, FTSS and FTOB: 338
Staff: 762

Arbitrations

Shop stewards/FTSS/FTOB: 209
Lawyers: 227
Staff: 627

Disciplinary hearings

Shop stewards/FTSS/FTOB: 1 120
Lawyers: 29
Staff: 1 109

Grievances

Shop stewards/FTSS/FTOB: 1 395
Staff: 6 678

Court cases

145

Monetary value of awards/settlements in favour of the PSA

R19 046 948

Legal costs incurred (unaudited amount)

R7 805 283

Other meetings attended

1 847

Kilometers travelled

412 039

Unpaid overtime worked (hours)

2 406

Collective bargaining

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

Independent Labour Caucus (ILC)

The PSA, as founding member of the ILC, has since 2007 continued to actively contribute as a member of this politically non-aligned body. The ILC aims to foster cooperation on matters for collective bargaining amongst like-minded trade unions and jointly represented 48% of unionised public servants during the report period.

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

Sectoral Bargaining Councils

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

Public Service Coordinating Bargaining Council (PSCBC)

Wage negotiations: 2011/2012

Most of the activities during 2011 centered on wage negotiations for the 2011/2012-financial year which culminated in the signing of PSCBC Resolution 2/2011 in August 2011.



Service

This process briefly unfolded as follows: Labour consolidated its demands in respect of wage negotiations for the Public Service for the 2011/2012-financial year. These consolidated demands were tabled at the PSCBC for negotiation in February 2011.

The employer, in April 2011, commenced with an offer of an increase of 4,8% across-the-board. The employer, during a special PSCBC meeting on 20 April 2011, increased this offer to 5% across-the-board for a single term for the financial year 2011/2012. It was also indicated by the employer that the medical-aid equalisation is unaffordable and as result, it would not be able to accede to the demand that all employees receive the same subsidy irrespective of the medical fund that they belong to.

The employer would also not accede to the demand of a R1 650 housing allowance, but proposed that a technical working committee, assisted by an independent facilitator and comprising of labour and the employer, should develop proposals for a home-ownership scheme by 31 May 2011.

On the outstanding matters, the employer proposed that all these as well as new matters tabled during 2011/2012 be subjected to a separate negotiation process to commence by 23 May 2011.

Labour remained adamant that the employer's offer did not adequately address its demands. Labour also took cognisance of the need to address the matters outstanding from PSCBC Resolutions 1/2007, 5/2009 and 4/2010 in separate processes.

Owing to the fact that finalisation of the said processes had been delayed since 2007, labour held the opinion that a "safety net" should be put in place should parties again fail to conclude on the processes by an agreed date.

In respect of the housing allowance, for example, labour suggested that should the process of the development of the home-ownership scheme not be completed by an agreed date, that the housing allowance be increased to R1 650 at that stage.

Parties met again during a number of meetings of the PSCBC and the employer, amongst others, indicated that it did not regard labour's demands as appropriate as amendments of even less than 1% amounted to a significant amount of money.

In view of this, it was clear that parties could go no further and a deadlock was reached on 5 May 2011. Parties reached an impasse in respect of the employer's last offer of 5,2 % whilst labour's demand stood at 9%. No further developments took place on wage negotiations for a long time after that.

At a meeting of the PSCBC on 30 May 2011 parties agreed that an independent facilitator be appointed to facilitate further meetings on wage negotiations in an attempt to resolve the impasse.

Mr Brian Currin was appointed to facilitate further wage negotiation meetings of the PSCBC.



The PSCBC also agreed on a timetable for the wage negotiations, i.e. a mediation process on 1 and 2 June 2011, followed by mandating processes from 6 June 2011 based on the outcome of the mediation process, with the mediation process to reconvene (on the basis of outcome of mandates) from 14 June 2011 until the conclusion of the process.

Facilitation subsequently commenced on 1 June 2011. Labour put its motivation for an increase of 9% across-the-board for all public servants to the facilitator. The employer during the process increased its offer to 5,5% across-the-board from 1 May 2011. The PSA and the other unions of the ILC subsequently amended their demand to an increase of 8% across-the-board in an attempt to convince the employer to also increase its last offer.

Unfortunately, the unions affiliated to Cosatu were not ready to further engage the employer at that stage and requested a postponement to consult with their representative structures. In view of the fact that these unions represent the majority of employees in the Public Service, facilitation could not proceed. The next date in the facilitation process was 14 June 2011.

The employer exacerbated the situation by indicating that it did not have sufficient funds to improve on its offer. According to the employer a wage budget allocation of R22-billion was available but did not cover all of labour's demands or the percentage increase.

Although some parties felt that the employer should "unpack" its budget allocation, the PSA was concerned that such an "unpacking" could cause further unnecessary delays in the finalisation of the facilitation process. It was the PSA's view that facilitation should continue immediately.

The employer consequently tabled a draft salary agreement during the facilitation meeting on 23 June 2011 with a view to break the deadlock in salary negotiations. This draft salary agreement formally confirmed the 6%-salary increase as proposed by the employer during the previous facilitation meeting and responded to labour's demands on the housing allowance, medical-aid subsidy and other outstanding matters that still needed to be addressed. Facilitation under the guidance of the facilitator, however, only proceeded on 23 July 2011.

At a special meeting of the PSCBC (outside the facilitation process), labour indicated to the employer that the draft salary agreement did not address its demands on the housing allowance, the medical-aid subsidy and other outstanding issues satisfactorily. Furthermore, the employer was informed that labour would only respond to the salary offer if the 6%-offer was increased.

The employer (without prejudice during the facilitation process) indicated that it would improve its offer from 6% to 6,8% but only on condition that labour accepted the principles as outlined in the proposed draft offer.

The CPI figure for May 2011 was 4,6%. The employer's proposed "settlement" offer therefore constituted CPI (4,6%) plus a 2,2% real wage increase. Labour's concern was that the so-called principles contained in the proposed offer by the employer emphasize, "home ownership" as opposed to the current housing-allowance scheme. This meant that the current housing-allowance scheme would eventually be discontinued and replaced by the new home-ownership scheme which would only cater for employees who own homes and have a mortgage. Labour was of the view that the outstanding matters and demands on the housing allowance, medical-aid subsidy and other matters should be dealt with in further negotiations (outside of the actual wage negotiations).

At a special meeting of the PSCBC on 13 July 2011, labour tabled the said amendments in respect of the housing allowance, medical aid, etc. As no formal offer was placed on the table by the employer other than the previous 6%, labour's position (now inclusive of Cosatu) remained unchanged at 8%.

Facilitation proceeded on 23 July 2011, where the percentage increase was actively pursued with a view to reach a settlement before the end of July 2011. Various further meetings took place and after a meeting on 15 August 2011, the employer signed a proposed wage settlement agreement which was consequently regarded as its final offer in respect of the 2011/2012-financial year. All the other unions admitted to the PSCBC, apart from the PSA, followed with their signature to the agreement. The agreement (PSCBC Resolution 2/2011), in summary, contained the following provisions:

Salary adjustment

- Annual salary adjustment for 2011/2012: 6,8% with effect from 1 May 2011.
- Payment date in respect of increase: Before 15 September as a separate payment run.

Medical assistance

- All employees currently on salary levels 1 to 5 (members of the Government Employees Medical Scheme (GEMS)) on the Sapphire option, will from 1 April 2011 continue to receive free medical assistance at retirement.
- Alignment of the post-retirement medical assistance with the pre-retirement medical assistance for all employees (members of GEMS) with effect from 1 April 2011, including employees who retired prior to 1 April 2011.
- Parties agree to investigate the principle of equalising the subsidy payable to members on open medical schemes with those in GEMS. The investigation and any further agreed processes should be concluded by 31 March 2012.

Home Ownership

- Parties agree to develop and present a comprehensive Government Employees Housing Scheme (GEHS) that ensures home ownership for all levels of employees in the Public Service.
- The intention of the GEHS is to assist employees to access affordable housing; access housing finance; and rent houses with a view to purchase.



Service

- ❑ A technical working team to be comprised of labour and the employer will be established to develop the proposed Scheme in accordance with an agreed time table.
- ❑ Concept Papers on the proposed Scheme will be tabled by both labour and the employer to facilitate the work of the technical working committee.
- ❑ Parties, however, agree that the GEHS should be concluded by 15 December 2011 and be implemented with effect from 1 April 2012.

From the above it is clear that the intention of the Home Ownership Scheme is primarily to promote ownership. The PSA's concern is that the intention in respect of the future of the current housing allowance which is not subject to ownership, but has other prescribed requirements attached to it, is not clear. The employer also refused to include wording to the effect that the current housing allowance as well as the home-ownership scheme is regarded as a term and condition of service. The employer's reluctance to corroborate the status of the schemes inevitably raised questions regarding the future intention with, in particular, the current housing allowance. If it is not recognized as a condition of service the employer may, for example, decide to terminate the allowance at any stage it deems appropriate. When casting their vote, members were requested to also consider this concern.

Minimum-Service Agreement

Engagement on this matter will be at the level of party principals and the outcome of these engagements will be tabled for consideration at the PSCBC and implemented from 1 April 2012.

Outstanding matters

Those matters not finalised and still outstanding from PSCBC Resolutions 1/2007 and 5/2009 will be subjected to a second round of negotiations which will commence within one month of signing the agreement. These matters are long-service awards, night-shift allowance, recognition of improved qualifications and a Remuneration Policy review.

New matters

Parties commit to negotiate the new demands tabled by labour during the 2011/2012-negotiations as well as a proposed multi-term agreement up to 2015 during the next round of wage negotiations. These matters are shop steward leave, outsourcing, compliance with the *Occupational Health and Safety Act*, performance management and development systems, capped leave, review of collective agreements (in respect of pensions, threshold for overtime calculations and Resolution 3/2009) and delinking the housing allowance from spouses.

Members were consequently, also by means of a new PSA electronic voting system, requested to provide a mandate to the PSA on whether or not the final offer of the employer should be signed. The PSA requested this mandate despite the fact that the unions representing the majority of employees in the PSCBC had already signed the agreement, making it binding on all parties, inclusive of the PSA. The PSA requested a mandate as, in terms of its Statutes, it is not in a position to sign any agreement without the express mandate from members.

Another reason why the PSA found it prudent to request a mandate from members was the fact that the agreement potentially limited existing rights. The shortcomings, in particular those relating to the envisaged home-ownership concept contemplated by the employer, are discussed above. Members therefore had to be sensitised to these shortcomings in the process of requesting a mandate.

Unfortunately, members did not see their way clear to participate in the PSA's mandating processes as the agreement had already been signed by unions representing the majority of employees in the PSCBC. The PSA consequently did not sign the agreement, but as it was a "majority agreement", it was binding on our members as well.

The PSA subsequently participated in the processes set out in the agreement which included a number of meetings of the GEHS Task Team. These processes were, however, not concluded within the set time frames which once again form part of the 2012/2013-wage negotiation process.

Wage negotiations: 2012/2013

Parties in the PSCBC agreed that salary negotiations for 2012/2013 should commence from 15 February 2012. The PSA made a submission during 2011 to its representative structures requesting them to obtain and forward the mandates of structures in the various Provinces with a view to allow the Administration time to consolidate and finalise the demands for submission to the PSCBC for the next round of wage negotiations. The various representative structures provided such mandates which were consolidated with those of the rest of labour with a view to take the matter forward in the PSCBC.

A special meeting of the PSCBC was convened on 29 March 2012 to enable parties to engage one another. Labour remained united in its demands for the 2012/2013-financial year and consolidated its response to the employer's proposal which was subsequently on the whole rejected.

The main points of difference between labour and the employer were the employer's initial demand that labour should accept a wage cut by offering a below-inflation increase and the fact that the proposal is linked to a three-year (multi-term) agreement. Labour continued to insist upon a single-term agreement and a real wage increase.

The employer, in response to labour's insistence that the offer did not in any way meet demands or expectations, indicated that it stood firm on the fact that the offer is a "package offer" inclusive of the proposal of a multi-term agreement as well as the percentage on the table for consideration in respect of the three years of the proposed term of agreement. The employer contended that its offer (the first offer of "below inflation") over a period of three years actually amounted to 17,5% and a total cost of R22,1 billion. The employer also, at that stage, indicated that it was almost at the point at which it had exhausted its mandate.

According to the employer, labour made unreasonable demands not in line with the current dire economic situation in the country. The employer indicated that it would only be prepared to further engage labour on its demands in the event that it moved from its position of demanding a single-term agreement with an opening demand of a 10% across-the-board increase. Labour, in turn, indicated that it was not prepared to engage the employer on a “wage cut” (below-inflation offer). The employer must come back to the table with a decent offer. Labour’s demands subsequently remained unchanged for a number of meetings.

Dispute: Interpretation and application of PSCBC Resolution 2/2011: Date for conciliation determined

An agreement, PSCBC Resolution 2/2011, was signed in the PSCBC in 2011 in respect of the conclusion of Public Service wage negotiations for 2011/2012. The agreement, with specific reference to clause 3.2.2, provides for the alignment of post-retirement medical assistance for employees who are members of GEMS with the pre-retirement medical assistance that means the maximum medical subsidy payable to serving employees will also be paid to employees who have retired. According to the Resolution, the revised provision should have been implemented with effect from 1 April 2011. This provision also includes employees who retired prior to 1 April 2011.

During 2011 and early in 2012 the PSA made numerous enquiries with the employer (Department of Public Service and Administration (DPSA)) as it came to light that the said provisions had not been implemented. No response whatsoever was received from the DPSA.

The failure by the employer to implement the provisions had a serious effect on the “in-pocket” situation of affected members. The PSA, in view of the failure by the employer to provide the reasons for the delay in the implementation, had no other option but to declare a dispute with the employer on its failure to implement the relevant provisions.

A dispute in respect of the interpretation/application of PSCBC Resolution 2/2011 was subsequently referred by the PSA to the PSCBC for resolution in terms of its prescribed dispute resolution procedures. The dispute was referred for conciliation and arbitration, if required. A date of 30 March 2012 was set for conciliation.

The day before conciliation was to have taken place, the employer indicated that a meeting should be held between the PSA and itself to enable parties to attempt to settle the dispute. At that meeting the employer confirmed that it had no intention not to implement the agreement. Internal challenges, however, prevented it from implementing the agreement on the date as set in the Resolution. A new medical tax credit regime was implemented by the National Treasury which caused a delay in implementation. The employer was in the process of aligning the medical assistance policy with the new tax credits dispensation. Furthermore, it committed to the retrospective implementation with effect from 1 April 2011.

Since the employer was in the process of implementing the agreement and confirmed this in writing, no grounds existed any longer for the pursuance of the PSA’s dispute and hence the PSA withdrew the dispute.

Public Health and Social Development Sectoral Bargaining Council (PHSDSBC)

Owing to the wage negotiation processes of the PSCBC during the 2011/2012-financial year as well as the current financial year, no significant developments took place in the Sector in respect of collective bargaining.

Alleged misconduct, investigation and subsequent resignation of General Secretary of Council

During the latter part of 2011 it came to light that the General Secretary (GS) of the Council allegedly committed a number of acts (including fraud, sexual harassment, mismanagement of the Council, viewing of pornography, etc.), serious enough to require dismissal.

Various meetings of the Council’s EXCO (of which the PSA is a party) took place with a view to manage and provide leadership on the handling of this sensitive matter. An independent investigator was appointed to investigate the allegations and to advise on any charges.

The Council decided in December 2011 to suspend the GS as a precautionary measure whilst the investigation was underway. During that time it also came to light that the Corporate Manager (Finance) might also have been involved in acts of misconduct and the investigation was broadened to include these alleged acts. The Corporate Manager was subsequently also suspended as a precautionary measure.

Before the investigation could be concluded, and on the eve of the disciplinary hearing of the GS, he submitted his unconditional resignation to the Chairperson of the Council, which was subsequently accepted by Council. The position was advertised and after a process of short listing and interviewing, it should be filled. These processes were, however, still underway by the end of the period under review, as was the investigation into the activities of the Corporate Manager.

This crisis at the PHSDSBC also contributed to other activities of the Council being limited to a great extent as an experienced GS is needed to ensure the smooth running of the Council and its activities. The following issue was, however, concluded during this time:

Full-time shop stewards (FTSS)

An agreement was signed after negotiation by unions representing the majority of employees in the Sector. The PSA did not sign the agreement. In terms of the agreement the PSA is entitled to a total number of twelve FTSS and office bearers.



Service

In terms of the previous agreement, the employer was responsible for the management and performance of FTSSs. In terms of the provisions of the new agreement, however, the relevant unions recognized in the Sector are responsible for the management and performance of the FTSSs elected to perform functions on behalf of the union. This implies that the PSA, for one, will have to make provision in its budget for the performance of its FTSSs and office bearers.

Education Labour Relations Council (ELRC)

Owing to the wage negotiation processes of the PSCBC during the 2011/2012-financial year as well as the current financial year, no significant developments took place in the Sector in respect of collective bargaining. The following issues were, however, dealt with:

Examination tariffs

The Department of Higher Education issued *Government Gazette 665* in 2008, which provided for the payment of an increased tariff for those performing examination-related duties. The tariff was not payable for marking examination papers. Labour insisted that a tariff should be paid for marking papers as well.

Negotiations commenced in 2010 and were concluded in December of that year. As a result, Collective Agreement 1/2011 was concluded which provided for the payment of tariffs for the 2011-national examinations. The employer, however, during a Special Council meeting on 14 December 2011, indicated its intention to withdraw from this Collective Agreement and to negotiate another agreement in its place. According to the employer, there were no funds available to implement the terms of the Agreement. The contents of Collective Agreement 1/2011 were, according to the employer, erroneous and needed to be substituted by an agreement which would soon be tabled based on *Government Gazette* of 2008.

Labour was unfazed by the intended withdrawal from the signed Agreement by the employer and insisted that “markers” be remunerated on the basis of Collective Agreement 1/2011.

Draft Teacher Performance Appraisal (TPA) and Education Management System (EMS)

The TPA and EMS were discussed during various meetings of Task Teams established for this purpose. The intention was to streamline and rebrand the existing Integrated Quality Management System (IQMS). The main objective of the TPA is to delink teacher performance from teacher development. The purpose of the EMS is to provide a standardised framework for employee performance in respect of office-based and institution-based educators, i.e. Principals and Deputy Principals. The TPA is solely intended to be applicable to CS-Educators, who are directly involved with learners.

The two final Draft Collective Agreements were tabled at the Council meeting of 14 December 2011. The PSA was by the end of the period under review obtaining mandates from members on the way forward.

General Public Service Sectoral Bargaining Council (GPSSBC)

Owing to the wage negotiation processes of the PSCBC during the 2011/2012-financial year as well as the current financial year, no significant developments took place in the Sector with regard to collective bargaining. The following issues were, however, dealt with:

Nationalisation of Traffic Officials and other issues

The employer, during a task team meeting at the Road Traffic Management Corporation (RTMC), agreed to circulate a draft Resolution that seeks to address the nationalisation of the Road Traffic Inspectorate (RTI) to resort under the National Department of Transport, the introduction of an occupational-specific dispensation (OSD), a promotion policy, the introduction of a seven-day establishment or 24/7-shift system and the introduction and declaring of Traffic Officials as an essential service.

The Essential Service Committee in September 2011 issued a determination that the RTI is not an essential service. The PSA acknowledged the intention to improve RTI conditions of service but remained adamant that the process to “nationalise” Traffic Officials would need legislation amendments and that a promotion policy, an OSD, the introduction of a seven-day establishment and a 24/7-shift system remain matters of mutual interest that need to be negotiated and/or consulted within the ambit of the GPSSBC.

Consultation on conditions of service:

Provincial Traffic Law Enforcement Inspectorate

The PSA was invited to a task team meeting with the Provincial Heads of various traffic departments and other unions on the “harmonisation” of conditions of service for Provincial Traffic Officers.

The task team report that was tabled for discussion indicated that some discussion already took place in the task team under coordination of the RTMC. The PSA subsequently raised its concern about the platform where conditions of service are being discussed. The concern was raised that the RTMC was outside the auspices of the GPSSBC as a relevant Sector where issues affecting the Traffic Inspectorate should be consulted or negotiated. The task team, under the auspices of the RTMC, recommended that provincial departments would in November 2011 implement a 24/7-shift system for the RTI without having been in a position to give details as to how many of the current positions were actually filled. In addition, the task team seemed not to have taken variable factors such as the utilisation of vacation and other leave provisions into account when capacity levels were determined.

Attention was furthermore drawn to the fact that this oversight would have a bearing on the distribution of sufficient safety equipment such as bullet-proof vests, not to mention other issues that should be in compliance with the provisions of the *Basic Conditions of Employment Act*.

The task team agreed to discuss the following terms of reference and make recommendations to the RTMC:

- Special dispensation for the occupation of the Traffic Inspectorate
- Nationalisation of the Traffic Inspectorate
- National coordination for all employees on salary level 11 with a view to comply with the provisions of Resolution 3/2009.

The PSA indicated its concern that these issues would have a direct impact on current legislation such as the *Public Service Act*, as well as PSCBC and GPSSBC Resolutions and it would therefore be advisable to engage structures such as the GPSSBC as well as the DPSA as a coordinating Department for the general Public Service departments. Members were advised to take note that the PSA raised these concerns with a view to avoid situations where parties would create expectations amongst members on issues that may not materialise. The PSA strives to improve the service conditions of its members in the Traffic Law Enforcement and with due consideration that no current benefits are compromised in the process. The matter had not been finalised by the end of the period under review.

Extension of ELRC OSD Resolutions 3 and 4/2009 to Educators in Department of Correctional Services (DCS)

Labour requested that the GPSSBC extend ELRC Resolutions 3 and 4/2009 to all Educators who are employed in the DCS with a view to include recognition of service, salary progression and a once-off cash bonus of 3% for Senior and Master Educators. The employer reported that the matter was receiving attention and that it was engaging the DCS regarding looking into a funding model and other related issues.

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

Restructuring

One of the prominent issues in the Chamber remains the restructuring process of the National Department of Health. The employer representative in the Chamber initially refused to acknowledge that the employer was indeed restructuring and resisted the introduction and discussion of the matter in the Chamber.



Service

The PSA had to put the employer on terms before parties came to the table to commence with the consultation process, as required by law, early in 2011.

During the period under review the employer representatives in the Chamber continuously reported or indicated that they either had no official progress to report or mandate to respond. The issue was further complicated when Nehawu declared a dispute on the matter which led to an agreement with the employer to engage it outside the Chamber. The PSA, however, remained adamant that, irrespective of discussions taking place outside the Chamber, the Chamber remains the recognized consultative structure with regard to restructuring. The employer informed employees on 8 November 2011 that the Minister of Public Service and Administration had granted approval for the revised departmental organogram. The focus of the restructuring process thus far had been on the top-level structure of National Health and it was therefore not yet clear how this would impact on other levels. Although the PSA was promised to be included in further meetings of the “fit-for-purpose structure” task team, it was only invited to one such meeting during the period under review. The employer all along indicated that no job losses were envisaged but the possibility of transfers and relocation to other provincial administrations could not be excluded.

Should that point be reached the PSA will ensure that a fair process is followed when the employer considers the requests of employees who cannot relocate. The lack of involvement and participation by members in providing feedback and the breakdown of the PSA shop steward structure in the Department present a further challenge to the PSA in ensuring that members’ interests are protected in this process.

South African Health Products Regulatory Authority (SAHPRA)

The PSA was responsible for ensuring that the issue of the establishment of the envisaged SAHPRA and possible implications for employees, be introduced to the Chamber. The PSA insisted that the matter should remain on the agenda for regular updating. It became clear, however, that until a new employer existed with whom to negotiate further in terms of section 197 of the *Labour Relations Act, 1995*, fruitful engagement was not possible. Also based on feedback from the employer that the process had not yet reached the stage where concrete discussions could take place, the matter was removed with the undertaking that it would be reintroduced once that stage was reached. The employer has since published a draft Bill in March 2012 and the PSA will study the contents and, where relevant, ensure that substantiated comments and representations be presented to the Department on behalf of members.

Change in shift system: Security Officers

The National Department of Health informed labour of its intention to implement a twelve-hour shift system for Security Officers as opposed to two overlapping eight-hour shifts during the day followed by a twelve-hour night shift from Monday to Friday and two twelve-hour shifts over weekends and public holidays.

It became evident that the main reason for the proposed change was to cut back on overtime payment. The change would have impacted on the workweek of employees by including weekends as days that an employee ordinarily works. This, in turn, would have impacted on the overtime rate when working on a Sunday. The proposal would also have impacted on other aspects such as the scheduling of leave since weekends now become workdays.

The PSA made it clear that unless the employer could come up with a counter proposal such as a possible upgrade, which would negate the negative impact for members, the proposal is rejected. The PSA requested the employer to benchmark with other employers on salary levels since this is a transverse occupation. At the subsequent meeting, the employer withdrew the proposal and, for the time being, the *status quo* remains.

Independent Tribunal for Social Assistance Appeal (ITSAA)

The National Department of Social Development informed labour of the process of establishing the ITSAA as a specialised-service component in the Department. Initially, the proposed structure was based on a centralised national model and because of a lack of funds was inadequately populated with the majority of appointments being on contract. However, owing to the huge increase in the workload the design of the structure was changed to a new model with a smaller national office and nine provincial offices. The decision was also taken to fill all posts with permanent appointments as opposed to the mix of 14 permanent posts and 43 contract appointments that existed at the time the matter was introduced to the Chamber. The employer consulted with labour on the migration plan and principles to facilitate the deployment of employees to the redesigned structure.

The PSA established that the plan was aligned with the DPSA’s guide on transformation and restructuring. Furthermore, the employer made it clear that no job losses was envisaged and that no contracts would be terminated as a result of this process. All contracts would be allowed to run their full course and only once the natural termination date was reached would the post be advertised. The only potential negative impact for members on contract would therefore be that the permanent salary position would impact on the “take-home pay” of employees since contract employees receive a salary inclusive of 37% in lieu of benefits or that they would not be the successful candidate during the recruitment process.

The PSA obtained a membership list and contacted the seven members affected by the envisaged process of whom four were on contract. The PSA explained the implications to the contract employees. The PSA furthermore tried to convince the employer to consider the renewal of the contracts of employees who would wish to remain on contract at the expiry of their current contracts. The employer refused to consider this and the PSA also did not get support from other labour partners on this, especially taking into consideration the labour position in the PSCBC that the number of contract appointments in the Public Service must be reduced. None of the members provided the PSA with a mandate to pursue this aspect further.

National Departments (Bargaining Chamber of the GPSSBC)

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

On average, almost 50% of activities in all Chambers related to the review of existing Human Resource Policies and related policies on matters that can be construed as of mutual interest such as subsistence and travel. In general, the approach to what can be considered a fair and reasonable consultation process, remained a challenge. Labour and the employer obviously do not always agree on this and labour is continuously blamed for delaying the process. The lack of participation and involvement from members and shop stewards also pose substantial challenges.

Discussions, however, took place regularly in Chambers (DBC) regarding matters that affected members' interests. The most important are the following which are listed by Department:

National Treasury

The first DBC meeting scheduled in terms of the Chamber calendar was held on 6 June 2011. Policies on Training and Development, PMDS, Resettlement, Leave, Injury on Duty Guidelines, and Probation were tabled for discussion.

The most important issue, apart from Policies, which was negotiated during the period under review was the future of employees in the Financial Systems units with the implementation of the Integrated Financial System (IFMS). This System is being implemented at SITA. Employees in the Financial System units (i.e. Persal, Logis and BAS) will be affected during the process of the implementation.

The late Minister for Public Service and Administration said during a Parliamentary Portfolio Committee meeting that these three systems would be phased out over five years. The employer was subsequently requested to indicate how affected employees would be accommodated once the three systems have been phased out over the next five years. Negotiations were still underway by the end of the period under review.

Government Pensions Administration Agency (GPAA)

Discussions included the review of Policies. A Task Team was established and tasked to deal with the identification and review of Policies. Once this process has been completed, those reviewed Policies will be tabled in the DBC for finalisation.

One of the most important issues which affected members during the past year was the "Restructuring or Modernisation Process" which the employer embarked upon from 1 April 2011. The matter was officially tabled for discussion at a meeting of the DBC on 5 August 2011.

It does not seem as if the employer is being transparent and the PSA requested that a special meeting of the DBC should place on an urgent basis. The GPSSBC was also requested to intervene to ensure that proper consultation takes place during the process. The matter was not finalised by the end of the period under review.

Sport and Recreation SA

The DBC operated effectively and meetings took place in terms of the year calendar. Matters affecting the interest of members were discussed on a regular basis during meetings. The most burning issue that affected members was the alleged overpayment of the 8% performance bonus and transitional allowance paid out to members for the 2005/2006-financial year. Members were summoned by the employer to repay those amounts they received. After the PSA took legal steps, the employer then took a decision to write off the debt. Members were happy with the outcome.

The other important issue that affected members was the process of restructuring which the employer undertook during the past financial year. The proposed organisational structure was officially tabled at a Special DBC held on 9 February 2012. A Departmental Task Team was set up to do the "spade work" in terms of consultation and to report back to the DBC with a view to determine the way forward. The matter was still under discussion between parties by the end of the period under review.

National Department of Tourism

The most important issue that was dealt with in the DBC was the process of restructuring. The employer gave the assurance that no dismissals were contemplated. During the consultation process the employer, however, commenced with the process of matching and placing without fully consulting with labour.

The intervention of the Council was subsequently sought by the PSA with a view to amicably resolve the matter. The employer insisted that it had meaningful consultation with labour in terms of the DPSA pre-conditions on restructuring.

The PSA indicated its dissatisfaction with the manner in which the employer handled the matter. It was subsequently resolved that the process would be monitored and any discrepancies would be taken up with the employer and also brought to the attention of the Council.



Service

Department of Higher Education and Training (DHET)

A process of policy review was embarked upon and was discussed in the DBC. Policies on Supply Chain Management, Loss and Disposal, Parking, Booking for Flight and Accommodation, Transport, Cell phone and Telephone were adopted.

As far as the relocation process is concerned, the DHET approached the Department of Public Works to assist with the allocation of a new building for the DHET. The employer, however, indicated in the DBC that the Department of Public Works could not meet its specifications and that it could also not find a building that it could provide for the DHET for future occupation. In view of this, the DHET reported that it signed a continuation of the current lease and would remain in the current building for another three years. It also indicated that it would continue to investigate the possibility to relocate to another building and would engage with senior management in terms of the process going forward. This matter remains on the agenda of the DBC for monitoring purposes.

Rural Development and Land Reform

The reconfiguration of the Public Service following Cabinet's decision in 2009 resulted in yet another change in the name and mandate of the Department with the addition of rural development, which in turn, led to another review of the structure during 2010. This effectively meant that the Department had been subjected to restructuring processes since 2009. Most of 2010 was spent on the finalisation of the organisational structure that was subsequently approved in March 2011.

The employer all along maintained that no retrenchments were envisaged and that no employee would be worse off in terms of salary level and conditions of service when migrated to the new structure. Labour was also informed that the new organisational structure would effectively increase the number of posts of the Department from 4 513 to 7 467 although the filling of posts would have to be phased in owing to a lack of funds to implement the full structure at once. It, however, became clear that not all employees would be absorbed on the new organisational structure owing to the change in the Department's mandate and strategic/operational plan and might be carried out of adjustment or additional to the new establishment.

At the insistence of the PSA the employer embarked on road shows from May to June 2011 to inform all employees of the principles of the migration framework regulating the process of migrating employees from the old to the new structure. Towards the end of 2011, labour was at last provided with a figure on the number of employees that will be additional to the establishment.

Going forward, the focus will be on ensuring that the migration of employees is done in a fair, consistent and transparent way. Towards the end of the period under review, labour was informed about the envisaged project plan to specifically attend to the issue of employees additional to the establishment and was invited to attend these meetings.

The focus will be on continuous engagement between head office and the various provinces until all information has been collated and all employees have been issued with letters either confirming absorption into the structure or being placed additional to the establishment. Members will be advised to lodge grievances should they not agree with their placement and will be assisted by the PSA.

The employer informed labour that it was busy with a feasibility study regarding the possible split of the Department into three distinctive components, i.e. Rural Development and Land Reform, Surveyor-General and Deeds. This is a long-term process that may involve changes in statutes, budget allocations, etc. The end-result will, however, be yet another restructuring process.

The employer launched a project for the digitisation of records and documents involved in the lodging of Deeds relating to the change in ownership of property and the Cadastral process showing the extent, value and ownership of land in South Africa. A Project Team, "Vulin-dlela" was awarded the tender to drive the process. It was acknowledged that the project would have substantial implications on various fronts which would necessitate continuous and extensive communication between and involvement of all stakeholders. A Change Management Forum (CMF) was established, consisting of Project team members as well as employer and labour representatives. The CMF met four times during the period under review. In addition, one bigger workshop was arranged where the PSA used the opportunity to invite as many shop stewards from the affected offices as possible to attend in order to provide them to hear first-hand what was transpiring and raise questions. Regular feedback to affected members remains a PSA priority and although members are continuously invited to present inputs to be raised with the employer on their behalf, involvement and participation remain limited.

It was envisaged that the Project would impact in one way or another on the total workflow in the Branches Deeds Registration and Cadastral Surveys. It remained unclear at the end of the period under review as to exactly what the impact and implications would be. No job losses/retrenchments were envisaged but it was anticipated that employees would have to be retrained to adapt to the new *modus operandi*. In cases such as those of Messengers where the jobs may become obsolete because of the electronic submission of applications, training would ensure that they can be absorbed in other occupational categories.

Labour indicated to the employer at a recent meeting of the CMF that the information provided during these meetings was of a technical nature and of no real value to a layman. Labour's focus in participating in the CMF was to determine and consult on the human resource impacts on members and eventually all decisions emanating from this Forum would have to be brought back to the Chamber as the main structure for consultation and negotiation on matters of mutual interest.

During January 2009 the employer took a decision to unilaterally terminate the Piecework and Production Incentive Scheme with effect from 1 February 2009.

The initial approach by the PSA was to bring an urgent application in the Labour Court against this. However, on subsequent investigation and discussion, it transpired that the employer had, in fact, not implemented the decision. The reduction in work volumes, owing to the recession, impacted to the extent that there was not enough work to fully support the quotas for the piecework system which made it possible for payment of the incentive bonuses.

The PSA, however, still considered the decision by the employer to be in contempt of a Labour Court order of November 2006, in terms of which quotas for the piecework system and the norms for the data and micro-film schemes were agreed to. The PSA requested the employer to confirm whether the intention was to withdraw the applicable measure or to suspend the working of additional work as a result of low work volumes. The fact that the employer left the matter hanging and gave contradictory responses was not satisfactory to the PSA. The employer was approached again and placed on terms to give a clear and unequivocal undertaking that the incentive scheme remains in place and that if work volumes increased, the Scheme would be implemented.

During the period under review answering and replying affidavits were exchanged but parties could not reach agreement or consensus on the key aspect that the incentive scheme remains in place and that when work volumes increased, the scheme would be implemented again. The matter was therefore referred to the Labour Court for a hearing which was held on 24 August 2011. The PSA's first application was dismissed with cost in December 2011 and the has granted approval for legal counsel to apply for condonation and leave to appeal. Documents were served on the State Attorney on 8 March 2012 and filed at the Labour Court on 9 March 2012.

Department of Water Affairs

With regard to the OSD, the employer informed labour during the period under review that all cases relating to phases 1 and 2 were finalised and that it was busy preparing for the implementation of phase 3 with effect from 1 July 2011, whilst awaiting a determination from the DPSA guiding Departments around the implementation of phase 3 of the OSDs.

The PSA kept members informed of the implications of phase 3 when it became clear that only relevant or applicable experience obtained after the relevant qualification and after complying with the registration requirement as prescribed by an appropriate professional council or body would be recognized and that only production posts would benefit since supervisory and specialist posts were excluded.

The PSA also introduced an agenda item on the GPSSBC regarding the review/amendment of GPSSBC Resolution 3/2009 with regard to the position of Water Quality Management employees. The PSA came to the conclusion after studying related documentation and the wording of the relevant Resolutions that the employer omitted to include these employees during the negotiation process.

The employer was during the period under review still involved in various transfer processes around Water Services. PSA Provincial Offices facilitated the process of reaching agreements with regard to the transfer of benefits and conditions of service.

As far as the implementation of Performance Incentives for 2010/2011-evaluation cycle is concerned, members informed the PSA about a decision by the employer to introduce a moratorium on the payment of performance incentives based on the qualified audit report which indicated a gap between the overall performance of the Department and individual performance.

The PSA informed the employer that such an approach would be a breach of its own Performance Management and Development System Policy and would also impact on the morale and productivity of members. The PSA reminded the employer of the efforts of employees who carried the Department through difficult times during the last two years when there was a lack of leadership, systems were not working and high staff turnover and vacancy rates. Continued pressure by the PSA resulted in the payment of incentive bonuses in December 2011.

Independent Complaints Directorate

The Independent Police Investigative Directorate (IPID) was established in April 1997 to investigate complaints of brutality, criminality and misconduct lodged against members of the South African Police Service and the Municipal Police Service and obtained its legislative mandate in this regard from section 53(2) of the *South African Police Act* (Act no 68 of 1995). This way of operating, amongst others, compromised the independence and credibility of the ICD and a decision was taken to convert the ICD into the IPID as a separate and independent body with its own legislation.

During the period under review labour was provided with the draft structure and allowed an opportunity to consult with its members. The PSA kept members informed of developments and allowed for inputs to be presented that could be raised with the employer. None was forthcoming and therefore it had to be concluded that members accepted the envisaged changes. It was also determined that a substantial number of employees would benefit from the process owing to upgrades of their positions.

The PSA put pressure on the employer to apply the principles of the *Public Service Regulations* in such a way that existing employees would be automatically upgraded should they comply with the requirements which were acceded to.



Service

Department of Environmental Affairs

Emanating from a long struggle to juggle the requirements of the *Basic Conditions of Employment Act, 1997*, with regard to the limitation on overtime work with the unique circumstances of employees who undertake research, monitoring, control and surveillance expeditions at sea, the employer entered into a collective agreement in 2009 with Nehawu as the majority union, for the payment of a flat rate Sea-going Allowance to all such employees. PSA members did not provide a mandate to sign.

The Allowance was intended to be inclusive of overtime payment, night shift and standby allowances. The agreement contained a clause that indicated that it would be terminated on the signing of an OSD for the Marine and Coastal Branch (since renamed to Oceans and Coast). The agreement therefore effectively lapsed with the signing of GPSSBC Resolution 3/2009.

When the Finance Section of the Department picked this up, payments were supposed to be terminated. However, the employer took an “*interim*” decision to continue with the payments. The employer and Nehawu, as the majority union, have been discussing the possibility of “amending” the existing agreement although no proposals around this have been introduced, rather than reviewing it totally.

The PSA, on the other hand, raised its concern that without an unambiguous agreement, members were at risk of receiving payments which could later be considered by auditors to be irregular or unauthorized expenditure that had to be paid back.

The employer recently, for the first time, acknowledged this risk in the Chamber and indicated that it was engaging the DPSA as the custodian for the introduction of any form of allowances, in order to obtain guidance and a recommendation.

Department of Justice and Constitutional Development (DOJ) and National Prosecuting Authority (NPA)

Amongst some of the most significant discussions was the matter of job descriptions. The PSA indicated to the employer that a number of employees, especially those in regions away from head office, did not have job descriptions. This was affecting, amongst others, their performance contracts and job evaluation.

As a result, the employer embarked on a process of conducting a job analysis and drafting job descriptions to ensure that all employees had job descriptions. The Human Resource section developed a “folder” on the internal computer system where all the completed job descriptions were recorded and is accessible to all employees of the DOJ. The analysis of jobs at head office level was near completion and information from some of the regional offices was still outstanding by the end of the period under review. Labour was, however, being kept updated as the process unfolded.

Several matters were referred to the Labour Court over the past few years and substantial progress was made during the period under review.



In July 1999, the Minister responsible for the DPSA directed that job evaluations should be undertaken in all departments of national government and provincial administration.

The NPA only took its first step to give effect to the directive on 1 January 2002 when it was announced that all NPA posts would be re-evaluated and graded. Further delays occurred and only in February 2004 (nearly five years after the directive was issued by the DPSA) did the NPA appoint external consultants to start investigations. The evaluation was completed six months later and a number of posts were upgraded. Funding was, however, a problem and the NPA applied for additional funding from Treasury in July 2004, which was rejected. The NPA subsequently unilaterally implemented a “phased-in” approach of the results.

The PSA was opposed to this manner of implementation and referred a dispute to the GPSSBC on 1 April 2005 for the NPA to fully implement the results with effect from 1 April 2005 and not phased-in. At arbitration an award was issued in favour of the PSA and the NPA was ordered to pay to NPA employees an amount equivalent to the amount they would have received if they had the re-graded structure implemented with effect from mid-2005.

This award was referred to the Labour Court by the NPA for review. The Judge of the Labour Court made an order reviewing and setting aside the award on the basis that the arbitrator took into account irrelevant considerations and also exceeded his powers, thus rendering the award one that a reasonable decision-maker would not have made.

The PSA then lodged an appeal at the Labour Appeal Court (LAC) and the matter was heard on 25 August 2010. Judgment was handed down on 20 April 2012 with the Judge ruling in favour of the PSA and ordering that the appeal succeeded and that the order of the Labour Court was set aside. In its stead, an order was granted that the application for review was dismissed. There was no order as to costs.

The PSA was informed by the State Attorney’s Office that the NPA intended seeking special leave to take the LAC’s judgment on appeal to the Supreme Court of Appeal and requested the PSA to agree in the *interim* to stay the operation of the arbitration award. The PSA’s attorney was instructed to inform the State Attorney that PSA was not in favour of such an agreement.

The PSA received concerns from members with regard to the transfer of Directorate Special Operations (DSO - Scorpions) to the South African Police Service (SAPS) and attempted to resolve the matter through the DBC, but without success. The concerns which were raised related to calculations made in terms of the “SAPS calculator” in terms of which it was clear that members would be financially prejudiced upon the transfer to SAPS.

A mandate was received from members not to sign a draft agreement proposed by the employer in relation to the structuring of the pensionable benefit for those transferring to the SAPS. Further engagement with the SAPS also did not yield the desired results and upon request from members, no further engagement took place between the SAPS management and the PSA on the matter and it was further pursued by the PSA at the Labour Court.

The PSA’s attorney subsequently submitted all the necessary papers to the Labour Court and complied with the directive from the Court calling on the “Heads of Argument” to be filed. The PSA’s attorney indicated that the notice was received from the Registrar and the matter has been set down for 7 August 2012.

The matter of the job evaluation for Maintenance Investigators was raised with the employer during the period under review. The employer indicated that the results for the said job evaluation were approved in October 2004, but these results could not be implemented owing to a lack of funding. Funding was only made available during the 2007/2008-financial cycle with the approval that the job evaluation results be implemented with effect from 1 April 2007.

The PSA, however, contended during the implementation of the outcome in January 2009 that, in accordance with the submission made for approval for the implementation, it was clearly indicated that the implementation date for the upgrading of Maintenance Investigators should be as of 1 November 2004. The employer’s official position was that any date other than 1 April 2007 was not approved and would regard it as irregular to backdate the date of implementation further than 1 April 2007.

The matter could not be further discussed in the DBC and an attorney was instructed by the PSA to proceed with an application to the Labour Court in terms of section 158(1)(h) of the *LRA*. The attorney drafted an “affidavit” in consultation with affected members and was in the process of filing the papers at the Labour Court by the end of the period under review.

Department of Labour

The Department embarked upon a restructuring process based on a Cabinet decision that all Departments needed to render a reasonable accessible service to the public. The employer consequently intended to restructure its head office, the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF).

The expertise of the International Labour Organisation was utilized and various project teams were established to consult all stakeholders, including recognized unions in the Department. A task team was established after discussion in the DBC with a view to develop a “Framework Agreement” which would regulate all restructuring processes in the Department. This Framework was also aligned with the DPSA’s “Guide on Restructuring”.

Negotiations on the Draft Framework Agreement were finalised and by the end of the period under review, the PSA was obtaining a mandate to sign the agreement.

The employer made a presentation to labour on the “Organisational Review” which the Department intended to implement. It was indicated by the employer in a “problem statement” that during a “fact finding” exercise, which started on 7 July 2011, it was found that the Department was not functioning as the single entity it should be.



Service

There was a lack of uniformity on various matters which included the manner in which posts were graded as well as some operational matters. The intended review process would also align the current restructuring processes and would be based on the Framework Agreement still under discussion. The process was still underway by the end of the period under review.

A request was made to the employer to develop and include an OSD for the occupational class of Career Counselor. A task team was subsequently established to finalise a proposal for consideration in the DBC. The task team met on 5 February 2012 and provinces were requested to provide a list of possible beneficiaries by 30 March 2012. All but one province submitted the information. A meeting of the task team was, by the end of the period under review, to be reconvened as soon as all the outstanding information was received.

Office of the Presidency

Although the PSA is not representing the majority of unionized employees in the Presidency, it is highly active and has taken a lead on a number of matters under discussion.

Amongst the matters raised by the PSA for discussion were amendments to Departmental Policies, the bus service for staff and the Performance Management and Development System (PMDS).

The DBC was, however, not meeting regularly owing to the non-attendance of the union that represents the majority of members, i.e. Nehawu. Meetings were, however, re-scheduled in terms of the Governance Rules and matters were also resolved through bi-laterals between the PSA and the employer.

With regard to the implementation of PMDS for the 2009/2010-financial year, the PSA during the period under review made an application to the Labour Court on the implementation of the Policy. The employer did not make payment for Pay Progression and Performance Bonuses to members who qualified for the said financial year. The PSA's attorney indicated that he received a directive from the Registrar to serve and file the "Heads of Argument" relating to this case before 3 April 2012. The attorney had, by the end of the period under review, complied with the directive.

Department of Public Service and Administration (DPSA)

The DPSA introduced a policy on Special Leave in the DBC with a view to consultation and adoption. The PSA warned the employer that special leave could not be dealt with by the DBC in the format of a policy, but that PSCBC Resolution 5/2001 required a collective agreement on special leave which was to be negotiated in Sectoral Councils.

The DPSA ignored the PSA's warning and proceeded with consultations in the DBC. Nehawu, the majority union, entertained the DPSA and a Special Leave Policy was adopted. By the end of the period under review, the matter was being taken further in the GPSSBC.



The Minister for Higher Education placed the Public Sector Education and Training Authority (PSETA) under administration and appointed an administrator to oversee the process. As a result, amongst others, DPSA employees who were seconded to the PSETA had to be “absorbed back” into the DPSA in accordance with the provisions which apply to secondment. As there were not enough positions available for all these employees at the DPSA, parties agreed on a process where staff would be absorbed in phases and that positions in other departments should also be made available to these employees for consideration.

In terms of a subsequent Memorandum of Understanding which parties agreed to, all the employees were accommodated and “absorbed back” into the Public Service. Some employees, who elected to be transferred to the PSETA as permanent staff, were successfully transferred.

South African Police Service (SAPS)

The PSA, as a minority union in the SAPS, is not a recognised union in the SSSBC and can therefore not participate in negotiations or represent members at the SAPS. A number of PSA members, Clerks appointed in terms of the *Public Service Act*, however, raised their concerns in respect of their salary grades. A large number of Clerks at the SAPS are remunerated at salary levels 3 and 4 whilst Clerks in other departments of the Public Service are remunerated at salary level 5.

Despite not being recognized by the SAPS as employer, the PSA in an attempt to assist members, took the matter up with the SAPS Commissioner. The Commissioner, as expected, did not respond to these enquiries. The PSA then turned to the DPSA that indicated that it was evaluating the salary levels of Clerks in various departments, including the SAPS. The job evaluation was finalised and departments were submitting Costs Analysis Reports to the DPSA with a view to implement the upgrading of Clerk salary levels. The PSA remained in continuous communication with the DPSA to keep members informed.

The PSA also dealt with numerous complaints in respect of rank and leg promotions at the SAPS. The SAPS concluded a collective agreement with admitted unions in the SSSBC in terms of which SAPS members would qualify for leg and rank promotions should they meet the prescribed requirements. The Collective Agreement, however, stated that the SAPS Commissioner would decide on a date on which the rank and leg promotions would be introduced. The Commissioner subsequently issued a “National Instruction” which stipulated that members should wait until they are invited to apply for these promotions.

The PSA consequently requested the Commissioner in writing to expedite the process and to allow members to apply for these promotions and not wait for invitations. Once again and as expected, the Commissioner failed to respond to the PSA’s request.

In an attempt to assist our members, the PSA met with SAPU, a “partner” in the ILC. The PSA convinced SAPU, which is recognised in the SSSBC, to enter into a new agreement with the SAPS which would enable members to apply for the promotions. A new agreement was subsequently signed in terms of which members could apply for the promotions. Shortly thereafter, however, for some mysterious reason, the new agreement was replaced with another agreement which once again stipulated that members should wait for the Commissioner to invite them to apply for the promotions.

The PSA unfortunately exhausted its remedies and the agreement, although detrimental to our members, also apply to them as the recognized unions representing the majority of employees in the SSSBC signed an agreement.

Department of Arts and Culture (DAC)

The DAC consulted with labour in the DBC and held workshops on a number of policies which were to be adopted. As a result Policies on Bereavement Support in the Workplace, Employment Equity, Job Evaluation, Corporate Clothing, Leave, Retention of Staff, Official Working Hours, Resettlement Expenditure, Internship, Appointments, Secondments, Promotions, Transfers and Termination of Services, Remunerated Overtime as well as Recruitment and Selection were adopted in the DBC.

In addition to these Policies, two collective agreements were drafted upon the insistence of the PSA. These draft agreements deal with the reduction of the meal intervals to 30 minutes as per the *BCEA* and the extension of maximum hours of overtime per week to 15 hours as per the *BCEA*. The PSA was by the end of the period under review obtaining mandates from members.

As mentioned, resulting from the report in respect of the DPSA, the DAC attempted to consult with labour on special leave with a view to draft and adopt a policy. The PSA, as the majority union, prevented the employer from doing so and requested a meeting with the Secretaries of both the GPSSBC and the PSCBC in order to advise the employer on the contents of PSCBC Resolution 5/2001. This Resolution states that special leave should be negotiated at the relevant Sectoral Councils. The PSA consequently argued that the DBC had no *locus standi* to consult or even negotiate on the issue of special leave as it was a Sectoral Council matter.

A further meeting was held between the PSA and senior management of the DPSA during where it was agreed that the DPSA would draft a framework document on special leave which would be discussed and agreed upon in the GPSSBC. The GPSSBC would then furnish the various Bargaining Chambers with the Framework Agreement after which Bargaining Chambers would be able to negotiate Special Leave Agreements.



Service

Department of Economic Development

This newly-created Department had not yet appointed staff to its post establishment during the period under review and consequently no activities took place during this time.

Cooperative Governance and Traditional Affairs

The Department of Traditional Affairs was being structured and relied on the Department of Cooperative Governance in respect of administrative matters including policy development. Policies applied at Cooperative Governance were also being applied at Traditional Affairs.

Restructuring in the Department has left some Senior Management Service (SMS) members, who are members of the PSA, displaced as the process was unilaterally unfolded by the employer without consulting the PSA and other recognized unions.

The PSA subsequently engaged the Department's top management and was informed that the "re-alignment" being conducted by the new Minister would take care of displaced SMS members. The PSA, however, demanded that the "re-alignment process" be consulted at Chamber level and the employer acceded to this. The process had not been finalised by the end of the period under review.

The employer wanted to close the offices of the two Departments in December 2011 as these offices are not busy during that period. The PSA successfully challenged the decision. A legal opinion was sought by the PSA on the way forward. According to the opinion, the employer had a prerogative to close its offices if its operations allowed. Employees and their unions must, however, be consulted in advance to enable employees to arrange on how their leave credits will be utilized for closure. The employer later indicated its intention to close offices in December 2012. The proposal was being consulted in the DBC by the end of the period under review.

Department of International Relations and Cooperation (Dirco)

The Chamber decided to review all policies older than two years. The Chamber Policy Task Team, comprising of representatives from all parties admitted to the DBC, was established and assigned the task of Policy Review. The Task Team is to report on progress to the DBC from time to time.

Labour was informed that the Presidency decided to take over the Presidential Guesthouse. These employees were, however, on the establishment of Dirco. Employees were given an option to remain with Dirco or to be transferred to the Presidency when it takes over. All employees decided to remain with Dirco and it was agreed that they should be seconded to the Presidency until the Presidency can run the Guest House on its own.

Office of the Public Service Commission (OPSC)

The PSA tabled an item on the contravention of the *Basic Conditions of Employment Act, 75 of 1997* by the employer in respect of the remuneration of Security Officers who work on Sundays and on public holidays. By the end of the period under review, the employer reported that the matter was still receiving attention and feedback would be given at the next DBC meeting.

National Department of Public Works

A Task Team was established to investigate the possible relaxation of qualification requirements and thereby to accommodate long-serving, experienced and competent employees who did not have relevant qualifications to advance to higher positions when advertised. An investigation was subsequently conducted and the report comprising of recommendations was submitted to the DBC by the end of the period under review.

Department of Communications

The employer indicated in the DBC that it intended to restructure the Department. The employer, however, at the request of the PSA gave an assurance to labour that there would be no retrenchment as a result of the process. The employer subsequently consulted labour on the new approved structure and the migration plan that would be used to "move" employees from the old structure to the new one. The process was still being consulted by the end of the period under review.

Department of Home Affairs (DHA)

With regard to the unilateral change to terms and conditions of employment in respect of working hours, the PSA obtained a legal opinion on whether the conciliator was acting within her jurisdiction by ruling that the employer acted within its right to amend the working hours. The legal opinion stated that the jurisdictional ruling that was handed down was reviewable and that there was at least an arguable case that the implementation of the policy constituted a unilateral change to members' terms and condition of employment. It was also stated in the legal opinion that the review was late though the PSA then made an application for condonation which was still in progress by the end of the period under review.

The PSA raised its concern about the manner in which the contracts of contract workers were terminated without the Department considering appointing them permanently. The PSA's view was that there were enough suitable vacancies currently being advertised by the employer. The PSA further indicated that the Department had over the past two years employed contract workers who, in the process, gained enough experience to be at least considered for permanent appointment in order to ensure that skills were not "left to waste".

The PSA's view was that some directorates put higher than necessary requirements for posts with the intention to disadvantage current contract workers. Most contract workers were initially upon appointment required to only possess a matric qualification. The same positions were, however, being advertised by the Department requiring a post-graduate qualification.

The PSA consequently proposed that the Department should remove the word "minimum" in relation to the matric requirement for appointment at salary levels 3 to 7. It is the PSA's view that this will clear up the confusion whereby some managers would not even consider matric qualifications on the notion that it was a minimum and therefore they had the discretion to go for maximum requirement. The Department also indicated that it intended to "do away" with the "casualisation" of workers. The employer also planned to fill all vacant positions by the end of September 2011 on a permanent basis. The matter was still under discussion by the end of the period under review.

The Department made a presentation at the Chamber meeting of 21 July 2011 and informed labour that it entered into a "working together" agreement with the Cuban government. The purpose, amongst others, was the sharing of "best models and practices". The Department further indicated that it would arrange a workshop to outline the agreement with the Cuban government. It was further indicated that it was the intention to send delegates to Russia on a similar mission such as the Cuban one in the near future.

The PSA appreciated the initiative of the Department to share and learn other best practices in other countries, particularly when taking into account the unique nature of the Department within the Public Service and that it has its own challenges to serve citizens. The PSA further suggested that the Department should include labour as stakeholders for the study tours in order to contribute positively, considering the on-going thorny issues arising from the Immigration Services, Fingerprint and the other components of the Department. The Department indicated that the proposal was sound and that it would revert back to labour with a response at a workshop to be arranged for this purpose. During the DBC meeting on 23 September 2011, the employer reported that the workshop did not materialise owing to other employer commitments and proposed that the workshop be held on 27 September 2011. The intention of the workshop was to share information and experiences acquired during research in Cuba. The PSA insisted upon information to be provided by the employer on its intentions going forward and in order to share this information with members who could be affected in future.

The PSA tabled the matter of recruitment of SANDF personnel into higher Department posts in the DBC following the posts being advertised by the employer's Immigration Services at the Department of Defence in July 2011. During the DBC meeting on 23 September 2011, the PSA raised its concern with regard to DHA immigration posts being advertised on the notice boards of the SANDF not to only to draw the attention of public servants working at the SANDF, but to also limit the scope of potential applicants through setting of particular qualifications and experience relevant to only SANDF personnel.

The PSA indicated that it also noted that the requirements contained in the advertisement were not those of Immigration Officers and that the employer intended to discriminate against serving officials who were PSA members. The PSA's view was that the exclusion of staff currently employed at the Department was in contravention of the provisions of the *Public Service Regulations, 2001*, as amended, in terms of Part V11 C2 dealing with the advertisement of posts.

In view of this, the PSA demanded that the employer withdrew the advertisement until a proper consultation process had been conducted. The employer, however, indicated that it would not put the process to recruit SANDF personnel in abeyance and that it was of the view that it had followed all the necessary procedures to recruit SANDF personnel that are over 35 years of age to fill immigration positions in the Department. The PSA subsequently indicated that it was unfortunate that the employer did not want to consult or put its recruitment in abeyance whilst it had also not yet conducted a workshop as previously agreed to present its position regarding the plan to imitate foreign models and security measures such as those of Cuba.

Following the DBC meeting of 23 September 2011 the PSA, through its attorneys, made an urgent application at the Labour Court to "interdict" the Department from continuing recruiting SANDF members. On 12 October 2011, judgment was received that the Labour Court had dismissed the PSA's application. On 13 October 2011, the PSA consulted with senior counsel and our attorneys to discuss the judgment. During the consultations it was discovered that the Honourable Judge did not deal with the issue that the parties requested him to decide (i.e. whether in recruiting employees from the Department of Defence (DOD), the DHA was in breach of the provisions of Chapter 1, Part VII, C.2.4 of the *Public Service Regulations* and whether the action or conduct of the DHA in recruiting employees from the DOD was not in breach of the Constitutional Provisions relating to prohibition of discrimination and the right to be treated equally and fairly). The judgment dealt only with two issues which did not form part of the papers nor of the issues raised by the DHA in its Answering Affidavit which were the striking out of application, for the striking of the founding and replying affidavits of the PSA and that the relief sought by the PSA on Prayers 2.1, 2.2 and 2.3 of the Notice of Motion were vague and not capable of compliance.

In view of this, the PSA was advised to appeal against the entire judgment. The PSA thus made an application for Leave to Appeal and on 30 November 2011 the Court granted the PSA permission to appeal to the Labour Appeal Court. In February 2012 a directive was received from the Judge President for parties to deliver their Heads of Argument. The PSA's Heads of Argument was delivered on 30 March 2012 and those of the Respondent on 30 April 2012. A court date was being awaited by the end of the period under review.

The PSA tabled the matter of the relocation of the Directorates: Asylum and Refugee Seekers to Ports of Entry at the DBC meeting on 23 September 2011 after being advised by members of the employer's intention. The PSA needed assurance from the employer regarding the possible establishment of Asylum and Refugee Seekers Officers at Ports of Entry.



The PSA indicated that it regarded itself as a primary stakeholder and if such speculation existed, the employer must consult with labour as this move would affect members. The employer indicated that there was no such formal process underway as it was still only an idea of individual managers. The employer also indicated that it committed to engage labour should it become a formal discussion point of the Department.

Department of Transport

The Department embarked on a restructuring exercise and tabled a draft document entitled "Guiding Principles on Restructuring". The PSA requested the employer to provide the relevant information necessary for proper consultation to take place and with a view to enable the PSA to determine how the process was going to affect members and to discuss the way forward. The PSA further indicated that documents dealing with the Human Resource Plan (which should address the issue on how many personnel would be required in the new structure), the envisaged organogram (which should contain information on the number of posts contemplated for the new structure), how employees would "migrate" to the new structure (matching and placement), and the Implementation Plan (which should outline how the process would unfold) need to be made available for discussions in the DBC.

The PSA also indicated that labour should not only be involved in consultation, but also in the "matching and placing" exercise which follows the process. In view of the PSA's position, the employer reported that it would prepare a consolidated document to be tabled in the DBC for further discussion.

A draft Agreement on the "Guiding Principles on Restructuring", which would be used as guide during the restructuring of the Department was consequently tabled in the DBC for discussion. At a meeting on 7 November 2011, parties were requested to sign the draft Agreement on the Guiding Principles, but the PSA indicated that it was still finalising its mandating processes. At the DBC meeting on 16 November 2011 the employer, however, informed parties that itself and Nehawu as the "majority union" signed the "Guiding Principle" document and that implementation would now take place. Although the PSA did not sign the agreement, it is binding on our members.

Policies on Security (main Policy), Personnel Security, Document Security, Uniform Security, Occupational Health, Contingency as well as Records Centre were being consulted. Labour indicated that it would require time to go through these policies in order to make inputs. The employer indicated that its intention was to implement all these policies before the end of the year. The matter had not been finalised by the end of the period under review.

Government Printing Works

The DBC was newly-established following a Cabinet decision which led to the reconfiguration of the Public Service. By the end of the period under review the Chamber had met four times.

A total of four task team meetings had taken place. The employer tabled the issue of the restructuring of the Publication Directorate in the DBC and indicated that the Department intended introducing a new system called "E-gazette" in the Government Printing Department (publication department). The employer further indicated that it was still engaging stakeholders and also that it was still conducting some research as to how the new system would fit into the Government Printing Department.

Labour noted the report and indicated that they would appreciate that as soon as the research was completed and the draft ready to be tabled, that the employer would revert back to labour for consultation with a view to enable labour to make inputs on the proposals. It was also agreed that a task team be established to enable parties to engage on the issue as soon as new developments were forthcoming from the employer.

It was further agreed in the DBC that a task team to dealing with policies would be established. Policies on Recruitment, Performance Management and Development System, Job Evaluation, Employment Equity, Remuneration outside the scope of duties, Special Leave, Job Evaluation, Sexual Harassment, HIV and Aids, Employee Mobility, Smoking, Overtime as well as Probation were being consulted. A task team meeting was scheduled for 24 May 2012 to finalise these policies.

Department of Stats SA

A Departmental Task Team was established to deal with the review of policies. During a DBC meeting it, however, came to the attention of the PSA that the employer had unilaterally implemented the Leave Policy and the Overtime Policy. The PSA raised its concern and indicated that it did not accept these Policies as no proper consultation had taken place in the DBC. The employer did not want to deal with the matter, forcing the PSA to request the intervention of the GPSSBC. The PSA insisted that these Policies be negotiated. The PSA also indicated that the issue of Special Leave was under discussion at Council level and could not be implemented by the employer. The matter was still under discussion by the end the period under review.

As far as communication to the organisation by labour was concerned, the PSA's "group-wise link" was up and running.

Department of Trade and Industry (DTI)

The GPSSBC established a new DBC for the Companies and Intellectual Property Registration Office (Cipro), separating it from the DTI based on re-alignment. A new organisation has been established in terms of the *Companies Act 2008* (Act 71 of 2008) which created a new Companies and Intellectual Property Commission (CIPC) with the intention of enhancing service delivery by Cipro and the Companies and Intellectual Property Enforcement (OCIPE).

The restructuring of Cipro was discussed at a joint meeting between the DTI and Cipro. The PSA successfully put pressure on the employer to consult properly in the relevant forum with a view to deal with restructuring issues, identify pitfalls and to avoid any ambiguities during the restructuring process. The PSA ensured that there were no job losses as a result of this process. The PSA also took a strong position with its commitment to assist the DBC in finalising this matter. All affected employees were successfully placed in the DTI and its agencies.

The employer made a presentation on change management to the Enterprise Organisation (TEO) cluster which aims to stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities such as Manufacturing Incentives, Infrastructure Investment Support, Services and Incentives, Strategic Partnership and the Office of the Chief Executive Officer.

The PSA noted the report with appreciation considering that the move was pro job creation and would ensure that effective and efficient service delivery was realised.

The DBC adopted Policies on Retention, Funeral and Bereavement, Job Rotation, Establishment, Non-Monetary Rewards, Telephone, Burial and Dress Code.

Department of Basic Education

A Departmental task team was, at the insistence of the PSA, established to, amongst others, address the review of Policies as there had been a "split" or "re-organisation" of the original Department of Education into the Departments of Basic Education and Higher Education and Training respectively. The PSA also ensured that a task team was established to deal with Departmental policies as a result of restructuring.

Policies dealing with Recruitment and Selection, Skills Development, Resettlement Expenditure, Subsistence and Travel, Remunerative work outside Public Service, Parking, Bereavement, Sexual Harassment, and Performance Management and Development were the first to be reviewed. All these Policies were approved by the DG and were effectively implemented with the exclusion of the PMDS Policy. The PSA held that the PMDS Policy be negotiated. However, the task team was still engaging on it. The PSA also advised the task team to start engaging with the second set of policies.

The PSA requested the employer to consult in terms of the "DPSA Guideline 6.1". The PSA requested the employer to disclose any information regarding transformation as it would affect its constituency. The PSA played an important role in ensuring that the process was introduced without infringing on the rights and interests of its members.



Public Administration Leadership Management and Academy (Palama)

Further re-alignment of the organisation was the most contentious and pressing issue on the agenda of the DBC. The PSA took a strong position and needed the employer to disclose any information regarding transformation as it could affect members. The PSA was instrumental in seeing to it that this process was introduced without infringing on the rights and interests of members.

The PSA was also instrumental in the DBC establishing a Policy Consultative Task Team. An extensive consultation process was embarked upon in respect of policies. Policies on ICT Security, Gym, ICT Asset Management, Physical Security, Cellphone and 3G Card, Telephone, Training and Development Standard Operating Procedure (SOP), Transport, Office Accommodation, Resettlement, Bereavement, Disciplinary SOP, Sexual Harassment, Recruitment and Selection, Working Hours and Remunerated Overtime were subsequently adopted.

Department of Energy

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

The Department’s head office was to relocate to the new building which was allocated to the old Land Bank Building at Visagie Street in Pretoria before the end of July 2012. The Communication Committee dealt with the design and completed the process of rezoning the offices. The documents were submitted to Public Works to be checked. The employer was, however, still allocating furniture, acquiring the installation according to the security plan and installation commenced in April to be finalised in May 2012.

As far as Regional Offices are concerned, some relocation may take place which was to be consulted in the DBC. The PSA is of the view that relocation should be done at State expense in line with the Departmental Resettlement Policy where the State pays a once-off salary for inconvenience experienced by employees. For those with houses in their current cities, the employer would also assist with selling/transfer costs. The employer would consolidate all information and find out how many people were affected and consultations would then proceed.

As far as the implementation with approved macro-organisational structure is concerned, the employer undertook to arrange a meeting with the DG and the Minister before the end of March 2012 and discussions would then take place in the DBC. Nothing to that effect had, however, materialised by the end of the period under review.

Department of Human Settlement

The employer indicated on 26 May 2011 that, after several multilateral/bilateral meetings, it was formally tabling its intention to do a presentation on the Turn-around Strategy. The reason was to provide labour with an indication on what the Department intended to do in relation to restructuring. The employer further indicated that there could be some kind of structural re-alignment in the Department and that consultation was being done internally with employees.

It was also indicated that the DG gave a mandate to consult labour and indicated that moving forward there would be discussions between parties on issues such as “migration processes” and “matching and placing”, guided by the DPSA guidelines. The employer further indicated that the communication in terms of the “project life cycle” had started with a due date towards the end of July 2011.

The PSA requested more detailed information on the issues that were discussed by the employer with the DPSA and also issues relating to structural changes. The employer responded that all the information would be shared. It was then agreed that a multilateral meeting would be convened by 28 June 2011. The meeting was held on 23 June 2011 where it was concluded that the strategy was not aligned with the new mandate, that the organisation was not designed to serve the new mandate, and that the performance management information was insufficient to monitor and control the implementation of the new strategy.

The Department has a new broader, holistic Human Settlement mandate with many components and dependencies and dynamic-evolving interactions. Its focal point was the coordination of houses, water, sanitation, waste, roads, land, electricity as well as the socio-economic infrastructure based on the new mandate as outlined above.

During the subsequent multilateral meeting on 21 July 2011, a further discussion was held where a “harmonising” delivery strategy was communicated. The anticipated solution was to build alignment to context and strategy by performing a detailed assessment of the Department’s mandates, related mandates in other Departments’ funding mechanisms and recommendations of the plan; testing outcomes through scenario-planning exercises; facilitating the development of a new Department strategy; designing new functions aligned with the Department’s performance management system; and ensure agility and provide better decision making based on an understanding of the intended and unintended consequences of the policy choices. The ultimate coherent product must have an impact on lasting benefits realised and sustainable “turn-around” drives towards continuous service delivery improvement. In another multilateral meeting on 3 August 2011 various outputs and sub outputs were discussed, including accelerated delivery of housing opportunities (upgrading 400 000 households in informal settlements); affordable rental housing stock 80 000 units, access to basic services (National Bulk Infrastructure Programme and increased access to basic services); more efficient land utilization (acquisition of 6 250 ha (net) State-owned land); improved property market; and supply of affordable housing finance to 600 000 households.

Members' and shop stewards' meetings were convened on 18 February 2011, 22 March 2011, 17 May 2011, 13 July 2011, 4 October 2011 and 13 December 2011. On 23 August 2011 a special DBC meeting was convened where the employer made a presentation on the Turn-around Strategy and the macro structure. The employer indicated that it had a workshop on 15 June 2011. It was also mentioned that the Department intended to finalise the process by the end of October 2011.

The PSA raised concerns regarding clarity regarding figures on the current structure and the total workforce that was envisaged; whether there was anticipation of job losses; the circulation of electronic presentation; clarity on Provincial structure, especially as far as service delivery was concerned; the mechanism of filling the posts; and the migration framework. The employer guaranteed that there would be no job losses or retrenchments. It would be following the DPSA Guidelines and consult with labour. "Re-skilling" would also be considered if needed.

A DBC meeting was convened on 26 January 2012 where the employer provided feedback on consultation with the DPSA that took longer than anticipated. The employer indicated that in December 2011 the DPSA sent correspondence indicating that it was concurring with the proposed macro structure with amendments to some of the naming in functions to be in line with other Government institutions.

On 15 February 2012 the employer tabled a "Turn-around" Strategy on the "Migration Framework" for the macro structure. Once again details of the Strategy were outlined in that it intended to improve the Strategy to achieve its goals/core objectives; better align the structure to the Strategy to achieve the goals which had been set; and promote efficient, economic and effective use of human resources so as to improve the functioning of the Department.

A special DBC meeting was convened on 29 March 2012 where the final version of the Department was tabled. The Department indicated that it was still by then dealing with job evaluation. It was demanded that the process should be finalised before a decision could be taken for the implementation of the Strategy with effect from 1 April 2012. Finally, the "Turn-around" Strategy was implemented without any casualty and/or complaints from members. It is an on-going process that had not been finalised by the end of the period under review.

South African Defence Force and Military Veterans

The PSA expressed its concern that some employees had resigned or retired whilst on temporary incapacity leave and the payment of their pension benefits was still in process by the employer. The matter was raised in a DBC meeting. The employer undertook to take urgent steps to remedy the situation, but it was not resolved. Furthermore, the employer gave an undertaking that the matter would be resolved before August 2011. Special and ordinary DBC meetings were held on 20 May 2011, 1 August 2011, 13 October 2011, 14 November 2011, 30 January 2012 and 1 March 2012 to resolve the matter.

The matter, however, remained unresolved and the PSA was by the end of the period under review obtaining a legal opinion on the remedies available. Individual members affected by this were also continuing, with the assistance of the PSA, with appropriate individual actions.

Department of Public Enterprises

The PSA sought clarity on the practice of closing offices of the Department during December. Previously, members were made aware in time that they needed to reserve a certain number of days for this purpose. The employer responded in that a formal submission was tabled for the HOD for consideration. The PSA requested that as soon as the outcome was available, a multilateral meeting had to be convened. The information on leave credits of members also had to be made available.

The PSA requested the employer to stop the practice of simply converting contract workers into permanent staff without following due process. Vacant positions should be advertised and all potential applicants be afforded equal opportunity to apply. This was subsequently agreed to.

Department of Women, Children and People with Disabilities

The DBC was established in November 2011. The Department resorted under the Office of the Presidency. Collective issues are now separately negotiated from those of the Presidency's DBC. All Policies of the Presidency are in the *interim* used for operational purposes. During a meeting on 26 April 2012 it was agreed that a date would be communicated to convene a workshop on policies.

Department of Correctional Services (DCS)

A Collective Agreement (GPSSBC Resolution 2/2009) was reached in the GPSSBC, providing for the introduction of differentiated salary scales for different categories and the negotiation and implementation of a seven-day establishment/shift systems for "Centre-Based Correctional Officials".

Various special meetings of the DBC were scheduled in an attempt to finalise negotiations. The employer tabled a Draft Agreement for discussion after a marathon set of negotiations. Popcru declared a deadlock in the DBC and after political intervention, negotiations were re-opened and a new Draft Agreement was by the end of the period under review being awaited from the employer.

The National Branch of the DCS approached the PSA to obtain a legal opinion in respect of the termination of lease agreements for official accommodation. Correspondence was sent to the National Commissioner, insisting that a moratorium be placed on the contemplated evictions of officials occupying official housing.



Service

The employer did not accede to the demand, but instead continued to serve letters on the officials stating that their lease agreements/rental accommodation had been terminated and would not be renewed.

A legal opinion was obtained from Martins Weir-Smith where after he indicated that Popcru had already approached the Labour Court and advised the PSA to apply for a “Joinder” to the case which was subsequently done. The DCS, however, did not take any steps on its own with regard to a hearing date for the application for the “Leave to Appeal”. The *status quo* remains in that the Housing Policy was reviewed and set aside by the Labour Court. A date for the appeal case was being awaited by the end of the period under review.

The DCS failed to implement the agreed percentage annual wage increase as per PSCBC Resolution 5/2009. The PSA subsequently declared a dispute on the interpretation and application of a collective agreement (the DCS only implemented 10,5% for salary levels 7 and 8 instead of 11%). Arbitration was scheduled for 26 March 2012 and the Commissioner ruled that the DPSA be joined as a second respondent to the proceedings. By the end of the period under review, the matter still had to be scheduled for arbitration.

The PSA received numerous complaints that some prisons were overcrowded whilst also being understaffed. It is the PSA's view that when a Correctional facility exceeds 100% capacity it creates an increased risk for officers.

The Circumstantial Allowance is intended for officials working in a Correctional centre and may be reviewed annually considering the prevailing circumstances within Correctional facilities.

The matter was placed on the agenda of the DBC, but it was ruled that it lacked jurisdiction and was subsequently deferred to the GPSSBC for further engagement.

The PSA demanded a R600 Circumstantial Allowance to compensate officers forced to work in facilities that are more than 100% overcrowded while the DCS was in a process of alleviating the situation by employing adequate personnel and building new Correctional facilities. The matter was tabled at the GPSSBC and feedback was being awaited by the end of the period under review.

Department of Agriculture, Fisheries and Forestry

The relocation of Meat Inspectors became an issue when Karan Beef announced that it was compelled in terms of new legislation to terminate the services of the Department of Agriculture's Meat Inspectors.

The PSA raised the issue with the employer in the DBC and requested an inspection *in loco* to all affected abattoirs. The employer arranged the requested meetings and the PSA met with affected employees to alleviate their fears. Most of the members were absorbed at other institutions and the few that could not be absorbed requested early retirement which was approved.

The employer announced in the DBC that the Mbazwana, Mabaso and Manzengwenya Plantations were going to be transferred to the Tribal Authorities. The PSA raised concerns as no proper consultation had taken place at that stage.



The PSA requested the employer to provide more information and whether it was contemplating any dismissals. The employer confirmed that dismissals were not contemplated. A task team was established by the DBC with a view to discuss the transfer process.

A proposal that Veterinarians receive an OSD was tabled in the DBC. The PSA requested the employer to elevate the issue to the Management Committee, whereby the Minister also instructed the Department to convene an *indaba* with other relevant Departments aiming to develop skills with specific reference to Veterinary Professions.

Further Education and Training Colleges (FETC)

A National Branch structure was elected and established during the period under review which enabled the PSA to enhance its involvement in negotiation processes.

An agreement was signed early in 2011 which made provision for College-appointed staff to receive the same salaries as their colleagues who were appointed by the Provincial Departments of Education. In the process, the PSA visited provinces as part of a task team to collate data and information on discrepancies in salaries as well as to see to it that the collective agreement was properly implemented. It was found that a number of Colleges did not implement the collective agreement properly and some failed to implement it at all. Based on these findings and complaints received from members and shop stewards, the PSA had several meetings with the FETCEO (employer's organisation) during which we were able to rectify the matter.

The agreement also made provision for a second round of negotiations during which a collective agreement would have to be reached to bring parity to the conditions of service of College-appointed staff and those employed by Provincial Departments. In order to deal with the matter, a task team was established to collate all relevant information from the various Colleges and to draft an agreement to bring the necessary parity in conditions of service. The information was collected and the task team was by the end of the period under review drafting the agreement.

The Minister for Higher Education introduced the Further Education and Training Amendment Bill via a *Government Gazette* notice for inputs from all stakeholders. The PSA submitted its inputs as part of the Independent Trade Unions (ITU: CTU) in the ELRC. The PSA therefore did not submit additional inputs in the GPSSBC in respect of Support Staff as it would have been a duplication of this process.

The Amendment Bill was generally well received as its intention is to transfer staff appointed by Provincial Departments to the National Department of Higher Education. This will ensure uniform standards and a greater degree of control over employment matters.

The National Department was by the end of the period under review in the process of creating the new staff establishment and the PSA and other unions would be "workshopped" on this on 22 and 23 May 2012 in respect of both Educators falling under the scope of the ELRC and Support Staff falling under the scope of the GPSSBC.

Parastatals

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

South African Weather Service (SAWS)

Collective bargaining at the SAWS is regulated in terms of the Constitution of the SAWS Bargaining Forum.

Negotiations on the improvement of service conditions in the SAWS resulted in an agreement to increase the remuneration of SAWS employees with 7,5% across-the-board with effect from 1 April 2011 based on total cost-to-company.

An "outside" service provider was appointed to deal with a job evaluation exercise also agreed to and to develop a "Career Pathing Model" for the SAWS. This process was still on-going by the end of the period under review.

National Library of South Africa (NLSA)

Negotiations at the NLSA are regulated by the Constitution of the Joint Bargaining Forum.

After a period of wage and other substantive negotiations for the 2011/2012-financial year, it was agreed that employees would receive an increment of 6,9% across-the-board with effect from 1 April 2011. It was also agreed that employees' Housing Subsidy be converted into a Housing Allowance in line with the provisions applicable in the Public Service as the NLSA was dependent upon funding from the State.

After discussion in the Bargaining Forum, a decision was taken by the Board of the NLSA to, "in principle", utilise the Equate System applicable in the Public Service to evaluate jobs at the NLSA. Funds became available in December 2011 for this purpose and the process was implemented at the NLSA for Librarians on levels 4 to 6. Upon request of the PSA, the NLSA requested additional funds from the Department of Arts and Culture (DAC) for the implementation of the process for the rest of the staff at NLSA. A response was being awaited from the DAC and the process was still underway by the end of the period under review.



Service

A policy workshop was held over the past year and various policies were discussed. Amongst those still under discussion by the end of the period under review were policies on Flexi Time, Bursary as well as Overtime. Policies on Probation as well as Recruitment and Selection were adopted in the Bargaining Forum.

State Information Technology Agency (Sita)

The PSA took part in a consultative process in which a Turn-around Strategy was consulted with the employer. The Corporate Consultative Forum (CCF) and Managers Consultative Forums (MCF) were consequently established to take the process forward and it was agreed that matters of mutual interests and other matters that require of parties to engage one another would be consulted in these consultative structures. The Turn-around Strategy comprised of a process of restructuring and also the review of Policies.

Policies on Leave as well as Conditions of Service were reviewed, but led to the employer unilaterally changing terms and conditions of employment. The PSA subsequently declared a dispute that was referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation. The employer unilaterally changed and implemented terms and conditions of employment. Leave for closure in December which employees accumulated by working in 15 minutes daily was phased out. Sick leave was reduced from 60 days to 36 days per sick-leave cycle. Five days Long-Service Leave that employees qualified for after rendering ten years' continuous service was taken away without replacement.

The PSA, as mentioned, referred its dispute to the CCMA and demanded that the unilaterally-changed conditions of employment be restored. Conciliation took place on 28 March 2012, but unfortunately did not resolve the dispute. The CCMA intervened in terms of section 150 of the *LRA*, but could also not assist with resolving the dispute. A certificate of "non-conciliation" had been requested by the PSA by the end of the period under review.

Restructuring is another element of the Turn-around Strategy. The Migration Plan, which the PSA did not agree to, was tabled for consultation and was intended to "migrate" employees from the old structure to the new one. The PSA did not agree with the contents of the Plan as it did not contain paragraphs confirming that there would be no retrenchment; protecting the jobs of displaced employees after they are in the "pool" for twelve months; confirming that new positions in the new structure would be advertised internally to give displaced employees an opportunity of being placed, thereafter externally if suitable candidates were not found internally; as well as on dispute resolution aligned to the one in the Organisational Rights Agreement.

The PSA signed an Organisational Rights Agreement with the Sita after meeting the 30% required threshold of the total workforce for recognition. The PSA now has organisational rights giving it access to Sita workplaces to recruit and service existing members and allowing for deduction of PSA membership subscriptions from the salaries of members on a monthly basis.

The PSA has also obtained 50% plus one representation of the total workforce making it the majority union at the Sita. The Sita was notified of this development in terms of the *LRA*, but contended that the PSA did not enjoy sufficient recognition to enjoy the additional organisational rights related to the election of shop stewards, leave for shop stewards for PSA activities, disclosure of information and the right to engage on collective matters.

A dispute was consequently referred by the PSA for conciliation. The dispute was not resolved and a certificate was issued which entitled the PSA to refer the dispute for arbitration. The dispute was referred and a date for arbitration was being awaited from the CCMA by the end of the period under review.

South African Social Security Agency (SASSA)

The SASSA National Bargaining Forum (SNBF) is fully functional. Discussions took place on a regular basis on matters affecting the interests of members. The most contentious issues discussed at this Forum are highlighted in this report.

The PSA tabled the matter of an OSD for Legal Professionals at the SNBF demanding that the GPSSBC Resolution relating to this OSD also be extended to SASSA Legal Professionals. Numerous meetings were held to address this issue and the PSA succeeded in persuading the SASSA. The matter was finalised in February 2012.

With regard to salary negotiations, labour and the employer agreed that Resolution 2/2011 be extended to SASSA employees.

The Delegation of Authority Implementation was discussed at length in meetings where the PSA expressed its dissatisfaction with the manner in which employees on salary level 5 were being utilized in the SASSA. These officials were performing the verifying/approval function in the past despite what was stated in the delegations of authority. The matter was subsequently tabled at the SNBF as the "Implementation of Delegation of Authority". The employer then advertised 197 posts on salary level 7 during October and November 2011 without consulting labour on the new requirements. Numerous letters were written to the CEO without any success. In an attempt to address this matter, the PSA was by the end of the period under review investigating other options.

Policies on Disciplinary Code and Procedure, Grievance Procedure, Performance Management and Development Systems as well as Recognition Agreement were by the end of the period under review being consulted and were in a process of being finalised.

Public Protector SA

The PSA experienced challenges in relation to the non-functioning of the newly-established Consultative Bargaining Forum. Only two meetings were held during the period under review.

The last meeting was held on 24 February 2012 where the PSA raised serious concerns regarding the non-functioning of the Bargaining Forum and requested the employer to state its commitment to collective bargaining. The employer indicated that it was committed to collective bargaining and confirmed its willingness to engage with the PSA in dealing with matters of mutual interest. During the last meeting the PSA succeeded in obtaining the cooperation of the employer in respect of the appointment of an independent chairperson who would assist parties by ensuring that the Bargaining Forum was fully functional.

The PSA successfully challenged the employer on the unilateral implementation of changes in relation to the office closure during festive seasons. During November to December 2011 the employer issued a circular compelling employees to submit leave forms to compensate for the days that the office would be closed during December 2011. The PSA successfully put pressure on the employer to withdraw the unilateral implementation. The PSA reminded the employer of the proposed draft Constitution of the Bargaining Forum which was tabled at a previous Forum meeting. It was also indicated that it would be appreciated if the employer could comment on the draft document. The employer, in response, indicated that it had looked at the draft document and indicated that there were other issues that it was still engaging on.

Human Sciences Research Council (HSRC)

The Bargaining Forum meeting convened in October 2010 where the Institution intended to update parties on the outstanding issue of securing an additional medical scheme for members. This decision formed part of the Collective Agreement on the Improvement of salaries for the financial year 2011/2012. Parties agreed to extend the number of approved medical-aid schemes at the HSRC to a minimum of three. The exercise would afford employees choices which best accommodate their personal needs. It was agreed that the HSRC's medical broker, NMG Consultants, would provide data of 16 medical-aid schemes to be evaluated by the Bargaining Forum to shortlist six medical-aid schemes that would be invited to make presentations. The Bargaining Forum would then identify at least three of these schemes to be made available to employees. The process should have been concluded by 31 May 2011.

On 15 June 2011 a meeting was convened to discuss the terms of reference of the agreement entitling the Forum to source additional medical schemes. The criteria that were tabled took into consideration affordability and basically getting everybody to belong to a medical-aid scheme. Medihelp, Bonitas, Bestmed, Liberty, Discovery, Fedhealth and Momentum were shortlisted for presentation. Owing to the presentations by various service providers, the process extended beyond the stipulated time frame, which was then extended with the process being finalised in February 2012.

On 29 February 2012 the employer presented its financial position to the Forum and indicated that the Parliamentary grant had been extensively cut down.

The reduction had a negative impact on various activities of the Institution. The PSA demanded a 10% across-the-board annual increment. In addition a funeral cash benefit for employees and an increase in Family Responsibility Leave were demanded. It was then agreed that the annual increment would be given priority. The other aspects would be dealt with at subsequent meetings. A number of annual increase-related meetings were held with structures and the employer outside the formal Forum between 8 March 2012 and 12 April 2012.

The employer initially offered 4% across-the-board, which was finally increased to 6,5%. The PSA reduced its demand finally to 9,5%. After extensive engagement by parties, through structures' mandate, the PSA settled for 7%. Parties agreed that the Secretariat would communicate a date for finalising negotiations on the outstanding matters of a funeral cash benefit for employees and Family Responsibility Leave.

South African Revenue Service (Sars)

The employer indicated to labour that it intended to review all Collective Agreements in the Sars. Numerous bilateral meetings were held to engage labour on the Collective Agreements dealing with Recognition, Disciplinary Code and Procedure, Grievance Code and Procedure as well as the Full-Time Shop Steward Agreement.

The main stumbling block regarding these Collective Agreements was the exclusion of employees on Grade 7 from the bargaining unit. The PSA embarked on a mandating process. Members initially indicated that they did not want to be excluded from the bargaining unit and only on 19 April 2012, after several discussions with employees on Grade 7, did they change their mandate and agreed to be excluded from the bargaining unit.

Most of the PSA's inputs were incorporated in these Collective Agreements and the final Draft Agreement was forwarded to PSA members to obtain their mandates. Only 1 958 members out of a total membership of 6 431 provided a mandate (less than 50% of the total membership). In total, 75% of the 1 958 members who participated in the mandating process voted in favour of the signing of these Agreements.

The employer also gave notice of withdrawal from the PMDS, SIMS and Career Model Agreement, but indicated that a new proposal would be tabled in respect of these matters. The employer also announced that it was withdrawing the Field Workers Allowance from April 2012 and the Cell-Phone Allowance (upon expiry of contract) of 502 "small e'assurance" Auditors, as they no longer met the criteria as contained in the applicable collective agreement.



The PSA pointed out the serious financial implications that this would have on affected employees as a result of commitments made through the Allowance. The employer indicated that this had always been a working tool and that it should never have been treated as a financial benefit. The PSA also pointed out that Assurance Auditors were not fully utilised as Auditors anymore and that their jobs had, in fact, been watered down to such an extent that they were now only doing 5% of the KPA's which they have been appointed to do.

This was, however, contrary to what the employer reported at the National Consultative Forum. The PSA regarded the dramatic changes to members' original job content as a unilateral change to their contracts of employment. A legal opinion was obtained which confirmed the PSA's view. The affected employees, however, indicated to the PSA to further engage the employer on options with a view to lessen the financial implications. Various options were being considered by parties by the end of the period under review.

The Sars embarked on a job evaluation process (Hay Grading) in 2003 and 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 kept on frustrating the process. The PSA appointed an attorney and the process was still underway by the end of the period under review.

Group Branch Public Service Pensioners

The PSA offers a unique home to retired members in the form of its Group Branch Public Service Pensioners. During the period under review this extremely active structure marked its 49th year in of service of retired members.

True to its motto, *Favete Emeritus*, the Group Branch with a membership of 6 772 members by the end of the period under review, faced various challenges head on. One such issue was related to the amendment of the PSA Statute which brought about a substantial change in the Branch's membership. The Registrar of Labour in his approval ruled that a pensioner cannot be a member of a trade union. He, however, allowed that existing members who belonged to the PSA prior to the amendment, may retain their membership.

Consultation with the Registrar, despite not meeting the Group Branch's expectations, did open other doors. It came to light that pensioners cannot belong to a trade union as the Registrar has to protect the interests of members of trade unions. The Registrar proposed that an organisation outside of the PSA be established to guard the interests of pensioner members.



How such an organisation would liaise with the PSA remains to be negotiated. The Registrar was willing to amend the wording of "Associate Membership" to make this possible. The PSA will have to submit this amendment to its Annual General Meeting for approval.

The Group Branch dealt effectively with the general matters in which it assisted a growing number of members. Medical costs remain a serious problem for members. The medical inflation rate constantly remains above the CPI. Hospitalisation, medicine, specialist services, etc., increase in price on an annual basis, making it increasingly difficult for members to keep up. Despite their best efforts, medical-aid schemes cannot curtail increases in membership fees and the Group Branch advised its members to review their benefit options annually before the end of December in order to make an economically-sound decision in this regard.

The adjustment of the medical subsidy did not realise the past number of years, but indications are that there may be some relief should unions accept salary agreements as this would be included.

There was an investigation based on females who remarried after the death of their spouse and then losing their subsidy. This was seen as discrimination and by the end of the period under review a discussion was being arranged with officials of the Government Employees Pension Fund (GEPF).

Another cause of concern for the Group Branch is related to the implementation of the National Health Insurance Scheme, with the intention of exposing the entire population of 49 million people to medical care. The aim is for all citizens to benefit from services funded from insurance contributions, whether they contribute to this or not. The contributions will be made by means of a tax. Despite the Government's Green Paper on the matter, there is still no clarity on what is being envisaged and the contents of the Paper was by the end of the period under review being studied by the Group Branch.

At a provincial level, pensioner members are also assisted by the PSA. In the Free State, for example, a member had cancelled her membership of a private medical scheme and applied for membership of GEMS. Although she provided the National Treasury with all the relevant documents, it kept on requesting her membership certificate at the private medical scheme. After sending copies of this certificate for the fourth time, she approached the PSA for assistance. Arrangements were then made with the PSA Head Office in Pretoria to hand-deliver a copy of the certificate to the National Treasury. Three weeks later the matter was finalised and the employer's medical assistance for the member was paid to GEMS.

Provincial service-delivery highlights

Service delivery by the PSA's twelve Provincial Offices across the country brings the Union in close contacts with its members and therefore represents a crucial part of the PSA's work. Highlights of activities during the period under review and supporting statistics are included in this report.

In the Eastern Cape's Port Elizabeth area service delivery was elevated substantially in comparison with the previous year - most cases were finalised with no cases dating back further than 2010.

In respect of individual matters, the Provincial Office achieved a high level of success in a broad spectrum of cases including non-payment of acting allowances, disciplinary hearings, money deducted from the salaries of members who did not participate in strike action, and incorrect remuneration.

The PSA also obtained various court orders against the Department of Health when it failed to pay members backpay in respect of overtime, PMDS, etc. The Department did not oppose the court applications and when it still refused to pay despite the court order, the PSA again had to approach the Court to obtain an attachment of property order. Again the Department did not oppose the application and an order was granted to the PSA. The PSA sent the order to the Sheriff in King William's Town, who documented the assets of the Department without any opposition. According to the rules, 30 days must expire before property can be attached. When the Sheriff subsequently went to attach the property of the Department, urgent communication between legal representatives of the Department, the PSA and the Sheriff resulted in the Department transferring the money it owed to members to the trust funds of the PSA's legal representative. The attachment was then cancelled. Some R1,8 million was recovered for members.

In the GPSSBC postponement was a frequent occurrence with items remaining on the agenda for prolonged periods. PHSDSBC meetings occurred with excessive intervals with items also remaining on the agenda for long periods. The PSCBC is regarded as an equally insufficient Chamber.

The Eastern Cape Parks Board and Tourism was the only bargaining forum that met frequently during the period under review and with agenda items being dealt with effectively. The most important issue dealt with was the general increase for employees which was expected to be finalised shortly. In general, however, collective bargaining in the Eastern Cape was problematic as employers were not mandated to take decisions, coupled with poor attendance by management which often resulted in the postponement of Chamber meetings.



Service

The Office also successfully assisted members in various individual cases. Three DCS members who were unfairly dismissed were re-instated and a total of R1, 2 million was paid to them as a result. All three cases were taken to the Labour Court by the DCS to review the arbitration awards which were in favour of the members. The Labour Court, however, also ruled in favour of the members.

When the Department of Education decided to recover strike deductions as a blanket deduction from all its employees regardless whether they participated in strike action or not, the PSA took the Department to the Labour Court where an agreement was reached, which was made an order of court. The Department would stop all deductions from PSA members and repay them with 15% interest. After discussions with the MEC for Education, the Court order was made applicable to all employees. The Department was by the end of the period under review verifying information to determine who was on strike.

The PSA was also forced to obtain a Court interdict against the Department of Health to prevent it from deducting salary overpayments from 1 048 employees and submit reasons to members why they had been overpaid. The process had not been finalised by the end of the period under review.

In the Mthatha area of the Eastern Cape, members continued to receive the professional service generated by the PSA's Labour Relations component. Assistance by legal representatives, shop stewards and full-time shop stewards made a valuable contribution towards service delivery.

It was directed early in 2012 that collective bargaining meetings such as PHSDSBC, GPSSBC and the PSCBC Chambers be centralised at the Port Elizabeth Provincial Office of the PSA. Labour Relations Officers took over the reigns of collective bargaining as it affects Provincial Departments and assisted identified PSA representatives. The Office also made substantial progress in working down old cases and closed 680 files in the process during the period under review.

The Free State Provincial Office in Bloemfontein had a high success rate in various fields of operation. In respect of disciplinary hearings, a core group of capable shop stewards was identified to assist members. Labour Relations Officers assisted 412 members in disciplinary hearings/conciliations/arbitrations and in the process travelled more than 42 000 km. Several successes led to PSA members being reinstated after having been dismissed.

The PSA declared disputes in cases where the employer did not comply with PSCBC Resolution 1/2007 regarding the non-payment of overtime (the SAPS and several provincial departments). The Department of Health, by not correctly implementing overtime payment in terms of this Resolution for members in EMS, was ordered by the Commissioner to pay more than R8 million. In the Department of Social Development, after the PSA lodged a dispute regarding the non-payment of danger allowances to an identified group of staff, the employer was ordered to effect payments of more than R3 million. In a few cases the PSA also successfully ensured that the employer applied the job evaluation system.

Regarding the employer's reluctance to comply with PSCBC Resolution 14/2002 (Grievances), the PSA was identified by the PSCBC and the DPSCA as the centre with the most disputes relating to the employer's non-compliance. A delegation of senior officials visited the PSA Provincial Office and arranged a meeting to which only the PSA was the only Union invited to assist with the problem.

In respect of collective matters, the PSA was responsible for more than 95% of all agenda items sponsored in the various bargaining chambers/forums during the period under review (with full attendance whilst other unions had a 85% attendance rate). Some of the collective matters, as raised by the PSA, during the period under review dealt with a request for job evaluation in cases where rank/leg promotions were abolished (the PSA's intervention resulted in the Departments of Local Government and Housing and Health confirming that the coordinating JE process had been finalised and a few PSA members were upgraded to higher salary levels), non-compliance with *Act 56 of 2001* (Act on the regulation of the Private Security Industry, amendment of the PDMS to accommodate disabled employees, the implementation of PSCBC Resolution 3/2009 (pay progression and career pathing for employees not receiving an OSD - salary levels 1 to 12), conscientious objection and termination of pregnancy as well as the payment of acting allowances (Department of Health).

The PSA also raised the non-provisioning of uniforms to Nursing and Security staff (the PSA later declared a dispute), the safety at workplaces of all institutions under control of the Departments of Health and Social Development, problems at the new Government Mortuary in Bloemfontein, the critical shortage of staff at Neonatal High Care (Universitas Academic Hospital), the irregular application and implementation of the OSD for Nursing staff, as well as the shortage of equipment at Health institutions.

The Office also assisted members in a variety of individual cases. At the Department of Education, Educators were successfully assisted in cases related to misconduct, transfer, etc. Other cases were related to allowances for contract workers, salaries, long-service awards, outstanding pension benefits, incapacity leave, overtime, misconduct, unfair dismissals, unfair labour practices, etc.

In Gauteng, the PSA's Provincial Office in Johannesburg participated in collective negotiations in the Sectoral Chambers as well as sub structures on issues of mutual interest. In most instances, the agenda items were submitted by the PSA. The meetings were attended by PSA personnel, shop stewards and full-time shop stewards. In the Gauteng Department of Health and Social Development, for example, complaints were received from members regarding health and safety conditions at the 78 Fox Street Building. Members could not perform their duties and had to cope with water flooding the parking garage and electrical boxes. The matter was discussed in the Labour Forum of the Department and the PSA also reported the matter to the Department of Labour. After the investigation was completed, the Department of Labour issued a compliance order to the Department of Health, giving it 60 days to comply.

In another matter, the Department of Community Safety failed to upgrade Administration Clerks from level 3 to level 4. After numerous deliberations between the PSA and the employer, the Department still failed to implement. The PSA escalated the matter to the Provincial CCPGP Chamber and simultaneously declared a dispute. The Department then issued a letter informing members that they would be upgraded to level 4.

In respect of the Gauteng Shared Services Centre (GSSC) review process, a draft document dealing with certain services functions relocating back from the GSSC to line departments was presented at the Gauteng CCPGP Chamber after the draft document was compiled by the Department of Finance. The PSA raised a concern that the document only protected the rights of staff remaining with the Department of Finance and that staff who would relocate with their services to line departments would literally be dumped at these Departments without any protection. It was resolved that a joint provincial task team would be formed to amend the draft document and include protection for staff who would move with services to line departments. The process had to be finalised by 30 March 2012 as per instruction from the Office of the Premier.

One of the most important issues for members is constant service delivery through communication. The Provincial Office endeavoured during the period under review to enhance service delivery by means of a rapid response to e-mails, telephone calls, etc. Members were successfully represented on an individual basis in numerous cases related to, amongst others, performance evaluation and acting allowances. In one such case a member had acted in a higher post from 16 February 2009 to 31 March 2010 without receiving an acting allowance. The member received a letter authorising him to act in the higher post, but the letter was not approved by the HOD. When it was submitted for approval the submission got lost on several occasions. The PSA referred a dispute to the Bargaining Council and at arbitration an award was issued in favour of the member with the Department being ordered to pay some R299 622 to him within 30 days.

The PSA's Provincial Office in Pretoria during the period under review focussed its attention on the election and training of shop stewards in an effort to enhance service delivery. More than 700 shop stewards were trained on, amongst others, the PSA Statutes, the structure of the organisation, disciplinary hearings and grievance procedures. Service delivery was boosted as shop stewards felt capacitated to assist with enquiries at workplace level and this also contributed to a reduction in membership cancellations. Full-time shop stewards also played a significant role in the retention of members by assisting with members closest to the area where they are situated, ensuring shorter time frames and reduced costs.

The Provincial Office held a number of visibility drives during the period under review, focusing on the Gauteng Department of Health and Social Development and various National and Provincial Departments. These initiatives assisted with both recruitment and retention. The Office also held a successful Worker's Day celebration at Steve Biko Academic Hospital.

On the labour relations terrain, the negotiation success at the SASSETA is highlighted. The PSA negotiated in a Labour Management Forum meeting where an agreement was reached on proposals for the salary increase for the financial year 2012/2013. The SASSETA Board accepted the proposals and approved the salary increase effective from 1 April 2012 ranging between 7,8% for senior managers and 9,8% for administrative staff.

Individual rights disputes on behalf of members also reflected a high level of success in cases dealing with, amongst others, leave without pay, promotion, contract appointment and unfair dismissal (in one case, a member was reinstated and received reimbursement of some R37 000).

Improved communication and coordination were part of the service-delivery strategy of the PSA Provincial Office in Durban in KwaZulu-Natal. The Office was during the period under review establishing "town committees" to ensure that communication filtered down to grass-root level. These committees consist of shop stewards from different departments. This process assisted with communication and the coordination of activities such as the mandating process and strike action.

Four full-time shop stewards were integrated fully into the Provincial Office, which drastically increased capacity. The turn-around time in assisting members improved notably. Ordinary shop stewards were encouraged to assist members at their institutions before approaching the Office. All disciplinary hearings, bilateral meetings and grievance meetings were co-attended by shop stewards in order for them to gain practical experience.

In respect of collective bargaining, all meetings were attended by the Chairpersons of the various sectors together with the respective PSA Labour Relations Officers. Despite not always being successful with such issues, steady progress was made on a bilateral level with the respective departments during the period under review. In addition, Chairpersons gained valuable experience in collective bargaining.

The Provincial Office in Pietermaritzburg in KwaZulu-Natal experienced an increased workload and numerous challenges during the period under review. Labour Relations Officers successfully represented and assisted members in bilaterals, grievances, disputes and disciplinary hearings in the majority of cases.

The Office submitted agenda items with the assistance of shop stewards and members for discussion at the three provincial bargaining forums (i.e. KZN PSCBC, KZN GPSSBC and KZN PHSDSBC). The PSA maintained its outright majority in the KZN GPSSBC as has been the case for a number of years.

The PSA's Provincial Manager remained the Chairperson of the KZN PSCBC and also represented the PSA at the PSCBC's Annual General Meeting in Gauteng on 14 July 2011. He also chaired most of the Pensions Restructuring Task Team meetings as Chairperson of the KZN PSCBC. The PSA submitted the majority of agenda items from the side of labour, actively participated in negotiations and led the way in respect of task teams and labour caucuses.



Service

In Limpopo, the PSA participated in several consultative meetings to ensure the smooth take-over by the Limpopo Department of Health of the pharmaceutical depot in Seshego. It was evident that there would be a shortage of staff at the outset, but parties agreed that as an *interim* measure employees would have to be seconded to the depot. A number of key posts were advertised and appointments were underway by the end of the period under review.

In the Limpopo Chamber of the PHSDSBC, some of the critical matters that were tabled included the centralisation of laundry services, which created a multitude of problems for hospitals (the PSA vigorously bargained that the Department should revert to the system whereby each hospital maintains its own laundry facility). The PSA also persuaded the employer to enhance the manpower sent to accident scenes and elsewhere to remove a corpse. The practice to have one employee attend to such cases is unacceptable. A minimum of two employees are now deployed for this purpose.

The PSA also objected to the outsourcing of food services in Limpopo hospitals. After addressing the Chamber on the disadvantages, the employer requested an opportunity to reconsider its position. The matter had not been finalised by the end of the period under review.

The PSA, with the assistance of shop stewards, revealed lucrative salary adjustments for senior officials in the Limpopo Department of Agriculture. The salaries of these employees were adjusted with R7 000 to R10 000 per month. As a result of the intervention by the PSA, the adjustments were reversed and the officials were informed to refund the money.

In Mpumalanga, service delivery to members improved and cases were flowing after the appointment of another Labour Relations Officer. The majority of new members were recruited towards the end of 2011 with a special recruitment drive in the Health Sector. On Worker's Day snack packages and PSA newsletters were distributed to workers on duty in the Ehlanzeni District with the assistance of shop stewards and business partners.

The Provincial Office fully participated in all three Bargaining Chambers (i.e. PSCBC, PHSDSBC and GPSSBC) and submitted agenda items. In the PSCBC, the PSA raised the issue of the non-implementation of Resolution 3/2009 (salary grading) by all Departments. In the PHSDSBC, the PSA pursued the implementation of the OSD as the Department was reluctant to implement the award.

In the Northern Cape, "recruitment through service delivery" served as the motto and cornerstone of the successes by the Provincial Office in Kimberley, coupled with a determined effort by the Labour Relations component to revive the credibility of the Office as a main stakeholder in bargaining matters. At the heart of service delivery in the Province was the full utilization of all communication media to ensure regular updates of members' personal information and distribute information. Structures were also kept informed of all initiatives by the Office with involvement and accountability being encouraged.

In North West, the PSA Provincial Office in Mmabatho experienced a substantial improvement in service delivery during the period under review. Assistance by full-time shop stewards in executing liaison and labour relations work played an important role in this regard. There were, however, unfortunately some shop stewards who were not willing to assist members. Sterling efforts by Labour Relations Officers, full-time shop stewards and shop stewards resulted in the Office winning the majority of disputes and disciplinary hearings during the period under review and securing compensation of some R1,5 million for members. The PSA contributed meaningfully in all Provincial Chambers. Branch meetings and elections were conducted and most structures were revived. The PSA also maintained its majority status in the GPSSBC Chamber.

The PSA Provincial Office in the Western Cape, based in Cape Town, during the period under review assisted 14 members in court cases, 137 members in arbitrations, 145 in conciliation boards and 319 members in disciplinary matters.

The PSA also furthered the interests of members by participating in more than 55 bargaining meetings and for the first time ever referred a mutual interest dispute to the CCMA on behalf of members at the Western Province Blood Transfusion Services after salary negotiations deadlocked and conciliation failed. The PSA was not deterred by the negative arbitration award and the matter was referred to the Labour Court for review where it was still pending by the end of the period under review. The said services were rendered by a well-functioning and knowledgeable team consisting of PSA staff, full-time shop stewards and office bearers and an increasingly active group of shop stewards.

Communication

The PSA values the essential role quality, integrated communications fulfils in the Union's service offering to members as well as the recruitment of new members. During the period under review the PSA distributed 1 163 150 copies of the six editions of the bi-monthly *PSA magazine*, reaching a growing membership as well as a large number of potential members in its application as an effective marketing tool for liaison staff. The magazine, which is mailed to all members, provides information on a wide range of topics and PSA activities. It also hosted popular member-on-member recruitment competitions which made a steady contribution to the PSA's recruitment initiatives during the period under review. There is concern, however, regarding the amount of magazines which are returned to the PSA by the SA Post Office owing to incorrect addresses. Members are encouraged to update the PSA regarding changes to their personal and contact details to ensure the receipt of regular communication from the PSA. This can be done via PSA Provincial Offices or the e-mail facility, updatemyinfo@psa.co.za.

Another important link of the PSA with members in keeping them updated on matters of specific relevance to their workplaces as well as developments in the various Sectoral Bargaining Councils is the PSA's *Informus*.

This electronic newsletter underwent a redesign and steps were taken to ensure a safer distribution format. In view of the fact that the *Informus* is regarded as an important tool in providing members with the most-recent workplace developments and as well as alerting them when mandates are required, the steady growth in subscription requests during the period under review was encouraging. A total of 400 issues were published during the period under review.

The PSA regards its shop stewards as vital links with its membership and therefore made a special effort to enhance communications with them by means of a special newsletter, *PSA Link*. A total of four issues were published and distributed in electronic and hard-copy format to an increasing database of shop stewards during the period under review.

The PSA's website, www.psa.co.za, offers another communication portal with access to a wide range of information including newsletters, resolutions, rulings, media statements, events calendars, etc. A link to accommodate mandating processes was incorporated during the period under review in an effort to enhance such processes and obtain reliable mandates for members within a short period of time.

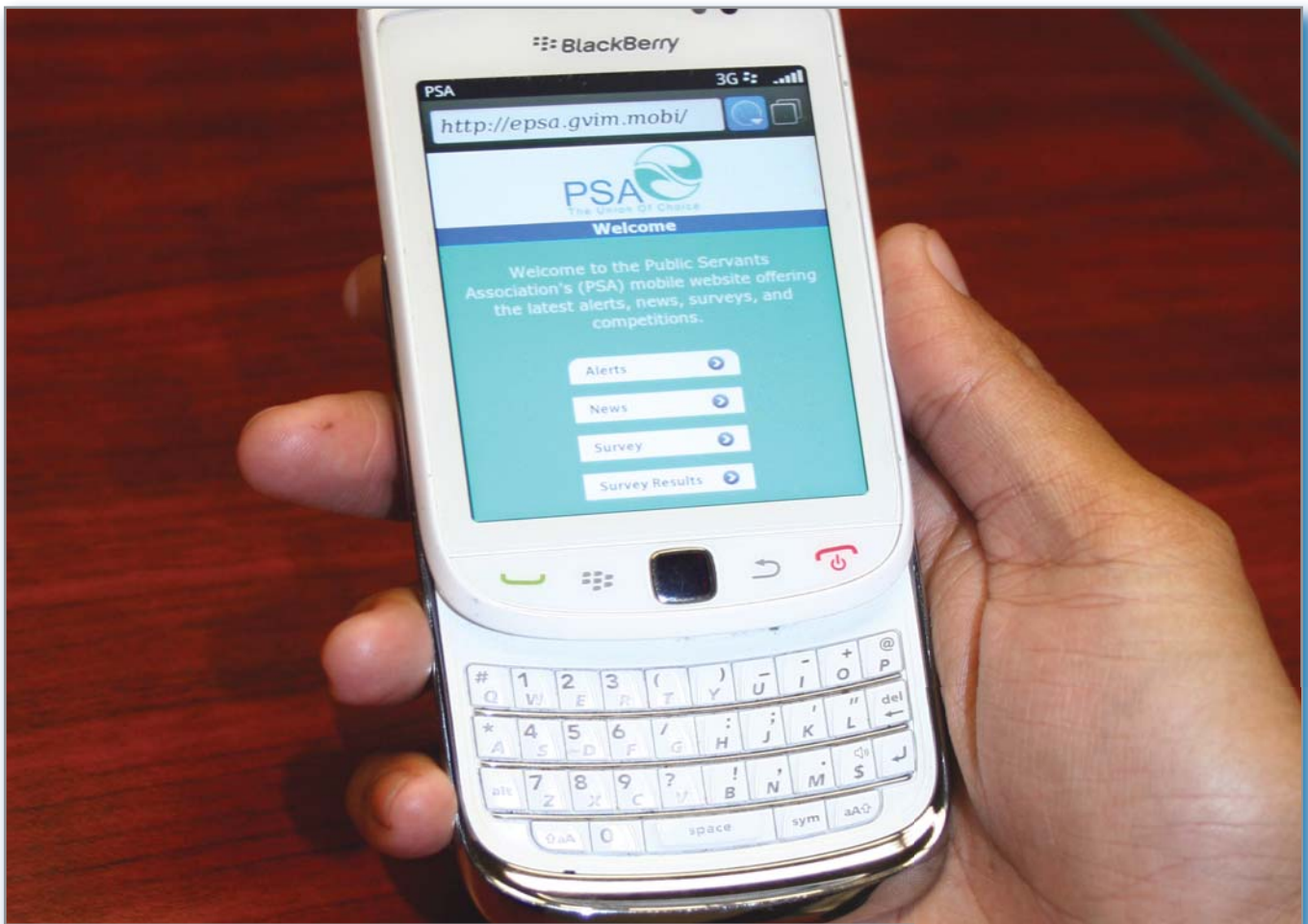
The PSA's mobile site, "ePSA" (<http://ePSA.gvim.mobi/>), works hand-in-hand with the website and other publications to provide members with the latest PSA information by means of their cell phones at minimal cost. It also allows for the lodging of mandates.

The use of SMS messaging proved to be an effective means of communication with members owing to immediacy, reach and cost considerations. Members are encouraged to ensure that their cell-phone numbers are registered with the PSA for them to take full advantage of this service. In total, 40 SMSs were sent nationally and to smaller groups during the period under review.

PSA's electronic helpdesk, ask@psa.co.za, received a substantial amount of enquiries and correspondence from members during the period under review. Whilst many issues could be addressed immediately, some had to be referred to provincial level or called for a higher intervention. The PSA's valued this channel as it offers members an alternative link for support.

The PSA maintained a steady media profile during the period under review with 21 statements being issued on topics such as collective bargaining, court rulings, the PSA's social responsibility initiatives, etc. In all of these, the PSA received favourable coverage in print and electronic media.

The PSA's Communications Section also produced various flyers in support of the Union's recruitment drives and special events aimed at brand promotion. The Section also produced a quality diary for 2012 that was distributed to all members and served to promote the PSA's brand as a Union in active service of its members.



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 exclusive products or discounted rates to place them in a better bargaining position than the general public.

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

During the period under review additional service providers and new products were negotiated for members. The Liberty Group Limited agreement concluded during the previous financial year used Zisekele as financial intermediary, but renegotiated a contract with Maxi Group Schemes from 15 February 2012 to provide group-life cover up to R200 000.

A new contract was concluded with Zisekele on 27 September 2011 for funeral cover underwritten by Resolution Life. This cover is unique in providing cover to different premium payers as well as same premium payers up to R50 000 and extended members up to R10 000. Dignity added the Everest Funeral Plan with R30 000-funeral cover. In September 2011, Doves changed the discount on funeral undertaking to more beneficial funeral packages.

A contract was concluded on 9 May 2011 with Weava Cellular (Pty) Ltd, a full affiliate of Waxbill Financial Holdings, for affordable contract options for cell phones. Weava Cell will be focusing on delivering mobile and data communication solutions to members.

The PSA and Old Mutual PFA tried for several years to bring this business in the PSA market to acceptable levels, but failed to deliver on their contractual obligations. As a consequence, the contract was terminated in June 2011.

The PSA Short-term Insurance Scheme had 6 102 members by the end of the period under review. The facility is insured by Guardrisk and administrated by Mustofin Insurance Brokers. The PSA has a short-term insurance contract with Indwe, the largest independent short-term insurance broker.

Funeral schemes and services are available through Avbob, Assupol, Channel Life, Dignity, Hollard, Old Mutual, Metropolitan, Zisekele and Sanlam. Assurance and other products are available from Old Mutual, Chartis, Metropolitan, Tsala, Assupol, Sanlam, Maxi Group Schemes and Zisekele. Avbob renders funeral services to PSA members, their spouse or next of kin, at discounted rates and Doves provides special funeral packages.

Legal services are available by agreement with Community Legal Clinic (CLC) to PSA members and their family.

Emergency rescue services with the Automobile Association (AA) provide a comprehensive range of membership options at discounted rates as well as a cash-back reward program from the AA's travel, lifestyle, auto and shopping partners.

Members can obtain education finance to further their studies and those of their dependants for university, school fees, laptops and books from Eduloan.

As far as health care is concerned, Chartis provides unique hospital cash plans and accident benefits.

An exclusive agreement with Barloworld Motors provides free on-the-road charges (license, registration cost, delivery cost, pre-delivery inspection cost and number plates) to members.

The PSA Mahala Loyalty Program is a reward system where members can earn discounts or points (*mahalas*) on ordinary, day-to-day purchases from Mahala partners. Mahala includes the loyalty program to all PSA members applying for Dignity and Hollard funeral policies. Loyalty programs are also available from the AA and Indwe.

Centre Chain provides comprehensive tax administration services to all PSA members on a national basis as well as annuity policies underwritten by Alan Gray and Sanlam.

In total, more than 180 000 policyholders were making use of the various schemes by the end of the period under review.

At the SA National Parks, discounts of between 10% and 15% on accommodation are available. The PSA Holiday Resort, near East London, offers equipped chalets and camping facilities at discounted rates to PSA members. The PSA Mahala Loyalty Program also offers discounts at holiday venues countrywide.

Other exclusive benefits administered by the PSA include the *PSA funeral benefit* where, in the event of a member's death, the dependants or next of kin can approach the PSA (within six months of the death) for financial assistance with funeral costs. This R2 350-grant is awarded on an *ex-gratia* basis, subject to available funds.

From 1 May 2005, PSA members employed in the SAPS (*Public Service Act* as well as *Police Act*) qualify for a R7 000 *funeral assistance benefit*. By the end of the period under review, a total of 1 178 claims (including 53 for the SAPS and 105 for pensioners) had been paid out.

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

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

Membership growth

Recruitment of members

Recruitment, by nature of the union environment, represents a crucial field of activity. The PSA is by no means exempted from this challenge and during the period under review, Liaison Officers rose to the occasion and recruited 26 658 new members, bringing the overall membership of the PSA to an all-time record figure of 223 970.

During 2010 industrial action and the PSA's 90th birthday celebrations played a vital role in promoting the visibility of the Union at ground level. Despite no extra-ordinary events influencing recruitment results in 2011, more members were recruited owing to a greater emphasis on the active retention of members.

Liaison Officers received intensive training in February 2011 to prepare them for the task at hand. The following is a comparative breakdown of how Liaison Officers fared in recruitment:

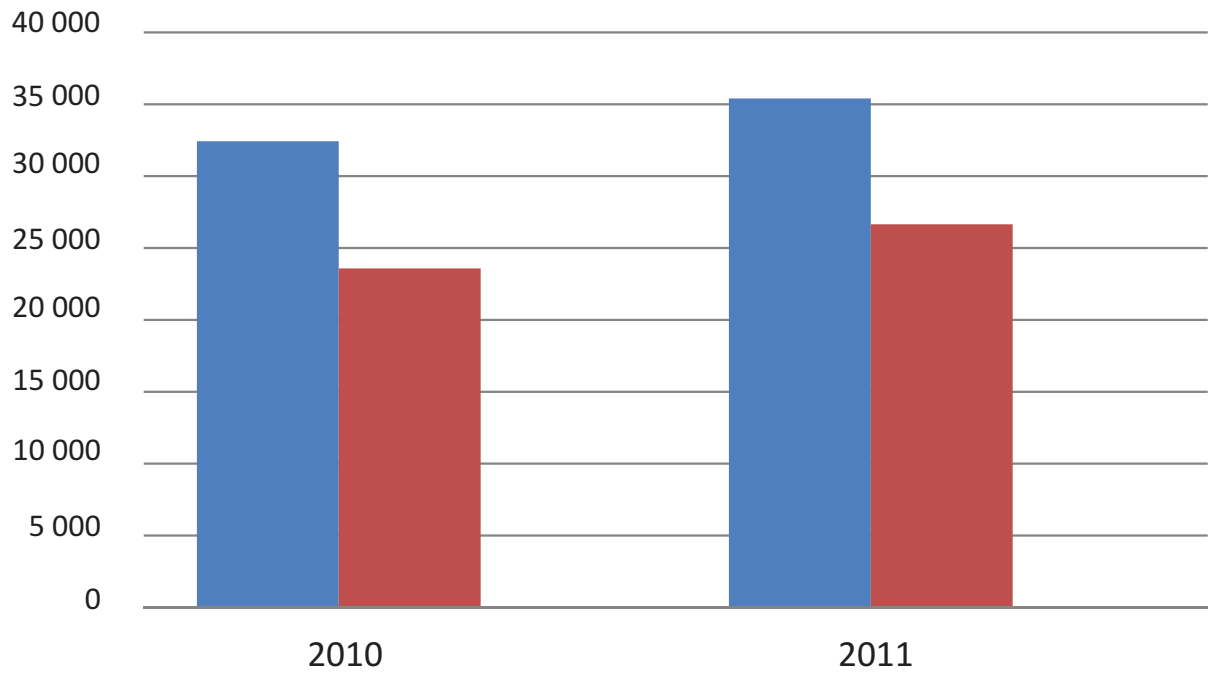
	2010	2011
First quarter:	4 428	5 130
Second quarter:	5 716	8 812*
Third quarter:	6 680	6 669
Fourth quarter:	6 761	6 047
Total:	23 585	26 658

**During this quarter a very successful recruitment drive was undertaken in the Health Sector*



Growth

Non-members addressed/recruited



The following comparative recruitment and related statistics are key to the successes achieved:

	2010	2011
Points visited	16 623	18 374
Members addressed	135 935	189 318
Non-members addressed	32 429	35 405
Branch meetings attended	623	721
Training sessions (shop stewards)	122	297
Kilometers travelled	502 828	553 571
Members recruited	23 585	26 658
Overall total membership	216 954	223 970

These statistics reveal that the PSA's strategy of increasing personal contact with existing members paid off by supporting retention of members, thereby contributing to the upward swing in total membership. During 2011 the PSA also undertook 90 liaison tours to areas outside main centres and in rural areas.

The value of the empowerment of members by means of a direct exchange of information can also not be underestimated and had a ripple effect on member-on-member recruitment. During 2010, 6 368 members cancelled their membership of the PSA compared to 3 567 cancellations received in 2011 (i.e. 2 801 less cancellations).

Despite the recruitment successes during the period under review, the PSA realises that resting on its laurels is not an option. It is of critical importance to note the battle and challenges that are being faced on a daily basis to maintain the growth of the Union and to keep membership above the 200 000 mark in order to strengthen collective bargaining power.

Provincial highlights

In the Eastern Cape's Port Elizabeth area, a relatively new team succeeded in constantly recruiting above the norm. In the Mthatha area, the growth plan materialised with a significant growth being achieved during the period under review. Member structures in the Province functioned well and cooperation between the two Offices produced positive outcomes, with specific growth in the ELRC.

The PSA Statute provide for Intersectoral Meetings and this new dimension maximised visibility for shop stewards in all areas, highlighting a need for town committees. Utilization of shop stewards varied from full-time to dedicated levels. The Office in Mthatha was allocated five posts of full-time shop stewards (i.e. GPSSBC - 2, PHSDSBC - 1, ELRC - 1 and DCS - 1).

Dedicated shop stewards' engagement during the period under review resulted in growth for the PSA in the PHSDSBC, SSSBC and ELRC Sectors and invariably boosted recruitment potential.

Committed Liaison staff, shop stewards and member structures secured an increase in membership in the Free State.

Growth in membership in the Gauteng Provincial Office in Pretoria during the period under review was largely ascribed to a joint effort by shop stewards, full-time shop stewards and staff.

In KwaZulu-Natal, the Provincial Office in Durban also experienced an increased membership during the period under review thanks to an enormous effort by staff and dedicated shop stewards. Coupled with an initiative to curb membership cancellations, these efforts led to the Durban Office becoming the second largest PSA Provincial Office.

Membership in the Pietermaritzburg Provincial Office increased thanks to excellent team work. The dedication to their work, holding of mass meetings as well as fostering a good working relationship with shop stewards, resulted in both Liaison Officers attached to the Office reaching the top ten recruitment list. The Office also received the award for recruiting the most members in the Health Recruitment Drive over a nine-week period with 910 new members being recruited.

The membership growth in Limpopo during 2011 was a direct result of the dedication of staff and shop stewards. A concerted effort to reduce the termination of PSA membership also had a positive impact on the membership figure.

In Mpumalanga, the PSA also experienced a substantial growth. A special recruitment drive in the Health Sector in 2011 was very successful, and contributed to the Office's positive growth.

The PSA Provincial Office in the Northern Cape has a strong claim as the strongest recruitment centre per capita when considering the vast distances that have to be covered, extreme weather, etc. The maximum utilization of all shop stewards, business partners and resources and unique training programmes contributed to the Office's success regarding growth in membership during the period under review.

In North West, the PSA Provincial Office recorded an improvement in growth. Improved visibility by means of liaison visits and inter-sectoral mass meetings contributed towards retention and growth of membership. Recruitment drives in the PHSDSBC Sector and DCS assisted in achieving this objective, supported by the efforts of staff and shop stewards.

PSA membership in the Western Cape saw a growth in membership during the period under review. This remarkable growth mirrored the PSA's national growth in membership and was achieved thanks to the sustained excellent value offering by the PSA to public sector employees across the Province.



Growth



PSA staff and structures together with full-time shop stewards, full-time office bearers and shop stewards, worked hand-in-hand to ensure that the PSA remained valued and visible in all workplaces.

The Office's two recruitment drives and various "open-day" events throughout the year paid dividends and assisted with the achievement of remarkable growth results in both the Health and DCS Sectors. The PSA marketing material and especially the PSA diary assisted with sustained visibility and attracting the interest of non-members to attend PSA meetings and events. The Office's gala event for selected PSA Nursing members and an open day at Groote Schuur Hospital in Cape Town to celebrate Nurses' Day, represented further huge successes and ensured valuable publicity for the PSA in the Health Sector.

The PSA would like to thank all Chairpersons, branch managements and shop stewards for their availability, dedication and efforts during the period under review to re-affirm the PSA's status as the Union of choice.



Growth

Empowerment of member structures

The PSA is the only Union that represents members in all Sectors of the Public Service and various parastatal institutions. Owing to the extent and spectrum of activities, the PSA has to rely on efficient member structures to succeed in its service delivery targets.

The empowerment of these member structures and democratically-elected shop stewards represented another key activity for the PSA's Provincial Offices during the period under review.

In the Eastern Cape's Mthatha area, for example, concerted efforts resulted in the training of 15 shop stewards in the SAPS and 45 shop stewards in the ELRC by the end of December 2011.

A joint venture with the Provincial Office in Port Elizabeth ensured the training of most PSA Branch representatives in all Sectors on the mechanics of running the affairs of the Union.

The Free State Provincial Office during the period under review also invested in a substantial increase in training interventions for shop stewards, which supported recruitment and retention efforts. A total of 16 training sessions for shop stewards/PSA structures were conducted and enjoyed good attendance. A total of 45 shop stewards attended one-day training courses of the CCMA in various towns in the Province. Four very successful year-end functions were held in Qwa-Qwa, Bethlehem, Welkom and Bloemfontein with the assistance of Branches and Committees and were well attended - more than 4 000 members attended the Bloemfontein rally alone.

In Gauteng, the Provincial Office in Johannesburg hosted various training sessions for shop stewards. All newly-elected shop stewards were trained on their role and functions within three months of election. Advanced training sessions on disciplinary hearings, grievance procedure and arbitration proceedings were also conducted. The training empowered shop stewards in the work place to assist members on the spot with work-related problems.

The PSA Provincial Office in Durban in KwaZulu-Natal ensured the training of 180 shop stewards during the period under review. These shop stewards were trained on how to attend to grievances and on disciplinary code and procedures. Training was conducted in various regions and was well received. A process of joint consultation with Chairpersons on the operational requirements of the Office was undertaken and structures were also involved in growth plans and special recruitment campaigns. They were also involved in the PSA's Public Service Day campaign.

Despite a very full program, the Provincial Office in Pietermaritzburg was involved with seven training interventions. Four groups of shop stewards (one with members) received basic shop steward training where they were informed of their rights and functions and were also equipped to deal with the basics in dealing with grievances, disputes and disciplinary hearings. A campaign was also embarked upon to provide the same training to Branches and Committees that function under the jurisdiction of the Office. Three full-time shop stewards, a full-time shop steward for the KZN GPSSBC and two DCS office bearers (full-time shop stewards) assisted the Office with the representation of members with grievances and in disciplinary hearings.

The majority of Branches and Committees functioned well and had meetings where important issues were discussed and resolved. The Chairpersons of Committees again played a key role in representing their respective Committees' interests at national level. The Chairperson of the PSA's KZN GPSSBC Branch, which also falls under the auspices of the Pietermaritzburg Provincial Office, represented the Branch at both the KZN GPSSBC meetings and the PSA's Annual General Meeting which was held in September 2011.

The three sectoral Branches in Limpopo improved their functioning mainly because most management members have now served for a reasonable period and are well-acquainted with their role and responsibilities. A total of twelve training sessions were conducted throughout the Province during the period under review to the benefit of all concerned.

Training sessions focussed on the elementary responsibilities of shop stewards and structures in an effort to motivate diligence by shop stewards in basic responsibilities.

In Mpumalanga, all structures were well-represented and active by the end of the period under review. Training of shop stewards in all three districts was conducted and advanced training by an external service provider was also provided. Two full-time shop stewards (GPSSBC and PHSDSBC) and one full-time office bearer for the DCS were elected and were fully utilised. The release of a second DCS full-time office bearer was approved and was being finalised by the employer by the end of the period under review.

In the Northern Cape, Chairpersons were part and parcel of all initiatives and plans based per constituency. Shop stewards were constantly and consistently informed of the Office's plans and initiatives, especially tour plans and recruitment drives. All shop stewards, especially those serving on structures, as well as Chairpersons received not only basic shop steward training, but also advanced training on collective bargaining and the arbitration process coupled with unique and exemplary advanced training on grievances, disciplinary hearings, marketing, sales and advertising over five days. Specially-arranged training for PSA shop stewards presented by the CCMA in Kimberley was initiated by the Office to ensure that needs-specific training was adhered to.

The appointment of full-time shop stewards in Health and the DCS enhanced the general progress in participation of member structures. The approach in the Province during the period under review was to ensure adequate service delivery in each district by full-time shop stewards in an endeavour to counter the vast distances, thus freeing up time and curbing expenses. The regular meetings held throughout the period under review with Branches and Committees raised awareness and added substantial value to the inputs for Chamber agendas. Chairpersons, Vice-Chairpersons and Secretaries were kept up-to-date on all pertinent matters by means of the Office's communications database.

Finally, in the Western Cape save for two structures, all of the five Branches and eleven National Departmental Committees functioned well during the period under review. The changes in the makeup of National Departments did influence some structures and contributed to one Committee's poor performance. All other Committees, however, met regularly and some even exceeded the PSA Statutes' requirements. These meetings of structures were complimented by four inter-sectoral meetings and various training interventions for structures, shop stewards in general and a number of selected shop stewards who received advanced training in Labour Law, arbitration skills and disciplinary matters.



Empowerment

Social responsibility



The PSA, as a Union serving people, is intensely aware of the increasing social challenges being faced in many South African communities. The PSA's Social Responsibility Section is tasked solely to, in consultation with various stakeholders and based on set guidelines, identify positive interventions aimed at the long-term upliftment and empowerment of beneficiaries.

During the period under review various national and provincial projects were undertaken. In a major project aimed at young children, Teachers' Day on 5 October 2011, heralded the distribution of some 11 000 branded money boxes to learners at primary schools in semi-urban areas in various provinces in an effort to teach them the value of financial responsibility and the habit of saving from an early age. The PSA's business partner, Old Mutual, participated in this joint venture which also involved the production of an educational flyer for use by teachers.

Easter saw the distribution of 1 000 Easter eggs to disadvantaged children across the country. Disadvantaged children were once again the area of attention when the PSA initiated a project whereby a 100 pairs of school shoes were donated to learners at Vlakpan Primary School in North West. Owing to a huge demand, the project escalated with a further 200 pairs being donated to a nominated school in the Pietermaritzburg area and 60 pairs to a school in UMzimkhulu, also in KwaZulu-Natal.

In a creative and dual approach to social responsibility, a recruitment competition in the *PSA magazine* made use of quality school bags manufactured by an established cooperative, *Metswalle*, at a price that could not be matched even by major suppliers. This project furthermore supported the initiative of entering into joint ventures with cooperatives established by the Tshwane Municipality.

Cooperatives have been developed to operate in the mainly informal and marginalised sector of the economy, as well as empowering self-owned businesses by means of providing specialised skills and equipment to manufacture a range of goods. Tshwane Municipality has taken the lead in establishing such cooperatives. The use of these school bags as recruitment prizes proved to be very popular amongst members.

In another project employing the services of a cooperative, the PSA commissioned *Inkunzi Ye Mnyama* Manufacturing Steel and Woodwork to manufacture 90 steel baby cots for distribution to children's wards at identified hospitals in Mpumalanga, the Northern Cape and Gauteng in need of this support.

Mandela Day on 18 July 2011 was also celebrated in conjunction with a cleaning cooperative, *Hambanathi*, when staff members from the PSA Head Office in Pretoria took part in the cleaning of a dumping area in Olievenhoutsbosch, and the provision of recycling bins to local schools, thereby making a small but significant difference to the community and the environment in general. Various shop stewards also initiated events at their institutions in celebration of the Day.

In an effort to transfer live-giving skills, the PSA sponsored a training intervention at Philena Primary School in November 2011. The School is situated in an environment facing numerous challenges, including poverty and unemployment. Although the School has an existing food garden, crops did not meet expectations and needs as the skills necessary to have the garden improved were lacking. The PSA's long-time social responsibility partner, the Food Gardens Foundation, was approached to offer a one-day training session aimed at revitalising the School's existing garden.

The food garden will assist in providing learners and members of the community with skills whilst cultivating vegetables to be used by the School's feeding scheme for orphans.

Skills development was also the main aim when the PSA donated sewing machines to Women for Change in Nellmapius east of Pretoria, and *Didintle* Sewing Centre north of the city. These Centres employ women to do sewing, thereby assisting them with personal development and making a living for their families. The donation was further enhanced by the PSA's sponsoring of three-day training sessions by qualified trainers to refine the women's sewing skills which are sure to boost the income of the Centres.

In commemoration of Aids Day on 1 December, the PSA visited the Give Them Hope Centre caring for 60 children and orphans affected HIV/Aids. A jungle gym and soccer balls were donated to the Centre to serve the long-term physical development needs of the children. Much-needed mattresses and a baby cot were also donated. As a final surprise, Christmas gift packs were presented to the children.

The PSA has developed a reputation as a Union that cares and, true to nature, various smaller-scale, worthy initiatives were undertaken. A request for assistance in purchasing a specialised wheelchair to accommodate a young girl's passion for dancing resulted in the PSA joining forces with the girl's mother, a PSA member at the Department of Home Affairs, in raising the funds and making a dream come true.

Other initiatives included a donation of stationery valued at R3 000 to needy children during a Christmas celebration organised by *Record Newspapers*. Groceries were donated to a Children's Home in Modimolle, and various other needy centres.



Responsibility

Mattresses were donated to a needy pre-primary school in Pretoria and Christmas parcels were provided to the PSA's Group Branch Pensioners for distributed to the elderly.

In recognition of the valued role shop stewards, a project aimed at giving them an opportunity to participate in social responsibility activities was launched. The *PSA Link* (shop steward newsletter) was employed to invite shop stewards to share suggestions for social responsibility initiatives in their communities. From Gauteng came a request to sponsor a team of female soccer players with soccer gear. A need was also identified for the supply of water coolers, wall clocks and desk pen holders to a hospital which also served to promote the PSA's brand in the Health Sector. In KwaZulu-Natal, school shoes were required for needy learners of two rural primary schools. In the Western Cape, microwave ovens were donated to clinics in Elim, Napier, Struisbaai and Waenhuiskrans to make life a little more comfortable for the hard-working staff. In Limpopo, three computers with internet-enhanced teaching and learning at a secondary school in Lufule in the Vhembe district whilst a shop steward from the Free State highlighted a need by Philipopolis Primary School for teaching aids in the form floor mats for six classes.

In support of university students, the Stiglingh Memorial Bursary has been awarded by the PSA since 1994 as legacy of late member, Mr J H Stiglingh. Qualifying students studying towards a qualification in Natural Science or Medicine can from the second year of study apply through the various universities and recipients are selected based on set criteria. Three recipients benefited from this Bursary during the period under review to a total amount of R30 000.

PSA Branches are also invited annually to nominate needy charitable and welfare organisations for donations. During the period under review a total amount of R40 000 was awarded to the following institutions: Potchefstroom *Dienssentrum vir Bejaardes*, Waterbergse *Dienssentrum vir Bejaardes*, Sally Martin Park Retirement Resort, Mamelodi Society for Care of the Aged and *Kerklike Maatskaplike Diens*, all nominated by the Group Branch Public Service Pensioners. Arise and Shine Drop-in Centre was nominated by the ELRC Branch in Limpopo.

Discretionary grants were also made to the *Itshpeng* Community Health Care and Aids Educators as well as *Le Rena Re Ka Kgona* for Disabled People owing to their extreme need.

Provincial initiatives

In the Eastern Cape, the Provincial Office in Mthatha undertook various initiatives during the period under review, including a food garden maintenance project whereby 18 schools received garden tools in support of existing food gardens.

In the Free State, the PSA donated 650 meat parcels to needy communities around Bloemfontein and clothes sponsored by Jet to needy children. Lapedesks also were donated to two needy schools in Botshabelo. Books for children, sponsored by Exclusive Books, were donated to unidentified beneficiaries.

In KwaZulu-Natal, the Provincial Office in Pietermaritzburg donated lapdesks to learners of a primary school in Harding who did not have any desks. The major social responsibility project for the period under review took the form of a school-shoe project whereby schools were identified with the assistance of shop stewards to receive shoes for needy children. Funuowazi Primary School in Imbali, Mbumbulwana Primary School in southern KwaSulu-Natal and Kandasput Primary School at Ncome were the beneficiaries of this project. In the Office's "Winter Warmth" project, blankets were donated to learners residing in hostels at Kwampungose HP School in Pietermaritzburg.

A donation was made to Edendale Hospital to assist with expenses of its long-service awards ceremony. Two donations were also handed to the Department of Correctional Services - one to Community Corrections to assist with a Family Day for inmates in November 2011 and the second to the 1860-Celebrations Committee where the PSA co-sponsored the Department's Provincial Office with a plaque to celebrate the arrival of the Indian Indentured Labourers.

In Limpopo, the PSA contributed towards the "tinned-food project" initiated by the Vhembe hospice with the aim of collecting as much tinned food as possible to make up Christmas food hampers for those in need.

In the Northern Cape, social responsibility was a standing agenda point at all meetings executed by Liaison staff and structures were given the opportunity to participate and provide inputs.

The food garden established by the PSA at the Roman Catholic School in Keimoes, situated 40 km south of Upington, is an on-going initiative to ensure a sustainable garden for learners and the community. Two computers were donated to Blaauwskop Primary School in Kanoneiland outside Upington and Pella Roman Catholic School near Pofadder. The Office also donated a much-needed and life-saving incubator to the Gordonia Hospital in Upington (pictured on page 46). PSA money boxes were distributed to eleven schools in Kimberley, Griekwastad, Pofadder and Victoria West. Smiley Kids Creche in Kimberley benefited from a donation of a copier/fax/scanner machine whilst Easter eggs were delivered to needy schools in Britstown. In addition, R8 500 was donated to Malay Camp in De Aar in support of homeless children affected by HIV/Aids.

The North West Provincial Office was actively involved in social responsibility initiatives during the period under review. The Office participated in the national project aimed at creating a culture of saving by distributing money boxes to primary school learners. It was discovered that the North West Department of Education from 2012 decided to include financial management in the curriculum - the PSA was a step ahead!

Various smaller interventions saw the light in the Western Cape where the PSA displayed its caring nature to the most vulnerable members of society. The Provincial Office launched an under-nine soccer tournament (pictured below) for schools serving less fortunate communities. The event was a huge success and in his opening address the Provincial MEC for Sport and Cultural Affairs, Ivan Meyer, indicated that the Provincial Government would like to be part of future events of this nature.

The PSA continues to explore opportunities to enhance its involvement in social responsibility activities, especially in areas where a high level of sustainability and empowerment is achieved. Broader involvement by all members in identifying such worthy causes will always be welcomed.



Responsibility

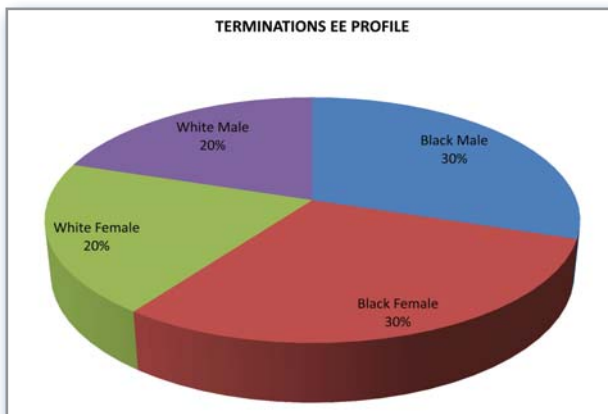
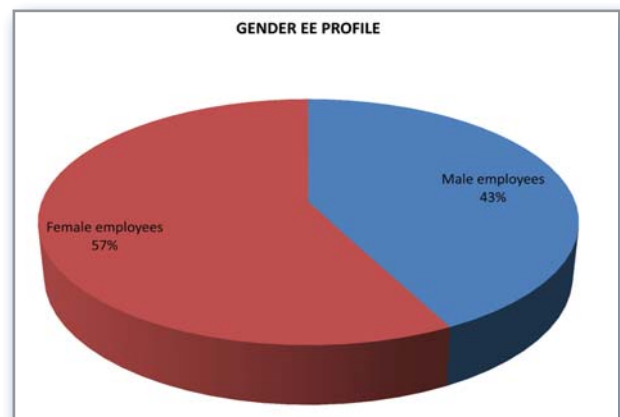
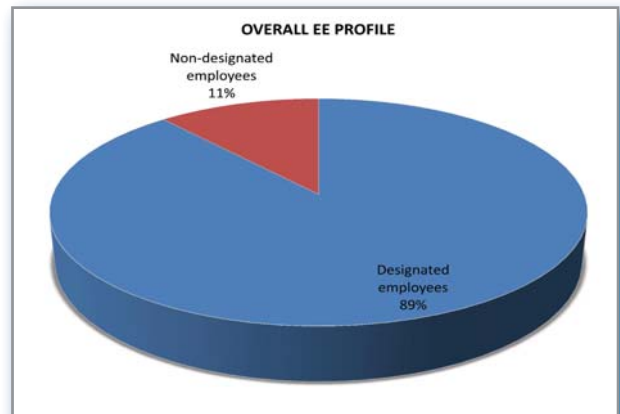


PSA employment profile

During the period 1 April 2011 to 31 March 2012, which was also the last year of the previous Employment Equity Plan period, the PSA's overall workforce profile reflected an increase of 1,11% from 87,55% as at 31 March 2011 to 88,66% by the end of the period under review in respect of employees from designated groups. The overall goal for these groups as at 31 March 2012 was determined at 87,99%. Employees from the non-designated group decreased from 12,45% by the end of March 2011 to 11,34% by the end of the period under review. At the same stage, 42,51% of the PSA's workforce consisted of males and 57,49% females. The economically active population of South Africa consisted of 53,07% males and 46,93% females at the time.

Since 31 March 2011 until the end of the period under review, 100% of employees recruited by the PSA came from designated groups. A total of 92,31% of employees promoted from within the PSA came from designated groups whilst 80% of terminations for this period came from employees from the designated groups, of which 20% were white females. Terminations from the non-designated group constituted 20%. These statistics support the notion that huge progress was made towards the achievement of the PSA's employment equity goals and targets, which were in some instances even exceeded.

A new PSA Employment Equity Transformation Plan and Procedure (EETPP) for the next five-year period, i.e. 1 May 2012 to 30 April 2017 was finalised by the Administration together with all relevant role-players and submitted to the PSA Board of Directors who approved it on 25 April 2012 for implementation with effect from 1 May 2012.



Profile

Environmental footprint

The PSA is the owner of Farm 803, Quenera Mouth East, which is some 184 ha in extent. The PSA is also the holder of the mining rights, and holder of the mining authorisation and is actively mining on the property. The mine is approximately 15 km north of East London on the main road to Gonubie, close to the N2. The mine is an open-cast mine and the material being mined by means of extraction by an excavator is primarily building sand.

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

The PSA affirms the commitments to the *Mineral and Petroleum Resources Development Act* to, amongst others, protect the environment for the benefit of present and future generations. In order for the PSA to comply with the prescripts of the *Act* and to attain the commitment to the ecological impact of mining operations, the PSA has appointed Aurecon to, amongst others, act as environmental 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 a liaison between the PSA and the Department of Mineral Resources to finally sign off all areas previously mined and fully rehabilitated.



Social and ethical conduct

The PSA's Code of Ethics is based on principles of the King Code and addressed in the new *Companies Act* (71 of 2008) under section 72(4). The Code is to be adopted and followed by all employees of the PSA and recognises the ethical obligations of each stakeholder and the importance of a relationship of honesty, openness and fairness. Employees are expected to adhere to the highest standards of business ethics. The Code is intended to raise ethical awareness, act as a guide to employees and assist in assuring stakeholders of the integrity of the PSA. The Code shall apply to all employees of the PSA and members of the Board. It also deals with the PSA's obligation to society at large. All people to whom the Code applies are expected to observe their ethical obligations in such a way as to properly and effectively carry out the affairs of the PSA.

PSA employees and members of the Board are required, by reason of their being in control of the affairs of the PSA, to:

- Be responsible for communicating the Code and for ensuring its understanding by the members of the PSA
 - Be responsible for the observance of the ethical obligations of the PSA
 - Take the necessary steps to ensure compliance within the PSA with the provisions of the Code
 - Set an example to stakeholders, contractors and associates in all matters pertaining to the Code
 - Strive to minimise inefficiencies in the PSA, and establish standards of efficiency in consultation with members and member structures
 - Introduce and maintain in the PSA an awareness that the resources of the PSA, including time resources, are in limited supply
 - Keep the costs of the PSA at the lowest reasonable level
 - Not permit any acts of bribery
 - Act within their powers, and in the interests and for the benefit of the PSA
 - Carry out their duties with the skill and care to be expected from a person of their knowledge and experience, and exercise their own judgement
 - Not permit wastage of the assets and resources of the PSA
 - Report accurately to members and stakeholders of the PSA on the performance and prospects of the PSA, and justify the confidence placed in them
 - Furnish the external auditors with all information and explanations which they require for the performance of their functions
 - Not carry on the affairs of the PSA negligently or recklessly
 - Not misuse their position in PSA structures to acquire for their own benefit, any economic or other opportunity.
- Not divulge confidential information of the PSA or otherwise make improper use of such information
 - Not accept bribes or any other corrupt or unconscionable benefits
 - Not accept any gifts or favours, without prior permission of the Board or Management
 - Report to the General Manager or the Board any approach made by an employee, a member or an associate of the PSA which may compromise them in the execution of their duties
 - Deal courteously with members of the PSA, having regard for cultural diversity and individual dignity
 - Never expect a member or the PSA to act in an immoral, unethical or unlawful way
 - Employees in management or supervisory positions are required, by reason of being responsible for staff members reporting to them, to ensure that:
 - Due attention is given to the training and development of all employees
 - Safe working conditions are provided, including appropriate tools to perform the job, and competent supervision
 - In the appointment, treatment or promotion of employees there is no discrimination on any ground which is unlawful and affects the carrying out of the duties of the staff member
 - Opportunities are provided for individuals whose potential has been restricted by historical injustices, Efforts of employees are acknowledged by fair and adequate remuneration and other means
 - Employees are protected against sexual, physical or emotional harassment from whatever source
 - There is compliance with laws governing labour relations and conditions of employment
 - There is effective communication with employees
 - There is commitment to honouring the agreed terms and conditions of employment

In respect of the society at large, PSA employees and members of the Board are required to:

- Pay due regard to environmental, social and public health considerations
- Before retrenching staff, consider the effect such retrenchments may have on society at large
- Participate, within means, in uplifting the community in which it operates
- Respect the law
- Respect the rights, dignity and diversity of other persons



Financial governance and performance highlights

As an employee organisation, the PSA is registered in terms of the *Labour Relations Act, 1995* as a trade union. The PSA is recognised and admitted to the various relevant bargaining councils to protect and promote the individual and collective rights and 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 articles of a Non-Profit Company, it has no share capital and the liability of its members is limited to one month's subscription in the event of dissolution.

The trade union activities of the PSA represent its core business, whilst it also operates a holiday resort, sand mine and a cell captive insurance scheme under licence from Guard Risk Insurance Company Limited for the benefit of its members.

The Directors are required by the *Companies Act of South Africa* 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 control environment. To assist the Directors in discharging the responsibility in this regard, an Audit Committee was established to have oversight over financial governance and 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.

External auditors are engaged to express an independent opinion on the financial statements of the PSA. The PSA's auditor for the past four financial years has been PricewaterhouseCoopers Inc. PricewaterhouseCoopers has issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ending 31 March 2012.

The combined net profit of the PSA was R9 982 520 (2011: R10 567 495 profit) after taxation of R(3 914 511) (2010: R(2 457 320)).

The summarised financial performance of the different business divisions of the PSA is tabled on page 56 of this report.

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 2012, 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 audited detailed financial statements of the PSA for the year ended 31 March 2012 are set out in full from page 60 of this report, and do not, in our opinion, require further comment.