



## Nasionale Nuusbrief / National Newsletter 09B/2018

19/03/2018

### NEWSLETTER FROM THE SAOU STANDING COMMITTEE TO MEMBERS REPORT PUBLISHED IN THE RAPPORT NEWSPAPER, 18 MARCH 2018

Dear SAOU Member

The National Standing Committee of the SAOU is made up of the President and the nine provincial Chairpersons. The following newsletter is sent to give you the SAOU's perspective on the published report.

#### 1. RAPPORT 18 MARCH 2018

You may well have seen the article that appeared in the Rapport of 18 March 2018 in which the remuneration package of the Chief Executive Officer (General Secretary), of the SAOU was reported on. Similar articles appeared in certain other local papers.

You can make your own informed decision regarding whether or not the article is balanced, once you have considered the facts contained in this newsletter.

#### 2. STRUCTURE OF THE BROADER EDUCATION GROUP OF WHICH THE SAOU IS A PART

As explained in the earlier Newsletter 02/18 it is important to understand the structure of the broader education grouping of which the SAOU, SAEF, TOOM and FINSA (among others), are a part.

2.1 As a general principle, income (if any), that is generated is channelled through TOOM (TO Strand) and FINSA, to SAEF.

2.2 SAEF is thus the so-called legal asset holder (repository) in which fixed property, investments and movable assets are held.

2.3 The objectives of SAEF are set out in their founding document:

*"The main objective of the Foundation is to research, promote and support the development and effective maintenance of a South African education System based on professional excellence and fundamental human rights.*

*To this end, and without derogating from the generality of the main objective, the Foundation shall promote the research and development of an effective partnership between educators, learners and parents by any means which the Foundation deems appropriate."*

2.4 The SAOU which is an independent legal entity has no right to demand that support/funding be made available to the SAOU. Any surpluses that the SAOU may have, must remain within the SAOU.

2.5 The SAOU is, for the most part, funded by membership fees and agency fees received from the PSCBC. In practice, however, it is a fact that SAEF supports the activities of the SAOU in a variety of ways, to the advantage of the members. Membership fees make up 80.1% of the SAOU's total income. The main expenditure items are apportioned in the following way:

- 2.5.1 Provincial offices and running costs: 19%
- 2.5.2 Running costs of the national office: 20.5%
- 2.5.3 Personnel costs: 51%
- 2.5.4 Direct legal costs: 2.1%

### **3. WHAT ADVANTAGES DO MEMBERS RECEIVE FROM SAOU'S ASSOCIATION WITH SAEF?**

3.1 The SAOU rents approximately 775 square metres of office space and 10 parking places in the basement of the building; it has the free use of committee rooms, the kitchen, reception areas, boardroom and auditorium which together constitute a further 452 square metres. The rental tariff is R111 per square metre.

Recent enquiry regarding market related rental tariffs in the same geographical area in which the SAOU is currently housed revealed that the tariff for a square metre of office space is R170.00 (excl VAT) and that parking spaces run at R200 per space. The saving is thus approximately R46,000 pm or R552,000 per year. It is consequently considerably advantageous for the SAOU and its members to maintain its highly satisfactory rental contract with SAEF.

3.2 TO Strand:

- 3.2.1 SAOU members can enjoy the holiday facilities at TO-Strand for - on average - 11% cheaper than it would cost a non-member.
- 3.2.2 Schools use the TO-Strand facility for the presentation of Leadership and Adventure camps at highly competitive tariffs. To date, 2018 has seen no fewer than 37 schools make use of this facility and over the past three years approximately 7000 learners have been involved in activities at the resort.

3.3 FINSA: FINSA's products include study loans, personal loans, rental agreements and instalment sales agreements. Statutory requirements are adhered to and the best possible interest rates are offered to SAOU members at all times.

3.4 The retirement medical benefits of pensioners (10 persons, as well as 3 others who are yet to retire), who retired while in the service of the organised profession are funded by SAEF which reduces the financial burden on the SAOU's finances, considerably. The funding amounts to approximately R500 000 per year and increases annually with the CPI.

### **4. BACKGROUND TO THE DISPUTE**

In the opinion of the SAOU, the smear campaign against the SAOU and the personal attacks by Mr Michael Pashut – a non-member - on Mr Chris Klopper have their origins in Mr Pashut wanting to protect his business interests. He is a dealer in mini-busses. Over the years he has built a strong business with the support that he received from, amongst others, SAOU members. The SAOU has no problem with this.

This "dispute" with, and smear campaign by, Mr Michael Pashut originated towards the end of 2017 when, in his estimation, the SAOU did not give him a decision about his sponsorship and involvement at the 2018 Principals' Symposium in Port Elizabeth, quickly enough. At that time already, his insults and threats started. On 17 January this year, the SAOU tried to speak with Mr Pashut to try to find a workable solution by way of a formal agreement. He insisted throughout that he did not want to sign a written contract. The SAOU agreed that a follow-up discussion would be held with him but his attacking and demeaning behaviour made further discussion impossible.

Clearly, the Principals' Symposium is an important marketing opportunity for him especially because it gives him direct access to 900 principals and deputy principals. The SAOU's "fault" was that they did not buckle under his threats. Furthermore, he recorded the proceedings of the meeting on 17 January without either the knowledge or permission of the rest of the members of the meeting. (Further details are not germane to the purpose of this newsletter but if anyone would like to know more detail they can be supplied on request.)

The background to the Newsletter of 5 February 2018 is the following: A general newsletter was sent to principals and other members to inform them of certain occurrences that had come to the attention of the SAOU's Legal Department; many SAOU members had landed themselves in uncomfortable situations on grounds of disciplinary complaints and claims by the State from those members for amounts that ranged from R108,00 to R4.5 million.

Thus, the focus of that specific newsletter was to caution principals anew to handle financial transactions with great circumspection. The SAOU had garnered information from nine chairpersons, nine deputy chairpersons and nine provincial secretaries given that this was a matter of cardinal importance to members. No allusion of any sort was made to dealers of suspicious repute, whether motor dealers, suppliers of copy machines or financiers. Mr Pashut made the false, unsubstantiated assumption that the newsletter was referring to himself and reacted badly to it.

The SAOU sent out a follow-up message to members – once again formulated in the most neutral terms possible because the SAOU was not interested in engaging Mr Pashut in a battle of words and mud-slinging. The SAOU does not wish to be in enmity with Mr Pashut or any service deliverer but the Union can certainly not allow him to continue with his destructive campaign.

Please note that Mr Klopper has the full support of the Standing Committee of the SAOU and therefore rejects all accusations of irregularities with contempt. The Standing Committee's stance is underlined by the fact that the SAOU has never had a qualified audit report from qualified independent auditors. As the SAOU management we have full trust in the selfless service that Mr Klopper gives to the SAOU and to Education in general.

**5. HAVE ANY SAOU MEMBERS RESIGNED SINCE FEBRUARY 2018 AS A RESULT OF THE "DISPUTE?"**

No member has indicated that they will resign as a result of the "dispute." On the contrary, there has been a nett growth in member figures. Figures taken at the end of February recorded 265 new members.

**6. MEMBERS ARE CONCERNED ABOUT THE FACT THAT THEY HAVE NEVER HAD A SAY IN ANY SAOU BUDGETS OR FINANCIAL STATEMENTS. IS THIS TRUE?**

There is no reason whatever to be concerned. In terms of the Constitution of the SAOU the Congress is the highest decision-making authority in the SAOU. The Congress meets every three years. The audited financial statements for the intervening three years are made available to the delegates attending the Congress for scrutiny and consideration seeing that the statements are required to be approved at the Congress.

Access to the financial statements of the SAOU are available to members of the SAOU. The National Standing Committee (comprising the President and nine Provincial Chairpersons) receive monthly management statements, approve the annual budget and assess the audited statements. The President delivers a "State of the SAOU", presentation at every meeting of the National Executive – the highest authority between Congresses. The SAOU's financial statements are audited annually by chartered accountants and to date has never received a qualified audit report. During the recently concluded Information Meeting held on Wednesday 14 March 2018 at the SAOU offices in Garsfontein, Pretoria an electronic copy of the audited statements was made available to all who asked for it.

The audited statements are also punctually supplied to the Department of Labour, every year. The SAOU has never received any enquiry in regard to said statements.

## 7. INTERFERENCE BY MR PASHUT IN CONTRAVENTION OF THE COURT ORDER

As an example of the interference by Mr Pashut and the campaign that he is currently waging against the SAOU, and his contempt for the restraining order served on him by the court, we draw your attention to an extract from correspondence written by Mr Pashut on 16 March 2018 and sent to members of Club 42 in regard to an information meeting that is to be held on 19 March 2018.

**From:** Michael <[michael@autoandbus.co.za](mailto:michael@autoandbus.co.za)>  
**Sent:** Friday, 16 March 2018 10:29 AM  
**To:** |  
**Subject:** RE: NIB 18/2018 SAKELYS VIR ALGEMENE INLIGTINGSVERGADERINGS / AGENDA FOR GENERAL INFORMATION MEETINGS

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6.2 is baie belangrik.....

Just ask Mr Chris Klopper to be very specific on his replies...

- How did this fight start
- Why have they simply not answered the questions asked by Mr Pashut
- Did he or did he not earn R3.4m from SAEF and SAOU in 2017 and who agreed to that
- Is he a Director of FINSA and for what reason.... He says he doesn't get paid by FINSA... But he gets paid by SAEF and

**Michael Pashut**  
*Only a life lived for others is a life worthwhile - Albert Einstein*

Tel: 011 640 7103  
Tel: 021 434 2703  
Cell: 083 377 5432  
Fax: 086 547 5110  
Email: [michael@autoandbus.co.za](mailto:michael@autoandbus.co.za)

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The SAOU garnered legal advice regarding the unfounded accusations being spread by Mr Michael Pashut and has already instructed lawyers to proceed with a damages claim against him.

## 8. DOES THE PRESIDENT OR THE CEO RECEIVE ANY REMUNERATION FROM FINSA?

Finsa is an independent, private company registered as a credit provider by the appropriate authorities to do so. Mr Chris Klopper and Dr Louis Swanepoel are directors of Finsa. 100% of the shares in Finsa are held by the SOUTH AFRICAN EDUCATION FOUNDATION (SAEF). Neither of the two gentlemen receive any salary from Finsa. Dr Louis Swanepoel has never received a cent from FINSA. Mr Chris Klopper received a once-off bonus of about R18 000 during 2016. This was a mark of gratitude by the shareholder in Finsa for the exceptional improvement in financial achievement effected under Mr Klopper's leadership during the 2016 financial year, compared with the previous financial year.

## 9. REMUNERATION OF THE CEO

It is correct that SAEF pays certain benefits (additional to his salary) to Mr Klopper such as housing subsidy, pension fund and medical fund contributions, for ongoing services rendered. Mr Klopper was an employee of SAEF in 2008 when the post of Chief Executive Officer (General Secretary) became vacant. He was then appointed in the vacant post. In terms of his remuneration, his letter of appointment provided for a cash component to be paid by the SAOU and a component still to be paid by SAEF seeing that he would continue to apply his expertise to SAEF as one of the members of the Management Committee that manages SAEF's extensive investment portfolio.

Mr Klopper has a right to privacy in regard to the extent of his remuneration package and there are no circumstances that require public comment on it. The Standing Committee of the SAOU pays its employees market related salaries. To ensure that this is so the services of P E Corporate Services ( a company that specialises in determining market related salaries) has been secured to evaluate the duty statement of the General Secretary (Chief Executive Officer), to compare it with similar duty statements in the market and to determine the median of what a reasonable salary would be.

#### **10. REMUNERATION OF THE PRESIDENT**

At the time of establishing the SAOU as a united union the structures of the SAOU decided the services of a full-time President on a basis of secondment were required. Dr Swanepoel is the third full-time SAOU President. Please note the fact that, though Dr Swanepoel is the elected President of the SAOU – a post that is elected every three years - his salary is still paid by the Mpumalanga Department of Education (MDE).

Over and above the salary he receives from the MDE, the SAOU pays Dr Swanepoel an allowance in order to place him in precisely the same financial position he would have been in had he remained as a principal in his particular school in service of the MDE. Amongst other things, he loses the benefit of his hostel allowance and the housing privileges he had while living on the school grounds.

#### **11. NAME OF POST – CEO/GENERAL SECRETARY**

Mr Chris Klopper occupies the post of General Secretary as described in the Constitution. The name “Chief Executive Officer” is simply a name and not a different post. This naming of the post was already used by Mr Klopper’s forerunner.

#### **12. A RESTRAINING ORDER AGAINST MICHAEL PASHUT HAS BEEN OBTAINED. WHY?**

That is correct. Mr Pashut disseminates untrue and vexing allegations about Mr Klopper that damage his good name, integrity and reputation. Mr Pashut was given a written invitation to participate in a mediation process chaired by an independent senior advocate so that his erroneous perceptions could be corrected. He refused the invitation. He insisted on the payment of millions of rands as compensation for damages, otherwise he would continue his smear campaign against the SAOU and Mr Klopper. The SAOU was constantly threatened with negative publicity in the media. The Standing Committee was not prepared to be blackmailed by such threats.

#### **13. SPONSORSHIP – MR MICHAEL PASHUT**

The only agreement with Mr Pashut was as one of 20 exhibitors at the principals’ symposium. Exhibitors annually enter into an agreement that does not carry over to the following year because a legitimate expectation of being an exhibitor again the following year does not exist. Mr Pashut also, from time to time, exhibited at provincial SAOU events for which he paid a sum of money. Mr Pashut has connections with school principals in their capacity as representatives of schools.

The SAOU has never prohibited schools from doing business with Mr Pashut or his businesses.

Year before last he had one stall and last year two (for which he paid R42 000), at the annual Principals’ Symposium. This is a drop in the ocean compared with a well-known university which contributed R170 000 to the expenses of the Principals’ Symposium. In the same way, there are various sponsors who regularly donate vast sums of money to the expenses of the event without wanting to steal the limelight.

The SAOU simply chooses not to make further use of his “sponsorship.”

#### **14. CLOSING REMARKS**

The Standing Committee of the SAOU is deeply concerned about the effect that the negative reportage may have on members of the SAOU.

Be assured that your elected leaders are doing everything in their power to protect your interests. Expenses are carefully managed and the National Executive Council of the SAOU will, as usual, again during the three year process, give attention to the remuneration packages of officials and, where required, renegotiate the amount and again, where necessary, redefine the nature and extent of the post requirements in order to create savings in the budget which in the end are to the benefit of the members.

Come, let us ensure that we accept collective responsibility to ensure that the best interests of the SAOU are served in any further decisions that may be made.

Warm regards

**SAOU National Standing Committee**

President: Dr L Swanepoel  
Gauteng: Mr R Burger  
KZN: Ms L Lemmer (Deputy-President)  
Limpopo: Mr A Swaters  
Mpumalanga: Mr G Lancaster  
Northern Cape: Mr S de Beer  
North West: Mr T Nicholenas  
Eastern Cape: Mr J Stroebele  
Free State: Mr P Sauer (Vice-President)  
Western Cape: Mr K Esterhuizen