073 564 6143 info@awudbn.org.za
083 536 0547 vusi@detawu.org.za
(011) 689 1700/1/2/3 frederickm@numsa.org.za
(011) 403 2077 info@satawu.org.za
073 609 0178 maokodikeledi@gmail.com

MEMORANDUM OF DEMANDS

We, the members of AWU, DETAWU, NUMSA, SANSAWF, SATAWU and the Progressive Unions organising in the Private Security Sector, representing a sizeable number of members; and noting the ongoing challenges we continue to face and confront daily, come here today to declare that Minister of Finance Mr Enoch Godongwana is complicit to the exploitation of security officers in the Republic of South Africa.

We note with appreciation the Minister's recent directive compelling municipalities to pay water boards, enforcing accountability through the withholding of transfers under Section 216(2) of the Constitution. This decisive action proves that National Treasury can act firmly against institutions that defy financial and legal obligations.

However, we are deeply concerned that no equivalent enforcement exists against non-compliant private security companies — many of which continue to enjoy lucrative state contracts while routinely stealing from the poorest workers in the Republic.

The ongoing revelations from the Madlanga Commission of Inquiry into Criminality, Political Interference, and Corruption in the Criminal Justice System have exposed a shocking web of infiltration by criminal syndicates into state institutions, including law enforcement and associated sectors like private security. These disclosures underscores the urgent need for Treasury to sever these corrupt ties, as failure to do so implicates the state in funding criminal networks that undermine public safety and economic integrity.

2. CONTEXT: A SECTOR IN CRISIS

Thousands of security companies, including hundreds contracted to **government**, are under fire for failing to provide their workers with agreed upon benefits despite deducting millions of Rands from their salaries. This fraudulent and irregular deductions deny workers their well-deserved benefits including healthcare insurance and provident fund.

We are aggrieved that **Mr Enoch Godongwana** does not only allow non-compliant security companies to operate freely in the country but also continue to allow government entities to outsource from the companies involved in this alarming exploitation of poor security officers.

The National Bargaining Council for the Private Security Sector (NBCPSS) Main Collective Agreement (MCA), extended to February 2027, regulates wages, benefits, and conditions for security officers.

Despite this, compliance has collapsed nationally:

- Of the 11,372 registered private security companies operating in South Africa, less than 2 000 are fully compliant.

- The Financial Sector Conduct Authority (FSCA) has identified 2,224 companies that failed to pay over retirement fund contributions.

- The Pension Funds Adjudicator received 2,477 complaints in one year regarding unpaid benefits. Even so, many security companies doing business with the Government had not registered their security officers with the Private Security Sector Provident Fund even though they are deducting money for "provident fund" every month. This adversely affects security officers when they retire, or their contracts terminated which is a common occurrence for security officers. Not paying over money to the designated provident fund is fraud and in violation of the Main Collective Agreement in the Sector.

- Approximately R145 million is stolen from workers' provident fund deductions, every month.

- About R67 million per monthly in medical insurance contributions is stolen from security officers.

- Millions more are stolen from security officers through the non-payment of the Unemployment Insurance Fund (UIF). This fraud exposes the security officers to catastrophic spending when they are between jobs. Poorly paid workers are always at the risk of sinking even further into poverty because of the adverse effects of contract termination, dismissals, illness and injuries on duty.

These are not just administrative errors — this is organised wage theft, enabled by state institutions that continue to contract offenders.

The Madlanga Commission's hearings have further illuminated this crisis, revealing how criminal syndicates have infiltrated private security firms to facilitate tender fraud and contract killings. It is sad, Minister Godongwana, that these non-compliant security providers exploit procurement loopholes to divert state funds intended for worker benefits into their bottomless pockets.

3. GOVERNMENT COMPLICITY AND OVERSIGHT FAILURE

The Minister of Finance and National Treasury have allowed the continued outsourcing of security contracts to non-compliant companies, including those guarding national key points and government buildings.

The ongoing Madlanga Commission's interim findings warn of a "tight knot of criminality" involving the private security sectors, where state procurement unwittingly (or deliberately) bankrolls these operations.

Just as you required municipalities to prove payment to water boards before receiving transfers, we demand that government entities prove compliance with labour and collective bargaining laws before contracting private security providers. Treasury's inaction perpetuates this state capture, eroding public trust in both justice and fiscal governance.

4. OUR DEMANDS

A. Immediate Exclusion of Non-Compliant Security Companies

1. Cancel all contracts with private security firms that are not fully compliant with the Main Collective Agreement (MCA). We DEMAND that the same resolve National Treasury showed in withholding funds from municipalities indebted to water boards must now be shown toward departments, municipalities, and State-Owned Enterprises (SOEs) that fund labour exploitation through procurement.

2. Blacklist such companies from all future tenders unless they can provide:

- A valid Private Security Industry Regulatory Authority (PSiRA) registration and certificate of good standing;
- A valid NBCPSS letter of good standing;
- Proof of registration and payment with the Private Security Sector Provident Fund (PSSPF) and designated health insurance provider.

B. Compulsory Compliance in Procurement

1. Amend all tender and RFQ/RFP documentation to make MCA compliance a mandatory pre-qualification criterion.

2. Introduce compliance verification at the adjudication and award stages of procurement.

3. Establish a National Compliance Registry accessible to all supply chain officials across all tiers of government.

C. Accountability and Sanctions

1. Enforce consequence management for accounting officers and SCM officials who ignore compliance checks.

2. Refer all implicated companies and complicit officials to the Special Investigating Unit (SIU) and National Prosecuting Authority (NPA) for investigation and prosecution.

D. Regulation of Learnership Exploitation

1. Prohibit the abuse of learnerships and cooperatives used to bypass MCA obligations.

2. Declare such fraudulent “training” schemes as a form of modern-day slavery, warranting criminal sanction.

E. Treasury Enforcement Framework

1. Expand Treasury’s enforcement mechanism used against defaulting municipalities to include non-compliant state contractors.

2. Withhold equitable share or conditional grants from organs of state that persist in contracting non-compliant security providers.

5. OUR PRINCIPLE

Security officers are frontline workers — protecting communities, state assets, and critical infrastructure — yet they remain victims of systemic fraud and state-enabled exploitation.

Just as Treasury acted to protect the sustainability of water boards, it must now act to protect the livelihoods of workers whose funds and futures are being stolen. The Madlanga Commission's exposure of cartel infiltration demands that Treasury treat private security procurement not as routine business, but as a frontline in the war against organised crime.

6. DEADLINE AND ESCALATION

We demand a formal written response within seven (7) working days of receipt of this memorandum.

Failure to act will compel us to:

- Escalate lawful protest and mobilisation under the #PayBackTheMoney campaign;

- Petition the President of the Republic to authorise an SIU investigation into all departments and SOEs contracting non-compliant companies, building on Madlanga Commission findings;

- Publicly expose all organs of state that continue to violate the Main Collective Agreement and procurement laws.

7. CONCLUSION

Minister, your decisive intervention in the municipal water board crisis has demonstrated that Treasury can lead from the front when governance collapses.

We now demand the same resolve to end the theft of billions from the poorest workers in the security sector. There can be no “value for money” in government procurement when that money is stolen from the working class and funnelled into the hands of greedy bosses and alleged operatives of cartels.

Presented by:

1. **AWU**: Name:____

   Signature: ______________________

2. **DETAWU**: Name: ____

   Signature: ______________________

3. **NUMSA**: Name: ____

   Signature: ______________________

4. **SANSAWF**: Name: ____

   Signature: ______________________

5. **SATAWU**: Name: ____

   Signature: ______________________

Received by Minister of Finance on behalf of the **NATIONAL TREASURY OF THE REPUBLIC OF SOUTH AFRICA.**

Name: ____

DESIGNATION: ____

SIGNATURE: ____

DATE: ____