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MEMORANDUM OF DEMANDS

1. We, the members of AWU, KAWU, NUMSA, SANSAWF, SATAWU and the Progressive Unions organising in the Private Security Sector, note with disgust the ongoing challenges we continue to face and confront daily, as security officers in South Africa. We come here today to declare that PARLIAMENT and its **Standing Committee on Finance** is complicit to the exploitation of security officers in the Republic of South Africa.
2. Several security companies in this country, including some working for the state, are under fire for failing to provide their workers with agreed upon benefits despite deducting millions of Rands from their salaries as part of a National Bargaining Council for Private Security Sector (NBCPSS) Main Collective Agreement. This fraudulent and irregular deductions deny security officers their well-deserved benefits including healthcare insurance and provident fund.
3. We are angry that the **Standing Committee on Finance** does absolutely nothing when non-compliant security companies routinely steal from the salaries of poor security officers.
7. We are aggrieved that the **Standing Committee on Finance** allows government departments and municipalities to continue to outsource from the unscrupulous companies involved in this alarming exploitation of poor security officers.
8. Last year the Financial Sector Conduct Authority (FSCA) reported that an astonishing 2 224 security companies had failed to pay over their employees' retirement fund contributions to the PSSPF.
9. Also, the Office of the Pension Funds Adjudicator (PFA) reported that there were as many as 2 477 matters related to errant employers between 1 April 2022 and 31 March 2023.

10. Despite, this well documented and publicised mass-scale theft, National Treasury has not done anything to ensure that these unscrupulous security companies are stopped from receiving contracts and tenders from the state.
11. There are 10 372 non-compliant security companies operating with gay abandon in South Africa. Many of these non-compliant companies are contracted to the government including protecting our National Key Points.
12. **THIS IS FRAUD AT A GRAND SCALE AND IT'S NOT ACCEPTABLE.** These companies had failed to register their security officers with the designated healthcare insurance provider, as per the Main Collective Agreement. Alas, many security companies employed by the state do not pay over these premiums to the designated service provider. Likewise, it is estimated that no less than R67 million per month of security officers' worth of healthcare benefits either remains in the balance sheets of security firms (where it is siphoned to the bank accounts of greedy bosses and senior managers) or channelled to unscrupulous service providers pretending to be the designated service providers.
13. Also, many security companies doing business with the Government had not registered their security officers with the PROVIDENT FUND, even though they are deducting money for "provident fund" every month. These irregular deductions and withholding of premiums by security service providers adversely affects security officers when they retire, or their contracts terminated which is a common occurrence in the sector. The Unions are aware that this Provident Fund withheld by non-compliant companies, which amounts to about R145 million per month, ends up in the pockets of bosses and senior managers of these as dividends and bonuses, respectively.
14. This grand theft, fraud and exploitation of security officers is not only a general disregard of the law but a major risk to the reputation of both National Treasury and the **Standing Committee on Finance**.

What Did the Unions Do?

15. We have taken legal action against some companies. We have petitioned Provincial Treasury Departments and Premiers. We have petitioned regulators such as The **Financial**

Sector Conduct Authority (FSCA) to probe and stop the conduct of these non-compliant companies.

16. We are now here to deliver our anger to PARLIAMENT.
17. The **Standing Committee on Finance** has an obligation to ensure that the laws of the Republic are adhered to in ensuring an efficient and effective use of the resources of the state.
18. The **Standing Committee on Finance** oversees the National Treasury **and statutory entities such as** the Office of the Pension Funds Adjudicator.
19. The **Standing Committee on Finance** should be the first to worry when non-compliant security companies routinely steal “PROVIDENT FUNDS” of security officers. We are also disappointed that in addition to the difficult job we have, it has also become our task to remind, CHAIRPERSON, of your responsibilities as **Standing Committee on Finance**.
20. Therefore, restoring and maintaining the livelihood of security officers is not a favour but rather a function of fulfilment of the National Democratic Revolution.
21. We hope you appreciate our patience. We are workers with human rights. Our rights are enshrined in the CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA.
22. One of your primary responsibilities is to ensure full compliance and adherence to the country's laws. When you allow the violation of these laws and the Main Collective Agreements by the non-compliant security companies that are contracted to government, you violate us and our families.
23. As progressive trade unions, we shall refuse to have to apologize for standing up for the poor and the working class. We shall never apologise for asserting workers' constitutional rights. We shall never apologise for demanding a better life for our members; quality healthcare; provident fund; minimum wage and overtime pay as well as the allowances due to workers as per the Labour Relations Act and the Main Collective Agreement.
24. Resolute in our action against white-collar crime, and believing in workers' unity, we trust that the working class can be the catalyst for radical transformation. Workers must unite and fight back against this vicious attack on their livelihoods, health and lives.

WE, THEREFORE CALL ON THE CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE TO TAKE COGNISANCE OF THE FOLLOWING DEMANDS AND RESPOND ACCORDINGLY, WITHOUT DELAY:

- 1.** We call on the **CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE to show leadership and** call for the termination all contracts with non-compliant companies. Terminating all these companies will demonstrate that the **CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE** refuses to be an enabler of fraud, corruption and the general exploitation of security officers in the **country**.
- 2.** It is our humble demand that the **CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE** call on National Treasury to make it a requirement for all companies that are currently providing security services to be compliant with the Main Collective Agreement and supply chain management laws and regulations.
- 3. Revise Supply Chain Requirements to Ensure Full Compliance with the Collective Agreements.** It must be a requirement for bidders to comply with the Main Collective Agreement. To this end, National and Provincial Governments as well as State Owned Entities must never award a security services contract to a bidder without an authentic certificate of registration and/or letter of good standing from the National Bargaining Council for Private Security Sector.
- 4.** Security companies that routinely flout the **Preferential Procurement Policy Framework Act must** not be allowed to do business with the state.

FAILURE TO RESPOND

- 5.** We demand a reply within seven (7) days. Failure to do so will leave us with no other option but to intensify our actions against the exploitation of security officers in this Republic. No company, no state-owned company, no provincial government department must do business with thieves, fraudsters and the corrupt.
- 6.** We will never look away and pretend that that theft, fraud, and corruption is normal. We call on you chairperson to fight theft, corruption and fraud.
- 7.** We will also petition the country's president Mr Cyril Ramaphosa to authorise the Special Investigation Unit (SIU) to investigate all the National, SOEs and Provincial Departments that award non-complaint companies with security contracts.

Presented by:

1. **AWU:** Name: _____

Date: _____ Signature: _____

2. **KAWU:** Name: _____

Date: _____ Signature: _____

3. **NUMSA:** Name: _____

Date: _____ Signature: _____

4. **SANSAWF:** Name: _____

Date: _____ Signature: _____

5. **SATAWU:** Name: _____

Date: _____ Signature: _____

Received by Chairperson of the Standing Committee of Finance on behalf of the **Standing Committee of Finance.**

Name: _____

Date: _____

Signature: _____