

PSA 
The Union Of Choice



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From the Chairperson

A trade union exists because a group of workers believe in the organisation's abilities and entrust it with the protection and promotion of their workplace rights and interests.

For this very reason, the Public Servants Association of South Africa (PSA) has for more than 90 years been rendering a professional service to public-sector employees with the greatly-valued assistance of its democratically-elected shop stewards.

The South African labour terrain has experienced its share of turmoil over the past year. The PSA, despite challenges, recorded an upward movement in its membership figure, thus underlining the increasing need amongst workers for the quality of service rendered by the Union.

The highlights of the PSA's extensive work in support of its duty towards members for the period **1 April 2013 to 31 March 2014** are captured in this *Annual Integrated Report*.

The *Report*, amongst others, addresses service delivery in respect of assistance to members, collective bargaining, provincial service-delivery activities, communication and fringe benefits for members. It furthermore deals with issues such as the recruitment and retention of members and the empowerment of the PSA's member structures.

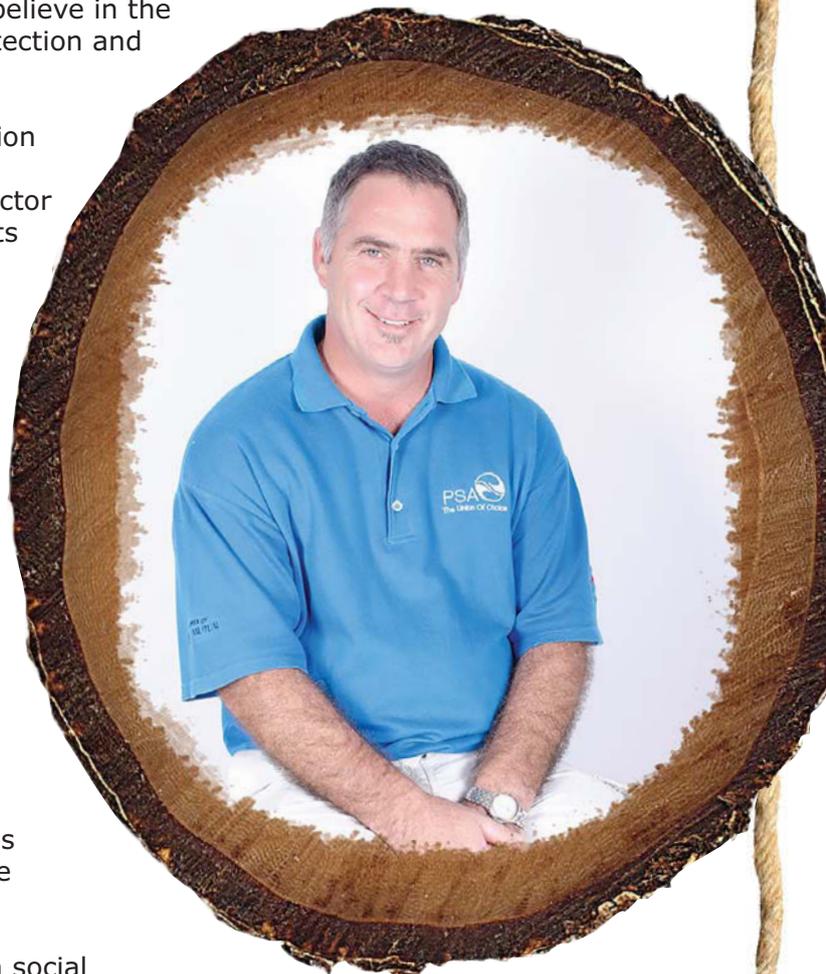
The *Report* also covers the Union's involvement in social responsibility initiatives aimed at empowering and uplifting communities. The PSA's employment profile and environmental footprint are addressed as are social and ethical conduct matters and the Union's financial governance and performance highlights.

The PSA is committed to rendering a personalised service to members and solely relies on their mandate to reach decisions. In this regard, I appeal to members to regard the matter of providing the Union with mandates, when called to do, so with due urgency.

With the PSA heading towards its 95th birthday in 2015, the Union's pledge to members remains solid and unchanged: You serve, we protect.



Pierré Snyman
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 the following members served on the PSA's Board of Directors:

Dr Vuyo Dyantyi (President - elected on 16 September 2013)

Mr Ronny Maepa (Vice-Chairperson until election as Vice-President on 16 September 2013)

Mr Pierré Snyman (Chairperson - re-elected on 16 September 2013)

Ms Annetjie Rencken (Vice-Chairperson - elected 16 September 2013)

Ms Oniccah Lefifi (Director)

Mr Ben Jacobs (Director)

Mr Rob Moody (Director)

Mr Ashley McAnda (Director)

Ms Friedah Masinga (Director - elected on 16 September 2013)

Mr Sboniso Ndlovu (Director - elected on 16 September 2013)

Adv Rashied Daniels (President) whose term of office expired on 16 September 2013

Peter Tlowana (Vice-President) whose term of office expired on 16 September 2013

Danny Adonis is the General Manager and acts as Secretary of the PSA.

PSA Board Committees

The following members served on the various Board Committees of the PSA:

Audit and Risk Committee

Mr Rob Moody – elected as Chairperson on 30 October 2013 (Committee member 24 October 2012)

Mr Pierré Snyman – elected on 25 August 2010

Ms Oniccah Lefifi – elected on 24 October 2012

Mr Ronny Maepa – elected on 30 October 2013

Cell Captive

Mr Ashley McAnda – elected as Chairperson on 30 October 2013 (Committee member 24 October 2012)

Ms Annetjie Rencken – elected on 25 August 2010

Sboniso Ndlovu – elected on 30 October 2013

Remco

Ms Annetjie Rencken – elected as Chairperson on 28 November 2013 (Committee member 26 October 2011)

Mr Ben Jacobs – elected on 26 October 2011

Mr Rob Moody – elected on 24 October 2012

Ms Friedah Masinga – elected on 30 October 2013

Members representing Structures

Mr Eugene Louw – elected on 17 September 2012 for a period of four years

Mr Chris Krüger – elected on 16 September 2013 for a period of four years

Mr Donald Charlies – elected on 16 September 2013 for a period of four years



Assistance to members

The PSA regards assistance to members as one of its primary activities and the challenges in this regard cannot be underestimated. Assistance to members, irrespective of the complexity thereof for the staff and the full-time shop stewards, full-time office bearers and shop stewards, offers a "lifeline" to members in need. It must be stated that the good service was sometimes executed under difficult circumstances and outside ordinary working hours.

The PSA would like to thank each and every one in the team for the good work done during the report period in support of achieving the PSA's objectives.

The assistance referred to above, is reflected by means of the following statistics:

Day-to-day enquiries finalised (emails, letters, telephone enquiries, interviews, etc.)	132 163
Grievances	6 197
Disciplinary hearings	3 038
Conciliations	1 677
Arbitrations	2 247
Monetary value of awards/settlements	R44 170 876,77
Legal costs (unaudited amount)	R6 531 059,61
Other meetings attended	1 333
Distance travelled (km)	481 095,50
Unpaid overtime worked (hours)	2273,5
Court cases (Reviews of arbitration awards, opposing of review of awards by employers, instituting content of court proceedings and issuing of interdicts)	130

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

The PSA, as a founding member of the Independent Labour Caucus (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 Onderwysersunie (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.

Public Service 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), the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC), the 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 report period are covered in this *Report*.

Public Service Coordinating Bargaining Council

Improvement in conditions of service for 2014/2015-financial year: Salary levels 1 to 12 and employees who received an Occupational-Specific Dispensation (OSD)

A wage agreement for a three-year period was signed in 2012 (PSCBC Resolution 1/2012). This wage agreement is effective for a period of three years ending in the financial year of 2014/2015.



PSCBC Resolution 1/2012, amongst others, provides for a multi-term, cost-of-living adjustment for employees on salary levels 1 to 12 as well as those employees who received an OSD.

The employer, during the PSCBC meeting on 24 March 2014, announced that the cost-of-living adjustment for the 2014/2015-financial year will be as follows:

- The projected average inflation for 2014/2015 is 6,2%. In terms of the Agreement the cost-of-living adjustment with the additional 1% determined by the agreement will be 7,2%.
- The shortfall from the projection made for 2013/2014 is 0,2% which will be backdated to 1 April 2013 and paid separately in May 2014.
- The 2014/2015-adjustment of 7,2 % and the shortfall of 0,2% will amount to a total salary adjustment of 7,4%.

Owing to the large number of public servants and the delay in determining the adjustment, the employer indicated in the PSCBC that the above cost-of-living adjustment will be implemented on 15 May 2014, but will be backdated to 1 April 2014.

Public Service Charter for South Africa

In terms of clause 21.2 of PSCBC Resolution 1/of 2012, parties agreed to enter into an agreement on a service charter for the Public Service. A charter was subsequently developed to regulate the partnership between citizens, the State and public servants.

The *Public Service Charter* is a social contract, commitment and agreement between the state and public servants. The Charter, as set out in PSCBC Resolution 1/2013, was signed in the PSCBC by the employer on 20 May 2013.

The Board of Directors, after no majority mandate from member structures, and in terms of the PSA's Guidelines on mandating processes to Branches issued in 2013, considered all the aspects pertaining to mandating and provided a mandate to sign the Resolution. The PSA signed the Resolution on 26 July 2013. It is worth mentioning that all the unions represented in the PSCBC signed this Resolution.

The Minister for Public Service and Administration (MPSA) met with parties in the PSCBC on 26 July 2013 to thank them for their contributions in this regard and also to indicate that the Resolution would be implemented by the employer.

One of the actions during the implementation process will be the drafting of a "Peoples Charter" in response to the commitments made as set out in the *Public Service Charter*. The public and other stakeholders will at that stage make inputs towards such a proposed Charter.

Increase in levy

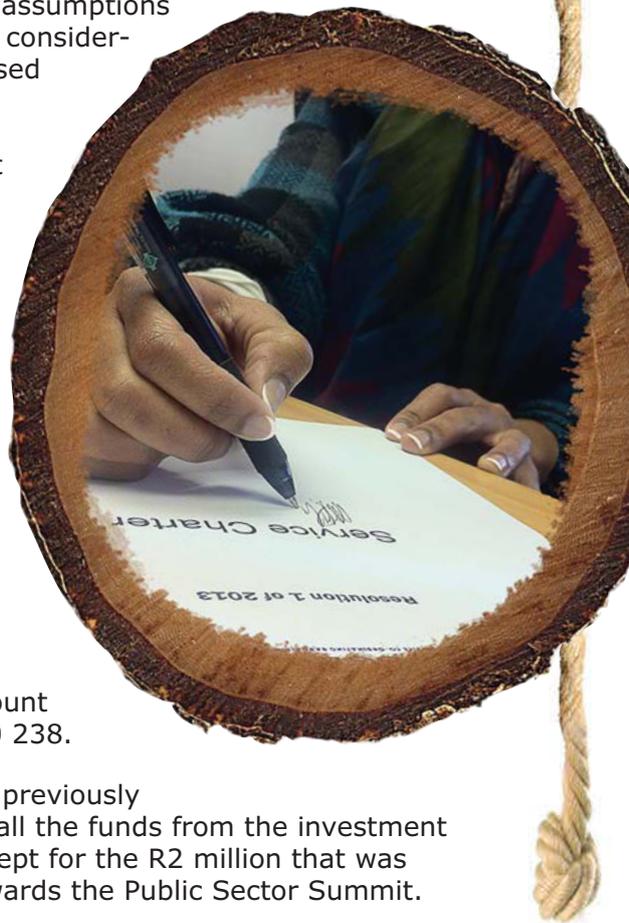
The General Secretary (GS) of Council presented a report to the PSCBC on 27 February 2013 in respect of the financial performance of Council over the last 15 years.

Council, being levy funded, should only budget and expend against actual levy income. Other income is incidental and should not be considered for budgeting. If this principle is accepted, then Council has been operating with a deficit ever since the 2008-financial year.

The Council budget is based on the Operational Plan of Council together with the day-to-day running expenses of the organisation. In the review process, the Secretariat endeavoured to align the proposed budget to the strategic objectives of Council. The budget also further attempts to address the principles of the Mission of Council, i.e. Good Governance, Collective Bargaining and Dispute Management.

The following assumptions were made in considering the proposed income:

- The forecast for levy income is based on the levies received during 2011/2012.
- The expected income from interest receivable from the current account is only R280 238.
- Council had previously not utilised all the funds from the investment account except for the R2 million that was donated towards the Public Sector Summit.



- Of the R10 679 397,59 that was in the investment account, R9 489 042 would have to be utilised to fund the deficit in the 2012/2013-budget.

The following were, amongst others, also raised by the GS:

- From 1 July 1998 to date, the PSCBC had been funded by a levy of R0,50 per employee and R0,50 per employee coming from the employer (a total of R1).
- Based on inflation, this R1 had steadily decreased in value to R0,18. It was not possible for the PSCBC to continue with its operational functions on the current income.
- Council is consequently also not in a position to fund its strategic objectives.
- Furthermore, Council is required to ensure the negotiation and implementation of collective agreements. More recently, PSCBC Resolution 1/2012 various responsibilities on the PSCBC.
- The forecast on implementation only was R1,1 million. The PSCBC does not have the funding to facilitate the implementation of the Agreement.

In view of the above, parties to Council were requested to consider the assumptions based on a levy increase of either R0,50, R1 or R1,50 as the most viable options to address the above concerns and to prevent the continued budget deficits of the PSCBC. The funding model decided on should place the PSCBC in a position to effectively deliver on its strategic and operational requirements.

With a view to also consider the "in-pocket" situation and the affordability of a levy increase to members, the PSA, through an *Informus*, requested members to provide it with the following mandate:

- An adjustment of R0,50 in the contribution of the employee and the employer (total levy of R2, i.e. R1 per party) with effect from 1 April 2013. Thereafter annually for the next five years the levy to be paid, to increase annually with a percentage in line with the CPI.
- The objective of an adjustment of the levy, as determined by PSCBC Resolution 3/2003 is to establish a levy fund to sufficiently manage Collective Bargaining, Dispute Resolution, Dispute Prevention and the Operational Functioning of the PSCBC.

- This should also enable the PSCBC to implement its strategic objectives, to grow as an organisation and deliver on its commitments. The increased contribution to the levy will apply to all public servants.

On 2 September 2013 the unions representing the majority in the PSCBC (75,52%) signed PSCBC Resolution 2/2013 regarding the Increase of Levies.

The PSA was the only Union which did not sign the Agreement at that stage.

The Board subsequently, in terms of the PSA's mandating processes, as set out in the mandating guidelines to Branches, provided a mandate to sign the said Agreement. The Agreement was signed on 30 October 2013 by the PSA which means that it was signed by the employer and all the admitted unions in the PSCBC.

Policy and Procedure: Incapacity Leave and Ill-health Retirement (PILIR)

It was brought to the PSA's attention that the Director-General (DG) of the Department of Public Service and Administration (DPSA) issued a letter on 18 December 2012 to all Heads of Departments in the Public Service, relating to the suspension of the processing of the applications for incapacity leave and ill-health retirement owing to a pending Court case by prospective Health Risk Managers.

Furthermore, the said DG also indicated that he had been unsuccessful in his attempts to have the resultant interdict rescinded in the High Court. In addition, the employer provided the following information on this matter:

- PILIR provides (as stated above) for the appointment of a Panel of Accredited Health Risk Managers in the various service areas to render a consultancy service required in terms of PILIR.
- The DPSA appoints the Panel through its procurement processes.
- The present contracts with the service providers expired on 31 December 2012.
- A new Panel would have been selected in terms of PILIR with effect from 1 January 2013.



- The selection and contracting of the new Panel were, however, suspended owing to the mentioned legal challenge.
- Backlogs of incapacity leave and ill-health retirement applications are inevitable.

The employer indicated that the North Gauteng High Court handed down judgment which was not in its favour in respect of this case on 24 June 2013. In terms of the judgment:

- The initial decision of the DPSA on the selection and appointment of the Panel of Accredited Health Risk Managers was set aside by the Court.
- The decision to disqualify, alternatively to disregard the concerned applicant's bid, is referred back to the DPSA for reconsideration.

After considering all its options, the DPSA decided to implement the terms of the judgment. It was also decided to reconvene the Bid Evaluation Committee to reconsider the bid proposal of the said applicant so that the implementation of the new Panel can be finalised.

The matter was subsequently finalised. The DPSA, on 1 November 2013, issued a Circular to all Departments indicating that the processing of PILIR applications was resumed on that same day. A new Panel of Accredited Health Risk Managers was appointed. The Departmental contracting process is currently being finalised. The MPSA will pronounce on the way forward with regard to the unprocessed temporary incapacity leave and ill-health retirement applications received between 31 December 2012 and 31 October 2013.

Implementation: Amendment to PSCBC Resolution 3/2009 and grading of jobs/posts on salary levels 9/10 and 11/12

Following the multi-term agreement which was entered into in the PSCBC (PSCBC Resolution 1/2012), a number of issues had to be dealt with during the report period. In relation to the improvement in conditions of employment, clause 18 of PSCBC Resolution 1/2012 relates to the amendments to be done in terms of clause 3.6.3.2 of PSCBC Resolution 3/2009.

Implementation of this provision will allow employees whose posts are graded on salary levels 10 and 12 to be appointed and remunerated on salary levels 10 and 12 respectively.

Following this Agreement, the employer on 25 February and 15 March 2013 respectively, issued circulars serving as "Implementation Directives" by the MPSA with a view to implement the relevant provisions of the applicable Resolution.

In terms of DPSA Circular 16/P of 15 March 2013, the employer is excluding corporate services jobs/posts from the automatic absorption into the regraded posts with effect from 1 August 2012.

Furthermore, the employer, in paragraph 5 of the Circular, advised Departments which already upgraded and absorbed the corporate services employees into salary levels 10 and 12 posts respectively, to reverse such irregular upgrades and recover the resultant overpayments.

The PSA is of the view that the same measure of automatic absorption (applicable to non-Corporate Services posts) into the posts which were previously graded at salary levels 10 and 12 respectively should apply to the posts in the Corporate Services as well.

It is in this context that the PSA wrote a letter to the DG of the DPSA requesting his urgent intervention to have those controversial Circulars amended to reflect the correct position on clause 18 of PSCBC Resolution 1/2012. The employer, however, failed to withdraw the exclusion of Corporate Services employees from the benefit of automatic absorption in salary levels 10 and 12 respectively, with effect from 1 August 2012.

Consequently, the PSA instructed its attorneys to provide it with a legal opinion on the best possible remedy to address this unfair situation in which our members find themselves. Following the PSA's further consultation with its attorneys on 13 May 2013, a dispute concerning the Interpretation and Application of Resolution 1/2012 was referred by the PSA to the PSCBC to be dealt with in terms of its Dispute Resolution Procedures. The PSCBC Rules allow other unions to join the dispute that the PSA referred. In addition, a letter was sent to the DPSA insisting that it retracts the controversial Directives until the dispute has been resolved. Members were also informed that should the employer not accede to our demand, the PSA would not hesitate to bring an application in the Labour Court on a semi-urgent basis to compel the employer not to recover what it regards as overpayments until the dispute has been resolved.



Conciliation took place on 10 June 2013, but failed to resolve the dispute and a certificate was issued by the PSCBC Panellist appointed to conciliate the dispute. The matter was subsequently referred to the PSCBC for arbitration in terms of its Dispute Resolution Procedures.

A pre-arbitration meeting took place on 2 August 2013 to reach agreement on common cause facts and to further clarify the issue in dispute. The employer then indicated that it intended to raise a point *in limine* relating to the PSCBC's jurisdiction to resolve the dispute in terms of its Dispute Resolution Procedures. Parties agreed that the jurisdictional issue would be dealt with by means of written submissions. A ruling in this regard was to be made by 6 September 2013. Since the employer had raised the jurisdictional issues, the arbitration which was to have taken place on 19 August 2013, had to be postponed until further notice. The PSA was of the view that the employer was deliberately delaying the resolution of the dispute and that does not bode well for the promotion of healthy labour relations in the Public Service.

The arbitrator issued a ruling in respect of the jurisdictional point on 10 September 2013. This ruling confirmed that the PSCBC has the requisite jurisdiction to arbitrate the dispute. Arbitration continued on 5 November 2013. It was, however, frequently interrupted as the employer raised issues that should have been raised during the pre-arbitration process and further introduced several bundles of documents that the PSA had to study before the process could continue.

In view of the delay already caused, the PSA insisted that the matter should proceed, but still the process could not be finalised by close of business. The matter was then postponed until 20 January 2014 owing to the unavailability of the Commissioner in November 2013 and the employer representatives in December 2013. The arbitration process continued on 20 January 2014 and we finished presenting our case. When the employer was expected to present its case, it requested the postponement of proceedings in that it sought to *subpoena* the Secretary of Council to testify on the procedures and processes of Council.

The PSA opposed the postponement as the employer had not shown good reasons to postpone as it already knew in November 2013 that the matter would proceed on 20 January 2014.

Despite the opposition by the PSA, the arbitrator granted the postponement, indicating that the employer has a right to call or *subpoena* witnesses. The arbitrator ruled that the employer should pay the wasted costs for the day. The arbitrator indicated that he would only be available on 18 March 2014 and the matter was at that stage postponed until then. The employer went through with its threat and *subpoenaed* the GS of the Council as a witness for the employer. The GS unfortunately fell ill and submitted a medical certificate. The matter consequently had to be postponed and the earliest date on which the arbitrator is available is 13 May 2014. The matter will therefore proceed on 13 May 2014.

Government Employees Housing Scheme (GEHS)

In terms of the provisions of PSCBC Resolution 2/2011, read with 1/2012, parties agreed to develop and present a comprehensive GEHS that promotes home ownership for all levels of employees in the Public Service. A Technical Working Committee (TWC) was established to conduct an investigation into the GEHS. The TWC was expected to give ongoing feedback to Council on developments. It made the following recommendations to Council:

- That a project management office be set up to manage the process.
- This office will then, amongst others, develop terms of reference for the project and will also consider position papers submitted in respect of the project by the respective parties to Council.
- Although this project should be funded by the PSCBC, the employer indicated its willingness to fund the project, and the project management office will be situated in the DPSA.

A market survey was conducted by the employer to establish the housing trends and preferences of South African public servants. From the presentation it is apparent that:

- Home ownership is regarded as important and constitutes an employee's investment for future years.
- Although employees regard home ownership as important and a good investment, they do not have the means to invest in this regard.
- The majority of employees would prefer government to incorporate a housing subsidy into their salaries.

Council took note of the report from the TWC and the presentation. It is clear from the presentation and the TWC report that there is still a lot of work to be done by the TWC. The results of the survey will form part of the information to be considered by the TWC during its investigation and development of a GEHS.

Members were informed in various editions of the *Informus* that labour is in the process of consolidating its position on a GEHS proposal before presenting it to Council. By the end of the report period labour was consolidating its position on a GEHS proposal before presenting it to Council.

The position of the ILC, of which the PSA is a party, on this matter and proposals to address the challenges regarding the issue of housing allowance can be summarised as follows:

- Pay all eligible public servants who own or rent a house/accommodation a housing allowance that is fair and reasonable;
- The said housing allowance should be adjusted in line with the increases in prices of median houses in the South African property market;
- No capping of the quantum of the housing allowance, especially in view of the “sky-rocketing” prices of houses;
- No discrimination on the basis of marital status in the provision of housing allowance; and
- No abolishment of the rental arrangements in exceptional circumstances for the purpose of granting the housing allowance to public servants.

Furthermore, the PSA raised other issues, such as the possibility of bringing down the price of government-owned land for developers of human settlements for the benefit of public servants and society at large and the review of the legislation and policy around land-use management to fast-track housing delivery. The employer was expected to table its position paper in the Council meeting of 30 January 2014.

The employer at the meeting of 30 January 2014 made a presentation to the Council. Parties unfortunately did not discuss the presentation made by the employer. A Special Council meeting will be arranged to discuss the presented document and make necessary inputs. It is envisaged that labour will also by the beginning of the next report period present its consolidated position on the GEHS to Council.

Pensions Redress Programme

The PSCBC is in the process of concluding the implementation of PSCBC Resolutions 7/1998 and 12/2002 dealing with the recognition of non-pensionable service as pensionable service for those public servants who were affected by past-discriminatory practices in this regard.

The National Task Team (NTT), Departmental Task Teams (DTTs) and Provincial Task Teams (PTTs), which were established in the past under the auspices of the PSCBC, were revived by Council with a view to implement the Pension Redress Program.

A report from the NTT was tabled during the Council meeting on 14 January 2014. The report highlighted the following:

- The Government Pensions Administration Agency (GPAA) received and verified a total of 138 228 completed application forms through the PSCBC.
- The number of verified applications forms are the following:
 - ♦ 71 240 applications were verified and approved;
 - ♦ 45 780 applications were verified, but not approved; and
 - ♦ 21 208 application forms were verified, but found to be incomplete.

The reason provided for not approving the 45 780 applications is that members cannot claim for the period during which they were not discriminated against. The 21 208 “incomplete” applications consist of applications received without the correct proof attached to determine whether the individual qualified on the basis of past-discriminatory practices.



Labour in the PSCBC appreciated the report and acknowledged that the matter under discussion was very sensitive, but indicated that Council should not be seen as perpetually delaying the process instead of assisting the process of redressing the past discrimination.

Labour subsequently proposed the following:

- The Pension Task Team should not be disbanded as there are still processes that need to be finalised, particularly when considering the information still needed to finalise the verification of the 21 208 “incomplete” applications.
- An independent audit needs to be conducted on the 45 780 application forms that were not approved.
- A re-verification process of the applications that were not approved should be conducted parallel to the recognition process that entails the payment of pension benefits in relation to the approved applications.

After deliberations, Council agreed as follows:

- To collect all outstanding forms signed before the closing date, whether they are verified or not, from the Provincial and Departmental Task Teams. These forms should be captured and submitted to the GPAA for verification by 14 February 2014.
- The GS was mandated to develop a communication strategy and to present it to the Council meeting scheduled for 30 January 2014.
- To conduct an independent process of verification of a sample of at least 20% of the 45 780 applications that do not qualify for redress in terms of the above-mentioned Resolutions.
- To conduct a process of collecting the outstanding information from the 21 208 applicants whose application forms were found to be incomplete.
- Parties should enter into a collective agreement on the payment of pension benefits to the identified beneficiaries as per Clause 8 of Resolution 2/2002.

Council at the meeting of 30 January 2014 indicated that the Secretariat of Council should:

- Request the relevant forms from the GPAA to commence the communication process as mentioned above.

- Investigate and recommend to Council the appropriate forum to deal with the appeals of those applicants who did not qualify for the redress and also to provide the necessary reasons to the applicants.

Implementation of Clean-Break Principle by Government Employees Pension Fund (GEPF)

During 2011, the Cape High Court declared that the law governing the GEPF is inconsistent with the Constitution as it prevented the Fund from paying out benefits to spouses divorced from public servants, unlike all other pension funds. The Court gave government a year to remedy the situation and during that time an *Act* was promulgated allowing the GEPF to amend its Rules to provide for the payment of benefits awarded in terms of a Court-sanctioned divorce order or a decree for the dissolution of a marriage of a member of the Fund.

Owing to an increasing number of queries from members affected by the amended provisions as well as considering the possible negative impact of the consequences of the amendment of the GEPF Rules, the PSA took the initiative to request the PSCBC to host an information-sharing session at which the GEPF would be invited to shed light on the matter.

The PSA’s view was that a better understanding of the factors informing the amendments as they are today would assist parties to adequately deal with enquiries from members and make proposals to ameliorate the possible negative financial implications arising out of the formula used by the GEPF.

The GPAA was invited to conduct a workshop at the PSCBC on 27 August 2013. The following came to light on the subject during that presentation:

What is the clean-break principle?

Previously, if you divorced, you would only receive your divorce pension interest, awarded by the Court to you, when your ex-spouse resigned, retired or was dismissed. The *Government Employees Pension Law, Proclamation 21 of 1996 (GEP Law)* and rules were therefore amended to provide for what is called the clean-break principle.

The clean-break principle allows for the payment of the portion of the pension interest allocated by the Court, directly after the divorce, to a non-member spouse – not when the member eventually exits.

Payment of the portion of the pension interest allocated by the Court must therefore be made by the GEPF as soon as practically possible after the issuing of the divorce order and not on the exit of the member from the Fund, as was the position before the amendment of the *GEPF Law* and Rules.

Divorce Act of 1979

The *Divorce Act 70 of 1979 (Divorce Act)* determines that the pension interest of each party forms part of the assets that a Court may divide when dissolving the marriage. The only marriages excluded from this provision are marriages out of community of property entered into on or after 1 November 1984 in terms of an ante-nuptial contract by which community of property, community of profit and loss and the accrual system are excluded.

Pension interest

The legal term used for a party's value in the pension fund for purposes of divorce, is pension interest. The *Divorce Act* defines pension interest and the (a) part of the definition applies to the GEPF. In simple terms, pension interest is equal to the benefit that a member would have received had he or she resigned on date of divorce. If you resign from your employer and you are a member of the GEPF, you will receive a lump sum that you may either transfer to an approved retirement fund or take in cash.

In order to calculate pension interest, one must apply the rules of the pension fund applicable to resignation. Rule 14.4.1 of the GEPF's Rules regulates the benefits payable on resignation. A member who resigns is entitled to a gratuity or transfer benefit calculated as follows: 7,5% of his or her final salary multiplied by the period of his or her pensionable service, and increased by ten percentage points for each full year of pensionable service between five and 15 years.

Repayment of the portion of the pension interest allocated by the Court and paid to the former spouse

The member will owe the GEPF the amount paid to the non-member spouse and this amount will also accrue interest. This is so because the GEPF paid, on the member's behalf, the debt he or she owes to the non-member spouse. Where the GEPF pays the portion of the pension interest allocated by the Court to the non-member spouse, its funding is reduced and it loses the growth on the money paid. The GEPF is a defined-benefit fund, and not a defined-contribution fund. This means that benefits are calculated using fixed formulas, based on length of service and final salary, as defined.

Unlike a defined-contribution fund, the benefit eventually payable to a member is not the sum of contributions made by a member plus growth. There is no ring-fenced amount per member in the GEPF.

Where a divorce order declares that a portion of a member's pension interest be paid to the former spouse, the GEPF is obliged to pay the said portion awarded to the former spouse. It has no discretion in the matter - by order of Court and by law, as passed by Parliament. Where the GEPF is required to pay a portion of the pension interest to the former spouse, it is settling a debt on behalf of the member. According to the GEPF, this debt must be repaid by the member as the GEPF is losing income on the money paid. The member is not, however, obliged to immediately repay the GEPF.

Interest will be added on the outstanding debt amount and this interest will be deducted, along with the debt, from the eventual pension benefit payable to the member. If the member immediately pays the debt, the member will receive his or her full pension benefit at exit. The member will also have saved on the interest.

If the amount of the divorce debt exceeds the amount of the gratuity (lump sum) and there is an annuity (monthly pension) payable to the member on exit, then the divorce debt must be recovered from the gratuity and annuity and these be reduced *pro rata*.

PSA's concerns

As soon as the non-member spouse has been paid his or her portion of the pension interest, a debt is registered against the member spouse against which interest runs. The manner in which the "debt" is repaid and the rate of interest have, in the PSA's view, been unilaterally determined by the GEPF. According to the GEPF, the rate of interest is repo plus 3%. This rate is therefore not fixed and changes when the repo rate changes. The interest is also compounded.

In our view, this leaves very little control to the member in how his or her income and debt can be managed as one does not have control over the repo rate and the said rate (plus the 3%) can potentially go through the roof.

The GEPF amended its Rules retrospectively to 1 April 2012 and applied the same principles to members who divorced before the date of implementation of the *Act*. We view this as a retrospective implementation of a punitive measure that may be unlawful.



Legal opinion

The PSA decided that, owing to the complexity of the matter, a legal opinion should be obtained to enable it to decide on the proper way forward. After considering the background to the matter as set out above as well as the legal opinion which advised that retrospective implementation if sanctioned by an Act of Parliament, cannot be challenged. In addition, the legal opinion advised that if we can prove that the repo rate plus 3% is inequitable, then we have a leg to stand on. It therefore became apparent that it would be very difficult for the PSA to prove any prejudice suffered by the contributing member of the GEPF who has a divorce order against him or her. The matter will consequently no longer be pursued by the PSA.

Education Labour Relations Council (ELRC)

Pay progression dispute

Sadtu, on 28 March 2013, declared a dispute and referred the matter to the ELRC for resolution in terms of its Dispute Resolution Procedures. Sadtu indicated in its dispute that its "members, who are Educators, are receiving a lower pay progression of 1% as opposed to the rest of the Public Service, who are receiving a 1,5% pay progression." It referred the dispute as an unfair labour practice and demands as settlement of the dispute that the "pay progression of Educators of 1% be equalised with that of other Public Service workers which is 1,5%".

The PSA is a party to the "Combined Trade Union – Autonomous Teachers Unions" (CTU-ATU) in the ELRC. Naptosa, which is acting as coordinator of the CTU-ATU, approached all the parties of the CTU-ATU with the request as to whether or not the dispute of Sadtu should be joined. The PSA expressed the concern that the dispute referred by Sadtu is clearly a matter which emanates out of the bargaining process. The PSA indicated to the CTU-ATU that its understanding is that the percentage referred to is already regulated by an agreement concluded some time ago in the ELRC. It is therefore, according to the PSA, an interest dispute and not a rights dispute as referred by Sadtu. The PSA therefore, based on this understanding, found it very difficult to agree to join the Sadtu dispute.

Sadtu as a result of, amongst others, our expressed concern amended its referral to the extent that the "new" dispute is an interest dispute.

The PSA, in response to the amendment, indicated to the CTU-ATU that it would join the dispute, but only on the condition that we reconsider our options as CTU-ATU if conciliation fails.

The Council, through the GS and the Chairperson of the ELRC, took a decision to interact with parties to Council to subject the impasse to a facilitation process. The first session took place on 24 March 2014. The employer emphasised its financial challenges. It would, according to the employer, be difficult to accede to the demand of labour and to resolve the dispute as the state budget did not provide for the additional 0,5% in respect of pay progression. The employer needed to approach the National Treasury for more funds to be made available. It was decided that parties would reconvene on 8 April 2014.

Collective Agreement to regulate transfer/migration of College-paid Lecturers to Department of Higher Education

The *Further Education and Training Amendment Act* was promulgated in 2012 and, amongst others, makes provision for the transfer/migration of Lecturers and Support Staff, employed at the 50 FET Colleges, to the Department of Higher Education and Training (DHET).

The employer tabled a signed agreement for ratification in the ELRC, which seeks to regulate the transfer of employees (Lecturers at Further Education and Training Colleges (FETC)) in terms of section 197 of the *Labour Relations Act*. The conditions of the Agreement are similar to those that the employer in the GPSSBC signed in respect of Support Staff. The PSA did not sign a similar agreement in the GPSSBC based on the following concerns which we had raised:

- The fact that the transfer agreement does not provide for the transfer of all College-paid staff. In this regard, the agreement states that where a College spends more than 63% of its Conditional Grant on salaries, only fully-funded posts will be transferred.

The PSA is, however, not recognised as a union in the ELRC and consequently "works together" with the rest of the ILC unions as the CTU-ATU in the ELRC. For the same reason mentioned above in respect of the GPSSBC, the PSA advised the CTU-ATU representative in the ELRC (SAOU) that the PSA was not in a position to provide a mandate to sign the agreement.

Unfortunately, the SAOU went ahead and signed the agreement which was subsequently ratified in the ELRC on 17 December 2013.

Public Health and Social Development Sectoral Bargaining Council (PHSDSBC)

Transfer of Port Health Services

Port Health Services (PHS) is the first line of defence to protect the citizens of South Africa against the health risks associated with cross-border movement of people, conveyances, baggage, cargo and imported consignments. These Services are conducted by Environmental Health Practitioners serving as Port Health Officials and assisted by other Health Practitioners.

Amendments to section 21(2)(f) of the *National Health Act (Act 63 of 2003)* give effect to the process of transferring the PHS to the National Department of Health. The *National Health Amendment Act, 2013* makes provision for the transfer of the same responsibilities from Provincial Departments of Health.

The employer's approach to this process was as follows:

- To transfer all PHS from Provincial Health Departments to the National Health Department. This option provides for full compliance with the *Health Amendment Act*. It poses less coordination challenges as all services will be transferred simultaneously.
- The employer did, in fact, commence with this process and Provincial Task Teams were consequently established to deal with the matter.

Labour raised concerns regarding the process that the employer had embarked upon and consequently requested that all processes be placed on hold. It is labour's view that there is no provision for a central monitoring process. Labour subsequently requested that a national task team be established to ensure that effective consultation takes place in relation to this process. The employer acceded to labour's request.

The National Task Team consists of one representative per union and an equal number of representatives of the employer. All the Provincial Chambers have been visited by the National Task Team and regular feedback will be given.

Constitutional amendments

A workshop was held on the proposed Constitutional changes and the draft amendments were finalised and submitted to Council for negotiations. Negotiations commenced on 23 May 2013.

The dispute Resolution Committee facilitated negotiations on the said amendments and it was agreed that an expert be approached for assistance in finalising all the amendments. The services of Bowman and Gilfillan were enlisted and a draft Constitution was tabled at the Collective Bargaining Committee meeting to iron out all the issues in dispute. Parties could, however, not agree to raise the threshold from 10 000 to 30 000 for admittance to Council. The employer and some of the other parties relied on a previous agreement whereby 66% of the parties appended their signatures to the agreement.

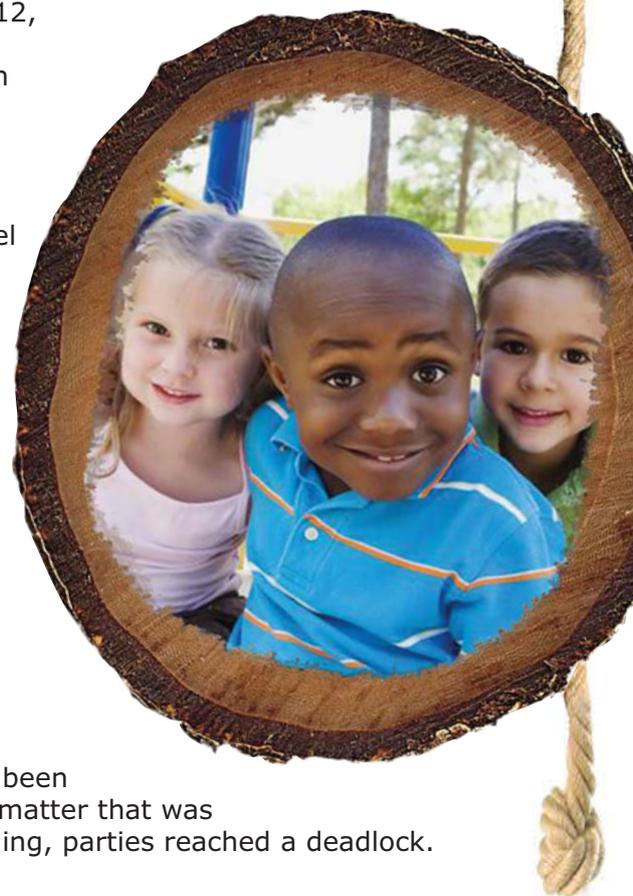
The PSA, however, based on its membership of the ILC, changed its position and withdrew from that particular agreement in writing. There is consequently no longer the 66% required support for the amendment in the threshold for admittance to the Council.

Danger Allowance:

Emergency Medical Services Personnel (EMS)

Labour, in 2012, supplied the employer with a list of categories which should form part of those EMS personnel who should receive the Danger Allowance as provided for in terms of PSCBC Resolution 1/2007 and confirmed in PSCBC Resolution 1/2012.

Owing to the fact that no progress had been made on the matter that was long outstanding, parties reached a deadlock.



The provisions in terms of the PHSDSBC's Constitution were therefore invoked and it was agreed that a facilitation meeting be convened by 13 March 2013 over three days during which parties would endeavour to break the deadlock. The employer, after the first day of facilitation, requested a postponement to enable it to finalise its mandating processes. Parties agreed to afford the employer an opportunity to come to the table with a mandated proposal to resolve the matter.

Should parties fail to break the deadlock, they will be in dispute over the matter and due processes will be followed in terms of the provisions of the Constitution. The employer gave an undertaking to table a draft Agreement at the Council meeting of 30 April 2013, which would then be distributed to members for a mandate in terms of the PSA's mandating process.

The employer indeed tabled a Draft Agreement on the Danger Allowance, which was subsequently distributed to all PSA EMS members to obtain a mandate. The PSA did not receive a positive mandate and subsequently did not sign the agreement. The majority of the parties to Council did, however, sign the agreement and it was subsequently implemented.

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

National Department of Health

Restructuring

One of the prominent issues in the Chamber was 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.

The PSA had to put the employer on terms before parties came to the table to commence with the consultation process. When the employer, however, indicated that the DPSA had instructed it to suspend restructuring until further notice, the PSA insisted that the matter remains on the agenda to monitor the situation, in view of the prior history of parties avoiding the issue. The matter was, however, subsequently removed from the agenda in July 2013 when it became clear that there were no further developments.

Occupational-Specific Dispensation (OSD): Monitoring of implementation

Several Resolutions were signed in the PHSDSBC between 2007 and 2010 whereby a special dispensation model for Nurses, Therapeutic, Diagnostic and Related Allied Health Professionals, Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners, were introduced.

One of the functions of the Chambers of Council is to monitor the implementation of such Resolutions as it applies to the employees falling within the scope of the relevant Chamber. The National Chamber therefore established a task team to facilitate the monitoring process and submit reports to the Chamber. The task team did not function effectively and during the report period the PSA requested that the Chamber acknowledges this and that the matter be brought back to the Chamber as a standard agenda item. This enabled the PSA to more effectively exert pressure on the employer to implement instead of hiding behind excuses such as the task team not meeting and labour representatives not attending or actively participating. In addition, the PSA advised members to lodge grievances and declare disputes where they did not agree with the employer's interpretation and application of the said Resolutions. This two-pronged approach delivered results and at the close of the previous report period no further reports from members had been received to indicate that the Resolutions had not been implemented while in other instances the outcome of the dispute procedures resulted in members being translated to the applicable OSD. The item was removed from the agenda of the Chamber in July 2013.

Implementation: Grading levels - Clerks

The DPSA did a benchmark exercise for Clerks, the outcome of which was that Production level Clerks should be on at least Grade 5 and Supervisory level Clerks on Grade 7. The PSA requested the employer to indicate as to whether it intended to comply with the directive and if there were any Clerks who were still remunerated on salary level 4. In addition, the employer was requested to indicate if all Clerks on supervisory level were remunerated on at least level 7.

The PSA had to continually exert pressure on the employer until it was confirmed that 119 Clerks on level 4 were identified and upgraded to level 5. The upgrades were backdated to 1 April 2013 and payment was effected in August 2013.

National Department of Social Development

Organisational review

The employer embarked upon an organisational review process to reposition and align its functional structure to the revised strategic plan and envisaged changes in the Department's environment, such as the establishment of the Social Security Agency. This led the Department to assess its internal environment and organisational capacity to address gaps and also to incorporate changes such as the inclusion of the Independent Tribunal for Social Assistance Appeals (ITSAA) into the structure of the Department. The last structural review for the Department was done in 2006 and therefore the Department also felt that a review was due.

The employer introduced a draft document on the migration principles and process and the implementation plan. The employer confirmed that no employees would lose their jobs or be prejudiced by the process. However, the protection could only be guaranteed in the case of permanent employees. In the case of contract employees, the contract would not be renewed when it expired and the post would be advertised and filled through the normal recruitment and selection processes to facilitate the principle of open competition. The PSA was not comfortable with this approach and requested the employer to consider to allow such employees to have their contracts renewed or be (automatically) permanently appointed in such posts once the contract expired. The employer indicated that it had consulted with the DPSC which informed it that automatic absorption may be allowed in the case of core occupations or scarce skills, but not in the case of support-service posts. Unfortunately, most of the contract appointments are in support-service posts.

The PSA subsequently requested that the matter should remain on the agenda for feedback purposes and to sort out any issues that arise once implementation commences.

Implementation: Grading levels - Clerks

Following the DPSC's benchmark exercise for Clerks, the PSA requested the employer to indicate whether it intended to comply with the directive and if there were any Clerks who were still remunerated on salary level 4.

In addition, the employer was requested to indicate if all Clerks on supervisory level were remunerated on at least level 7. The PSA had to continually exert pressure on the employer until it was confirmed that 16 Clerks on level 4 were identified and upgraded to level 5 from August 2013.

General Public Service Sectoral Bargaining Council (GPSSBC)

Establishment: Bargaining Chamber for Civilian Secretariat for Police

The Civilian Secretariat for Police was established as a Department in the Public Service in terms of the provisions of the *Civilian Secretariat for Police Service Act 2 of 2011*. The newly-established Department resorts under the scope of the GPSSBC and not the SSSBC. The Executive Committee (EXCO) of the GPSSBC, at its meeting of 12 August 2013, resolved that the PSCBC be consulted on the feasibility of the GPSSBC establishing a chamber for all non-South African Police Services Act personnel.

The PSCBC EXCO agreed that the GPSSBC may continue with the establishment of a chamber for the employees employed in the Civil and Secretariat for Police mentioned above. The request to have one chamber for all *Public Service Act* personnel in the SAPS will, however, necessitate an amendment to the scope of the SSSBC and GPSSBC. The matter was subsequently referred by the PSCBC to the PSCBC task team dealing with amendments to the scope for the PSCBC and the respective Sectoral Bargaining Councils.

The GPSSBC, in its Council meeting held on 11 March 2014, resolved to establish a Departmental Bargaining Chamber for the Civilian Secretariat for Police.

Compensation: Official duties performed during meal intervals

The PSA tabled this matter for discussion in Council. In terms of the provisions of clause 9.4 of PSCBC Resolution 1/2007, compensation for employees who, based on the nature of their work, are required to remain on duty during their meal intervals will, where required, be determined in the respective Sectoral Bargaining Councils. The employer subsequently in Council requested the PSA to sponsor a draft collective agreement to facilitate such negotiations.



Members were, by means of an *Informus*, requested to provide their inputs on the manner in which they would want the compensation to be structured. Such inputs would assist with the drafting of the collective agreement for further discussion to take place in Council.

Draft Special Leave Agreement for Sector

The PSA raised a concern about the inconsistent provision of special leave by some Public Service Departments. As a result of this situation, the PSA demanded that the employer should table an agreement for discussion in the Council which will regulate special leave in the Sector. After discussion a draft proposal was tabled in the Council. The draft Special Leave Agreement seeks to regulate the following categories of leave:

- Examination
- Study
- Sport
- Resettlement
- Rehabilitation
- Natural Disaster
- Life is Endangered
- Compliance with Legislation
- Interviews within the Public Service
- Trips outside the RSA borders

Members were requested to provide inputs on the draft Agreement. Such inputs received were subsequently incorporated into the draft Agreement.

Extension of ELRC Resolution 4/2009 to Educators and Master Educators in Department of Correctional Services (DCS)

Members were previously requested to furnish the PSA with a mandate to sign an agreement in the GPSSBC aimed at extending ELRC Resolution 4/2009 regarding the OSD for Educators and Master Educators to Educators employed by the DCS. The PSA obtained a mandate from the National DCS Branch to sign the said Agreement and did so on 18 June 2013.

Draft Agreement: Recognition of Improved Qualifications in the Public Service

In terms of the provisions of clause 7 of PSCBC Resolution 1/2012, Sectors must define the improved qualifications which are relevant to their respective areas of work and determine the conditions or criteria applicable for the recognition of such improved qualifications.

The employer, during a Special Council meeting on 5 August 2013, tabled a draft Agreement on the Recognition of Improved Qualifications in the Sector. Members were requested to provide inputs on the draft Agreement and a response was outstanding by the end of the report period.

Draft Amended Organisational Rights Agreement (GPSSBC Resolution 1/2013)

GPSSBC Resolution 1/2013 relating to Organisational Rights was signed in the GPSSBC in 2013 to ensure uniformity and consistency in Departments falling under the jurisdiction of the Sector. Subsequent to the signing and implementation of the Agreement concerns were, however, received from members which, amongst others, include the following:

- The definition of a workplace; and
- The limited number of shop stewards that a union is entitled to elect in a particular workplace.

Labour and the employer were subsequently in discussion to amend the Resolution to accommodate labour's concerns. Parties agreed to amend the definition of workplace contained in clause 2.12 of the Resolution to address the said concerns. Workplace means the "place or places where the employees of an employer work. If an employer carries or conducts two or more operations that are independent of one another by reason of the size, function or organisation, the place or places where employees work in connection with each independent operation, constitutes the workplace for that operation."

Clause 8.1.4 on the election of shop stewards was also improved as the formula for electing the number of shop stewards improved. Independent small offices will also be able to elect more shop stewards than it was the case before.

PSA Circular No 13/2012 provided mandating guidelines to Branches following the conclusion of collective bargaining. In terms of this process, the PSA gives effect to the *Statute* by negotiating and concluding collective agreements to improve the terms and conditions of employment of its members.

As the PSA did not receive a majority mandate from members, the Board will be approached for a mandate.

NATIONAL DEPARTMENTS

(Bargaining Chambers 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 other related matters of mutual interest.

In general, the approach to what can be considered as a fair and reasonable consultation process, remains a challenge. Labour and the employer obviously do not always agree on this matter.

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

Department of Home Affairs

Unilateral change to working hours

The PSA, during the previous report period, reported that it obtained a legal opinion on whether the conciliator was acting within her jurisdiction by ruling that the employer acted within its right to unilaterally 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 amended policy on working hours constituted a unilateral change to members' terms and conditions of employment.

The PSA then decided to take the jurisdictional ruling on review. The PSA was informed by its legal representatives that correspondence was received from the State Attorney on 20 September 2012, indicating that the Department was not opposing the PSA's application.

However, the employer, to the PSA's surprise, filed an explanatory affidavit opposing the PSA's application. The PSA was by the end of the report period awaiting a court date.

Failure to award pay progression increases and performance bonuses for 2010/2011-financial year

The PSA, during the previous report period, reported that after a series of DBC meetings as well as bilaterals to attempt to resolve this matter, no progress had been made. The PSA obtained a legal opinion which advised it to write a letter to the DG putting the Department on terms.

On 27 March 2013, the PSA received a letter from the Director: Administration Support requesting the PSA to afford the Department reasonable time to attend to the matter.

Another letter was received from the DG, dated 25 March 2013, wherein the employer indicated that an investigation was conducted in all its Provincial Offices to determine the extent of the problem. According to the letter, the investigation revealed that 1 217 officials had indeed submitted their performance agreements timeously to their Provincial Offices. The letter also indicated that a submission had been compiled by the employer to obtain approval from the DG, who was attending to the submission. The PSA then wrote a follow-up letter to ascertain which members would be paid as indicated in the letter.

The employer, after the facilitation process on 26 July 2013, undertook that payment of pay progression and performance bonuses for all qualifying employees would be made on 15 September 2013. On 6 September 2013, during a DBC meeting, the employer presented a summary of progress with the verification process and indicated that payment would no longer be made on 15 September 2013 as the Department was still busy with the verification process.



The employer also indicated that a new date of payment would be communicated to the PSA as soon as the verification process was completed.

A special DBC meeting took place on 27 January 2014 where the employer reported that the outstanding payment of 1,5%-pay progression had been implemented in December 2013. The employer also confirmed that the only outstanding payment was in respect of performance bonuses in terms of which 114 employees would be paid as soon as the DG approved the submission.

The PSA requested that all members who were eligible for the 1,5%-pay progression and performance bonuses for the 2010/2011-financial year and who had still not been paid, submit their names *via* the PSA Provincial Offices to enable it to take appropriate action against the employer to ensure that they are paid.

Department of Transport

Although the PSA is not representing the majority of employees in this Department, it is highly active and took a lead on a number of issues. It was previously reported that the employer was not properly consulting with labour when policies were being implemented. After the PSA's concerns were raised, the Departmental policies were tabled, as per the GPSSBC's rules, at the DBC for consultation. The PSA consulted members on numerous policies and all their inputs were accommodated.

Sport and Recreation South Africa

The DBC operated effectively and meetings took place in terms of the year calendar. Matters affecting the interests of members were discussed on a regular basis during meetings.

The most burning issue that affected members was the process of restructuring which the employer undertook during the past two financial years. After the Department, however, consulted with the DPSA on the matter, there was a shift in terms of what the Department wanted to do, amongst others, the process was renamed to "Organisational Review". This process was still underway by the end of the report period and the Department again consulted with the DPSA regarding its final position. The National Treasury was also consulted during this process to ensure that additional funding was sourced and allocated when the new structure is approved and signed off by all stakeholders.

It was decided at a special DBC that the Department must fill all vacancies within six months. This process was still underway by the end of the report period and the Department would report back to labour on progress at the next DBC meeting.

Department of Justice and Constitutional Development and National Prosecuting Authority

Transfer of staff from former Directorate of Special Operations from National Prosecuting Authority (NPA) to SAPS

On 6 March 2009 a joint Directorate of Special Operations (DSO) and South African Police Services (SAPS) task team, established by the Portfolio Committee in October 2008, gave a presentation on the establishment of the Directorate for Priority Crime Investigations (DPCI) in the SAPS and the subsequent migration of the Investigative Directorate from the NPA to the SAPS. The presentation highlighted that the transfer of staff would not take place in terms of section 197 of the *Labour Relations Act of 1995*, as amended, nor in terms of the *Public Service Act, 1994*, but in terms of the *SAPS and NPA Amendment Acts*.

During the engagement, it was noted that members would be worse off on the pensionable benefit upon transfer. The concerns raised revolved around the calculations made in terms of the SAPS calculator in which it was clear that members would be financially prejudiced upon the transfer to the SAPS. Further engagement with the SAPS also did not yield the desired results.

In order to pursue the interest of members and to protect their rights, the PSA lodged an application at the Labour Court on behalf of members. The Judge made an order that the matter be referred for adjudication for six days. At the commencement of adjudication, the employer reconsidered the merits of its case and approached the PSA to enter into a settlement agreement on behalf of the 47 applicants and not the rest of the PSA's members, who chose not to be part of the application. The PSA acted proactively by approaching its attorney to correspond with the attorney from the SAPS to extend the settlement agreement to all affected employees. Once again, the PSA was victorious in its efforts as the SAPS conceded to extend the agreement to all affected employees on condition that the PSA did not proceed to lodge another application.

The SAPS started to pay out the first group of 47 employees, who were also the applicants in the initial court papers, in October 2013. The SAPS indicated to the PSA that it was prioritising payment of applicants in the case and would make payment to other affected members as agreed afterwards.

Employee Performance Management and Development System (EPMDS) Policy

The PSA engaged the employer again to review its current EPMDS Policy. This Policy does not make provision for the newly-created OSD levels nor for the newly-created accelerated grade progression. The employer consulted labour on the matter in the DBC and the PSA again highlighted the areas of concern to the employer. During multi-lateral meetings with the employer, it was agreed that the inputs from the PSA would be escalated to the DG for approval to be incorporated into the new EPMDS document.

Department of Science and Technology

One of the most important issues which affected members during the report period was the "re-alignment" process which the employer embarked on. The employer needed to streamline its programs to meet its strategic goals. Consultation took place in the DBC and with all affected members. During the last DBC, the employer indicated that there might be a need to relocate certain staff members as the current building was reaching its maximum capacity. The PSA reminded the employer that consultation in the DBC must first take place before members are approached or identified for relocation. The employer agreed that should the need arise to relocate certain programs, it would first table all the necessary documentation in the DBC for discussion.

Department of Economic Development

This newly-created Department had not yet appointed staff to its post establishment during the previous report period. The Department has since been staffed and a DBC for the Department of Economic Development (EDD) was established. A Transfer Agreement of employees from the South African Micro Finance Apex Fund (SAMAF), which is the trading entity of EDD, to the Small Enterprise Finance Agency (SEFA) was signed between the EDD, SAMAF as an employer, Nehawu and the PSA, and submitted to the GPSSBC for ratification.

The transfer was as a result of the Cabinet decision to merge the SAMAF, Khula Enterprise and Industrial Corporation (IDC) to streamline service delivery to Small, Medium and Micro Enterprises (SMMEs) in South Africa.

Government Printing Works (GPW)

The DBC was newly-established following a Cabinet decision which led to the reconfiguration of the Public Service. By the end of the report period the Chamber had met four times. A total of four task team meetings took place. The employer tabled the issue of the restructuring of the Publication Directorate in the DBC and indicated that it 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, the employer would revert back to labour for consultation 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 deal with policies as indicated below 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 and Probation were being consulted.

The only Policies which were finalised were those dealing with Recruitment, Performance Management and Development, Job Evaluation, Sexual Harassment, HIV and Aids, Smoking, Probation and Overtime. The PSA took the lead in all discussion on these Policies.

It was reported in the previous report period that parties were still discussing the Special Leave Policy.



This Policy was, however, subsequently removed from the agenda following advice from the Council that the matter was being dealt at the level of the GPSSBC in respect of all Chambers falling within the ambit of the Council.

Job Evaluation: Artisans' posts

The matter relates to the job evaluation of Artisans' posts in the GPW. Following advice from the DPSA, the employer made a submission to the Minister of Home Affairs. A Task Team, comprising members from the DPSA and the GPW, was subsequently established by the MPSA. The Task Team was instructed to conduct research into the matter and benchmark the positions with those in other parastatal institutions.

Department of Mineral Resources

OSD: Environmentalists

Several DBC meetings took place during the report period. The most important issues that were discussed included the implementation of the OSD for Environmentalists in the Department at the request of the PSA. The PSA, amongst others, suggested that a task team, consisting of representatives from labour and the employer, be established to oversee the implementation of the OSD for Environmentalists.

Policies

The following Policies were also formally tabled by the employer for consultation with labour:

- Performance Management and Development System Policy
- External Internship Policy
- Policy on Designing of Organisational Structure
- IT Security Policy
- Cell-phone Policy
- Alcohol and Substance Abuse Policy
- Vetting Policy
- Education and Training Policy

National Treasury

The following issues were tabled in the National Treasury DBC for discussion and were all ongoing by the end of the report period:

Departmental structure review

The employer is developing a revised "top structure" for the Department. The employer made a presentation on the proposed structure of all of the divisions which will be restructured. These divisions are the following:

- Assets and Liability Management Unit that comprises Chief Directorate: Asset Management and Chief Directorate: Liability Management.
- Budget Office, consisting of Public Private Partnership Unit and Public Sector Remuneration Analysis and Forecasting
- Corporate Services that consists of the Chief Directorates of Human Resources Management; Information and Communications Technology as well as Internal Audit
- Economic Policy and Government Technical Advisory Centre
- Intergovernmental Relations that consists of the Chief Directorate: Provincial and Local Government and the Chief Directorate: Neighbourhood Development Programme
- International and Regional Policy that consists of the Chief Directorates: BRICS and G20
- The Office of the Accountant-General, consisting of the Chief Directorate: Integrated Financial Management System
- The Office of the Chief Procurement Officer division that consists of the Office of the Chief Procurement Officer.
- Public Finance was another unit identified for restructuring, consisting of the Chief Directorates: Programme Management and Technical Assistance units.

The PSA demanded that the employer should immediately place the implementation of the said processes on hold as due consultation had not taken place. We also insisted that proper consultation should take place in the DBC to enable us to protect the rights and interests of members. The employer indicated that it was of the view that there might have been a miscommunication. The employer will, however, come back to the table with the proper position on this matter. The employer indicated that no employee would be retrenched as it is envisaged that the structure would contain additional posts.

Government Technical Advisory Centre (GTAC)

The GTAC was approved and will be an entity on its own separate from the NT. The employer reported that the GTAC would officially commence with its business on 1 April 2014. The employer indicated that the Technical Assistance Unit (TAU) and the Public Private Partnership (PPP) Unit would initially be part of GTAC with other Units to follow.

During Phase One of the operationalisation of the GTAC the functions of the TAU and PPP Units moved into the GTAC. Employees of the NT would be given the opportunity to be seconded to GTAC. Employees choosing not to be seconded would be accommodated elsewhere in the NT.

Policies

The following policies were consulted with unions and members will be approached to give inputs once final draft Policies are available:

- Anti-Corruption Policy
- Business Continuity Management Policy
- Gifts, Donations and Sponsorship
- Selection Policy
- Leave of Absence Policy
- Personnel Suitability Checks Policy
- Internship Policy
- Recruitment and Selection Policy

It was brought to the PSA's attention that members were not happy with the payment of their performance bonuses for the 2012/2013-financial year. An urgent special DBC meeting was requested by the PSA which was held on 5 August 2013. The PSA, at the meeting, raised a concern with the following clause contained in the employer's Policy:

Clause 5.13.1 where it states that "the employer must consult with Labour Unions through the Departmental Bargaining Chamber should the rescaling percentage be less than 80%"

The PSA pointed out that the employer had not consulted with labour as required by the mentioned provisions of the said Policy.

The employer confirmed that performance evaluations were normally concluded within three months and that it was the current situation which delayed pay-outs owing to the employer exceeding the limits of 1,5% of the wage bill and the exercising of the Minister's discretion in this regard.

The PSA requested the employer to give clarity on the rescaling process that it followed in respect of this financial year. The employer indicated that after the Minister had exercised his discretion on exceeding 1,5% of the wage bill, a limit to a total cap of 3% of the wage bill was placed, the adjustment of the performance reward payouts had to be rescaled (recalculated) to fit all qualifying employees into the adjusted R18,4 million (3% of the wage/remuneration bill). On the point of the employer not following or transgressing its own policy, the employer responded that there was no scope to amend the discretion of the Minister after he had approved the first deviation in terms of the 1,5%.

It is clear from the above that the employer in this process deviated from the practise applied by the NT for years in respect of the payment of the Performance Merit Awards.

The employer also, in the PSA's view, transgressed its own policy by not consulting with the PSA when it became clear that it would not be able to, as in previous years, pay out the full benefits to its employees. In terms of the provisions of section 186(2) of the *LRA*, the definition of an "unfair labour practise" includes any unfair act or omission that arises between an employer and an employee, including what involves the unfair conduct by the employer relating to the provision of benefits to an employee.



The Labour Appeal Court in the "Apollo Tyres v Hoosen" case clarified what constitutes a "benefit" as contemplated in section 186(2) of the LRA.

Government Pensions Administration Agency (GPAA)

Restructuring or modernisation process

One of the most important issues which affected members during the past year was the "restructuring or modernisation process" which the GPAA embarked upon. The employer was not transparent in this regard and the PSA requested that a special meeting of the DBC be held 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 report period.

National Department of Tourism

Restructuring

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 this process. During the consultation process the employer, however, commenced with the process of matching and placing employees without fully consulting with labour.

The intervention of the Council was subsequently sought by the PSA to amicably resolve the matter. The employer insisted that it had meaningful consultation with labour in terms of the DPSA prescripts 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.

Policies

The DBC operated effectively during the report period. The issue of policy review was dealt with extensively in the DBC. When consultation on the Recruitment and Selection Policy took place, the Department refused to give labour observer status during selection processes. The intervention of the Council was sought. Consensus was subsequently reached to allow labour to participate in the process.

Department of Higher Education and Training (DHET)

Policies

A process of policy review was embarked upon and was discussed in the DBC. The following Policies were discussed and finalised after all our inputs were incorporated in the draft policies:

- Transport
- The Retention of Employees
- Security

Migration Strategy

Consultations and negotiations were still ongoing by the end of the report period regarding the Migration Strategy of the Department. 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 agreement 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. The relocation process of the DHET continues and there is a strong possibility that it will be finalised in the next financial year.

Consultation on the review of the organisational structure is also one of the items that is still on the agenda and will continue well into the next financial year.

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. In addition, 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 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 which 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. The matter was still under discussion between parties by the end of the report period.

Rural Development and Land Reform

Split of Branch:

Land Tenure and Administration

The initial overall restructuring process of the Department, that commenced in 2009, was finalised in the previous report period. During the period under review, the employer, however, informed labour that the existing Branch: Land Tenure and Administration would be split into two and that the same migration principles as with the overall restructuring process would apply.

Unilateral termination of Piecework and Production Incentive Scheme

In January 2009 the employer decided 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 the unilateral action by the employer. 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 is required to make payment of the incentive bonuses possible.

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 acceptable to the PSA.

The matter was eventually 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 PSA was granted approval for legal counsel to apply for condonation and leave to appeal.

During the report period leave to appeal was granted and the necessary documentation was exchanged and finally submitted to the Labour Appeal Court.

The matter was heard in September 2013 and judgment was by the end of the report period still being awaited.

Department of Water Affairs

Occupational-Specific Dispensation

Resolutions were signed in the GPSSBC in 2009 to develop unique salary structures, centrally-determined grading structures and job profiles, career-pathing opportunities and pay-progression measures for identified professional and specialist occupations. The Resolutions provided for a phased-in approach consisting of three phases.

The PSA kept members informed of the implications of the final phase 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 employer informed labour that, as anticipated, a limited number of employees benefited from the final phase three.

Just when we were at the point of removing the issue from the agenda, it came to light that the Resolutions had not yet been implemented for employees appointed in terms of section 76 of the *National Water Act, 1998*, referred to as Construction employees. We then demanded that the employer should implement the relevant Resolutions in respect of this group of employees.

Review of Conditions of Service: Construction Branch

Employees involved in the building of dams and related water-resource infrastructure are appointed in terms of section 76 of the *National Water Act, 1998*, referred to as Construction employees/workers, on either project-based, standard or specialist contracts. Owing to the unique working environment of these employees, the relevant section of the *Act* allows for the DG to appoint such employees on provisions outside the *Public Service Act, 1994*, subject to consultation with the DPSA on such conditions of employment.



Construction therefore has its own conditions of service and salary structure and measures that are not in all aspects aligned with the Public Service prescripts and provisions. We requested the employer to consider a review of these conditions of service as this had not been done since 2001 and the employer subsequently tabled a draft document. The review process commenced towards the end of the report period and was not yet concluded.

Recruitment and selection: Role for labour

The PSA took the initiative to compile and submit a position paper on the role of labour in the recruitment and selection process. This was later endorsed by the other trade unions in the DBC. The challenges that are being faced are the lack of capacity on the part of shop stewards to attend interviews, how to strike a balance between being involved as labour without prejudicing a member's right to lodge an unfair labour practice dispute and the frustrations of shop stewards with regard to not being able to effectively intervene when irregularities are observed.

The PSA also included measures to ensure that labour is timeously informed of interviews and for the employer to assist with travel and subsistence costs of labour representatives in certain circumstances. The employer was still considering the request by the end of the report period.

Departmental structure review

The employer informed labour in 2013 that it was developing a revised top structure for the Department and that once the concurrence memo was received from the DPSA, the implementation of the rest of the structure for salary levels 1 to 12 as well as its alignment would commence. Finalising and obtaining the concurrence memo took longer than anticipated, but at a special DBC meeting in March 2014, labour was informed that the said memo had been received and that the employer intended to proceed with implementation. Members were kept informed of developments and labour will be part of the road shows that will commence in the next report period to inform employees of placement in the new structure. This will allow labour to monitor implementation and be available for members who need assistance or clarity on issues. The matter will also remain on the agenda for updating until labour is satisfied that implementation has been concluded and all grievances resolved.

Implementation: Grading levels - Clerks

The MPSA did a benchmark exercise which resulted in "benchmark" job descriptions and grading levels for Clerks.

The PSA placed this issue on the agenda of the DBC to determine whether the employer still had any Clerks who were remunerated on salary levels lower than 5 and whether all Clerks on supervisory level were remunerated on at least level 7. The outcome of the process was that 64 Clerks were identified who were affected by the benchmarking exercise. One employee was upgraded from level 2 to level 5, nine employees were upgraded from level 3 to level 5 and 54 employees were upgraded from level 4 to level 5. Members were also alerted to the fact that the employer had acknowledged that there might be employees who perform clerical work, but were not reflected on the establishment as Clerks and could therefore not be identified. We requested affected employees to submit a written request *via* their supervisors to have their situation corrected. Members were also advised to approach PSA Provincial Offices for assistance.

Independent Police Investigative Directorate

Implementation: Section 23 of Independent Police Investigative Act, 2011

The Independent Complaints Directorate (ICD) was established in April 1997 to investigate complaints of brutality, criminality and misconduct lodged against members of the SAPS and the Municipal Police Service and obtained its legislative mandate 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 Independent Police Investigative Directorate (IPID) as a separate and independent body with its own legislation. The IPID was formally established with effect from 1 April 2012 when the *IPID Act, 2011* came into operation.

Section 23 of the *IPID Act* determines that the conditions of service, including the salary and allowances payable to an Investigator appointed under this *Act*, must be on par with members appointed as detectives in terms of the *South African Police Service Act*.

In order to give effect to this section, a task team (consisting of the representatives of the employer and labour) was established to investigate and produce a document clearly comparing the indicated aspects to determine whether or not the Investigators were on par with Detectives appointed in terms of the *SAPS Act*.

The basis that was followed by the task team was a total-cost-package approach which included all aspects that the employer takes into consideration when budgeting for a post on that level. The overall finding based on this approach was that Investigators are on par with Detectives. The document was subsequently circulated to members to comment on the findings. Very few members responded, but those who did indicated that they rejected the finding. The rejection was mainly based on two aspects. Firstly, members rejected the inclusion of the subsidised motor-transport scheme since this was the key element that resulted in Investigators' packages being higher than those of Detectives. Secondly, members indicated that the actual salary notches of Investigators are lower than those of Detectives.

The employer maintained all along that the car scheme forms part of the total package of Investigators as a condition of service while labour maintained that this is a work facility/tool and not a benefit/condition of service as contemplated in section 23. The PSA eventually declared a dispute when it became apparent that the employer was not prepared to clearly and unequivocally commit itself to labour's demand on the car scheme. Parties could not reach a settlement. The matter was subsequently removed from the agenda of the DBC and the PSA considered possible legal recourse to resolve the issue, but following consultation with senior counsel it was concluded that pursuing the matter successfully was highly unlikely.

Implementation: Grading levels - Clerks

The MPSA did a "benchmark" exercise for Clerks in terms of which job descriptions and grading levels were developed. The PSA placed the matter on the agenda of the DBC to determine whether the employer still had any Clerks that were remunerated on salary levels lower than 5 and whether all Clerks on supervisory level were remunerated on at least level 7. The employer confirmed that 59 employees were still on level 4. The employer confirmed its intention to comply with the benchmark exercise, but indicated that owing to financial constraints it was not in a position to do so.

Labour requested the employer to secure funds and the employer confirmed in September 2013 that savings were identified that could be utilised towards the upgrades of Clerks and that a submission was presented to the acting Executive Director (ED) for approval after which implementation would commence. When the employer again confirmed that it was still awaiting the approval from the acting ED at the DBC meeting of November 2013, the PSA raised a serious concern with the delay in implementation which showed a lack of commitment by the employer to address this matter and subsequently invoked the dispute prevention procedure provided for in the GPSSBC's Governance Rules for Chambers. Before the matter could be dealt with in the GPSSBC on 5 December 2013, however, the employer informed labour *via* the Council that the upgrading of Clerks had been effected as per agreement. Implementation was furthermore done with retrospective effect from 1 April 2013.

Department of Environmental Affairs

Sea-going Allowance

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.

The Finance Section of the Department discovered that the payment of the said Allowance was supposed to have been terminated. However, the employer took an "interim" decision to continue with the payment of the Allowance. The employer and Nehawu, as the majority union, discussed the possibility of amending the existing Agreement rather than reviewing it completely, but no proposals were introduced.

The PSA, on the other hand, raised its concern that without an unambiguous agreement replacing the lapsed 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.

Based on the continuous pressure exerted by the PSA, the employer approached the DPSA for assistance. The DPSA instructed the Department to collaborate with other Departments performing functions within the same environment such as the Departments of Agriculture, Forestry and Fisheries and Public Works. At the close of the report period, the employer indicated that the matter was with the MPSA to approve the reinstatement of the Allowance.

Conversion of contracts: Working for Water employees

Employees involved in the Working for Water programme were transferred from the Department of Water Affairs to the Department of Environmental Affairs in 2011. They were traditionally always appointed on fixed-term contracts which were regularly extended/renewed. This continual renewal process sensitised the employer to the fact that there was a permanent need for the functions that these employees are performing which justifies the creation of posts on the establishment. Members were therefore informed of the employer's intention to convert their employment status to permanent and the various options that were being considered as possible approaches in dealing with the matter.

The PSA all along indicated to the employer that a reasonable timeframe for the conversion of these contracts was crucial to allow affected employees to deal with their in-pocket financial position when the 37% in lieu of benefits cash component was replaced by the actual benefits.

At the last DBC meeting of 2013 we were informed that the DG had approved the envisaged approach and that 231 affected contract employees would be converted to a permanent status, but the employer could not confirm any implementation date or timeframe for the conversion and undertook to revert to labour. We were therefore caught by surprise when a circular was issued by the employer in January 2014 confirming the implementation date as 1 April 2014. We expressed our dissatisfaction with the bad faith displayed by the employer and indicated that although the members were not opposed to the conversion *per se*, this had been subject all along to the undertaking that the employer would be prepared to consider a reasonable timeframe for implementation and that 1 April 2014 was therefore not acceptable. The employer, in turn, rejected our position and challenged it based on the fact that the majority of employees had indicated during the consultation process that they were in favour of conversion to permanent status as soon as possible.

We were also cautioned that this "window of opportunity" was at risk owing to budget constraints. The employer was considering cost-cutting measures such as not signing off on appointment letters and even abolishing vacant, funded posts. Furthermore, the delay in finalising the matter prejudiced those employees who indicated that they were ready to convert immediately. We were therefore given until 28 February 2014 to consult with members to obtain a mandate on whether or not they were in favour of converting from contract to permanent status with effect from 1 April 2014.

The outcome of this process was communicated to the employer. Although the majority of the members accepted the conversion of their fixed-term contracts to permanent status, there were still some members who rejected the proposal because of the financial prejudice that would result from the forfeiture of the 37%-cash component in lieu of benefits if conversion took place with effect from 1 April 2014. At the close of the report period the matter was not finalised and remained on the agenda for further engagement.

Implementation: Grading levels - Clerks

The MPSA did a "benchmark" exercise for Clerks in terms of which job descriptions and grading levels were developed. The PSA placed the matter on the agenda of the DBC to determine whether the employer still had any Clerks who were remunerated on salary levels lower than 5 and whether all Clerks on supervisory level were remunerated on at least level 7.

We were then informed that following an investigation, no Clerks in any of the identified categories were remunerated below level 5, but it was, however, determined that four Clerks on salary level 6 were operating on a supervisory level. The adjustment of their positions in line with the DPSA circular was dealt with and the matter was subsequently removed from the agenda.

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 utilised and various project teams were established to consult all stakeholders, including recognised unions in the Department. A task team was established after discussion in the DBC to develop a "Framework Agreement" to 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 report period the PSA was obtaining a mandate to sign the agreement. Unfortunately, it often happens that an outright majority response is not obtained from members during the mandating process, leaving Branches unclear as to whether there is a mandate that can be acted upon. From a practical point of view, collective agreements cannot be left unattended for a considerable period of time until an outright majority is obtained. The Branch Chairperson was subsequently requested to, in terms of the *PSA Statute* and mandating processes, obtain a mandate. The process was not finalised by the end of the report period.

OSD: Career Counsellor

A request was made to the employer during the previous report period to develop an OSD for the occupational class of Career Counsellor. A task team was subsequently established to finalise a proposal for consideration by the DBC. The task team met and Provinces were requested to provide a list of possible beneficiaries. All but one Province submitted the information. A meeting of the task team was by the end of the previous report period to be reconvened as soon as all outstanding information was received.

The employer since indicated that Career Counsellors, in its view, do not qualify for an OSD owing to the scope of their work and that the individual Counsellors do not meet the qualifying criteria.

Upgrading: Clerks

The employer embarked on a job evaluation process which was part of the aforementioned Restructuring Framework. The project was called Project *Shanduka*.

The PSA, during discussion in the DBC concerning the Project, indicated that it had come to light that employees at Provincial level were remunerated at salary level 6 whereas at the CF the same category of employees were remunerated at salary level 5. The PSA subsequently demanded that employees at the CF and UIF be upgraded to place them at the same salary level as their colleagues employed in the Provinces. The PSA then approached the GPSSBC in accordance with the provisions of clause 17 of the Governance Rules of the Chamber. In terms of these provisions the Council should facilitate the matter to prevent a formal dispute from being declared.

The PSA exerted pressure on the employer to implement the results of the job evaluation and gave the employer seven days to come up with its final position. The employer subsequently provided the PSA with the approved job evaluation outcomes signed by the DG and the Commissioner of the Department of Labour.

During the second facilitation meeting the employer confirmed that the submission to obtain final approval was already with the Minister.

The PSA reiterated its position that the job evaluation results should be implemented as soon as possible and that we be provided with the implementation date.



The employer, in response, indicated that it would communicate the final Ministerial approval before 22 April 2014.

Office of the Presidency

Policies

Although the PSA is not representing the majority of unionized employees at the Presidency, it is highly active and took a lead on a number of matters under discussion. The Department embarked on a process of reviewing all its Human Resource Policies. A workshop was held with key stakeholders in the Department from the various business units and the PSA was in attendance. The workshop identified, with the assistance of the DPSA, a number of policies which should be reviewed. This process is being dealt with under the auspices of the Chamber.

Performance Management and Development System (PMDS)

As reported during the previous report period, the PSA lodged an application with the Labour Court on the non-implementation of the PMDS for the 2009/2010-financial year. The employer failed to make payments for pay progression and performance bonuses to members who qualified during the said financial year. The PSA's attorney submitted and filed all the necessary papers and the matter was set down for 29 August 2013. Unfortunately, the Court postponed it *sine die*. Both the PSA and the employer filed affidavits that will enable the Court to determine a new date. A Court date was by the end of the report period still being waited.

Cooperative Governance and Traditional Affairs

Restructuring

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

The PSA subsequently engaged the Department's top management and was informed that the "re-alignment" that was 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.

The PSA held meetings with the DGs of the two Departments and the Minister after which it was informed that the re-alignment process would be consulted with labour at DBC level once the Department had finalised the preliminary (internal) stage of the process.

The matter has not yet been finalised as the Department was still in a preliminary stage of the process which, amongst others, include development of the new structure which must first be approved by the DPSA. In the *interim*, the employer is sharing with labour information on any development made by the DPSA on the new structure. The "population" of the new structure will be consulted once the DPSA has approved the structure.

Closure of Offices during December

The employer indicated its intention to close offices every December as operations are not busy at that time. This led to a PSA proposal to negotiate a collective agreement to regulate the annual closure of the Department. The PSA's proposal was accepted by the DBC and was negotiated as an "Annual Closure Collective Agreement". The Agreement was subsequently signed by all parties to the DBC after soliciting mandates and was referred to the GPSSBC for ratification. Unfortunately, the agreement was not ratified by the GPSSBC as the Council felt that leave for annual closure was a Sectoral matter and that the DBC did not have the jurisdiction to conclude the said Agreement.

Department of Traditional Affairs

The Department of Traditional Affairs is a new Department and relies on the Department of Cooperative Governance in respect of administrative matters, including policy development. Policies that are applicable at Cooperative Governance are also being applied at Traditional Affairs and the *status quo* remains in this regard.

Performance Management and Development System (PMDS)

The Policy on PMDS was among the policies that were reviewed in the 2013/2014-financial year. During consultation, the PSA proposed that the 0,5-rating system that was utilised by the employer in performance assessment (even though it was not part of the Policy) be formalised and enshrined in the Policy. An impasse was reached as the employer did not agree with the PSA proposal.



The PSA, in an attempt to resolve the impasse, proposed that clause 17 of the amended Governance Rules for Chambers of the GPSSBC be invoked. The clause makes provision for intervention of the GPSSBC to assist parties to resolve the impasse through facilitation.

Facilitation was held on 19 March 2014 and the PSA requested that its timelines be extended to enable it to study the letter that was received by the employer from the DPSA advising on the use of 0,5-rating system. The timelines of the facilitation process were extended based on the request by the PSA.

Department of International Relations and Cooperation (Dirco)

Policies

The DBC decided to review all policies that were older than two years. The Chamber Policy Task Team, comprising representatives from all parties admitted to the DBC, was established and assigned the task of policy review. The Task Team was to report on progress to the DBC from time-to-time. The policy development exercise was, however, not as productive as expected. The PSA indicated that the situation was unacceptable and demanded that the matter be attended to urgently.

Presidential Guesthouse

We were informed during the previous report period 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 took over Guesthouse functions. All employees decided to remain with Dirco and it was agreed that they should be seconded to the Presidency until the Presidency could run the Guest House on its own. The employer, however, reported during the report period that the Presidency's decision to take over the Presidential Guest House was reversed and that the *status quo* remained.

Policies and other matters of mutual interest

The employer indicated that the DBC would have a workshop in the new report period to discuss the following issues:

- Review of the "Director-General's Forum"
- Role and Mandate of the Chief State Law Advisor in Dirco

The PSA indicated to the DBC that it should concentrate on issues of mutual interest. In this regard, a Policy Task Team under the auspices of the DBC was established to review policies. The business of the Task Team was by the end of the report period ongoing.

The employer formally tabled the following Policies for consultation:

- Security Policy
- Placement Policy
- Recruitment and Selection Policy
- Employment Equity Policy
- EPMDS Policy
- Internship Policy

Office of the Public Service Commission

Overtime

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 public holidays. By the end of the report period the employer reported that the matter was still receiving attention and feedback would be given at the next DBC meeting. The employer approached the DPSA for advice on the formula it utilises to calculate payment for work on Sundays and public holidays. According to the response by the DPSA, there was no contravention of the *BCEA* taking place. The PSA was, however, not satisfied with the response by the employer and, as a result, the Chamber referred the matter to the GPSSBC for further engagement.



The GPSSBC and the PSCBC worked together in an attempt to resolve the matter. Unfortunately, the outcome of their investigation was similar to that of the DPSA and the PSA was still not satisfied. Affected members were advised to lodge grievances before invoking the dispute resolution process of the Council.

National Department of Public Works

Relaxation of qualifications

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

The employer indicated that the report was escalated to the DG for approval. Unfortunately, it was not approved as the DG is of the view that advice on this matter should be sought from the Department of Higher Education and the DPSA. The two Departments were consulted and feedback would be given to the DBC.

Restructuring

The PSA raised a concern regarding restructuring that was taking place in the Department without consulting unions. The employer disclosed that the Department was developing a "Turn-around Strategy" which had an element of restructuring. The employer gave an undertaking that the Strategy would be consulted once the preliminary stage had been finalised.

The PSA demanded that the restructuring be put on hold to enable proper consultation to take place. The employer requested an opportunity to seek a mandate. Meetings were held outside the DBC in which the principals of unions were informed by the Department (Minister and DG) about the Turn-around Strategy that the Department was developing. The principals were informed that the Strategy would be consulted with labour once internal processes had been finalised.

The National Framework Agreement (NFA), similar to the one that assisted to turn around the Department of Home Affairs successfully, was negotiated and signed on 14 March 2014.

The purpose of the NFA is to:

- Deal with processes related to the rebuilding of the Department that includes, but not limited to the turn-around strategy, and the migration of employees from the old structure to the new one.
- Create conditions and an environment conducive to consultation and information-sharing with labour on the rebuilding of the Department.
- Improve the Department's infrastructure and business processes.
- Gradually increase the Department's staff complement to provide efficient and effective services.
- Commit to a transparent, fair and inclusive process that allows for the meaningful participation of all social partners.
- Commit to a process of migration of employees employed at level 15 and below from posts in the old structure to posts in the new organisational structure to meet the objectives of the Service Delivery Improvement Process.
- To put in place mechanisms, processes and procedures that manage the effects of the NFA process upon employees, including training and development programmes, employment security and income protection guarantees.

Subsequent to the signing of the NFA, parties submitted names for the establishment of the Steering Committee as required by the NFA. The Committee will consist of 18 members to be appointed by the DG (nine from labour, namely the PSA, Nehawu and Popcru, and nine from the employer). The Committee will meet monthly or as and when necessary to receive progress reports on each project from the employer and from the sub-committees that will be established. It will advise on the way forward upon receipt of the reports. The Committee will be chaired by an independent chairperson who will be remunerated by the employer. The employer will provide secretarial services.

Department of Communications

Restructuring

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 resulting retrenchments. 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. Parties reached consensus on how staff would be “migrated” from the old structure to the new one and the employer commenced with the migration process as agreed.

In the DBC meetings that followed subsequent to the consensus that was reached on the migration of staff, the employer tabled a report indicating that:

- The migration of staff began on 21 October 2013.
- From 4 November 2013, 250 employees were “migrated” and 47 staff members were still in the process of being “migrated” to the new establishment.

In the DBC meeting on 13 March 2014, the employer reported that 46 of the 47 outstanding members were migrated and management was busy with one staff member who was not migrated. The employer further reported that the process to migrate went well and if there were employees who had concerns emanating from the process, management should be informed through the internal communication process. By the end of the report period, the employer was still to report on how the last staff member was migrated as consultation was ongoing at DBC level.

Department of Performance Monitoring and Evaluation

Communications Policy

During the previous report period, the PSA reported on the Communications Policy that was unilaterally amended by the employer. Telephone tariffs were amended by the employer without consulting either employees or their unions in the DBC.

The PSA, after it was informed of the unilateral amendment of the Policy, wrote a letter to the Secretariat of the DBC, requesting that the item on Communication Policy be put on the agenda to enable parties to properly consult on amendments proposed by the employer. The item was put on the agenda to be consulted in the next report period.

Department of Stats South Africa

Policies

A Departmental Task Team was established to deal with the review of Policies. During a DBC meeting it, however, came to the PSA’s attention that the employer had unilaterally implemented the Leave and Overtime Policies.

The PSA raised its concern in that 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 should 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 report period.

Implementation: Grading levels - Clerks

The MPSA conducted a “benchmark” exercise for Clerks in terms of which job descriptions were developed and grading levels determined. The PSA submitted the issue to the agenda of the DBC to determine whether the employer still had any Clerks who were remunerated on salary levels lower than 5 and whether all Clerks on supervisory level were remunerated on at least level 7.

Labour was then informed that following an investigation, no Clerks in any of the identified categories were remunerated below level 5, but it was, however, determined that two Clerks on salary level 6 were operating at a supervisory level. The adjustment of their positions in line with the DPSA circular was dealt with and the matter was removed from the agenda.

Department of Trade and Industry (DTI)

The GPSSBC established a new DBC for the Companies and Intellectual Property Registration Office (Cipro). A new organisation was 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 pressurised the employer to consult properly in the relevant forum to deal with restructuring issues, identify pitfalls and avoid any ambiguities during the restructuring process. The PSA ensured that there were no resulting job losses. The PSA also assisted 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 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.

Parties were by the end of the report period on the verge of establishing formal negotiating structures for the entities mentioned below. The challenge was that the Minister, through the DG, indicated his intention to create a joint negotiating structure for all of these entities. The said entities are the Company and Intellectual Property Commission (CIPC), the Small Enterprise Finance Agency (SEFA), and the Company Tribunal.

The CIPC appointed Tokiso Dispute Facilitators to address the previous impasse in consultations and it was agreed that it would continue to assist until proper negotiating structures were established.

The transfer agreement concluded in the DTI DBC with regard to Company Tribunal was referred for facilitation scheduled for 16 April 2014.

Department of Basic Education

Policies

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. Almost all relevant Policies were during the previous report period approved by the DG and implemented. However, the PMDS Policy was not properly implemented. The PSA insisted that this Policy be renegotiated.

During the report period the employer was, however, not ready with a mandate to finalise the Policy. The employer indicated that it still needed to consult with the DPSA in terms of Resolution 1/2012 with regard to officials who were still on probation (both SMS and non-SMS employees) who had to serve for 24 months before they qualified for merit awards.

Implementation: Grading - Clerks

The DPSA issued a Circular which recommended to Departments that Clerks and Senior Clerks should be benchmarked at level 5 and 7 respectively. The PSA tabled the matter in the DBC to compel the employer to implement the outcome of the job evaluation exercise. The results were ultimately implemented and the members received their arrear payments.

Public Administration Leadership Management and Academy (Palama)

Re-alignment

The re-alignment of the organisation was the most contentious issue on the agenda of the DBC. The PSA insisted that the employer should disclose any information regarding transformation which may affect members negatively. The PSA is closely monitoring the situation.

The employer also embarked on a process to change the name of Palama to the National School of Government after a Presidential declaration in this regard. The PSA raised serious concerns about the manner in which the employer approached this matter without consulting employees. Parties agreed that an independent facilitator should be appointed to ensure that the correct procedure is embarked upon to protect the rights and interests of members throughout the process.

Policies

The PSA was instrumental in the establishment of 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, the DBC reviewed and adopted Departmental Policies on Recruitment and Selection, Resettlement, Salaries and Allowance, Condo- lence, ICT-Change Management, Laptop, ICT-Software Asset Management, Sexual Harassment, ICT-Logistical, ICT-Incident and Problem Management, ICT-Risk Management, ICT-Busi- ness Continuity and Inventory Management.

The Department's Head Office was to relocate to the new building (i.e. the old Land Bank Building in Visagie Street, Pretoria) before the end of July 2012. The Communication Commit- tee dealt with the design and completed the process of rezoning the offices. The documents were submitted to Public Works to be checked. As far as Regional Offices are concerned, some relocation may take place which is to be con- sulted in the DBC. The PSA is of the view that relocation should be done at state expense in line with the Departmental Resettlement Policy. For those employees with houses at their cur- rent places of residence, the employer would also assist with selling/transfer costs.

During the report period the employer indicated that the DG had signed the letter and forward- ed it to the landlord for the construction of extra offices for the Head Office.

Department of Human Settlements

During the previous report period the employer tabled a "Turn-around" Strategy for the Depart- ment. Some of the details of the Strategy are the following:

- ♦ better aligned structure to the Strategy to achieve the goals which had been set; and
- ♦ efficient, economic and effective use of human resources to improve the functioning of the Department.

A special DBC meeting was convened where the final structure of the Department was tabled. The Department indicated that it was still deal- ing with job evaluation exercise. We demanded that the job evaluation process should be fina- lised before a decision could be taken to imple- ment the turn-around strategy. Finally, the turn-around strategy was implemented without any loss of jobs and/or complaints from mem- bers.

Regrading: Clerks

The PSA extensively engaged the employer on the implementation of the coordination process regarding the regrading of Clerks. It was re- ported that only 15 clerical posts were identi- fied for regrading, excluding the Chief Finan- cial Officer Branch, owing to a workstudy inves- tigation process that was at the time underway. Two of the posts were upgraded, four were downgraded, three were subject to job evalua- tion, four were not affected and two were sub- jected to workstudy investigation. A submission was compiled and sent for approval for imple- mentation.

South African National Defence Force and Military Veterans

PMDS

A concern was raised on the pilot project regarding the PMDS of the Department. When the system was adopted, it was agreed that the em- ployer would evaluate and report back on the viability of the pro- posed new system.

The PSA raised a con- cern that the system was not operative in all the Units of the Depart- ment. The employer undertook to make presentations to employees in all Units.



It was requested that the employer should communicate its program in order for us to inform PSA Provincial Offices and Chairpersons to participate in such road shows. The employer undertook to provide feedback on a regular basis.

Militarisation of Finance

Members informed us that they were verbally informed that the Finance Chief Directorate was to be "militarised". The employer, in response to our enquiry, indicated that the process was still being discussed at Ministerial level and first had to be finalised by the Defence Review Committee.

Department of Public Enterprises

Closure of offices

The PSA sought clarity on the practice of closing the offices of the Department during December. Previously, members were made aware in time that they needed to put aside a certain number of days for this purpose. The employer indicated that the matter was tabled before the HOD for consideration. The PSA requested that as soon as the outcome was available, a multi-lateral meeting should be convened. The information on leave credits of members should also be made available.

Unilateral conversion of contracts

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

Department of Correctional Services (DCS)

Shift System

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 held in an attempt to finalise negotiations. The employer tabled a Draft Agreement on Shift System for discussion after marathon negotiations.

Popcru declared a deadlock in the DBC. After political intervention, negotiations were re-opened and a new draft Agreement was by the end of the report period being awaited from the employer. A draft Agreement on Shift Systems was tabled and subsequently adopted by Popcru and the employer at the DBC.

The PSA strongly opposed the adoption of this Agreement as the issue of the back-dating of overtime was not resolved. The PSA declared a dispute that was not resolved at conciliation. Arbitration was being awaited by the end of the report period.

Official accommodation

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

The legal opinion obtained from our lawyers advised that since Popcru had already approached the Labour Court on the same matter, we should 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 report period. However, this matter was eventually resolved and the DCS National Branch decided to instruct the attorneys to withdraw the matter.

Interpretation and application: PSCBC Resolution 5/2009

The DCS failed to implement the agreed percentage annual wage increase as per PSCBC Resolution 5/2009. The PSA 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. Arbitration took place on 13 May 2013. After numerous postponements and delaying tactics by the employer, arbitration was held in November 2013 and an award in favour of the PSA was received.

The employer, however, did not implement the award and the PSA instructed its attorneys to make the award an order of Court.

Circumstantial Allowance

The PSA received numerous complaints that some prisons were overcrowded and understaffed. The PSA's view is that when a Correctional Centre exceeds 100% capacity it creates an increased risk for officers. The Circumstantial Allowance was intended for officials working in a Correctional Centre and may be reviewed annually considering the prevailing circumstances in these Centres. 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 per month Circumstantial Allowance to compensate officers who are forced to work in Centres that are more than 100% overcrowded whilst the DCS is in a process of alleviating the situation by employing adequate personnel and building new Correctional facilities.

The matter was also tabled by the PSA at the GPSSBC, but the employer could not accede to the PSA's demand and the matter was removed from the agenda. The PSA, on a number of occasions, tabled its concerns regarding the ongoing failure of the DCS to ensure that its Correctional Centres are adequately staffed. To date, these concerns have not been addressed or dealt with by the DCS. The DCS is on record as having stated that an additional 18 000 employees are required to successfully implement the seven-day establishment introduced by GPSSBC Resolution 2/2009.

This state of affairs poses a significant risk to the health and safety of PSA members who work at Correctional Centres. This is highlighted by a number of recent incidents in terms of which the DCS's employees were seriously injured whilst on duty. The matter was still under discussion by the end of the report period and the employer indicated that it was also concerned about the health and safety of employees and was trying to address it. The employer would also submit a presentation to the Portfolio Committee on staffing needs in the DCS.

Minimum security standards

The PSA tabled a draft agreement in the DBC on the minimum security standards and ratios.

The employer, however, indicated that it regarded the matter as its prerogative and would not engage the PSA on the proposed agreement. The PSA placed it on record that it reserved its rights in this matter.

Overtime

GPSSBC Resolution 2/2009 provides for overtime payment in excess of 40 hours for non-Centre and 45 hours for Centre-based officials. This overtime should be paid in accordance with PSCBC Resolution 1/2007.

The employer refused to pay officials back-dated overtime and the PSA declared a dispute. The employer raised a point *in limine* on the jurisdiction of the PSCBC to arbitrate over the matter. Arbitration was held and an award in favour of the PSA was issued. The employer once again, using delaying tactics, applied to review the award. A Court date was by the end of the report period being awaited for the review application from the employer.

Re-alignment of post establishment to OSD

The PSA tabled this matter as the employer's current post establishment does not provide for certain posts as per the collective agreement (GPSSBC Resolution 2/2009). The employer indicated that it was in the process of an audit to address the concerns of the PSA.

The PSA was not happy with this response and indicated that it was unacceptable that after five years nothing had been done to realign the establishment. The PSA subsequently invoked clause 17 of the Governance Rules to try and resolve this matter amicably.

A facilitation meeting was held on 24 March 2014 and the employer agreed to provide the PSA with the outcome of the audit report and referred the matter to a workshop to further engagement.

Department of Agriculture, Fisheries and Forestry

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 to discuss the transfer process. Meetings took place where questions were raised on the funding of the rehabilitation process of the Plantations in questions. The Trust indicated in a submission that several NGOs were approached to assist with the process.

The PSA raised concerns that the funds that were available would only be sustainable for three years and that members' job security was at risk after the three-year period.

The Trust proposed that the employer needed to second all affected employees to the Trust for five years and be responsible for the remuneration for that period. Thereafter, negotiations would continue with affected employees as to what was to happen to them after the expiry of the five-year secondment period.

The PSA rejected the process and requested that a meeting be scheduled with the Trust and that it be clearly indicated that section 197, as contemplated in the *Labour Relations Act*, needed to be followed.

Further Education and Training Colleges (FETC)

The PSA National Branch for the FETC, which was established during the previous report period, functioned well. The PSA faced two major matters during the report period.

Conditions of service

A collective agreement was signed which brought the conditions of service of staff appointed by Colleges on par with the conditions of service of those staff on Persal. The matter was finalised and the collective agreement was implemented. No real problems were experienced with the implementation of the agreement. Certain individuals reported non-implementation of the agreement, but were dealt with as individual matters by Provincial Offices.

Transfer of staff

During the previous report period 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 (ATU: 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 promulgated as the *FETC Amendment Act, 2012 (Act No 3 of 2012)* during the report period. This *Act* makes provision for the DHET to take over the responsibilities of further education in South Africa. All the processes in terms of the transfer of functions, buildings, equipment, etc., were finalised.

The only outstanding matter is the transfer of staff which needs to be done in terms of section 197 of the *LRA*. By the end of the report period parties were engaged in discussions/ negotiations on the transfer of staff.

The DHET drafted three collective agreements in terms of section 197(6) which makes provision for the transfers of Deputy Principals, Lecturers and Support Staff separately. The draft collective agreements do not provide for the transfer of all staff. It is not clear who will be transferred. This concern was communicated to members who, in turn, mandated the PSA not to sign these draft collective agreements, but to insist on a "lock, stock and barrel" approach as provided for in section 197(2).

After extensive negotiations the employer tabled a final draft agreement which was signed by the employer and the other unions. The PSA received a mandate from its members not to sign the agreement. Although the majority of parties signed the agreement, the PSA managed to prevent the agreement from being ratified by the GPSSBC.

Provisions to invoke section 189 of the *LRA* to dismiss employees who will not be transferred were removed from the agreement and replaced with a clause that will ensure the further employment of staff (who will not be transferred) by their respective Colleges. The PSA FETC Branch also engaged the employer, who confirmed that the DHET would make funds available to Colleges for the continued employment of staff who will not be transferred. The PSA will seek a final mandate once a written confirmation to that effect is received.

South African Police Service (SAPS)

Non-upgrading: Clerks

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 is remunerated at salary levels 3 and 4 whilst Clerks in other Departments resorting under the broader Public Service are remunerated at salary level 5. Despite not being recognised by the SAPS, 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 process, which was coordinated by the DPSA, was finalised after which the DPSA issued a letter on 12 December 2012 in which National and Provincial Departments were advised on the implementation of the two newly-established levels for Clerks. The PSA informed its members at the SAPS accordingly. To ensure that the SAPS complied with the DPSA's letter, the PSA sent a number of letters to the National Commissioner requesting her to indicate which processes were implemented at the SAPS to ensure that Clerks' salary grades are corrected. Since there was no response on any of these letters, a decision was taken to consider declaring an interest dispute.

The PSA ultimately declared an interest dispute during the report period regarding the non-upgrading of Clerks following the SAPS' failure to implement the DPSA's advisory circular. The matter was conciliated at the SSSBC during which a settlement agreement was signed in which the SAPS recognised that it had to implement the upgrading of Clerks. The salaries were upgraded in January 2014 with backdated effect to April 2013.

Rank/leg promotions

The PSA dealt with numerous complaints regarding 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, the Commissioner failed to respond to the PSA's request.

In an attempt to assist 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 by 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 members, also applies to them as the recognized unions representing the majority of employees in the SSSBC signed an agreement. This collective agreement (SSSBC Resolution 3/2011) makesde provision for an implementation date of 1 April 2013. The matter was discussed at the SAPS National Branch meeting on 22 and 23 April 2013 and a letter was sent to the National Commissioner to enquire when members would be invited to apply for rank and leg promotions.

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. Bargaining Forum meetings took place in terms of an agreed year plan.



Wage negotiations were concluded when parties signed an agreement with the employer in terms of which employees received a 7% increase across-the-board.

The employer also indicated that it would enter into negotiations with labour to comply with the threshold in terms of the payment of overtime as set out in the *BCEA*. The issue of overtime is still an on-going matter on the agenda. A collective agreement is also being negotiated regarding the regulation of the overtime for those who fall outside the threshold.

Several policies were tabled for review at the Joint Bargaining Forum and included the following:

- Leave Policy
- Performance Policy
- Recruitment and Selection Policy
- Resettlement Policy

National Library of South Africa (NLSA)

Negotiations at the NLSA are regulated by the Constitution of the Joint Bargaining Forum. During the report period the employer proposed the review and amendment of the Joint Bargaining Forum's Constitution. The matter was tabled and negotiations continue.

There was also a proposal from the employer to review the conditions of service and negotiations with the employer ensued. The process was still underway by the end of the report.

As far as salary negotiations are concerned, the final agreement reached was for a 7%-salary increment across-the-board for the report period.

Policies on Recruitment and Selection, Retention and Remuneration were also reviewed and tabled for consultation with labour.

State Information Technology Agency (SITA)

After the successful resolution of the organisational rights dispute with SITA, the PSA is recognised as the Union representing the majority of staff at SITA.

Negotiations to conclude a Recognition Agreement took place during the report period and were in the final stages at the time of drafting this *Report*.

The PSA reached an agreement with the employer on an 8%-wage increase for all employees at SITA. This was a huge departure from previous years when employees only qualified for a 4% increase. The previous low increases were owing to the fact that the PSA was not recognised as a representative trade union at SITA.

The PSA also successfully engaged SITA regarding the placement of staff members who, after the restructuring exercise, had been placed in a redeployment pool since 2011. Upon the conclusion of a collective agreement, employees on salary grades A1 to C5 were placed on the new structure. The PSA will negotiate the placement of employees on salary grades D1 to D5 who were also displaced following the said restructuring process.

South African Social Security Agency (SASSA)

Unfair labour practice relating to demotion (level-7 employees)

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 implementation of the SASSA "Delegations of Authority" was discussed at meetings where the PSA expressed dissatisfaction with the manner in which employees on salary level 5 were being utilised. These officials were performing the verification and approval function in the past, contrary to 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 without consulting labour on the new appointment/promotion requirements. The employer then unilaterally changed the job descriptions of the affected officials who perform Grant Administration on salary level 5 and 7 without any consultation with labour or the employees concerned. The unilateral change to the job descriptions mostly affected officials on salary level 7.

The PSA subsequently sought a legal opinion wherein it was advised to declare a dispute regarding an unfair labour practice relating to demotion.

The certificate of non-resolution of the dispute was issued. The PSA then referred the matter to the CCMA for arbitration. Arbitration was held on 16 May 2013. The employer indicated at the hearing that the CCMA did not have the jurisdiction to deal with the matter. Arbitration was subsequently postponed to allow parties to submit their "Heads of Argument" on the preliminary issues as well as the arguments relating to jurisdiction. The CCMA subsequently issued a ruling in favour of the PSA.

Arbitration was then set down to proceed on 24 and 25 July 2013. On the first day of arbitration the SASSA legal representatives raised a point *in limine* with regard to the applicability of CCMA Rule 24 in that various applicants (individuals who are PSA members) are employees in different Provinces. The SASSA legal representatives also raised another point *in limine* in that they requested a pre-arbitration meeting with the PSA's legal representatives which was turned down. Following these arguments from the employer's representatives, the CCMA Commissioner made a ruling that only the Senior Commissioner Dispute Resolution at the CCMA Head Office could determine the issue with regard to the applicability of CCMA Rule 24. The Commissioner indicated that such an application should be brought in terms of CCMA Rule 31 and the respondents may oppose such an application in terms of CCMA Rule 31(5)(a).

The PSA, on two occasions, had been successful in respect of all preliminary points that were raised by the SASSA legal representatives.

On 29 October 2013 the CCMA issued a directive that the arbitration hearing be held and finalised at CCMA Head Office in Pretoria. The matter was subsequently set down for arbitration on 3 December 2013. At arbitration the State Attorney representing the SASSA requested that the matter be postponed as its Senior Counsel, who was handling the matter, was not available.

The PSA opposed the request for the matter to be postponed and indicated that should postponement be granted an order as to costs be granted. The CCMA Commissioner then ruled that the matter should proceed as scheduled.

When the matter was about to continue, the State Attorney indicated that he would not be able to do so because of the following reasons:

- They do not have the Respondent's papers (documents) before them, and
- The person who is familiar with the matter is Senior Counsel who was not available owing to other work commitments.

The arbitrator then allowed the matter to stand down in order for him to consult with the CCMA Senior Commissioner for direction. Subsequent to that, a directive was given by the CCMA Senior Commissioner that the matter be postponed. The matter was then postponed by the arbitrator. The PSA was by the end of the report period waiting for the CCMA to reschedule the matter.

Salary disparity (Supervisors of Administration Clerks: Grant Administration – Intake processing)

This matter came about as a result of the "salary regularisation" of Supervisors of Administration Clerk: Grant Administration - Intake Processing (level 1 to 6) in the SASSA. Upon receipt of a legal opinion a letter was written to the SASSA without any success.

The PSA subsequently declared a mutual interest dispute. Conciliation was held on 30 July 2013, but the matter was unresolved. It was then referred to the CCMA for arbitration. The PSA approached the CCMA to set the matter down for arbitration and a date for arbitration is being awaited.

Policies

Policies on Disciplinary Code and Procedure, Grievance Procedure, Performance Management and Development Systems as well as Recognition Agreement were by the end of the previous report period being consulted and finalised. Prior to the conclusion of negotiations, the employer unilaterally implemented a new Disciplinary Code and Procedure as well as the Grievance Procedure.

With regard to the Disciplinary Code and Procedure, the employer took away the right to appeal after the disciplinary hearing is completed. The PSA declared a dispute in respect of the Interpretation and Application of a Collective Agreement (PHSDSBC Resolution 1/2006). Conciliation was held and a certificate of non-resolution was issued.



The PSA referred the matter to the CCMA for arbitration which was held on 12 June 2013 and 5 July 2013. An award in favour of the PSA was issued by the CCMA.

Public Protector South Africa (OPP)

The Public Protector Bargaining Forum is functioning properly and the PSA is in constant consultation with members. A large number of policies were dealt with and the PSA's inputs were accommodated.

Seven members of staff were instructed to relocate to other offices during the report period without being consulted. The PSA stepped in and insisted on consultations. After the employer agreed to a consultative process, consultations took place and members' inputs were accommodated by the employer. Fair and equitable financial compensation for staff members who were transferred was agreed to.

No wage negotiations take place at the OPP as the same salary increases that are granted to public servants are automatically extended to this Office.

South African Revenue Service (SARS)

During the report period the National Bargaining Forum of SARS addressed and resolved a number of matters for negotiation such as the Extended Sick Leave Policy, Grading of Team Leaders and various Policies which were reviewed.

The PSA has a vibrant and active negotiating team in the Forum which consists mainly of full-time shop stewards and who are assisted by the PSA Administration.

The SARS embarked on a job evaluation process (Hay Grading) in 2003 and concerns and dissatisfaction with regard to the process itself were raised by the PSA. Despite numerous attempts by the PSA to have the matter arbitrated in terms of the SARS private arbitration procedures, the employer kept on frustrating the process. The PSA appointed an attorney to assist and the process was still underway by the end of the report period.

National Health Laboratory Service (NHLS)

Wage agreement 2012 to 2014

The PSA is part of the HIP alliance (Hospersa, ISA and the PSA) in the NHLS Bargaining and Labour Relations Forum (BLRF) in terms of a working-together arrangement. The HIP together with Nehawu barely represents 50% plus one of the bargaining unit.

The PSA took the initiative to consolidate labour's wage demand for the last couple of years to ensure that it is formally presented to the employer as per the provisions of the Constitution of the Forum.

During the report period the demand was thus introduced and the process eventually concluded with the signing of a three-year agreement for the period 2012 to 2014. The implementation date was changed from 1 July to 1 April.

The PSA could not get a mandate to sign the agreement, but since Nehawu and two of the alliance partners signed the agreement on behalf of the HIP, it also became binding on PSA members. The increase for 2013 was aligned with that of the Public Service, namely 6,6% with effect from 1 April 2013.

Agency Fee Agreement

The PSA took the initiative to introduce a draft proposal for an Agency Fee Agreement as part of the wage demand. During wage negotiations it was agreed that this matter would be deferred to form part of the review process of the Constitution of the Forum and Organisational Rights Agreement. It is further envisaged that the Agency Fee Agreement will eventually be included as an annexure to the Constitution if parties reach agreement.

The PSA ensured that the draft Agency Fee Agreement was adjusted based on discussions in the Forum and exerted pressure on the employer to conclude negotiations on the matter. The matter was eventually referred for advisory arbitration at the insistence and expense of the employer. The arbitrator verbally confirmed the legality of labour's agreement and addressed the other concerns that the employer had, but since the hearing in October 2013, the employer has been struggling to get a written award from the arbitrator. Owing to the sensitivity of the matter the employer is not prepared to consider implementation without this document.

The Chairperson of the BLRF also tried to get the award, but at the end of the report period the matter remained unresolved.

Review: Constitution of Forum and Organisational Rights Agreement

A review process was embarked upon at the insistence of labour. The employer utilised the opportunity to introduce some proposals of its own such as trying to exclude union representatives, who are not in the employ of the NHLS, from attending the Forum.

The PSA has been fighting a lonely battle to maintain the right of full-time officials to sit in the Forum. The matter was eventually resolved by the employer agreeing that two full-time officials will be allowed to attend a BLRF meeting and one as observer. Since Nehawu has one official attending, the PSA, as part of the HIP Alliance, will have to share the seat with one of the other partners on a rotation basis.

The employer also tried to change the basis for the calculation of the threshold for representation in the Forum and again the PSA had to fight this and provide guidance to the labour partners about the implications. This was crucial to ensure that the PSA retains a foothold in the Forum after the Alliance relationship was put under pressure during the signing of the wage agreement.

The PSA has also been the "driver" behind trying to get the employer to expand the bargaining unit of the Forum by providing a clear basis for the request and keeping labour partners on board to muster their support on the issue. During the report period the labour partners capitulated and the bargaining unit remains responsible only for salary bands A to C.

Pan South African Language Board

A few issues were tabled at the negotiation forum which, amongst others, include the following:

- Review of Organisational Rights Agreement
- Restructuring
- Intolerable working environment
- Lack of working tools

The employer indicated, during the Bargaining Forum meeting that it had received a Court application from the majority of PSA members and regarded the said matters as *sub judice* in that the application covered almost everything on the agenda. The PSA indicated to the employer that we distance ourselves from the Labour Court Application in that members had not approached us for assistance.

The employer, in response, indicated that it was not prepared to engage the PSA at that point in time. We then indicated to the employer that we reserved our rights. Consequently, the PSA declared a dispute on refusal to bargain and referred the matter to the CCMA. An arbitration date was by the end of the report period being awaited.

Group Branch Public Service Pensioners

The PSA's Group Branch Public Service Pensioners during the report period endeavoured to maintain a high standard in line with its motto "Favette Emeritus" and within its mandate.

The Group Branch is in its 51st year of service to the Union's members who continued their membership after retirement. The Board of Trustees hit the floor running and performed their task with grace. The PSA wishes them strength with their difficult task and would like to thank the outgoing Board for its achievements.

Mr Hennie Koekemoer resigned as Chairperson of the Group Branch after years of dedicated service to the cause of pensioners.



The Group Branch and the PSA greet him with the sincere wish that his well-earned retirement may bring him joy and better health. His valued inputs will be greatly missed.

In previous reports it was referred to several actions which received attention, including:

- Problems with funeral payouts which were being addressed resulting in a decrease in complaints.
- Payment dates were consistent and fewer enquiries were received.
- The few problems experienced with the funeral benefit were handled expeditiously.
- The payment of spouses' pension remained a problem during the report period. A concerted effort was, however, being made to speed up the payments. Group Committees are again urged to endeavour to address this problem.

The Group Branch is endeavouring to improve its service to members by further improving the service of the Group Centre and maintaining a high level of contact with the GPAA to expedite the payout of benefits.

Committees of Group Branch

Pension Committee

There was a yearly increase of 5,3% in the pensions. This Committee was actively involved in the completion of applications and handling of enquiries during the report period.

Recruitment Committee

Recruitment is still problematic and colleagues seem hesitant to get involved. Members still do not give timeous notification of their change of address and post is still being returned. A total of 5 400 accounts were posted of which 500 were returned owing to the address being unknown.

Medical and Social Committee

By the end of the report period this Committee was involved in discussions with the Consumer Council and the Council for Aged Care. The relevant information will be communicated to members as soon as these discussions have been concluded.

Communication Committee

Reports which appeared in the *PSA magazine* were drawn up and compiled by this Committee.

In conclusion, it needs to be mentioned that owing to old age and ill-health certain members could not be actively involved in the management of the Group Branch and therefore a drive will have to urgently take place to fill vacant posts.

In the Northern Cape, the Provincial Office's efforts in respect of promotion of membership of the Group Branch paid off. Measures were put in place at all strategic points in government which enabled the Office to monitor the outflux of retirees, resulting in a steady growth provincially in this Group Branch.



Provincial service-delivery highlights

The PSA's twelve Provincial Offices facilitate personal interaction with members. The main activities on these Offices during the report period are covered in this *Report*.

Eastern Cape

The Provincial Office in Mthatha dealt with many cases during the report period. Although some cases could not be resolved, most cases were finalised by the labour component, four full-time shop stewards, dedicated shop stewards and staff. Four posts of full-time shop steward were allocated, namely one each from the GPSSBC, PHSDSBC, ELRC and the DCS. Dedicated shop stewards demonstrated passion and growth. The four full-time shop stewards are continuously assisting the Office in both liaison and labour relations tasks.

Many systems were put in place as part of transforming the Office with the aim of improving service delivery to members. A shortage of staff placed immense pressure on operations, service delivery and staff. Staff worked overtime without remuneration to deal with the daily service-delivery challenges. There was, however, a huge improvement in service delivery to members and the Office could adhere to the set PSA norms and standards.

The Office had eight Labour Court cases that were dealt with by lawyers. A new panel of lawyers dealing with Labour Court matters was appointed following unsatisfactory service from previous lawyers. The Office also managed to cut down costs and the use of attorneys in cases.

With new members joining, there was an increase in the volume of grievances and disciplinary hearings.

Staff training requirements were addressed by means of Head Office coordination and the focus will remain on improving skills as there are more demands with regard to labour-related matters.

The PSA's Provincial Office in Port Elizabeth continued to build on the foundations of the previous year when outstanding cases were limited. More shop stewards assisted members with their cases.

The Office also changed strategies to ensure that members receive monies they are entitled to. To achieve this, letters of demand were sent to employers and where employers failed to respond, the relevant Court was approached to obtain a Court order to compel payment. If members were still not paid, the same Court was approached to obtain an attachment order. When the sheriff moved in, the state normally paid up, but in three cases the PSA was forced to remove state property (i.e. 15 computers and printers to the value of R15 000 were removed from the DCS Head Office in Pretoria, a vehicle valued at R70 000 was removed from the Department of Education in King William's Town and another vehicle was removed from the Department of Health in Bhisho) to be sold on auction. The Provincial Office recovered more than R60 000 for members in this way.

Regular meetings with many of the PSA's business partners resulted in beneficial outcomes for all. These partners, where possible, joined liaison staff on recruitment meetings to ensure visibility. Sanlam, Old Mutual and Dignity also attended the Inter-Sectoral meeting.

Free State

The core function of the Union is to protect the rights and interests of members. The theme applied in all functional areas conducted by the Provincial Office in Bloemfontein during the report period was "Member First". Full-time shop stewards and shop stewards played a vital role in increasing capacity to enhance service delivery in the Province. Thanks to the dedication and hard work of a core group of shop stewards, the Provincial Office had a high rate of success during the report period.

Labour Relations Officers and shop stewards assisted 578 members in disciplinary hearings with a 93%-success rate. The success rate in arbitrations was more than 75% with a monetary value of more than R2,3 million to PSA members. These successes include, amongst others, members who were reinstated after they were dismissed. The Office also successfully declared disputes in cases where the employer did not comply with Resolutions, such as PSCBC Resolution 1/2007 that deals with the non-payment of overtime (SAPS and several Provincial Departments).

In a few cases the PSA also successfully ensured that the employer applied the job evaluation system correctly.



Regarding the employer's reluctance to comply with PSCBC Resolution 14/2002 that deals with the handling of grievances, the Provincial Office was identified by the PSCBC and the DPSA as the Office with the most disputes relating to the employer's non-compliance.

A delegation of senior officials from the mentioned Departments visited the Free State and arranged for a multi-lateral meeting where only the PSA was invited to assist with the problem.

In a major victory for the PSA and medical doctor members in the employ of the Provincial Department of Health, an interdict was granted against the unilateral amendment of the Remunerative Work Outside the Public Service Policy.

In respect of collective bargaining, the Office focused on bread-and-butter matters which affect all members who base their service demands on the Union's collective bargaining power. Based on our success in attending to collective matters as raised by members and shop stewards, the PSA in the Free State is the only Office where the PSA has the majority membership in the PSCBC, the GPSSBC and the PHSDSBC. Special attention was given to obtaining mandates, thus ensuring that ownership of collective matters is vested in the general membership. Although there is still a long way to go, significant improvement on the participation of the overall membership can be reported.

To demonstrate the commitment to collective bargaining, 95% of agenda items in the various bargaining chambers/forums were sponsored by the PSA. Some of the collective matters that received attention during the report period are highlighted below:

Coordination process: Clerks

The PSA tabled this matter in the Chamber and indicated that the MPSA approved the coordination process for Clerks. Based on continued pressure on the employer and the threat of possible Court action, the PSA was the only Union that eventually forced the employer to implement the approved coordination process. The employer confirmed that all Provincial Departments had either finalised or were busy finalising the implementation. Through close monitoring and possible Court action, the Department of Education agreed to the implementation of the upgrading of Clerks from 1 February 2014. More than 2 000 Clerks benefitted from the PSA's intervention.

Condition of Government buildings

Owing to a sharp increase in complaints regarding poor working conditions, the PSA tabled this matter and formally declared a dispute. In 15 cases the PSA had to request the intervention of the Department of Labour to issue written notices for non-compliance with the *Occupational Health and Safety Act*. The PSCBC had, in the meantime, requested all parties to the PSCBC Chambers to provide inputs regarding the allegations of non-compliance with the *Act*. The PSA compiled a comprehensive report which was by the end of the report period under consideration in the Chamber.

Business partners played a major role during liaison activities, recruitment drives and other special projects. The Office broadened the Free State fringe benefit list to more than 72 local discount agreements where PSA members can benefit through their association with the Union.

Gauteng

In the Johannesburg area of the Province, numerous members were during the report period represented in various labour-related matter such as misconduct cases, cased related to OSD issues, acting allowances, incorrect salary payments, performance bonuses, etc. In respect of disciplinary hearings, 279 cases were handled of which 202 were successful. In total 907 grievances were dealt with of which 673 were finalised successfully. The Office handled 117 arbitration hearings of which 98 were finalised successfully.

The PSA, through a process of constant inputs over a period of time, resolved a very tense relationship with the Area Commissioner of the Johannesburg Prison. A memorandum of understanding was agreed to that now regulates the relationship in the workplace to the benefit of members. Various Labour Court cases were dealt with, including *PSA versus Department of Labour* on an Occupational Health and Safety issue of the Johannesburg Labour Centre, *PSA versus Department of Correctional Services* on transport between home and workplace for the Johannesburg Prison, etc. Well-trained shop stewards, full-time shop stewards and personnel represented the members. With the assistance of the full-time shop stewards it was also possible to adhere to response timeframes as per operational plan.

The Johannesburg Provincial Office utilised regular communication to retain members and to keep them informed of the latest developments with regard to collective bargaining by compiling an *Informus* within three days after a meeting was concluded. Newsletters on individual assistance to members regarding rights issues were also published regularly to report on cases that were finalised. Communication *via* email increased considerably during the report period. Many members have access to email facilities which enhanced turn-around times on responses to members. Shop stewards prefer to have updated, correct information as soon as it becomes available as this puts them in an advantageous position compared to rival unions.

The Provincial Office in Pretoria, in pursuit of the objective of enhancing service delivery and bringing services closer to members, appointed seven full-time shop stewards of whom six are placed directly at their workplaces. A process was also embarked upon to relocate the Provincial Office to the central business district to ease accessibility for members. This process was nearing completion by the end of the report period and the Office will relocate on 1 August 2014. In respect of collective bargaining, the PSA was unable to reach a salary agreement with the SASSETA and this resulted in members picketing at their workplace. The SASSETA, however, continued with the unilateral implementation of its salary offer. At the MIC SETA, the PSA experienced a situation where the employer unilaterally signed an organisational rights agreement. The PSA then realised that our membership numbers allow us full organisational rights. This resulted in a dispute with the employer which ended up in an unfavourable arbitration at the CCMA. The PSA also entered into an organisational rights agreement with the AGRISETA and concluded a successful salary agreement.

KwaZulu-Natal

The Provincial Office in Durban, during the latter part of 2013, experienced a notion amongst members that they were not being serviced adequately. The resignation of members at an unacceptable rate bore testimony to this. After numerous meetings with staff, structures and shop stewards, it was discovered that it is impossible for the Office to attend to members' queries alone. The Office then set out to ensure that structures, and especially full-time shop stewards and shop stewards, play a vital role in increasing capacity to improve service delivery.

Over the last two years, the Office fully integrated full-time shop stewards into the Office environment. It also has a core group of shop stewards who are dedicated and are assisting members to the best of their ability. The number of complaints related to service delivery reduced drastically. The Office, to a large extent, did not utilise the full-time shop stewards effectively to alleviate the heavy workload experienced by Labour Relations Officers. A strategy was put in place which entailed administrative support and mentoring which enabled shop stewards to function more effectively, thereby adding to the capacity of the Office. A core group of shop stewards also started assisting the Office with grievances and queries. Serious efforts are underway to ensure that every Department is equipped with an active shop steward. This can only be done with proper training and a mentorship plan. Progress was evident by the end of the report period.

The communication process in the Office was also flawed. Much burden was solely placed on Liaison Officers to distribute information to members. This changed, with emphasis being placed on establishing a solid database of shop stewards and members who wish to receive information electronically. The flow of information subsequently improved substantially. Labour Relations Officers are also involved in the distribution of information. When attending to grievances/hearings at Departments, they also provide shop stewards with newsletters.

In respect of collective bargaining, the PSA was the leader over the past year in matters of mutual interest. The PSA is the only Union that attended all Chamber meetings and regularly placed items on the agenda of all Chambers.



Emanating from these Chamber meetings, the PSA was also involved in several bilateral meetings which resolved a number of issues on the agenda of Chamber meetings. The Office made great strides in ensuring that Chairpersons and full-time shop stewards attend all Chamber meetings, thereby ensuring they are kept informed of developments.

The mandating process is still a matter of concern in the Province. Despite efforts by the Office, there is still difficulty to obtain mandates from structures. This places huge pressure on negotiators and the Office that has to explain to members why certain agreements were not signed by the PSA. The Office will be meeting with all Chairpersons in the coming year to devise a strategy to address this problem.

At the Provincial Office in Pietermaritzburg, apart from performing day-to-day activities such as representing and assisting members in bilaterals, grievances, disputes and disciplinary hearings as well as negotiating on interest matters in the various Bargaining Chambers, the Labour Relations staff had to represent members during restructuring in various Departments and deal with wild-cat strikes orchestrated by other unions in the workplace. They were assisted in their duties by support staff.

The Provincial Manager of the Office remained the Chairperson of the KwaZulu-Natal (KZN) PSCBC and also represented the Province at the PSCBC's Annual General Meeting in Pretoria on 14 June 2013. The PSA remained the key roleplayer amongst labour in submitting the majority of agenda items and actively participating in deliberations and negotiations, not only during Chamber meetings, but also in task teams and labour caucuses.

The Office had three full-time shop stewards assisting with recruitment and representation of members in grievances, conciliation boards and disciplinary hearings during the report period. Several shop stewards assisted the Office by representing members at various restructuring meetings, conciliation boards, disciplinary hearings and bilaterals to resolve grievances.

Issues of mutual interest were submitted and negotiated in the three Provincial Bargaining Chambers, i.e. the KZN PSCBC, KZN GPSSBC and KZN PHSDSBC. Agenda items were mooted with the joint efforts of staff, full-time shop stewards, shop stewards and members. The PSA maintained the outright majority in the KZN GPSSBC.

Communication with members and structures improved. The Office generated numerous editions of the *Informus* newsletter. Articles also appeared in *The Witness* and *Ladysmith Gazette*. Chairpersons of Branches received regular updates and assisted with obtaining mandates.

Various training interventions took place during the report period. Labour Relations Officers and the Provincial Manager attended several sessions at Tomlinson Mnguni James where important aspects of recent case-law reports were highlighted by attorneys specialising in Labour Law. On 14 June 2013, the negotiators and Chairperson of the KZN GPSSBC Branch attended a training session on organisational rights based on GPSSBC Agreement 1/2013. The Provincial Manager attended a Juta Labour Law Seminar in Durban on 3 October 2013. On 10 and 11 October 2013 three Senior Clerks received training in the capturing of membership forms. Two Liaison Officers attended a motivational training session that was conducted on 19 February 2014 for all Liaison staff and Provincial Managers in Pretoria.

The report period saw the appointment of a full-time shop steward for the PHSDSBC with effect from 2 May 2013, a DCS office bearer with effect from 16 October 2013 and a full-time shop steward for the GPSSBC with effect from 1 August 2014.

The Provincial Office celebrated four special events during the report period. Workers' Day was celebrated at the Vryheid Secondary High School on 1 May. The PSA's 93rd birthday was celebrated with members at the Dundee Provincial Hospital. The celebration of Mandela Day on 18 July 2013 took place in cooperation with Trees for All. The day was concluded with a visit to the Mandela capture site and the museum. Women's Day was marked with a function for members in Pietermaritzburg on 8 August 2013.

Limpopo

The Provincial Office in Polokwane experienced a busy year and had to rely on a handful of dedicated shop stewards to assist with grievances, conciliations and disciplinary hearings. During the report period 427 formal grievances, 118 conciliations, 99 arbitrations and 147 disciplinary hearings were attended to by staff and shop stewards. A further 1 232 enquiries of a general nature also had to be responded to, mostly in a written form.

The decision by management that arbitrations could no longer be sourced out to lawyers put the Labour Relations Officers under enormous pressure owing to the workload.

The PSA is represented at the Limpopo Chambers of the PSCBC, the PHSDSBC and the GPSSBC. The Labour Relations Officers, together with the relevant Branch Chairperson or an alternate nominee, attend the meetings of the Chambers. All three Chambers had four meetings during the report period. Some of the more prominent matters that were dealt with or which were still on the agendas by the end of the report period are:

Shortages of ambulances

At many Health institutions there is only one ambulance to serve an entire community. This is virtually impossible and allegations of incompetence and poor service are frequently raised against ambulance staff. The employer indicated that the ratio for allocating ambulances is one ambulance per 10 000 people. The PSA indicated that it could not be the only indicator and that the vastness of rural areas should also be taken into account. The matter remains on the agenda of the Chamber.

24-hour service at primary health-care institutions

The Department reintroduced 24-hour services at primary health-care institutions. The PSA again objected as there are no measures in place to ensure the safety of staff. Many of these clinics are in isolated areas with no fencing or security guards. The matter remains on the agenda of the Chamber.

Trauma counselling for EMS personnel

The PSA raised concern over the lack of counselling for EMS personnel, who regularly have to face gruesome scenes. The employer has a care-free attitude and simply responded that EAP officers are stationed at district offices. The PSA is of the opinion that assistance should be readily available and wants a proper policy on the subject of counselling for EMS staff.

National School Safety Framework

The PSA is serving on a Committee at the Department of Education that deals with the National School Safety Framework. The aim of the Framework is to ensure the safety of all members of a school and in particular the well-being of scholars. This is an ongoing process and the PSA will continue to participate in this important initiative.

Rental: State housing

This matter relates to the rent that is being charged for state housing whilst many of these properties are in a state of dilapidation. Factors such as the type of building (brick/prefabricated, etc.), the size of the dwelling and the location (urban/rural) are not taken into consideration when determining the monthly rent. A task team, on which the PSA served, made several proposals on how to resolve dissatisfaction with the current rent. It was reported that the report was brought to the attention of EXCO and a response was being awaited.

Mpumalanga

The Provincial Office in Nelspruit succeeded in strengthen the Union's profile in the Province by challenging workplace injustice in all forms. The Office successfully represented members in disciplinary hearings and referred and won disputes when other unions condoned injustice. A good example is the case at the Department of Agriculture, Rural Development and Land Administration where in the process of converting the Mpumalanga Agricultural College to the New University of Mpumalanga, no consultation was done by the Department. Immediately, a question arose as to the future of all the employees at the College. The PSA ensured that the MEC and the Head of Department were engaged and the risk explained of what could happen if the Department did not consult with labour. Owing to the conduct of the employer, the PSA had no option but to declare a dispute. The Department requested an urgent GPSSBC meeting after which it was agreed that a task team would be formed to investigate the matter and report back to the meeting.

Northern Cape

In an effort to not only gauge holistic performance of the Provincial Office in Kimberley and member satisfaction, the Office crafted the following slogan: "Retention through improved and evaluated service delivery will result in sustained recruitment". The focus on service delivery meant that the Office constantly evaluate its service-delivery intent aligned with its strategic intent as well as the PSA norms and standards. This, coupled with a commitment to adjust to the changing needs of members, the economy and topographical position to meet goals and the needs of members, contributed to enhanced service delivery.



The success is directly attributed to the force of shop stewards utilised on every level of service offering. Enhancing, involving, training and empowering these shop stewards represent a priority that adds to the Office's competitive edge. In the ever-changing and sometimes volatile labour field shop stewards are at the core of service delivery, a fact that was embraced by the Office.

The Liaison section contributed greatly by encompassing all efforts in conjunction with the Labour Relations component. The PSA in the Northern Cape is the main force behind collective bargaining, adding substantially to the product offering on a provincial scale in representing the interests of members.

The Office's aggressive marketing of services and product offering by means of all communication media has earned it a label as the "*In-formus* Union".

North West

Service delivery by the Mmabatho Provincial Office improved substantially during the report period owing to various reasons. Assistance from full-time shop stewards in executing liaison and labour-relations work contributed positively towards service delivery. Assistance by shop stewards with disciplinary hearings, grievances and recruitment improved drastically. Complaints from members decreased owing to the commitment of staff, shop stewards and full-time shop stewards. The Office is, however, still facing a challenge in that not all shop stewards are willing to assist members.

The Office's Labour Relations Officers, full-time shop stewards and some shop stewards did a sterling job during the report period by winning the majority of disputes and disciplinary hearings. The Office obtained financial benefits for members amounting to more than R1,559 million. The Office finalised 74 grievances of which 61 were in favour of the PSA. It also represented members in 74 disciplinary hearings during the report period.

The PSA maintained its majority status in the GPSSBC Chamber and gained momentum in the PHSDSBC. The PSA contributed meaningfully in all Provincial Chambers. The election of Branches and Committees was conducted and all structures were revived.

Nehawu undertook a recruitment campaign during which members at the Premier's Office informed the PSA that they defected to Nehawu, but realised their mistake. The PSA was not aware of the situation as cancellation forms had not been received for the members. This incident underlined the fact that the PSA's service delivery has reached another level in the Province.

As far as collective bargaining is concerned, active participation and involvement by the PSA in various Chambers yielded positive results. This was also shown by shop stewards of two parastatal institutions, namely the North West Development Corporation (NWDC) and the Mmabana Arts, Culture and Sport Foundation, who invited the PSA to do presentations. The PSA took over the NWDC from Saccawu and Nehawu and became the majority Union organising there. During the report period the PSA also became the majority Union at the Mmabana Arts, Culture and Sport Foundation.

The PSA was actively involved in salary negotiations with the NWDC where employees received an increase of 12%. Over and above this, it was agreed that employees on Peromnes level 19 would be elevated to salary level 18. During the report period the PSA also engaged the employer regarding a merger as the NWDC is merging with other entities, namely Invest North West, MIDZ and Food Corporation. These entities were developed under different Acts to pursue different mandates, but what is common amongst them is that they all resort under the Department of Economic Development.

The issue of mandates remained a challenge in the Province during the report period. In an attempt to address the matter, it was a standing item on the agenda of structure meetings. The Office also encouraged Chairpersons to sponsor agenda points to be taken to Chambers.

Western Cape

During the report period the Provincial Office in Cape Town, its full-time shop stewards and shop stewards assisted four members in new Court cases, 192 members in arbitrations, 201 in conciliation boards and 205 members in disciplinary matters. These numbers reflect a decrease in Court cases and a 30% decrease in disciplinary hearings, but an increase in arbitrations and conciliations.

The PSA, with the active assistance of its structures, furthered the interests of members by participating in more than 93 bargaining meetings - a 60% increase from the previous year, which is testimony of the Office's increased collective bargaining activities to ensure that the PSA not only protects the rights of members, but also furthers their interests in their employment relationship with the state.

The mentioned services were rendered by a well-functioning and knowledgeable team of PSA staff, full-time shop stewards and office bearers and a growing group of shop stewards.

Communication

The role of effective communication in a service organisation such as the PSA continues to grow. During the report period the PSA thus continued to focus on improving on the existing and well-used approaches whilst at the same time endeavouring to explore and implement new, innovative ways to enhance the Union's capabilities and service to members.

The *PSA magazine*, *Informus* and *PSA Link* have all been part of the Union's communication interactions with various groupings of members and continued to be actively employed during the report period.

The *PSA magazine* is the flagship of the PSA's communication with members. It is published on a bi-monthly basis and is mailed to members. It is regarded as an important information and marketing tool. It is furthermore often used as part of recruitment initiatives by Liaison Officers and shop stewards. Popular member-on-member recruitment competitions netted almost 500 new members for the Union during the report period. There is, however, concern regarding the large number of magazines being returned by the Post Office as undeliverable.

Whilst the *PSA magazine* mostly focusses on insight articles, the *Informus* represents a key tool in the PSA's daily communication with members on topics directly affecting them in their respective workplaces. The *Informus* is furthermore used to alert members when mandates are required. A total of 471 editions of this electronic newsletter was emailed to members during the report period.

The *PSA Link* is an important portal for the PSA to communicate with its elected shop stewards, who serve as the eyes and ears of the Union in the workplace. During the report period nine editions were published.

The PSA's website, www.psa.co.za, serves as another portal of communication with members for them to utilise at their convenience. The website includes various value-adding sections as well as an enquiry facility that is experiencing a steady increase in use by members. The website experienced a sharp increase in visits by unique visitors, reaching the 111 313 mark by the end of the report period.

In addition to the website, the PSA's mobile site, m.psa.co.za, offers members access to a selection of news. The site is linked to the website and offers the same benefits anytime, anywhere in the hands of members by means of their cellphones.

Cellphone communication, being the most target channel of communication with the majority of members, was utilised optimally with 212 messages being sent out to various groupings of members during the report period.

The electronic helpdesk, ask@psa.co.za, provides members with an alternative channel to lodge enquiries with the PSA. The PSA is in the final stages of exploring the use of social media as part of our enhancing vision.

The PSA, in realisation of the importance of the media as a partner in disseminating information, issued a total of 13 statements during the report period. As a result, the PSA experienced a fair level of print and broadcast media coverage during this time.



The promotion of the PSA brand was a key aspect of activities during the report period. In support of this, a series of national advertisements was run on electronic outdoor advertisements boards on Workers' Day, Public Service Day and in celebration of the PSA's birthday on 7 July 2013.

The branding of the PSA's Head Office in Pretoria and the Provincial Offices in North West, the Northern Cape and Port Elizabeth in the Eastern Cape was finalised during the report period with work in progress for several other Provincial Offices.

A set of three posters, highlighting the PSA's main areas of operation, were furthermore developed for national distribution. Various other posters and flyers were developed in support of various interventions during the report period. In addition, a diary containing branded pages and special content was developed and distributed across the country. A popular A0 calendar for 2014 was also developed and distributed to shop stewards.

The Communications Section coordinated the procurement process for the PSA's new range of clothing items which was launched during the report period.

The PSA will, in an effort to further enhance and open its communication channels to members, continue to explore all avenues to up this aspect of its service delivery. Members are requested to ensure that they regularly update their contact details with the PSA to ensure an uninterrupted service.

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 a provincial level where they are actively involved in many PSA activities, including joint social responsibility initiatives. During the report period new national fringe benefits were negotiated with existing business partners and new partners.

An addendum to the **Assupol** group-scheme contract was signed on 22 July 2013 for a funeral product and is marketed with the **Inkomo** product by **Maxi Group Schemes**. **Dignity** added a R50 000-funeral product to its product range and replaced the Mahala loyalty program with a Dignity care-call loyalty program on 19 August 2013. **Doves** changed its contract to a 15%-discount contract on coffins and standard Doves service fees. **The Best Funeral** increased funeral cover on 12 July 2013 by adding both R30 000- and R50 000-funeral products with additional benefits included in the premium. These benefits are, amongst others, airtime and free Mahala membership. The **Best Funeral** also provided additional benefits at low cost.

A new contract was concluded with **Optivest/Mediquote** on 27 July 2013 to give advice and help with any queries about medical schemes, with the exception of Gems. **Mediquote** also markets a gap cover that helps to pay for medical-aid shortfall on payments.

The PSA entered into an agreement with **CapeNature** on 13 August 2013. **CapeNature** provides 10% discount on all self-catering accommodation and camping facilities throughout the year. Conservation and entry fees are included in the price. The Whale Trail and Kogelberg Nature Reserves are excluded from this offer.

Old Mutual Group Schemes introduced two new products on 18 February 2014. The products, "2 in one savings 4 my goal" and "2 in one savings 4 my education", will be sold together with the current investment plans and education plans.

Zisekele changed from Resolution to Sanlam as underwriter for its funeral product from 1 September 2013. **Etana Insurance**, which acts as broker for the corporate insurance for the PSA, merged with Hollard in November 2013. The **Avbob/Tsala** and **Avbob** contracts were terminated on 10 October 2013 owing to non-performance.

The **PSA Short-term Insurance Scheme** had 5 150 members by the end of the report period. The facility is insured by Guard Risk and administrated by **Alexander Forbes** from 1 April 2013.

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

Funeral schemes and services are available through **Assupol, Maxi, Dignity, The Best Funeral, Old Mutual, Metropolitan, Zisekele** and **Sanlam**.

Assurance and other products are available from **Old Mutual, AIG, Metropolitan, Assupol, Sanlam** and **Maxi Group Schemes**. **Doves** render funeral services to PSA members, at discounted rates.

Legal services are provided by **Community Legal Clinic** to PSA members and their family.

Emergency rescue services with the **Automobile Association** are provided at 15% discount.

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

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

Old Mutual Finance provides consolidations, unsecured personal loans and policy-secured loans.

Members can obtain education finance to further their studies and those of their dependants for university, school fees, laptops and books with **Edu-loan**.

The **PSA Mahala Loyalty Program** is a rewards program 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 **The Best Funeral** funeral policies underwritten by **Hollard**.

By the end of the report period more than 190 000 policy holders were making use of the various schemes.

At the **South African 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 for PSA members.

Other exclusive benefits administered by the PSA include the **PSA Funeral Benefit** where, in the event of a member's death, the 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 R7 000-funeral assistance benefit. By the end of the report period, a total of 981 claims, of which 29 were for SAPS members and 87 for pensioner members to value of R2 440 200 were paid out. Fewer funeral payments were made during this period, compared to the previous period.

The **PSA professional indemnity cover** for nursing staff and medical technologists is unique in the trade-union industry, as cover has been secured at an initial R1 million, per member, per year, with no limitation, at no additional cost to the member. The scheme is administered 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, or when attending official PSA meetings, comprehensive insurance cover on death or permanent disability.



Membership

Recruitment of members

PSA Liaison Officers during the report period recruited 23 715 new members for the Union. It was expected of the 29 Liaison Officers to recruit a total of 20 184 new members, which is an unadjusted target. An adjusted target takes into consideration certain leave days taken, meetings attended, training sessions attended or presented, etc.

The overall membership count of the PSA for the year 2013/2014 at 31 March 2014 was 224 928, which is 3 928 above the 2015 target of 221 000 members as set in the PSA's five-year Strategic Plan.

During the report period Liaison Officers visited 18 957 points/workstations, travelled 602 958 km in the process and spoke to 184 181 officials. They furthermore serviced 145 734 PSA members with the emphasis on retaining them as members and providing them with the latest information. In addition, Liaison Officers attended 853 meetings other than for recruitment, such as Branch meetings and empowered shop stewards by means of 206 training sessions.

Of the 38 493 non-members spoken to, 23 715 were recruited as members representing a 62% success rate, which is not regarded as satisfactory according to the PSA's standards.

During the report period Liaison Officers undertook several tours outside of their main centers into rural areas to recruit and service members who find it difficult to access PSA Provincial Offices. This, together with arranging celebratory meetings such as open days, activities on Workers' Day, Nurses' Day, Public Service Day, etc., formed part of the PSA's efforts to show appreciation and also retain members.

The above statistics reflect the facts that the PSA's focus was not only on the recruitment of new members, but also on the servicing and retention of current members.

Liaison Officers are operating in a very competitive market and some of them excelled in their task. The following were the top-ten recruiters for 2013:

Charles Ngubani (Durban) - 1 326
Kisten Subbadu (Durban) - 1 274
Mbongeni Mabanjwa (Pietermaritzburg) - 1 107
Jane Motlabane (Mmabatho) - 1 097
Amos Mabona (Pretoria) - 1 029
Roger Tobin (Cape Town) - 916
Steve Ledibane (Kimberley) - 894
Perfect Zulu (Mthatha) - 877
George Mothibeli (Mmabatho) - 843
Paulina Moloto (Polokwane) - 808

Unfortunately, eight of the Liaison Officers did not reach the set or adjusted annual targets and are undergoing corrective assistance.

PSA membership per Provincial Office

	March 2013	March 2014
Bloemfontein	20 262	20 652
Cape Town	23 304	23 333
Durban	27 081	25 224
Johannesburg	14 289	14 386
Kimberley	7 657	8 068
Mmabatho	14 093	15 087
Mthatha	12 133	11 955
Nelspruit	12 231	11 077
Pietermaritzburg	19 385	18 701
Polokwane	18 416	17 970
Port Elizabeth	13 986	14 025
Pretoria	41 435	44 225

The above statistics reflect that some of the Provincial Offices experienced negative growth.

These terminations of membership are ascribed to reasons (approximate figures) such as retirement (11%), death (14%), resignation as member (19,25%), unpaid members (29%) and resignation from service (32%).

These Offices are being assisted and Provincial Managers are monitoring the trends of the decline in membership, especially with regard to resignations by members because of unsatisfactory service delivery. The decline in membership, be it for valid reasons or not, or because of circumstances beyond the PSA's control, is viewed in a very serious light and the PSA remains highly motivated to ensure positive growth by the end of the 2014/2015-financial year, which will be addressed by means of the following actions:

- Recruitment in main centers, visiting members as well as reaching out to non-members as per approved plan.
- Recruitment in all other areas of the Province via approved liaison tours, visiting members and reaching out to non-members at their workplaces.
- Targeted provincial recruitment campaigns in provincial sectors showing the most growth in the Province as established by Provincial Offices.
- National recruitment campaigns: SARS (April 2014), PHSDSBC (from May 2014), and GPSSBC (from 1 September 2014 to 31 October 2014).
- SAPS "one-on-one" special recruitment campaign incentivised by a double honorarium for each member who recruits a member (16 June 2014 to 18 July 2014).
- Member-on-member recruitment, incentivising them through competitions in the *PSA magazine*.
- Hosting of personalised events such as open days at institutions and Departments during recruitment initiatives.
- Visible action in support of Workers' Day (1 May 2014), Nurses' Day (12 May 2014) and Public Service Day (23 June 2014) to show the Union's appreciation to public servants and create awareness of the PSA and the plight of workers amongst the broader community.

Retention of members

The retention of members will be receiving high-level attention by means of:

- A refinement of the integrated approach to render a more personalised service to current members by ensuring that they are kept informed, represented by a shop steward, slotted into a structure and that shop stewards are being trained while busy with recruitment initiatives.

- Optimal utilisation of PSA resources by visiting and servicing current members while busy with recruitment initiatives.
- Arranging events of appreciation to ensure continued loyalty amongst existing members and, in so doing, improving the Union's visibility (i.e. open days, inter-sectoral meetings, etc.)
- Establishment of structures to reach members at grassroots level.

Provincial highlights

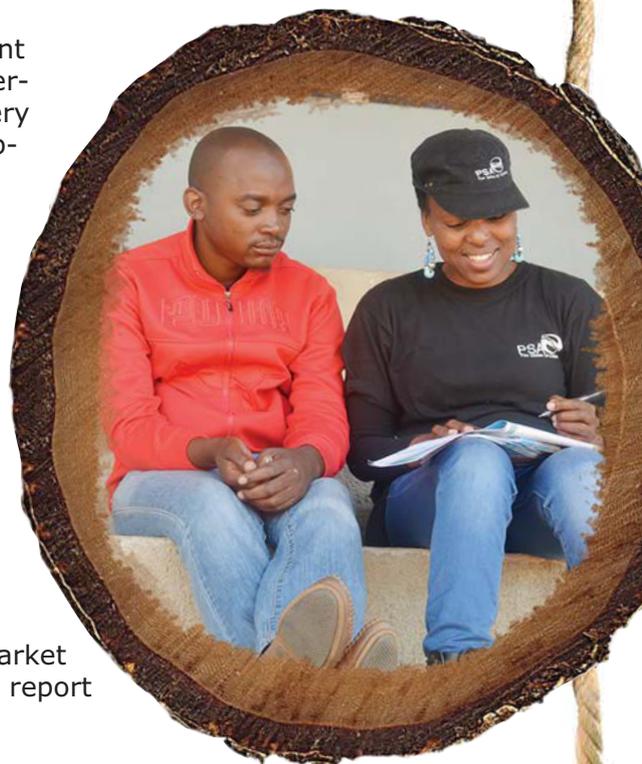
Eastern Cape

In the western half of the Province, which resorts under the Provincial Office in Port Elizabeth, the Office embarked on a visibility process and with the target to reach about two thirds of its members. The involvement of PSA structures and shop stewards in the recruitment of new members showed a healthy improvement. Workers' Day meetings were held in Port Elizabeth and East London.

Free State

Recruitment through service delivery and the optimal utilisation of all shop stewards and business partners paid off to contribute to the success of recruiting members in a very competitive market during the report period.

The low percentage of members who resigned from the PSA in the Province is a clear sign that the PSA in the Free State is providing a value-added service to members.



Gauteng

In the Johannesburg area of the Province, recruitment of new members was undertaken by Liaison Officers with the assistance of shop stewards and full-time shop stewards in the various workplaces. A large number of Emergency Medical Services personnel was recruited as well as new members from various institutions in the General Public Service Sector. The cancellation of membership was prevented by enhanced, continued service delivery and constant communication. The distribution of PSA diaries also assisted to recruit members.

The PSA's business partners were utilised to add value to mass meetings and open days. The Provincial Office participated in special events by celebrating Workers' Day on 1 May 2013 at Charlotte Maxeke and Edenvale Hospitals. On 18 July 2013 a Mandela Day celebration was conducted by planting trees at a needy school in the West Rand. PSA Day was celebrated on 7 July 2013 in Soweto and the topic of recruitment was discussed with the members in attendance. An image-building event was conducted in the Vaal Triangle by sponsoring PSA-branded soccer jerseys and equipment for a community team managed by an active, well-known shop steward in the area.

During the report period, the PSA's Provincial Office in Pretoria focused on the implementation of the operational plan with the underlying principles of recruitment and retention. Various events were undertaken by the Office, such as recruitment drives, open days, PSA Day, Workers' Day and other national initiatives. The participation during these events contributed to a significant overall growth in membership for the Office. This enhanced the visibility of the PSA at workplaces and assisted with the improvement of service delivery. As part of the implementation of the operational plan, the Provincial Office also made progress as far as its exposure in the media is concerned with publications in newspapers regarding the conditions of workplaces, especially in the Emergency Medical Response Services and other institutions.

KwaZulu-Natal

The Provincial Office in Durban made a great effort to curb the rate of cancellations with staff having personal interviews with members to ascertain the reasons for cancellation.

The Provincial Office in Pietermaritzburg, despite the movement of staff, with the assistance of full-time shop stewards and shop stewards, recruited the sixth most members during the PHSDSBC recruitment drive.

Limpopo

Both Liaison Officers stationed at the Provincial Office in Polokwane recruited above the target for the year, yet the Province had a loss of members during the report period. A total of twelve liaison tours were undertaken during the year which implies that each district was visited twice by the relevant Liaison Officer. During these tours, 900 institutions were visited and close on 10 000 public servants were addressed of which 86% were members of the PSA. Short meetings were also held with shop stewards to refresh them on their roles and responsibilities and to encourage them to remain committed to the PSA.

Mpumalanga

Despite the fact that the Office did not show a growth in membership, it managed to deliver a value proposition for members to remain with their Union. All stakeholders worked as a team to ensure that events such as open days at hospitals during recruitment drives were attended well by many members and non-members which, in turn, had a positive impact on the expansion of the PSA brand. The vital role that shop stewards play is recognised by the Office and special attention is given to ensure that this key group of stakeholders is visited regularly and updated on developments in Union activities.

Northern Cape

The Provincial Office in Kimberley services a vast Province. As the largest Province with the lowest population, the Office's growth per capita was unrivalled during the report period. An office norm was established with a strong emphasis on marketing. The Office considers growth as its fundamental, core function while recognising that there can be no sustainable recruitment unless it is also geared towards retention with a keen awareness of competitors.

The Office's hard work in respect of retention and recruitment paid off with it being a force in all Bargaining Chambers and registering a constant positive growth, being the third best in the country. The Office succeeded in aligning its strategy with the unique qualities of the Province, the ever-changing labour environment, the economy and the needs of members, culminating in a product offering that resulted in a total membership of 8 068 by the end of the report period.

North West

The Office in Mmabatho recorded a growth in membership during the report period. Improved visibility through liaison visits, inter-sectoral mass meetings, assistance of members by Labour Relations Officers, full-time shop stewards, full-time office bearer, and shop stewards through cases, grievances and disputes contributed towards retention and growth. Various recruitment drives assisted in terms of achieving this objective.

In the PHSDSBC recruitment drive, the Province finished in the first position. Employees performing night duties felt especially honoured as there is no other union that services members after hours. By the end of the report period the Office's membership stood at 15 087.

Despite stiff competition from rival unions running aggressive recruitment campaigns across the Province, the PSA during the report period became more visible at the SAPS, with positive recruitment results and invitations from SAPS employees for the PSA to do presentations to them.

Workers' Day is an important date on the PSA calendar. The Provincial Office celebrated this event, which attracted more than 800 members, at Mafikeng Rugby Stadium with the assistance elected leaders and staff.

Western Cape

During the year under review, the Provincial Office in Cape Town's Liaison Officers and full-time shop stewards reached out and spoke to 27 516 officials. Of these, 18 677 officials were already PSA members with whom we made contact during the year.

A total of eleven liaison tours were undertaken to regions outside of the Cape Town Metropole, travelling 141 210 km in the process.

These liaison activities resulted in membership growing in the Western Cape to 23 333 members. The growth was achieved owing to the sustained excellent value offering by the PSA to public servants across all government and parastatal spheres in the Western Cape.

PSA staff and structures, full-time shop stewards, full-time office bearers and shop stewards worked hand-in-hand to ensure that the PSA remained valid and visible in all workplaces. The dedicated recruitment drives and various "open-day" events throughout the year paid dividends and ensured the retention of current members and the recruitment of new members to realise stability and marginal growth in the PHSDSBC and DCS sectors.

PSA marketing material, especially the PSA dairy, assisted with visibility and attracted the interest of non-members and encouraged them to attend PSA meetings and events, where they could then be recruited.

Nurses' Day, Public Service Day and PSA Day were celebrated with events hosted by the PSA for members at various institutions.



Empowerment of structures

One of the greatest tasks facing the PSA is the involvement of its structures in Union activities. Member structures are only as good, as efficient, as effective and as active as the individual and committed shop steward and structure management member. Branch managements and shop stewards form a key link between the Board of Directors, the PSA Administration and the broad membership.

In most instances, Branches act as principals in the consultation and negotiation process regarding matters of mutual interest, which directly affect members in the workplace and for which strike action may eventually be decided on. The extensive structures must closely cooperate with the twelve PSA Provincial Offices, thereby ensuring easy access and excellent service to members. The highlights of activities during the report period are reflected in this *Report*.

Eastern Cape

Training of shop stewards in the Mthatha area was delayed until December 2014 for all six regions owing to various challenges. Other regions were to be trained at the beginning of 2014. The full-time shop stewards underwent training jointly with the SAPS- and full-time shop stewards under the Port Elizabeth area to capacitate them to assist members with grievances and disciplinary hearings. The Office's member structures continued to function well and were managed jointly with the Port Elizabeth Office.

In the Port Elizabeth area, the three Provincial Sectoral Branches and twelve Provincial Committees of the National Departments as well as eight Provincial Committees of Provincial Departments in the Eastern Cape were active, functioned well and had all the required meetings. Representatives of structures not only serve on departmental structures, but also in the Chambers of the GPSSBC, PHSDSBC and PSCBC. The Office staged a very successful Inter-Sectoral Meeting at Empkweni that was attended by all office bearers of the Branches and Committees.

Free State

Recognition of the view that PSA structures are the face in the workplace, is strongly upheld in the Free State. To enhance their visibility, functioning and participation in PSA activities, the Office already in 2012 provided a platform to empower structures during training sessions which were enforced and strengthened in training sessions held during the report period. Some structures, however, still only function as post offices to channel members' complaints to the Provincial Office without trying to deal with the complaint at the first level. A total of six training sessions, where topics such as "How to interview a member who has a problem?" and "Discipline in the Public Service", were conducted throughout the Free State with structures and shop stewards as target groups. In addition to this in-house training, 113 shop stewards also attended the one-day courses offered by the CCMA at different towns in the Free State. Six very successful Inter-Sectoral members' meetings were held in Qwa-Qwa, Sasolburg, Kroonstad, Bethlehem, Welkom and Bloemfontein which were well organised and attended by more than 9 000 members.

Gauteng

In the Johannesburg Provincial Office various training interventions took place. Formal training sessions were conducted for newly-elected shop stewards on their role and functions within three months after they were elected. Shop stewards received advanced training on how to conduct disciplinary hearings and represent members with the grievance procedure. Shop stewards were also trained on negotiation skills to equip them to represent the Union in bilateral and multi-lateral meetings in their workplaces. New shop stewards were elected into some of the Branch managements. The Branch shop stewards received training on how to conduct an effective and well-functioning Branch, basic leadership, teamwork, chairing and participating in meetings and the responsibilities of Branch shop stewards.

Practical, hands-on training is given to trained shop stewards by ensuring that they are invited to sit in as observers when members in their workplaces are represented by staff and experienced full-time shop stewards. Collective negotiations took place in all sectoral Chambers as well as sub-structures on issues of mutual interest. In most instances, the agenda items were submitted by the PSA. The bargaining meetings were attended by PSA personnel, shop stewards and full-time shop stewards. The required number of Branch meetings, as per *PSA Statute*, was conducted in which report back was given on collective bargaining issues. Obtaining mandates is a very important part of the collective bargaining process and the issue was placed on the agendas of Branch meetings to sensitise shop stewards and explain the importance of their participation in securing written mandates.

In the Pretoria area of the Province, existing structures were regularly reviewed to ensure that these were in place and active. New structures were also established with the approval of the Board of Directors. By the end of the report period 163 shop stewards were trained as a result of the process to enhance capacity. This improved the visibility of the PSA in workplaces and the quality of representation.

KwaZulu-Natal

Despite a very full program, the Provincial Office in Pietermaritzburg was involved with several training interventions. Training took place in Pietermaritzburg on 21 October 2013 and 28 November 2013 and sessions were conducted in northern KwaZulu-Natal, i.e. in Vryheid on 27 February 2014 and in Ladysmith on 19 March 2014. Over the weekend of 27 and 28 July 2014, the Office organised a training session for KwaZulu-Natal SAPS Committee members on the disciplinary procedure in the SAPS. The training, with practical interventions, was conducted by the SAPS Branch Chairperson, Mr Tengimpilo Maqebhula.

The majority of Branches and Committees functioned well and had meetings where matters of transverse nature were discussed. The Chairpersons of Committees played a key role in representing their Committees' issues at their respective National Branches. At the end of 2013, a long-serving Chairperson of the KwaZulu-Natal Justice Committee, Mr Thulani Ntombela, left us as he resigned from the Public Service. The PSA would like to thank him for his dedicated service to the Committee.

The Chairperson of the PSA's KwaZulu-Natal GPSSBC Branch, Mr Sboniso Ndlovu, represented the Branch at KwaZulu-Natal GPSSC meetings and at the PSA's Annual General Meeting in Pretoria in September 2013 when he was elected to the PSA's Board of Directors.

Limpopo

During the report period the following training was conducted to equip structure members for their respective tasks and responsibilities:

- A training session for Branch and Provincial Committee management members.
- A training session for ten shop stewards on how to assist members at disciplinary inquiries. Experience has shown that it serves little purpose to train shop stewards at random as the majority is not willing to assist with these matters.
- A training session per district for shop stewards with the focus on basic labour relations and the *PSA Statute*.

These training sessions were generally not well attended (60% rate). A lot of time was spent by staff following up on invitations and reminding shop stewards of the training, but it did not seem to make a significant difference to attendance. PSA shop stewards were also afforded the opportunity to attend training sessions conducted by the CCMA in Polokwane.

Chairpersons of Branches were invited to attend all Chamber meetings or to nominate someone if unable to attend. By attending these meetings, Chairpersons and shop stewards learnt through observation and could see how theory was applied in practice.



It is a standing rule that shop stewards be informed in time of a grievance meeting or disciplinary inquiry to enable them to make arrangements to attend. Unfortunately, it seldom happens that they make use of these opportunities.

Mpumalanga

Training sessions, with the aim of building capacity amongst structure members, were conducted during the report period involving some 400 shop stewards. The Office also capacitated Chairpersons of all structures on disciplinary hearings and handling grievances.

Northern Cape

Training and empowerment of shop stewards was a priority for the Provincial Office. Structures were informed of and involved in all activities. A status was placed on structures that promoted the values bestowed on staff.

Training on collective bargaining, arbitration, facilitation, grievance and disciplinary procedure was initiated. CCMA training, South African Council for Educators training and an advanced Labour Law training session also took place in an on-going effort to ensure that structures remain empowered. An evaluation tool was developed to measure responses from participants and to improve on the approach to empowerment.

Having two full-time shop stewards serving a term of four years in the DCS, positioned in two districts, extended service delivery and enhanced visibility in those areas. A full-time office bearer position in the PHSDSBC, coupled with a full-time shop steward position in the same Sector, proved to be significantly beneficial to overall service delivery and growth. The position of a GPSSBC full-time shop steward, though having changed hands, was paramount to the Office's endeavours.

Regular meetings throughout the year with Branches and Committees raised awareness and added value to the inputs to Chamber agendas. Chairpersons, Vice-Chairpersons and Secretaries were kept up-to-date on all pertinent matters *via* the communications database.

During the report period the full-time office bearer and Chairperson of the PHSDSBC Provincial Chamber was Mr Eugene Louw.

The full-time shop steward for Health and Vice-Chairperson of the PHSDSBC Provincial Chamber was Mr Paul Koopman in Kimberley. The full-time shop steward for the DCS and Chairperson of the DCS structure was Mr Rienest Brandt in De Aar. The full-time shop steward for the DCS and Secretary of the DCS structure in Kuruman was Mr Stafford Slambert. The full-time shop steward for the GPSSBC was Mr Roger Scholtz.

North West

In June 2013, the Provincial Office conducted intensive training of leaders. This group assisted with cases, grievances and disputes. The statistics regarding assistance to members by shop stewards improved drastically. Training of shop stewards remains an on-going process and the Union is proud to see most of the trained shop stewards stepping up to assist members. In December 2013, the Office hosted a successful Inter-Sectoral mass meeting in Rustenburg over two days. Business partners, Dignity and Old Mutual, were also present at the meeting.

Western Cape

All five Branches and eleven National Departmental Committees functioned well during the report period. Committees met regularly and some even exceeded the *PSA Statute's* requirements. These meetings of structures were complimented by an Inter-Sectoral meeting hosted at Club Mykonos in Langebaan that was also attended by the PSA's President and Chairperson assisted by the General Manager. Various transverse PSA household and service-delivery matters were discussed.

Training interventions for structures (domestic rules and *PSA Statute*), shop stewards (induction course) and selected shop stewards, who received advanced training in Labour Law, arbitration skills and disciplinary matters, took place throughout the year. The Province was further honoured when Mr Pierré Snyman was re-elected as Chairperson of the PSA's Board of Directors.

During the report period the PSA was saddened by the loss valuable and respected members whose legacy will long still be appreciated by the Union – the PSA salutes all of them.



Social responsibility

The PSA, as a service organisation, is deeply aware of the social challenges faced by many South African communities. The long-term upliftment and empowerment of such communities is the focus of the Union's social responsibility interventions, based on set guidelines to ensure maximum impact for beneficiaries. During the report period projects were again undertaken nationally and provincially.

National projects

The PSA's donation of **school jerseys** to needy learners at identified rural schools was received with enthusiasm by the schools' staff, learners and parents. Distribution of the jerseys was finalised before the onset of winter to address the enormous need. Various PSA Provincial Offices participated in the project. PSA Directors and management, joined by staff members and shop stewards in various Provinces, lent a helping hand to bring the PSA's much-needed gift to needy learners.

On 10 February 2014, the PSA's Provincial Office in Mpumalanga visited deep-rural Mogalitwa Primary School at Zaaihoek Farm, 30 km from Emalaheni in the Nkangala District to donate 104 jerseys to learners based on the nomination of PSA shop steward, Mr Kobus Hyneke, from the DCS.

On 14 February 2014, being Valentine's Day and a time to spread love, the PSA donated 78 jerseys and 38 sports bags to learners of Boerefors Primary School in Pretoria. All the learners were furthermore treated with heart-shaped sweets to celebrate the day.

On 21 February 2014, learners at Tlotlisang Intermediate School in Botshabelo received 421 jerseys from the PSA Provincial Office in the Free State.

The Eastern Cape Provincial Office in Port Elizabeth handed 167 jerseys to learners of Vukuhambe Special School in Mdantsane on 25 February 2014.

Bongulethu Primary School in Kirkwood received 290 jerseys. The Provincial Office in Mthatha, on 13 March 2014, presented 100 jerseys to learners of Thembaletu Primary School in Lusikisiki. In addition, Kuyasa Senior Primary School in Nqamakwe, received 76 jerseys and Ndindimeni Primary School 107 jerseys on 27 February 2014. Sigcawu Special School and Gcuma Primary School, both in Flagstaff, received 120 and 64 jerseys respectively.

In KwaZulu-Natal, the Provincial Office in Pietermaritzburg was involved in two interventions. On 21 February 2014, 350 jerseys were presented to learners at Bongudunga Secondary School in the upper-Edendale area of Pietermaritzburg. On 6 March 2014, 328 jerseys went to Sinzeka Primary School in the Nqutu District.

In North West, the PSA donated jerseys to two schools.

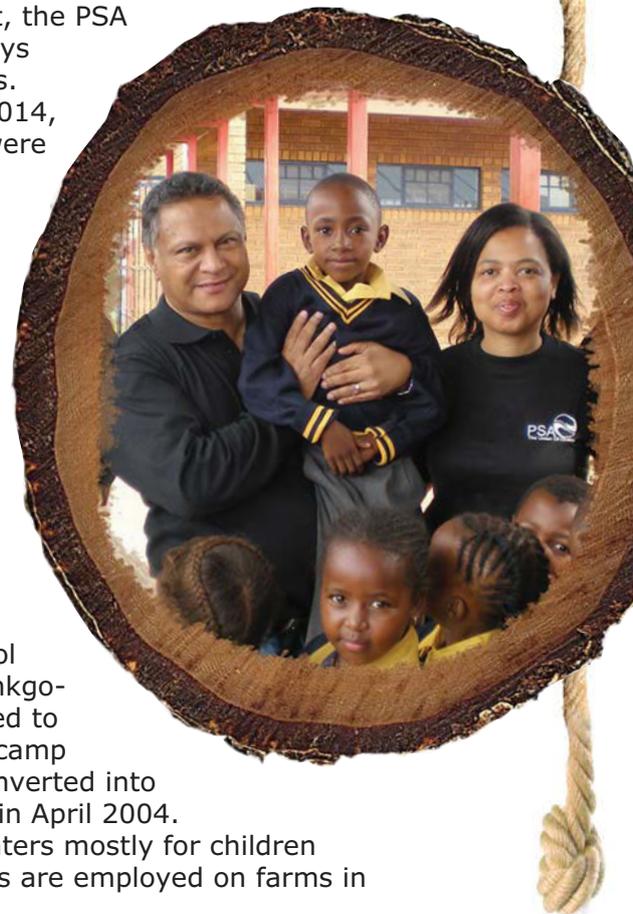
On 6 March 2014, 216 jerseys were handed

to Mogopela Primary School in Taung, 224 km from Mafikeng. On 7 March

2014, 344 jerseys were presented to learners of Onkgopotse Tiro Comprehensive School in Klippan. Onkgopotse Tiro used to be a military camp

which was converted into a farmschool in April 2004.

The School caters mostly for children whose parents are employed on farms in the vicinity.



The PSA Provincial Office in Johannesburg, on 13 March 2014, donated 900 jerseys to Thuthukani Tswelelopele School in Grasmere. This School caters for children from disadvantaged backgrounds.

A total of 3 665 jerseys were thus donated to learners during the report period bringing the total number of school jerseys donated by the PSA since January 2013 to 7 990.

The PSA, as part of its planned social responsibility projects for 2013, supported children at **Early Childhood Development Centers** together with the National Development Agency and the Department of Social Development in a campaign to create a solid foundation for development and life-long learning in poor communities. Lindokuhle Day-Care Centre in Randa near Heidelberg, which cares for 56 children (aged between two and six years) from an impoverished community, benefitted from this initiative. The PSA conducted a needs analysis at the Centre, which resulted in the donation of a permanent structure to serve as a classroom as well as a one-day food garden training session to establish a vegetable garden to support the Centre's feeding scheme. Ten trees, to provide fruit and shading, as well as tools, seeds, planting materials and educational material to assist with the maintenance and further development of the food garden were secured in partnership with Trees and Food for Africa. The PSA also donated a jungle gym to help children with their physical development and serve as a recreation facility.

The PSA, in a joint-venture with Ackermans, donated 70 **school uniform packs** to learners based on a motivated request from PSA member, Mr Mosa Maluleka, who won the Back-2-School Competition in the November/December 2013 edition of the *PSA magazine*. He nominated Rivoningo Primary School, 40 km from Makhado in Venda, to benefit from this project. The School educates learners from disadvantaged backgrounds as most parents are unemployed. The hampers included a backpack, pencil purse, stationary pack, shirts, trousers, socks and shoes.

The PSA entered into an agreement with the University of the Free State to sponsor the food security of a number of students under the **"No Student Hungry" programme** which was started in 2011 to provide identified students with a small daily allowance for food. The cost per student for 185 days is R5 550.

This entails a three-year commitment by the PSA towards ten students which commenced in the report period and will continue for the two coming years.

On 18 July 2013, the PSA management, staff and shop stewards participated in the planting of trees at Marokolong Primary in Hamman-skraal north of Pretoria in celebration of **Mandela Day**. Food and Trees for Africa, a company providing a number of programmes which offer opportunities for climate-change adaptation and response was approached to assist with the project whereby Head Office staff and the staff of six PSA Provincial Offices participated at various venues. Each Office planted 30 trees on the day.

Other initiatives included support for the **Kalafong Hospital upgrade**. The PSA participated in this project at Kalafong Hospital, west of Pretoria, organised by the SAME Foundation, a company doing renovations and upgrades at a number of state hospitals in various Provinces. The PSA donated R50 000 towards this project in cooperation with the Provincial Office in Pretoria.

The PSA donated a classroom structure to **Itsoseng Clinic**, based at the University of Pretoria's Mamelodi Campus east of Pretoria. The Clinic primarily serves children from disadvantaged communities from an informal settlement and suffer the impact of impoverished environments, abuse and neglect. The Centre provides services by a psychologist and a health-care service provider. The structure will serve as a studio for some of their activities.

Tshedimosetso Public Adult Learning Centre in Kuruman in the Northern Cape serves the community of Batlharos as a learning centre for adults. The aim of the Centre is to improve the lives of the community through skills development. The Centre experienced a shortage of learning equipment and approached the PSA for assistance. The PSA donated a photocopier to assist learners and educators in their daily work.

The PSA annually makes awards to above-average needy **welfare and charity organisations based on nominations by Branches** from the General Manager's relevant budget. A PSA circular, dated 25 October 2013, was sent to Chairpersons and Secretaries of Branches and Committees calling for nominations. The available funding was divided amongst the eleven nominated organisations, with each receiving a donation of R1 850.

The PSA annually awards the **Stiglingh Memorial Bursary** for study in Natural Sciences or Medicine as legacy of the late Mr J H Stiglingh, in life member of the PSA. During the report period, the available amount of R24 000 was allocated to eight qualifying students who met the criteria for the Bursary. Each student received R3 000.

Provincial projects

Eastern Cape

The Provincial Office in Port Elizabeth participated in a blanket project where 30 blankets were donated to an old-age home. Easter eggs were handed out to children in places of safety in Port Elizabeth.

Free State

During the report period the Provincial Office made several donations. A needy school received a photocopier, two computer tables and 220 lap desks. A total of 300 meat parcels went to a needy community near Bloemfontein and clothing items were donated to a needy family in Botshabelo. A donation of R20 000's worth of furniture was made to a needy community primary school on the outskirts of Bloemfontein.

Gauteng

The Provincial Office in Johannesburg divided the financial allocation for social responsibility in the budget between Branches. The Office conducted various projects after Branches gave input and approval. The Office painted pre-school buildings in Soshanguve and purchased sports equipment for learners.

In the Pretoria area, the winter project saw jerseys being distributed to less-privileged learners at schools in the Pretoria area. As part of an initiative under the GPSSBC Branch, the Office donated toys and cot mattresses while under the auspices of the ELRC Branch, school attire was donated to Tembinkosi School.

Limpopo

The Provincial Office in Polokwane was involved in a number of social responsibility projects during the report period.

Six baby bassinets were donated to Ngwana House in Polokwane which offers a home to abandoned babies and relies on donations. Seven microwave ovens were donated to the Construal School for Handicapped Children in Modimolle after the Principal expressed such a need as learners tend to burn themselves when working with conventional stoves, yet they have to be taught cooking and baking skills. The Office also distributed approximately 300 jerseys to learners at six schools in the Province. On each occasion, it was humbling to note the gratitude of the children, parents and educators.

On Mandela Day the staff of the Office participated in a venture by planting 30 trees at two schools in the Vhembe and Mopani districts.

Mpumalanga

The PSA Provincial Office in Nelspruit joined forces with structures in the Province by identifying two rural schools to which school jerseys were delivered. Another school benefitted when cupboards and gardening tools were donated. The sewing machines and R40 000's worth of material that was donated by the PSA to Tetta Women's Cooperative previously are rendering good results. In January 2014, the Centre sold almost 300 school uniforms at a profit of R60 500.

Northern Cape

Provincial structures were mandated to submit social responsibility nominations from their constituencies to ensure adequate involvement. Structures were also requested to participate actively in the handing over of all social responsibility initiatives in the Province.



The food garden that was established by the PSA some time ago at the Roman Catholic School in Keimoes, a town situated 40 km south of Upington, is still an on-going initiative to ensure a sustainable garden for the local community.

An amount of R5 000 was donated to Harmony Homes for the Aged in Springbok, nominated by the GPSSBC. Mr Willem Nyi, Chairperson of the structure, did the handover. An amount of R5 000 was sponsored to the Roodepan Phutaditchaba Aids Centre in the form of a computer as nominated and handed over by Mr Eugene Louw, Chairperson of the PHSDSBC. Kitchen appliances to the value of R5 000 were donated to the Galeshewe Group for the Aged and Disabled, nominated by the Chairperson of SASSA in the Province.

North West

North West was actively involved in social responsibility initiatives during the report period. The highlight was the donation of school jerseys to learners of Ikalafeng Special School which is situated 205 km from Mmabatho. PSA staff, the Provincial Chairperson of the ELRC Branch and two executive members of the ELRC joined teachers, learners, support staff and community members on the day. The School's Principal indicated that it was the first time in the history of the School that learners received such a much-needed gift.



He encouraged the learners to attend classes more regularly because they would now be warm.

The PSA established a food garden at Mathateng Primary School, situated 118 km from Mmabatho. During this event in March 2013, the prevailing poor conditions in the community were observed. Most children were without shoes and school jerseys. The PSA decided to intervene and during the report period the Provincial Office was making arrangements to finalise the date on which school jerseys will be handed over to needy children of the School. The Office also donated school jerseys to Tlamelang Special School at Gelukspan near Itsoeseng.

Mandela Day was celebrated by the Office with the planting of shade and fruit trees at Bodibe Primary School. This event was also attended by a Ward Counsellor, who participated and delivered a message.

The Provincial Office spent R20 000 towards assisting PSA members who were struggling to make ends meet during the report period. Although the PSA is not a financial institution, it is always willing to lend a helping hand where it matters most.

Western Cape

Various smaller social responsibility interventions saw the light during the report period where the PSA, in partnership with business partners, showed that we care – not to be seen, but our presence and assistance to be felt by those most vulnerable members of the societies we live in.

These interventions included stationary donation to Russtasie School, school jerseys to Westlake Primary School, a copier/printer/fax to Nuystasie Primary School and school jerseys to Cascade Primary School.

The PSA encourages the active participation of structures in identifying possible social responsibility interventions in an effort to increase the Union's footprint in this regard, thereby reaching as many beneficiaries as possible.

PSA employment profile

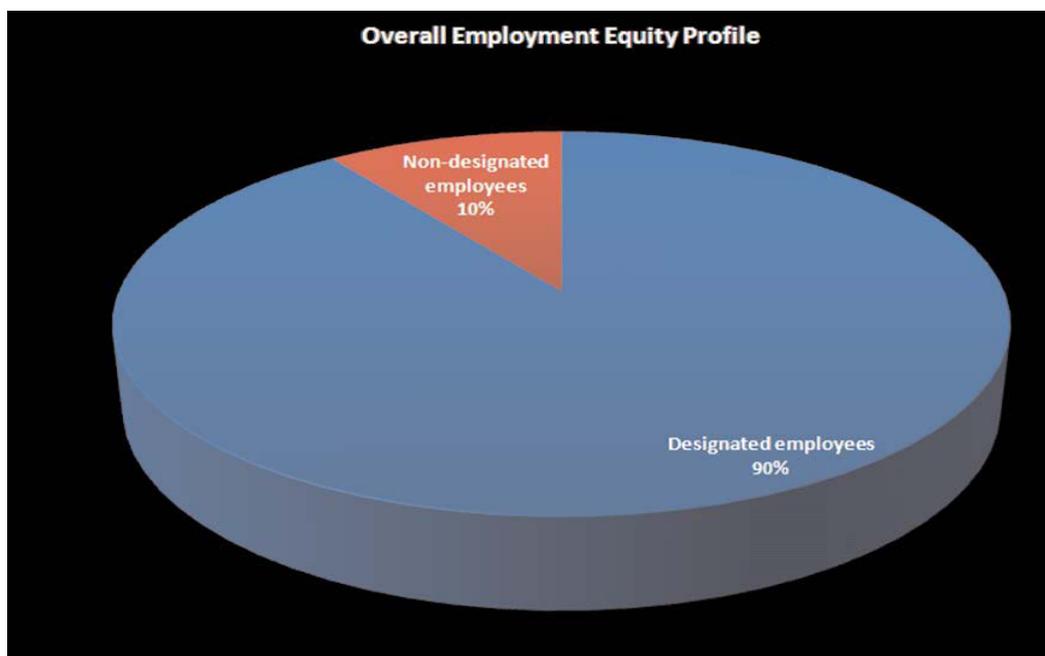
On 1 May 2012, the PSA commenced with the implementation of its new, approved Employment Equity Transformation Plan and Procedure for the five-year period 2012 to 2017. During the report period, i.e. 1 April 2013 to 31 March 2014, the PSA's overall workforce profile reflected an increase of 0,12% from 89,84% as at 31 March 2013 to 89,96% at the end of the period under review in respect of employees from designated groups. The overall goal for the said groups as at 31 March 2014 was determined at 93,07%. Employees from the non-designated group decreased from 10,16% at the end of March 2013 to 10,04% at the end of the report period. The PSA's representivity statuses in the respective occupational levels as at 31 March 2014 were as follows:

Occupational level	Overall designated target %	Current designated % (filled positions)	Current non-designated % (filled positions)
Top Management	93%	50%	50%
Senior Management	93%	75%	25%
Middle Management	80%	56,52%	43,48%
Junior Management	92%	92,47%	7,53%
Semi-skilled	93%	100%	0%
Unskilled	93%	100%	0%

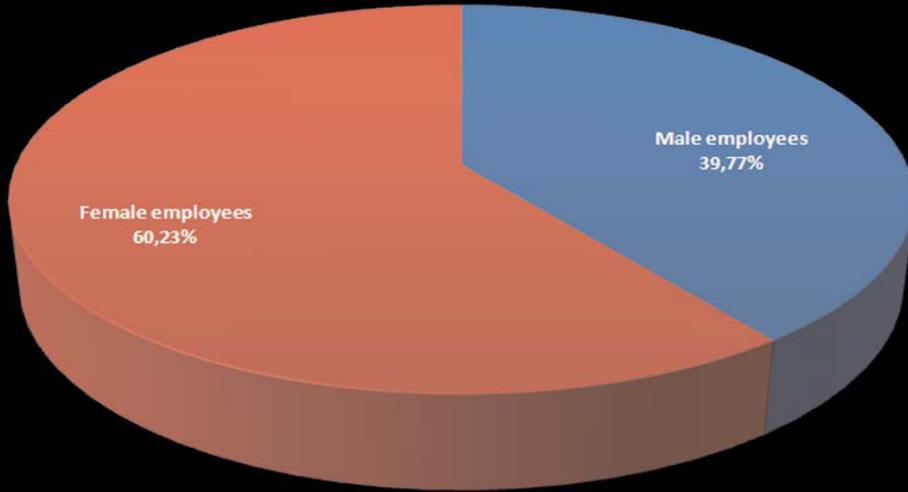
At the end of the report period, 39,77% of the PSA's workforce consisted of male employees, whilst 60,23% constituted female employees. The Economically Active Population of South Africa consists of 54,67% males and 45,33% females.

Since 31 March 2013, until the end of the period under review, 100% of employees recruited by the PSA came from the designated groups and 0% from the non-designated group. All employees promoted from within the PSA came from the designated groups (100%). All of the terminations (100%) for the said period also came from employees from the designated groups of which 12,50% were white females. Terminations from the non-designated group constituted 0%.

The PSA is committed to and has been working aggressively towards a transformed workplace, as reflected by the figures supplied. The slower progress made in the middle-management level may be attributed to the low turnover in this level at the PSA.

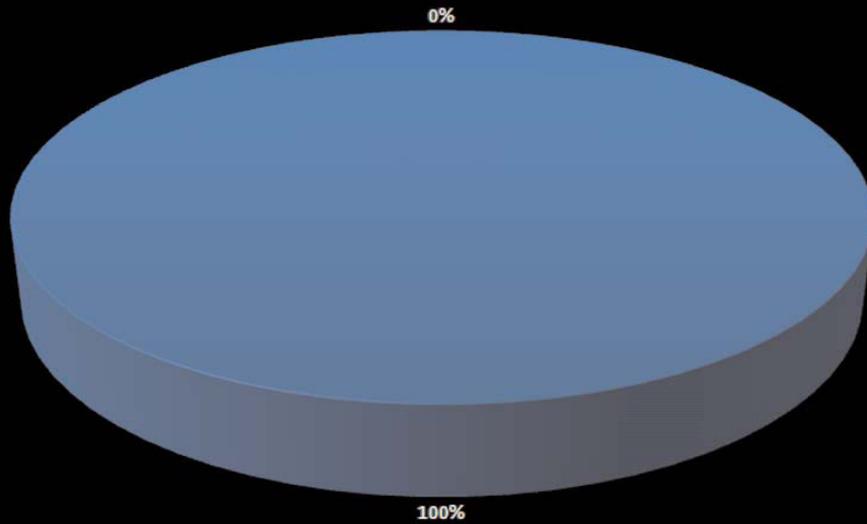


Employment Equity Profile: Gender

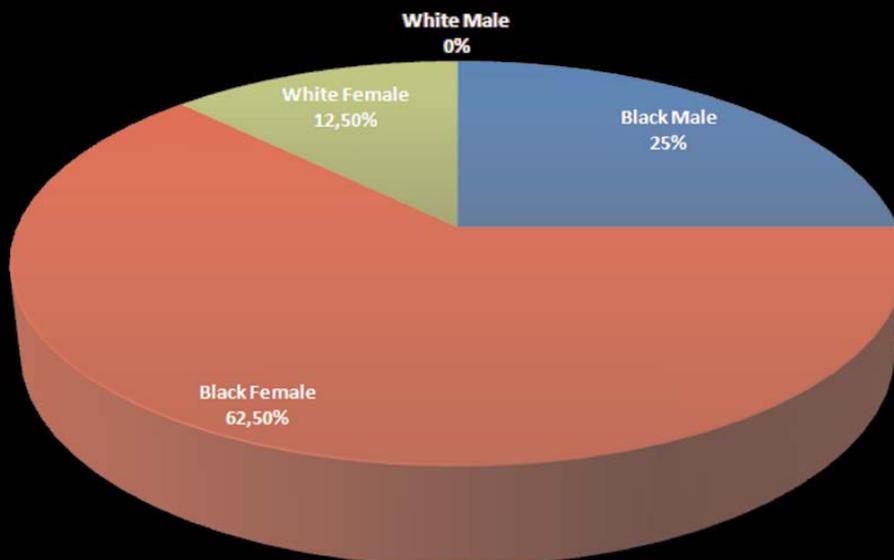


Employment Equity Profile: Recruitment

■ Designated employees ■ Non-designated employees



Employment Equity Profile: Terminations



Environmental footprint

The PSA is the owner of Farm 803, Quenera Mouth East, which is 184,2059 ha in extent. The PSA is also the holder of the mining rights, and holder of the mining authorisation and is actively mining on the property. The mine is approximately 15 km north of East London on the main road to Gonubie, close to the N2. The mine is an open-cast mine and the material being mined, by means of extraction by an excavator, is primarily building sand.

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

The PSA affirms the commitments to the *Mineral and Petroleum Resources Development Act* to, amongst others, protect the environment for the benefit of present and future generations. 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 consultants 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 consultants 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 monthly environmental audits to determine top-soil protection, removal and relocation of various plant species and the introduction of specific indigenous plants.

Aurecon also acts as liaison between the PSA and the Department of Mineral Resources to finally sign off all areas previously mined and fully rehabilitated.



Social and ethical conduct

The PSA's Code of Ethics is based on principles of the King Code III and addressed in the *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 interests of its members.

The PSA conducts its business operations as a "Non-Profit Company" of the *Companies Act, 2008* and in terms of its Memorandum of Incorporation (MOI) as of a Non-Profit Company (NPC), it has no share capital and the liability of its members is limited to one month's subscription in the event of dissolution.

The trade union activities of the PSA are its core business, while it also operates a holiday resort, sand mine and a Cell Captive Insurance Scheme under licence from Guardrisk Insurance Company Limited for the benefit of its members.

The Directors are required by the *Companies Act, 2008* to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements. The Directors acknowledge that they are ultimately responsible for the system of internal control established by the PSA and place considerable importance on maintaining a strong internal control environment. To assist the Directors in discharging its responsibility in this regard, the Audit and Risk Committee has oversight over financial governance and risk to assist the Board with its financial responsibility. The Board also established an Internal Audit Function to provide oversight to obtain reasonable assurance regarding management's assertions that objectives are achieved for effectiveness and efficiency of operations, reliability of financial information and compliance with laws and regulations.

The external auditors are engaged to express an independent opinion on the financial statements of the PSA. The PSA's auditors for the past four financial years have been PricewaterhouseCoopers Inc. PricewaterhouseCoopers Inc issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ending 31 March 2014.

The consolidated net profit of the PSA was R2 356 161 (2013: R5 430 153 profit).

The summarised financial performance of the different business divisions of the PSA is indicated under item 2 on page 6 of the financial statements.

The statement of cash flows indicates positive cash flows as at the end of the financial year.

According to the Board of Directors' report for the financial year ended 31 March 2014, the Financial Statements support the financial viability of the PSA and reflect the view that the PSA will be a going concern in the foreseeable future based on its potential to raise adequate revenue to meet its obligations. The Board of Directors would like to draw your attention to the Reconciliation of Equity paragraph 3 on page 7 of the Annual Financial Statements, which indicates the liquidity of retained income.

The audited detailed Financial Statements of the PSA for the year ended 31 March 2014 are fully set out from page 73 of this report, and do not, in our opinion, require further comment.



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

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2014

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Published 30 July, 2014



Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Employee organisation
Directors	Dr CV Dyantyi (President) Mr P Snyman (Chairperson) Mr MA Maepa (Vice-President) Mrs AC Rencken (Vice-Chairperson) Mr B Jacobs Miss OM Lefifi Mr AD McAnda Mr RD Moody Mr NS Ndllovu Mrs GF Masinga
Registered office	563 Belvedere Street Arcadia Pretoria 0007
Business address	563 Belvedere Street Arcadia Pretoria 0007
Postal address	PO Box 40404 Arcadia Pretoria 0007
Auditors	PricewaterhouseCoopers Chartered Accountants (S.A.) Registered Auditors South Africa
Secretary	Mr DZ Adonis
Company registration number	1942/015415/08
Tax reference number	9009987166
Preparer	The annual financial statements were internally compiled by: M Muller B.Com Hon (Fin Acc)

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

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Statement of Changes in Equity	13
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Preparer

M Muller
B.Com Hon (Fin Acc)

Published

30 July, 2014

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Audit and Risk Committee Report

This report is provided by the Audit and Risk Committee appointed in respect of the 2014 financial year of Public Servants Association of South Africa NPC.

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of the company and include:

Name	Tenure	Audit and Risk Committee meetings attended
Mr RD Moody	24 October 2012	3 out of 3
Miss OM Lefifi	24 October 2012	3 out of 3
Dr CV Dyantyi	27 March 2012	3 out of 3
Mr P Snyman	25 August 2010	3 out of 3

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

2. Meetings held by the Audit Committee

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

The committee held 3 scheduled meetings during 2014 and the members of the committee attended the meetings as indicated above.

3. External auditor

The audit committee has nominated PricewaterhouseCoopers Inc. as the independent auditor and Nezira Ayob as the designated partner, who is a registered independent auditor, for appointment of the 2014 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Annual Financial Statements

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

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

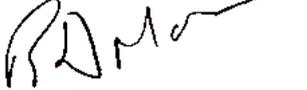
Annual Financial Statements for the year ended 31 March, 2014

Audit and Risk Committee Report

5. The Effectiveness of Internal Control and Risk Management

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

On behalf of the audit committee



RD Moody
Chairman Audit and Risk Committee

Pretoria

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

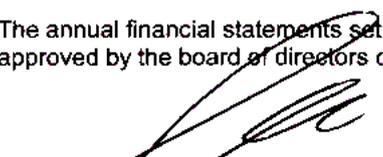
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards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

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

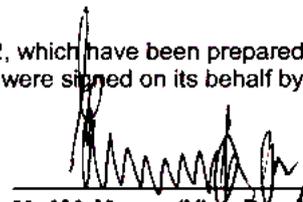
The directors have reviewed the company's cash flow forecast for the year to 31 March, 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 9 to 10.

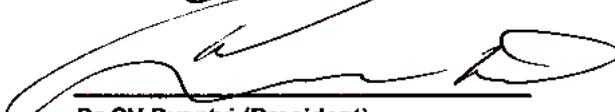
The annual financial statements set out on pages 6 to 52, which have been prepared on the going concern basis, were approved by the board of directors on 30 July, 2014 and were signed on its behalf by:



Mr P. Snyman (Chairperson)



Mr MA Maepa (Vice-President)



Dr CV Dyantyi (President)

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Public Servants Association of South Africa NPC for the year ended 31 March, 2014. The financial statements is for an individual entity.

1. Liability of members

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

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

2. Review of financial results and activities

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

As an employee organisation, the Public Servants Association of South Africa NPC (PSA) is recognised and admitted to the various relevant bargaining councils to protect and promote the individual and collective rights and interests of its members. Apart from the aforementioned function the company is also involved in other operations in the interest of its members.

The PSA Insurance Services operates under license from Guardrisk Insurance Company Ltd. According to the agreement the company shares in the profits and losses of the undertaking.

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

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment. The financial performance and position of the PSA business divisions are tabled below:

Reconciliation of net income	Membership	Holiday resort accommodation	Sand	Cell Captive	Total
2014					
Income	230,720,674	658,237	1,254,960	40,752,487	273,386,358
Cost of sales	(45,038)	-	(40,760)	(1,935,744)	(2,021,542)
Other income	2,545,649	48,796	-	80,697	2,675,142
Employee costs	(139,348,622)	(1,065,841)	(532,720)	-	(140,947,183)
Other expenses	(99,962,697)	(697,594)	(92,825)	(35,419,126)	(136,172,242)
Property revaluation	3,709,123	-	-	-	3,709,123
Other comprehensive income	1,726,505	-	-	-	1,726,505
	(654,406)	(1,056,402)	588,655	3,478,314	2,356,161
2013					
Income	220,776,132	599,641	1,636,553	46,605,130	269,617,456
Cost of sales	(173,548)	-	(48,965)	(2,098,333)	(2,320,846)
Other income	3,607,255	13,731	-	1,528,745	5,149,731
Employees costs	(128,432,144)	(877,692)	(465,192)	-	(129,775,028)
Other expenses	(95,966,025)	(627,337)	(699,369)	(41,668,006)	(138,960,737)
Property revaluation	(133,660)	-	-	-	(133,660)
Other comprehensive income	1,853,237	-	-	-	1,853,237
	1,531,247	(891,657)	423,027	4,367,536	5,430,153

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Directors' Report

Reconciliation of net assets 2014	Membership	Holiday resort accommodation	Sand	Cell Captive	Total
Assets	98,937,258	3,951,011	127,147	39,449,372	142,464,788
Liabilities	(31,470,633)	(25,200)	(835,057)	(12,183,496)	(44,514,386)
	<u>67,466,625</u>	<u>3,925,811</u>	<u>(707,910)</u>	<u>27,265,876</u>	<u>97,950,402</u>

Reconciliation of net assets 2013	Membership	Holiday resort accommodation	Sand	Cell Captive	Total
Assets	99,117,235	4,097,453	127,660	38,924,504	142,266,852
Liabilities	(30,646,672)	(29,882)	(859,113)	(15,136,944)	(46,672,611)
	<u>68,470,563</u>	<u>4,067,571</u>	<u>(731,453)</u>	<u>23,787,560</u>	<u>95,594,241</u>

3. Reconciliation of Equity

Equity

Non Distributable Reserves

Capital Development Reserve	2,000,000	2,000,000
Social and Welfare Reserve	1,000,000	1,000,000
Strike Reserve	2,000,000	2,000,000
Funeral Benefit Reserve	3,000,000	3,000,000
General Reserve	6,686,448	6,686,448
Swedish AIDS Education Fund Reserve	37,420	37,420
Stiglingh Reserve	536,878	530,797
Insurance Reserve	5,709,320	5,709,320
Sand Rehabilitation Reserve	3,500,000	3,500,000
Revaluation Reserve	11,659,649	7,950,526
Mark to Market Reserve	4,506,796	2,786,375
Cell Captive Insurance Contract Reserve	27,265,877	23,787,560
	<u>67,902,388</u>	<u>58,988,446</u>

The following retained income reconciliation indicate the the liquidity of retained income.

Retained Income

Cash and cash equivalents (Excluding Cell Captive)	14,743,923	12,842,294
Other assets (Non cash assets)	15,304,091	23,763,501
	<u>30,048,014</u>	<u>36,605,795</u>

4. Insurance and risk management

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

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Annual Financial Statements for the year ended 31 March, 2014

Directors' Report

5. Directorate

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

Directors	Office	Designation	Changes
Dr CV Dyantyi (President)	President	Non-executive Independent	
Mr MP Tlowana (Vice-President)	Vice- President	Non-executive Independent	Term ended 16 September, 2013
Mr P Snyman (Chairperson)	Chairperson	Non-executive Independent	
Mr MA Maepa (Vice-President)	Vice-President	Non-executive Independent	Elected on 16 September 2013
Mrs AC Rencken (Vice-Chairperson)	Vice-Chairperson	Non-executive Independent	
Mr B Jacobs	Other	Non-executive Independent	
Miss OM Lefifi	Other	Non-executive Independent	
Mr AD McAnda	Other	Non-executive Independent	
Mr RD Moody	Other	Non-executive Independent	
Mr NS Ndlovu	Other	Non-executive Independent	Elected 16 September, 2013
Mrs GF Masinga	Other	Non-executive Independent	Elected 16 September, 2013
Adv R Daniels (President)	President	Non-executive Independent	Term ended 16 September, 2013

In terms of the company's Memorandum of Incorporation Mr Dr CV Dyantyi (President), Mr MA Maepa (Vice-President) and Mrs AC Rencken (Vice-Chairperson) Mr NS Ndlovu and Mrs GF Masinga were elected at the AGM and are eligible for re-election.

Adv R Daniels resigned as a non-executive director effective 16 September, 2013, and Mr MP Tlowana's (Vice-President) term ended as a non-executive director effective 16 September, 2013. The Dr CV Dyantyi (President) expressed his sincere appreciation to the outgoing directors for their contributions during their respective periods of office.

6. Events after the reporting period

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

7. Auditors

PricewaterhouseCoopers continued in office as auditors for the company for 2014.

8. Secretary

The company secretary is Mr DZ Adonis.

9. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 30 July, 2014. No authority was given to anyone to amend the annual financial statements after the date of issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLIC SERVANTS ASSOCIATION OF SOUTH AFRICA NPC

We have audited the financial statements of the Public Servants Association of South Africa NPC set out on pages 11 to 52, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

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Africa Senior Partner: S P Kana

Management Committee: H Boegman, T P Blandin de Chalain, B M Deegan, J G Louw, P J Mothibe, N V Mletwa, T D Shango, S Subramoney, A R Tlaskani, F Tonelli
The Company's principal place of business is at 2 Eglon Road, Sunninghill where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682



entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Servants Association of South Africa NPC as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: N Ayob

Registered Auditor

Pretoria

31 July 2014

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The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174882

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Statement of Financial Position as at 31 March, 2014

	Note(s)	2014 R	2013 R	2012 R
Assets				
Non-Current Assets				
Property, plant and equipment	4	38,836,470	37,268,708	37,071,853
Intangible assets	5	8,863,687	13,049,769	11,327,388
Other financial assets	6	23,554,202	26,756,779	26,507,269
Motor vehicle loans	7	4,593,124	5,184,130	2,661,170
		75,847,483	82,259,386	77,567,680
Current Assets				
Inventories	8	1,002,014	-	222,513
Other financial assets	6	525,570	525,570	511,870
Cell captive insurance contract		27,265,877	23,787,560	19,420,024
Trade and other receivables	9	6,961,326	4,202,213	4,301,411
Motor vehicle loans	7	3,721,447	3,505,921	4,842,945
Staff loans		20,836	6,964	11,086
Cash and cash equivalents	10	14,743,923	12,842,294	13,157,015
		54,240,993	44,870,522	42,466,864
Total Assets		130,088,476	127,129,908	120,034,544
Equity and Liabilities				
Equity				
Reserves		67,902,388	58,988,446	52,901,332
Retained income		30,048,014	36,605,795	37,262,756
		97,950,402	95,594,241	90,164,088
Liabilities				
Non-Current Liabilities				
Finance lease obligation	12	1,225,186	562,450	1,813,812
Retirement benefit obligation	14	3,515,000	3,515,000	3,111,000
Provision	13	835,057	859,113	300,000
		5,575,243	4,936,563	5,224,812
Current Liabilities				
Finance lease obligation	12	738,096	1,610,110	2,918,226
Trade and other payables	16	19,833,599	18,738,988	16,631,294
Retirement benefit obligation	14	153,000	153,000	152,000
Provision	13	5,838,136	6,097,006	4,944,124
		26,562,831	26,599,104	24,645,644
Total Liabilities		32,138,074	31,535,667	29,870,456
Total Equity and Liabilities		130,088,476	127,129,908	120,034,544

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Annual Financial Statements for the year ended 31 March, 2014

Statement of Comprehensive Income

	Note(s)	2014 R	2013 R
Revenue	22	232,633,871	223,783,652
Cost of sales		(85,798)	(222,513)
Gross profit		232,548,073	223,561,139
Other income	23	1,071,430	996,575
Operating expenses		(240,681,375)	(225,911,811)
Operating (loss) / profit		(7,061,872)	(1,354,097)
Investment revenue	25	1,523,015	1,853,084
Finance costs	26	(1,018,924)	(1,155,948)
(Loss) / profit for the year		(6,557,781)	(656,961)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains and losses on property revaluation		3,709,123	(133,660)
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		6,081	5,227
Available-for-sale financial assets adjustments		1,720,424	1,848,010
Cell Captive insurance contract	11	3,478,314	4,367,537
Total items that may be reclassified to profit or loss		5,204,819	6,220,774
Other comprehensive income for the year	28	8,913,942	6,087,114
Total comprehensive income for the year		2,356,161	5,430,153

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Annual Financial Statements for the year ended 31 March, 2014

Statement of Changes in Equity

	Funds		Revaluation reserve		Mark-to-Market Reserve and Cell Captive insurance contract		Other non-distributable reserves		Total reserves		Retained income		Total equity	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Balance at 01 April, 2012	525,570	8,084,186	20,358,388	23,933,188	52,901,332	37,262,756	90,164,088							
Loss for the year	-	-	-	-	-	(656,961)	(656,961)							
Other comprehensive income	5,227	(133,660)	6,215,547	-	6,087,114	-	6,087,114							
Total comprehensive Loss for the year	5,227	(133,660)	6,215,547	-	6,087,114	(656,961)	5,430,153							
Balance at 01 April, 2013	530,797	7,950,526	26,573,935	23,933,188	58,988,446	36,605,795	95,594,241							
Loss for the year	-	-	-	-	-	(6,557,781)	(6,557,781)							
Other comprehensive income	6,081	3,709,123	5,198,738	-	8,913,942	-	8,913,942							
Total comprehensive Loss for the year	6,081	3,709,123	5,198,738	-	8,913,942	(6,557,781)	2,356,161							
Balance at 31 March, 2014	536,878	11,659,649	31,772,673	23,933,188	67,902,388	30,048,014	97,950,402							
Note(s)	18&28	19&28	21&28	20		28								

Public Servants Association of South Africa NPC

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Trading as PSA

Annual Financial Statements for the year ended 31 March, 2014

Statement of Cash Flows

	Note(s)	2014 R	2013 R
Cash flows from operating activities			
Cash receipts from members and customers		234,498,320	218,553,028
Cash paid to suppliers and employees		(236,966,699)	(212,061,905)
Cash generated from (used in) operations	29	(2,468,379)	6,491,123
Interest income		1,523,015	1,853,084
Finance costs		(1,018,924)	(1,155,948)
Net cash from operating activities		(1,964,288)	7,188,259
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(3,191,245)	(4,941,937)
Sale of property, plant and equipment	4	134,971	129,351
Purchase of other intangible assets	5	-	(3,062,643)
Expenditure on product development	5	82,887	3,989
Movement Cell Captive insurance contract		3,478,316	4,367,537
Movement in financial assets		3,202,577	(263,210)
Motor vehicle loans granted		(4,280,430)	(2,522,960)
Motor vehicle loans repaid		4,655,910	1,337,022
Staff Loan Repaid		52,278	4,122
Staff Loan Granted		(66,150)	-
Net cash from investing activities		4,069,114	(4,948,729)
Cash flows from financing activities			
Movement in funds (capitalised)		6,081	5,227
Finance lease payments		(209,278)	(2,559,478)
Net cash from financing activities		(203,197)	(2,554,251)
Total cash movement for the year		1,901,629	(314,721)
Cash at the beginning of the year		12,842,294	13,157,015
Total cash at end of the year	10	14,743,923	12,842,294

