



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal

DATE 30 September 2019

STATUS Immediate

Please note that the media summary is for the benefit of the media and does not form part of the judgment.

*Cash Paymaster Services (Pty) Ltd v Chief Executive Officer of the SASSA
and others (1029/2018) [2019] ZASCA 131 (30 September 2019)*

MEDIA STATEMENT

The Supreme Court of Appeal (SCA) today dismissed the appeal of Cash Paymaster Services (Pty) Ltd (CPS) against the Chief Executive Officer of the South African Social Security Agency, the South African Social Security Agency (SASSA) and Corruption Watch.

Corruption Watch had brought an application in the Gauteng Division of the High Court, Pretoria to set aside a decision taken by SASSA to pay CPS an amount of R316 447 361.41, over and above the fee it was obliged to pay CPS for the monthly payment of social grants. The court of first instance had found the payment to have been irregular and had ordered that the money be paid back to SASSA.

SASSA and CPS had argued that the contract for the payment of social grants only envisaged payment for the registration of recipients of social grants and not for other beneficiaries. (For instance, a parent who receives child support grants for three children is a recipient, while the three children are beneficiaries.) When this was realised, the parties entered into an agreement to vary the initial contract to make provision for the registration of beneficiaries, at an additional cost. When, prior to the application being heard, Corruption Watch filed a supplementary affidavit attaching documents emanating from the United States of America that indicated that

the parties may have known that this was not the case, SASSA and its CEO withdrew their opposition to Corruption Watch's application. In the appeal, they supported Corruption Watch's case.

In the Supreme Court of Appeal, the issue was decided on the basis of an interpretation of the service level agreement and contract that had been entered into by CPS and SASSA. The court held that on a proper interpretation of these contractual documents: (i) CPS was required to register not only recipients but also beneficiaries; (ii) It was required to do so at the outset and when new recipients and beneficiaries qualified for social grants; and (iii) it would be paid the 'fixed price' specified therein as an all-inclusive fee for doing this and for paying social grants every month for the duration of the contract. There was, accordingly, no lawful basis for the variation of the contract.