



EFF STATEMENT FOLLOWING MEETING WITH DEPARTMENT OF LABOUR, CCMA AND NATIONAL BARGAINING COUNCIL REGARDING FAILURE OF PRIVATE SECURITY COMPANIES TO PAY BENEFITS AND PENSION FUNDS OF WORKERS

Thursday, 22 February 2024

The Economic Freedom Fighters (EFF), led by the Head of the Labour Desk and Workers Committee Commissar Hlengiwe Mkhali met with representatives from the Department of Labour, the National Bargaining Council and the Commission for Conciliation, Mediation and Arbitration (CCMA), on the 22nd of February 2024 at the National Bargaining Council Offices in Midrand, Johannesburg.

This meeting sat to address the ongoing crisis within the private security company's sector, which has seen 2 224 private security companies deduct money from the salaries of security guards on the basis that it would be contributed to benefits, yet failed to contribute this money to the relevant health benefit funds, pension funds and provident funds that this money was deducted for. These criminal actions, which the EFF has correctly characterized as mass-scale theft from workers has resulted in up to R6 billion in workers monies being stolen, through lack of compliance with Section 13A of the Pension Funds Act.

The meeting follows a letter written to the Minister of Labour Thulas Nxesi by the EFF, on the 15th of January 2024 bringing the matter to his attention, and a march by the EFF to the Department of Labour on the 01st of February 2024, wherein in both the letter and the march, the EFF called for compliance to be enforced on these private security companies, and failure to do so must result in their operating licenses being revoked.

In terms of a report, the Private Security Sector Provident Fund (PSSPF), which was represented by a trustee in the meeting, revealed that of the 2 224 non-compliant companies, only forty (40) companies have been taken to court to enforce their compliance to health and pension fund contributions, this after they have deducted money from the salaries of security guards for this purpose.

The PSSPF, along with the National Bargaining Council raised a sharp concern that government departments were awarding tenders to the cheapest bidders in the private security sector, resulting in the appointment of security companies that do not have the financial means to contribute to the workers benefits they are obliged to pay towards to by law. Additional to this, the Bargaining Council pleaded that before government departments award tenders to security companies, they ought to request compliance certificates, in order to ensure that companies that violate the labour laws of South Africa are not contracted by government.

These revelations surrounding government departments, reveal a startling a deep-rooted corruption, where the tendering system being used by government and its departments is complicit in massive worker exploitation.

As a result, the meeting resolved on the following:

- a) The Department of Labour, through the Minister of Labour Thulas Nxesi will write to the Minister of Finance and Treasury, to appraise them of the prevalence of private security companies that are appointed by government, yet are in violation of Section 13A of the Pension Fund Act and relevant labour laws;
- b) The Department of Labour, through consultation with the EFF and the National Bargaining Council will submit a list to Treasury of all private security companies that are contracted by government departments, and have been deducting money from the salaries of workers under the pretense of contributing to their pension funds, yet have not done so;

As the EFF we commit to do the following;

1. The EFF will write to the Minister of Finance to conduct a thorough audit of all contracts with security companies by government departments and local government municipalities, in order to assess their compliance with Section 13A of the Pension Fund Act and their compliance with labour laws in relation to health and provident fund contributions.
2. All private security companies who are contracted by government and are non-compliant, must be provided with 3-months to repay workers monies to their pension funds should they still be active in the sector, or to workers directly should they be retired. Failure to do so must result in immediate cancellation of their contracts.

We have further noted the complete lack of cooperation by the Private Security Industry Regulatory Authority (PSIRA) with both the Department of Labour and the National Bargaining Council, despite consistent attempts for engagement and their role as an accreditor of operating licenses in the private security sector. Their arrogance and refusal to engage, means these critical stakeholders, government included, cannot access the necessary data to conduct their work and ensure that the money which has been stolen from workers is recovered.

We are left with no option but to believe that PSIRA is in direct collusion with private security companies that are not compliant with South Africa's Labour Laws, and that PSIRA draws a monetary benefit from the exploitation of workers. The EFF will approach PSIRA for an engagement on how companies under their regulatory authority can be held accountable, and should they continue with their arrogance, we will be left with no option but to assume mass-protest action against them.

The EFF remains the only shield for workers in South Africa and the most dependable force that will fight for workers interests against a corrupt private sector. We encourage all workers to come forward and expose exploitation in their workplace both in the public and private sector.

In the interests of public transparency, the EFF shares below a link that names and shames all private security companies that are not compliant with contributions to the

pension funds of workers, as compiled by the Financial Sector Conduct Authority (FSCA).

If a company you work for appears below and your pension fund has not been paid, feel free to contact the EFF on all its social media platforms for justice:

https://effonline.org/wp-content/uploads/2024/02/Annexure-A_30.04.2023-List-of-employers.pdf

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ISSUED BY THE ECONOMIC FREEDOM FIGHTERS


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