



# INFORMUS

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FOR PSA MEMBERS: **INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED (IDC)**

03-05-2024

## Victory: IDC - Jurisdictional ruling on reduced benefits in favour of PSA

As reported to members, the PSA was awaiting a jurisdictional ruling from the CCMA on the preliminary point raised by the IDC on reduced benefits during the arbitration held on 17 April 2024. The CCMA has issued a ruling in favour of the PSA, confirming that it has jurisdiction to arbitrate over the dispute. The preliminary point was dismissed, with costs against the IDC, and a new date for arbitration will be communicated to parties. In his ruling, the Commissioner found the argument raised by the IDC to be flimsy and frivolous. He further stated that “the proclaimed *preliminary issue* was insubstantial and unnecessary.” The PSA shares the sentiments of the Commissioner and regards the approach taken by the IDC to be a delaying tactic that will cost the Corporation more money than what it already owes to its employees in the form of the reduced benefit. The Commissioner further expressed a view that the IDC’s decision makers gambled recklessly by allowing an unsubstantial preliminary issue and therefore, they must dance to their music by paying for the wasted costs.

The PSA will stand its ground for members until they are all paid what is due to them. There is surely a case of unfair labour practice that the IDC needs to answer in this matter. The fact that the decision to withhold 10% from the benefit that was due to employees was taken by the Board is immaterial. The case is against the IDC as an employer and the Board is expected to make rational decisions that are fair and in the best interest of the Corporation. The Commissioner rightfully stated that “board decisions are not divine decisions, hence their fairness must be scrutinized by institutions that are seized with powers to do so”. The PSA hopes that IDC management will be properly advised to settle this matter without further delay and the risk of straining relations and demoralising its employees. The CCMA will appoint a new Commissioner to arbitrate the matter on a date to be confirmed. The CCMA jurisdictional ruling is *attached* for members' information.

Members will be kept updated.

Employees who want to join the PSA can visit the PSA’s website ([www.psa.co.za](http://www.psa.co.za)), send an email to [ask@psa.co.za](mailto:ask@psa.co.za), or contact PSA Provincial Offices.

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