

NEWS

Judge rules against bid to place union under administration

PSA accused of corruption, fraud, nepotism, unlawful overspending



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SENIOR REPORTER



PSA members

Image: Darren Stewart

The labour court has dismissed the application brought by the registrar of labour relations, Lehlohonolo Daniel Molefe, to place the Public Servants Association (PSA) under administration over alleged financial mismanagement.

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union or that it was materially failing to perform its functions due to serious mismanagement.

The ruling was made last week.

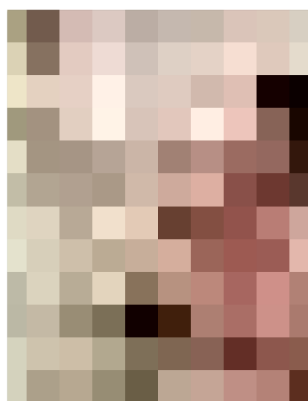
Molefe approached the court in 2024, arguing that alleged financial mismanagement showed the union was no longer acting in the best interests of its members.

He also said he had requested information related to an August 2020 forensic report by Fundudzi Forensic Services, but said these efforts were met with threats.

The report documented serious allegations of corruption, fraud, nepotism, unlawful overspending, procurement and financial mismanagement in the PSA.

The PSA, which represents over 245,000 members, opposed the application, arguing that the registrar had not met the legal threshold required to justify placing the union under administration.

In its court papers, the union said there was no evidence showing it was in financial distress or failing in its duties.



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The PSA further argued that for the registrar to succeed, he had to provide evidence proving that the union was in serious trouble, either financially or operationally, and in need of intervention.

Phehane said in her ruling: "The registrar's suspicion that the financial statements are inaccurate based on a report that, on his own version he has no knowledge of, is incomplete ... and the veracity upon which he

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She said the union's unqualified audited annual financial statements were submitted, and no irregular expenditure appeared.

"To permit the registrar to place the PSA under administration in circumstances where it has not satisfied the court by placing cogent evidence that the PSA is not a genuine trade union would set a dangerous precedent."

The PSA's general manager, Reuben Maleka, welcomed the judgment, saying the case was a "waste of taxpayers' money".

"We hope that the minister of labour [Nomakhosazana Meth] will stop the registrar from wasting money again [by] appealing this matter without merit," he said.

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The Public Servants Association has called for an immediate and comprehensive audit of the infrastructure at Steve Biko Academic Hospital and all ...

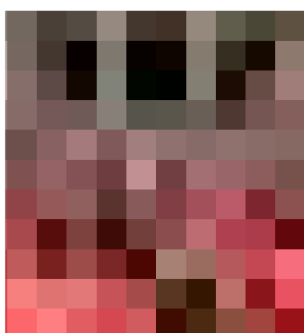
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