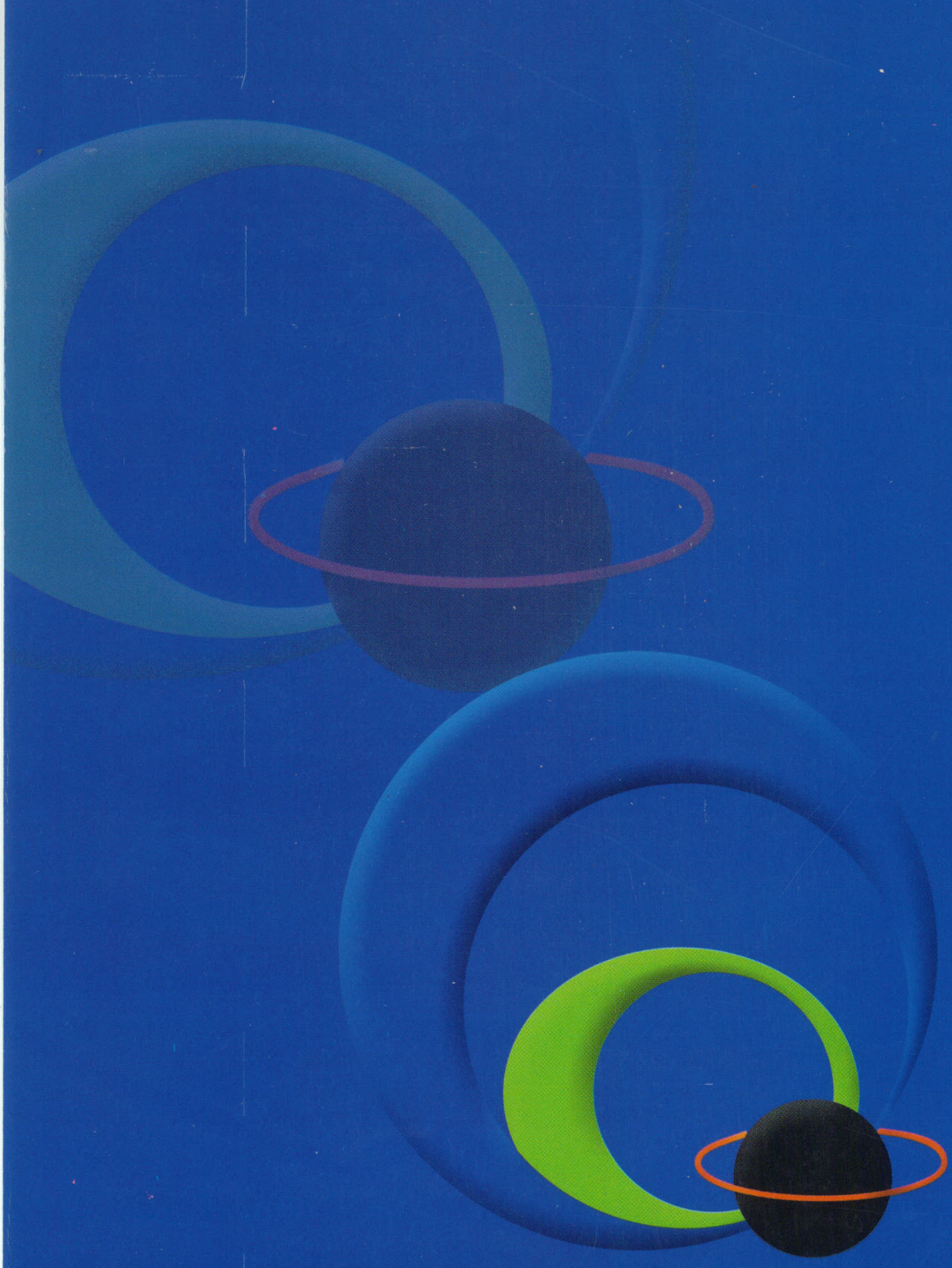




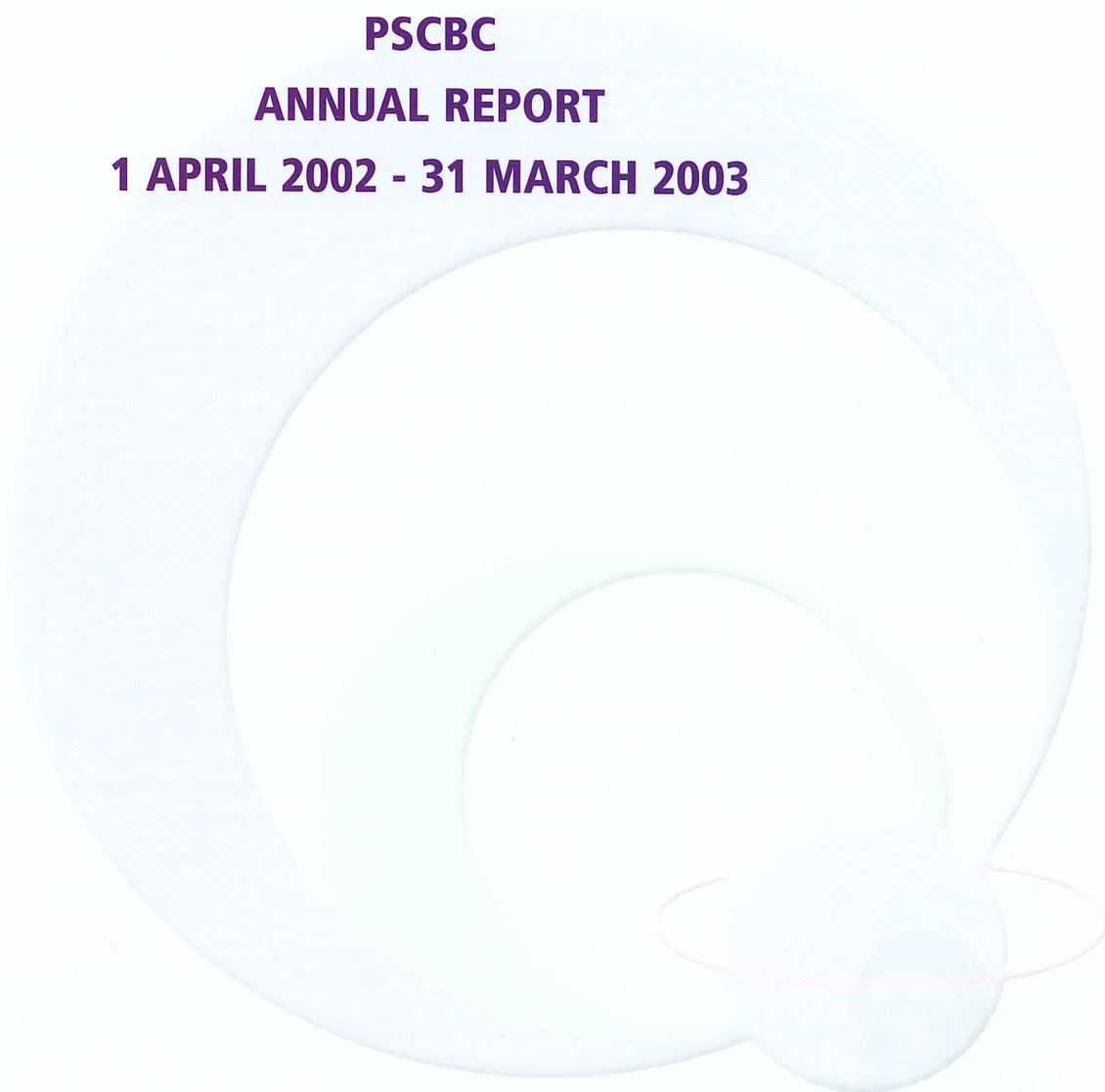
PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

ANNUAL REPORT 2003



PSCBC
ANNUAL REPORT
1 APRIL 2002 - 31 MARCH 2003





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OVERVIEW

The Public Service Co-ordinating Bargaining Council (PSCBC) was established in terms of Section 35 of the Labour Relations Act, No. 66 of 1995.

The PSCBC Constitution was registered on 13 October 1997. Amendments to the PSCBC Constitution were finalised by Council on 9 October 2002, and registered by the Registrar of Labour Relations on 30 March 2003.

The PSCBC may perform all functions of a bargaining council in respect of those matters that:

- (a) are regulated by uniform rules, norms and standards that apply across the public service; or
- (b) apply to terms and conditions that apply to two or more sectors; or
- (c) are assigned to the State as employer in respect of the public service that are not assigned to the State as employer in any sector.

The LRA established the PSCBC to maintain sound labour relations in the public service. The Council provides a platform for the parties, – the State as employer, and the public service unions, representing approximately 1 million employees – to engage constructively over matters of mutual interest.

This report provides an overview of the achievements of the PSCBC from 1 April 2002 to 31 March 2003.

Objectives (as outlined in the amended constitution)

The objectives of the Council, within its registered scope, are to:

- (a) generally enhance labour peace in the public service;
- (b) promote a sound relationship between the employer and its employees;
- (c) in terms of the Act and this constitution, negotiate and bargain collectively to reach agreement on matters of mutual interest to the employer and employees represented by admitted trade unions in the Council;
- (d) provide mechanisms for the prevention and resolution of disputes between—
 - (i) the employer and trade unions admitted to the Council;
 - (ii) the employer and trade unions not admitted to the Council; and
 - (iii) the employer and employees, where the employer has the requisite authority to resolve such disputes;
- (e) conclude, supervise and enforce collective agreements;
- (f) comply with its powers and duties in terms of the Act and this constitution;
- (g) consider and deal with such other matters as may affect the interests of the parties to the Council; and
- (h) promote effective communication and co-ordination between the Council and sectors.

Powers and duties

The powers and duties of the Council are to:

- (a) negotiate and conclude collective agreements in respect of matters regulated by section 36(2) of the Act, which may include negotiating minimum standards on such matters;
- (b) supervise and enforce collective agreements concluded in the Council;
- (c) prevent and resolve labour disputes;
- (d) resolve disputes between the parties to Council in terms of the Act and the dispute resolution



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- procedures of the Council;
- (e) resolve the disputes of parties who are not parties to the Council, but who fall within the registered scope of the Council, in terms of section 51(3) of the Act and the dispute resolution procedures of the Council;
 - (f) establish and administer a fund to be utilised for resolving disputes, collective bargaining and general administration of the Council and the Sectoral Councils;
 - (g) develop proposals for submission to NEDLAC or any other appropriate forum on policy and legislation that may affect labour relations in the public service;
 - (h) determine by collective agreement the matters which may not be an issue in dispute for strike or a lock out;
 - (i) designate sectors, vary their scope, amalgamate or disestablish Sectoral Councils in the public service;
 - (j) co-ordinate, among the Sectoral Councils, and between such Councils and the Council, the functions and operations of such Councils, including those related to collective bargaining and administration;
 - (k) determine, in consultation with Sectoral Councils, appropriate standards of financial control and service that such Councils must maintain;
 - (l) provide operational services to Sectoral Councils, if it contributes to efficiency or administrative convenience, and is appropriate for the sharing of skills, expertise or resources, including the following:
 - (i) providing policy and guidelines regarding the appointment, training and payment of panellists;
 - (ii) management and maintenance of case management systems and policy;
 - (iii) training of users and parties regarding the dispute resolution framework in the public service;
 - (iv) provision to the public, the parties and the Sectoral Councils of information services relevant to the functions of the Council;
 - (v) providing accommodation to Sectoral Councils; except for ELRC.
 - (vi) formulation and maintenance of human resources policy and systems for the Council and Sectoral Councils, and training of their staff;
 - (vii) collection of uniform levies from employees and the employer, and proportional disbursement of such levies to Sectoral Councils; and
 - (viii) the determination of uniform levies by the Council and the effective date thereof.
 - (m) where a Sectoral Council becomes dysfunctional in the view of the Council, and in consultation with such Council, provide such assistance and fulfil such functions as are required;
 - (n) raise, borrow, lend, levy and invest funds; and
 - (o) exercise any other power or duty that may be necessary or desirable to achieve the objectives of the Council.
 - (p) Council's power in respect of **clause (l)** will be exercised in agreement with the relevant Sectoral Council. Should the parties fail to reach an agreement, the Council's dispute resolution mechanism will apply.

EXECUTIVE COMMITTEE MEMBERS

Chairperson

Edwin Molahlehi

Secretary

Shamira Huluman

Vice-Chairpersons

Nkrumah Mazibuko (Employer)

Pule Rameetse (Labour)

Employer Representatives

S.G. Padayachee

G. Sekobe

M. Nchwe/ K. Govender

K. Ndaba

Labour Representatives

L. Sotaka

M. de Clercq

V. Dlangalala

F. Hugo



CHAIRPERSON'S MESSAGE



It has been a great pleasure for me to serve as Chairperson of the PSCBC for the past six years. As my third term of office comes to an end, I present to Council the annual report for the period 1 April 2002 to 31 March 2003.

For the period under review, Council has successfully finalized the amendments to the Constitution, the grievance rules for the public service, and amendments to the disciplinary code and procedures of the public service. Substantial time was spent on the implementation of Resolution 7 of 2002: Framework agreement on the Transformation and Restructuring of the Public Service. In this regard, I extend my gratitude to those parties who have dedicatedly assisted the PSCBC Technical Committee in the monitoring of the implementation of the resolution. Notably, I thank Gary Mackenzie of

SADTU, the appointed Chairperson of the Technical Committee, for driving the process. The commitment of the parties to ensure that the 30 June 2003 deadline for the completion of the restructuring process is commendable.

The public service bargaining councils have been accredited by the CCMA to conduct conciliation and arbitration. Since the implementation of the dispute resolution procedures in the public service in June 2000, the sectoral bargaining councils have been faced with numerous challenges in implementing their dispute resolution systems, both administratively and procedurally. I commend some of the Councils for the innovative procedures, in particular, SSSBC for implementing con-arb processes, even before the LRA amendments, which provide for such, and the ELRC for the Expedited Arbitration procedure (where cases of similar nature are dealt with in one comprehensive process). It is important to recognize that procedures will be amended to suit the dynamics of a particular sector.

The increase in the number of disputes referred has substantially increased the costs of case disbursements of the PSCBC. During the last financial year, almost 100% of Council's income was spent on dispute resolution. This has resulted in the PSCBC and sectoral councils having to consider the need to increase the levies, informed by medium term strategic budgeting. Substantial progress has been made towards finding a solution to this problem.

The time has also come to clearly define the division of functions and responsibilities between PSCBC and Sectors. The PSCBC has played its role of establishing such councils, mentoring and grooming them to become fully functional bargaining councils. The sectoral councils must be capacitated and resourced appropriately to fulfill their objectives and functions, as outlined in the LRA and their constitutions. The time has also come to strengthen the relationship between the sectoral councils and the PSCBC. Strengthening the coordination role as a function of the PSCBC should also not be ignored.

A detailed dispute resolution report and the financial statements are attached to this report.

The challenges that face Council in the forthcoming year are:

- Critical review of the performance of parties with respect to collective bargaining and the speedy finalisation of resolutions.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

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- Strategic planning and budgeting, as well as sound financial management.
 - Monitoring the implementation of resolutions closely.
 - Co-ordinating and assisting sectors with respect to dispute resolution and other operational functions.
 - Establishing provincial structures of PSCBC and Sectoral councils.
 - Improving dispute resolution procedures, systems and policies to enhance service delivery to users.
 - Implementation of dispute prevention initiatives in the public service.

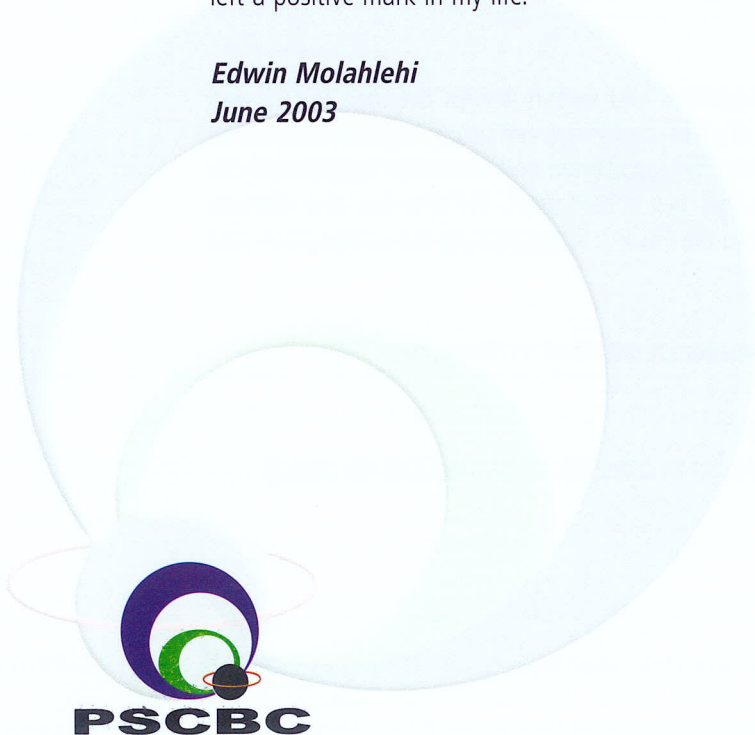
During the last year, we bade farewell to the Chief Negotiator of State, Manoko Nchwe who has been appointed Divisional Commissioner in SAPS, and thank her for her contributions to the PSCBC and sectoral councils. We welcome the newly-appointed Chief Negotiator, Kenny Govender, and wish him well in the challenges that lie ahead.

I also take this opportunity to extend my personal thanks to the Vice-Chairpersons, Pule Rameetse and Nkrumah Mazibuko, who have stood in for me, especially since my appointment as CCMA Director. Their selfless contribution and commitment to the work of the PSCBC is commendable. As chairpersons, our two-year terms of office come to an end. I wish our successors all the best in their leadership of the biggest bargaining council in the country.

I extend my deepest appreciation to the Secretary and the PSCBC staff, who have been a great team to work with.

I thank the parties to Council for their contribution to the successes of the PSCBC, and for giving me the opportunity to serve as Chairperson. It has been a great honor for me to be associated with the leaders in the public service labour relations arena. My involvement with the PSCBC has been a memorable one, which has left a positive mark in my life.

Edwin Molahlehi
June 2003



SECRETARY'S MESSAGE



This annual report, which encapsulates the activities of Council for the period 1 April 2002 to 31 March 2003, is presented to the 6th Annual General Meeting.

During this period, Council devoted much time in implementing Resolution 7 of 2002, the Framework Agreement on the Transformation and Restructuring of the Public Service (Utilisation of Human Resources), which took effect on 13 June 2002. The Technical Committee, which was established to monitor and regularly evaluate the implementation process, met weekly since August 2002. Evaluation workshops were held both nationally and provincially to evaluate the progress made, to identify problems experienced by departments through the reports submitted to

Inter Departmental Task Teams (IDTTS's), and to provide possible solutions and support to these departments/provinces. Parties to Council have shown immense commitment to this process by dedicating time and resources to ensure the successful implementation of Resolution 7 of 2002.

During this period, Council was also successful in finalising the amendments to the PSCBC Constitution. In this regard, Resolution 11 of 2002 was signed on 9 October 2002, and registered by the Registrar of Labour Relations on 30 March 2003 (effective date of implementation). The amended Constitution introduced new thresholds for admission of trade unions to the Council, which is 50 000 members. The effect of this was that unions not meeting this requirement on their own entered into acting together agreements. The amended Constitution provides elaborate procedures for Council to recognise the change in position of trade unions, namely acting together (between admitted parties, and non admitted parties, amalgamation of trade unions (admitted and non admitted), change to the composition of a combined trade union party, and change in name of an admitted union. The amended Constitution also addresses the relationship between PSCBC and sectoral councils, the power of PSCBC to co-ordinate sectors, and to establish a joint financial committee between PSCBC and sectoral councils.

Other noteworthy resolutions entered into during this period are:

- Resolution 14 of 2002: Grievance Rules for the Public Service;
- Resolution 1 of 2003: Amendment to Resolution 2 of 1999: Disciplinary Code and Procedures for the Public Service.

During this financial period, the PSCBC and sector councils received a total of 3732 referrals, of which 38% were received by GPSSBC, 24% by ELRC, 21% by SSSBC, 16% by PHWSBC, and 1% by PSCBC. Although there is a slight increase of 0.7% from the previous financial year, the costs for these cases amounted to R 11.5 million, a 33% increase in costs from the previous year. The contributing factors are the number of hearings conducted in SSSBC and GPSSBC, which are almost double the number of cases received and the receipt of old claims (cases conducted in previous financial years) from panelists, especially in GPSSBC. In this regard, PSCBC and sector councils need to critically review the cash system, which has huge implications for the budgeting processes, in favour of the accrual system. The high travelling and accommodation costs (due to lack of panelists in certain provinces) also contribute to the high dispute resolution costs. Dispute resolution costs for the last financial year absorbed almost 100% of Councils total income. This forced Council to utilise savings and to loan funds from other accounts.



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In an attempt to reduce dispute resolution costs, amendments were made to the Panelist Fee Policy, and to the dispute resolution procedures. An application has also been made to the CCMA for the subsidisation of dispute resolution. To ensure effective management of the dispute resolution system and optimal utilisation of the case management system, the PSCBC is in the process of upgrading computer systems.

Dispute prevention initiatives continue to pose a serious challenge to sector councils, especially in those sectors that have a high number of dispute referrals. Some sectors have initiated training programmes to build capacity around dispute resolution and prevention. While these efforts are commendable, there is a need to co-ordinate such initiatives, a focus area for the PSCBC in the coming financial year.

As raised earlier, the current income of PSCBC to support the operations of the sector councils has proved to be inadequate. PSCBC and sector councils have recognized the need to increase the funding of public service bargaining councils to meet the dispute resolution costs, together with other operational costs of councils. Six-year budget projections have been made to determine an appropriate levy increase. It is envisaged that this matter will be resolved soon. The funding solutions will allow all the bargaining councils in the public service to function optimally, with functions and responsibilities clearly defined between PSCBC and sector councils. The decentralization of dispute resolution and human resource systems pose new challenges for both parties and staff in sector councils. However, we are hopeful that these interventions will enhance service delivery to the end users.

The challenges facing us in the coming year are to develop further policies, strategies and operating systems to guide and support sector councils in discharging their functions effectively. The success of effective co-ordination lies in the commitment, co-operation and support of parties and staff of both PSCBC and sectors. Open communication is also a key ingredient for our success. With these values guiding us, I am confident that we will overcome our challenges, and take advantage of opportunities to deliver an efficient service to our users.

I extend my gratitude to the Financial Committee and its Audit subcommittee for their vigilant implementation of Council's Financial Policies and procedures, and for their guidance and support. I thank the Executive Committee members for their contribution and assistance with day-to-day management.

As the term of office of the Chairpersons end, I extend my sincerest appreciation to them for their guidance, leadership and support.

I also take this opportunity to wish our chairperson, Edwin Molahlehi, Director of the CCMA, every success in the challenges that face him.

Lastly, thanks to the PSCBC and sectoral staff for their dedication and hard work over the last year. I look forward to their continued commitment, support and contributions in the coming year.

Shamira Huluman
June 2003

PSCBC ACHIEVEMENTS

Resolutions of Council

The Council has concluded 12 resolutions in 2002 and 1 resolution in 2003, during the period 1 April 2002 and 31 March 2003.

Resolution 3 /2002	Amendment to Resolution 3 of 1999: State and other Housing: Clause 5 of Part XVI	01/03/2002
Resolution 4/ 2002	Procedure in dealing with Senior Management Personnel affected by a declaration of merging of institutions by an MEC (Education) in terms of the further education and Training Act, 1998	16/05/2002
Resolution 5/2002	Amendment to Resolution 9 of 2001: Framework on Scarce Skills	30/05/2002
Resolution 6/2002	Annual Wage Increase and Pay Progression for the 2002/2003 Financial Year	04/06/2002
Resolution 7/2002	Framework Agreement: Transformation and Restructuring of the Public Service (Utilisation of Human Resources):	06/03/2002
Resolution 8/2002	Interpretation of Framework Agreement: Transformation and Restructuring of the Public Service (Utilisation of Human Resources): Resolution No 7 of 2002	13/06/2002
Resolution 9/2002	Foreign Service Dispensation for Officials Serving in the Republic of South Africa Missions Abroad	13/06/2002
Resolution 10/2002	Skills Audit Fund	17/10/2002
Resolution 11/2002	Constitution of the Public Service Co-ordinating Bargaining Council	09/10/2002
Resolution 12/2002	Pensions Restructuring	29/11/2002
Resolution 13/2002	The Appointment of a Panel of Conciliators and Arbitrators (2002/2003)	27/06/2002
Resolution 14/2002	Grievance Rules for the Public Service	31/10/2003
Resolution 1/2003	Amendment to Resolution 2 of 1999: Disciplinary Code and Procedures for the Public Service	28/03/2003



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

SUMMARY OF MAJOR RESOLUTIONS ENTERED INTO FROM APRIL 2002 TO MARCH 2003

Resolution 3 of 2002: Amendment to Resolution 3 of 1999: State and other Housing: Clause 5 of Part XVI

Signed on 01/03/2002

This resolution addresses a mistake in Res. 3/1999, regarding the rental payable in respect to non-standard and voetstoets housing.

Resolution 4 of 2002: Procedure in dealing with Senior Management Personnel affected by a declaration or merging of institutions by an MEC (Education) in terms of the Further Education and Training Act, 1998.

Signed on 16/05/2002

The resolution provides for a procedure to deal with the senior management layer of a further education and training institution affected by a declaration and/ or merger. It addresses the processes to be followed in the filling of posts in the senior management layer of the further education and training institution.

Resolution 5 of 2002: Amendment to Resolution 9 of 2001: Framework on Scarce Skills

Signed on 30/05/2002

The objective of this agreement was to amend Clause 6.1 of Resolution 9 of 2001, extending the timeframe to determine a framework to retain scarce skills to August 2002.

Resolution 6 of 2002: Annual Wage Increase and Pay Progression for the 2002/2003 financial year.

Signed on 04/06/2002

The purpose of this agreement was to implement the annual wage increase for public service employees for the 2002/3 financial year, within the spirit and letter of PSCBC Resolutions 9 and 10 of 2001 (multi-term wage agreement).

The annual wage increase for the 2002/2003 financial year was CPI-X (from May 2001 to May 2002) to a maximum of 9%.

On pay progression, the employer agreed to pay R850-00 to each employee as a once-off and final payment in terms of Clause 4 of Resolution 9 of 2001 and clause 3 of Resolution 10 of 2001, for the financial year 2002/2003. According to the resolution, the pay progression system had to be finalised by no later than 30 June 2002 with a view to implementing on 1 July 2003. Failure to reach agreement by 30 June 2003 has

resulted in the pay progression system being implemented in terms of Clause 4.5 of Resolution 9 of 2001 with effect from 1 July 2003.

Resolution 7 of 2002: Framework Agreement: Transformation and Restructuring of the Public Service (Utilisation of Human Resources)

Signed on 6 March 2002, achieved majority support on 13 June 2002.

The objectives and principles of the agreement are to:

- Develop a framework for transformation and restructuring of the public service in order to give effect to Resolutions 7,9 and 10 of 2001;
- Provide for redeployment, retraining and alternative employment of excess employees;
- Develop sector strategies within sectoral councils for job creation as envisaged in Resolutions 7,9 and 10 of 2001; and
- Comply with the provisions of the Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Skills Development Act and all other relevant legislation.

The agreement provided for two phases in the process. Phase One of the process covers the compilation of departmental plans and employee profiles, matching and placement of staff at departmental level, redeployment; excess employees not deployed and dispute resolution.

Phase two covers steps to deal with excess employees not accommodated during redeployment in Phase 1, as well as the Social Plan.

Annexure A to the agreement provides for structures to facilitate restructuring, namely the departmental task teams (DTT) and inter-departmental task teams (IDTT).

Annexure B covers the redeployment costs that the employer will pay in the event of redeployment.

Annexure C provides for a severance package on application, which includes the pension benefits from the GEPP, the severance pay, leave pay, compensation for medical and housing benefits, service bonus, contractual obligations, official housing, notice of termination of service, payment in lieu of notice and subsidised car scheme.

Annexure D provides for a severance package for employees who cannot be redeployed, which includes the benefits outlined in Annexure C.

Annexure E provides for assistance under the social plan.

Resolution 8 of 2002: Interpretation of Framework Agreement: Transformation and Restructuring of the Public Service (Utilisation of Human Resources): Resolution 7 of 2002.

Signed on 13/06/2002

The purpose of this agreement is to give clarification on principles underlying the Framework Agreement (Resolution 7 of 2002), and to reach a common understanding on the interpretation of the Framework Agreement.



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Resolution 9 of 2002: Foreign Service Dispensation for Officials Serving in the Republic of South Africa Missions Abroad.

Signed on 13/06/2002

The objective of the agreement is to provide the foreign service officials with a working tool, and create conditions that will facilitate a better working environment. The new FSD will ensure that allowances of the officials are distributed adequately, and the computation of such allowances is done objectively to avoid disparities that existed in the past; that foreign service officials who are on the same pay level receive the same pay, and that equity is restored in the conditions of service and benefits enjoyed by the foreign service officials who operate at the same level in various missions abroad.

Resolution 10 of 2002: Skills Audit Fund

Signed on 17/10/2002

During March 2000, the employer transferred funds to the PSCBC for purposes of conducting a skills audit in the public service in terms of Resolution 7 of 1998. This fund accrued interest. This agreement provided for the equal division of the funds between the employer (DPSA) and the PSCBC, provided that the money retained by the PSCBC is used to assist in the implementation of the transformation and restructuring processes in terms of Resolutions 7/2001 and 7/2002.

Resolution 11 of 2002: Amendment to PSCBC Constitution

Signed on 09/10/2002 and registered by the Registrar of Labour Relations on 30/ 03 /2002 (date of implementation)

Council has been in existence since 13 October 1997, and a need arose to comprehensively amend the constitution to align it with new circumstances and changes to the legislative framework.

The changes are quite substantial. The amended constitution can be located on the PSCBC website.

Resolution 12 of 2002: Pensions Restructuring

Signed on 29/11/2002

The purpose of this agreement was to:

Restructure and amend the benefit and governance structure of the Government Employees Pension Fund (GEPF);

Provide for the recognition of service in the former Non-Statutory Forces (NSF) as pensionable service in the GEPF;

Give effect to the provisions of Clause 7 of Resolution 7 of 1998;

Investigate and provide for the recognition of pensionable years of service for employees who were dismissed during industrial actions;

Investigate the alleged abuse of the Venda Pension Fund and the effect it had on the employees; and

Accommodate the former Municipal Police now employed by SAPS in the GEPF.



Resolution 13 of 2002: Appointment of a panel of conciliators and arbitrators (2002/2003)

Presented and signed at the PSCBC AGM on 27 June 2002, but signed by the majority of parties on 31/10/2002.

Clause 8.1 of the Dispute Resolution Procedure, as incorporated into the PSCBC Constitution, makes provision for Council to appoint its own panel of Conciliators and Arbitrators at Council's Annual General Meeting.

Annexure A provides a list of 302 panelists. The appointment of panelists is subject to the panelist signing a contract, and agreeing to the Fee Policy and Code of Conduct for Conciliators and Arbitrators.

Resolution 14 of 2002: Grievance Rules for the Public Service

Signed on 31/10/2002, it achieved majority support in March 2003.

An interim set of grievance rules as contained in the Government gazette no.20231 of 1999 existed in the public service. This agreement provides for brief, user-friendly grievance rules that address employment justice and efficient operation of the Public Service. The resolution recognised both the need to protect employees from arbitrary actions, and the role of the Public Service Commission to investigate grievances of employees in the public service.

Resolution 1 of 2003: Amendment to Resolution 2 of 1999: Disciplinary Code and Procedures for the Public Service

Signed on 28/03/2003

The purpose of this agreement was to streamline the disciplinary code (Resolution 2 of 1999), remove certain ambiguities and effect certain technical changes. Schedule 1 of the agreement and its attached annexures form the new disciplinary code and procedure for the public service. The agreement also provides that the amended procedure applies to members of the Senior Management Service until the Minister for Public Service and Administration issues a directive to cover the disciplinary matters for SMS.

Please note that all resolutions of Council can be located on the PSCBC website.



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Collective Bargaining and Consultative Processes

The following table indicates the number of meetings held from 1 April 2002 to 31 March 2003

Full Council meetings	10
Special Council meetings	24
Task Team / committee meetings	121
Workshops	3

Task Teams and Committees

During the period under review, eight task teams / committees functioned to support the collective bargaining and consultative processes.



LABOUR RELATIONS TASK TEAM

Period: April 2002 – March 2003

The Labour Relations Task Team (LRTT) is responsible for overseeing the development of a coherent, effective and legally sound labour relations system for the public service.

Terms of Reference

At the request of the PSCBC:

- Investigate problems related to labour relations, and make recommendations to resolve such problems;
- Obtain legal advice and opinions where necessary;
- Manage the implementation of legislation with implications for labour relations in the public service, especially the Basic Conditions of Employment Act and the Labour Relations Act;
- Manage dispute resolution functions of Council; and
- Manage joint labour relations training initiatives in the public service.

Training on disciplinary and incapacity codes

The LRTT embarked on a process to obtain copyright of the course material, which was in the process of being developed by the CCMA. After entering into discussions with the CCMA, the advantages and disadvantages with regard to the copyright of the material, maintenance and updating of the material, the training of the material, and the costs involved, were noted.

It was noted at a meeting between the CCMA, the PSCBC Chairperson and two Vice-Chairpersons and the PSCBC Dispute Resolution Manager, that the CCMA has not yet developed the material, and that no payment was made to the CCMA. The LRTT then decided that the PSCBC should commission a developer with full copyright of the material to the PSCBC.

A subcommittee was established to develop a brief for the new developers of the training material based on the needs and expectations of the PSCBC. The dynamic situations in the different sectors were also taken into account. The subcommittee consisted of the following representatives:

- M Shaba from DOE
- P Pillay from Hospersa

At a subsequent meeting, new amendments to the Disciplinary Code and Procedure were tabled at the LRTT and forwarded to Council for negotiations. Due to this process, the LRTT decided to postpone both the process of obtaining quotations from developers, as well as the appointment of new developers until the amendments were finalised in Council. As this process has been finalised, the matter will be placed back on the LRTT's agenda to take the process forward.

Translation of the disciplinary code and procedure for the Public Service

The process of translating the Disciplinary Code and procedure for the Public Service into the 11 official languages was initiated. After receiving assistance from the Department of Arts and Culture with regard to the translations, the Disciplinary Code and Procedure was circulated among the parties. The LRTT noted that



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in the event of a conflict of interpretation, the original resolution would supercede, and that this should be noted in Council.

The LRTT also noted that Council was in the process of amending the Disciplinary Code and Procedure, and decided that the translations of the amendments should also be effected once the negotiation process in Council has been completed. This matter will once again be placed on the LRTT's agenda as the negotiating process has been completed.

"Train the Trainer" Course: Labour Law in the Public Service

A repeat of the "Train the Trainer" Course was not conducted as envisaged by the LRTT, as the LRTT had decided to obtain copyright for the material. The ILO clarified that the copyright for the material is with the ILO and not with the CCMA. It was also indicated that the CCMA is of the view that the PSCBC should move ahead and develop and update the material. Assistance from the CCMA would be given to the PSCBC if needed.

The LRTT decided that the process should begin anew, and that the names of new representatives to be trained should be submitted according to the following criteria:

- HRD/ Training personnel to be identified.
- Trainers must be available and utilised to continue conducting training in the Public Service.

The LRTT, with the assistance of the Secretariat, is currently in the process of developing a workplan. The plan will indicate the period for training, a clear curriculum to be determined, and a budget. The LRTT is also in the process of acquiring assistance from SAMDI to conduct the course.

Grievance Procedure

The LRTT finalised the draft resolution on the new Grievance Rules for the Public Service. Council adopted the resolution on 31 October 2002, but achieved majority support in March 2003. The LRTT was tasked to take the process forward in terms of the business plan.

Models of substantive negotiations

Council referred the matter to the LRTT. A subcommittee was established with the following terms of reference:

- to investigate the feasibility of visits to institutions in and outside the country to conduct research on international and other comparative labour relations and collective bargaining systems;
- to obtain inputs from parties;
- to make a recommendation to the LRTT on the feasibility and necessity of implementing such a system.

As the subcommittee made no progress, the employer withdrew the item from the agenda.

Resolution 3 of 2000

The Western Cape Provincial Bargaining Council and the PSA made an application in the Labour Court to set aside Resolution 3 of 2000, on the basis that the PSCBC does not have the power to disestablish bargaining councils. The Labour Court subsequently set this resolution aside on 1 March 2002. Council however lodged an appeal with the Labour Appeal Court.

In the interim, the LRTT attempted to address the matters raised in the resolution, which resulted in a draft resolution on the "Disestablishment of Departmental and Provincial Bargaining Councils, Establishment of Provincial Co-ordinating Chambers of the PSCBC, and Guidelines on Establishment of Chambers of Sectoral Bargaining Councils." This resolution is currently in the process of being finalised in the PSCBC. Council subsequently withdrew the appeal.

Review of Resolutions 8 of 1998 and 11 of 1998

The recommendation for the review of the above resolutions was forwarded to the LRTT to draft a proposal to Council for consideration. The LRTT then decided to establish a subcommittee to develop a draft document. The employer subsequently withdrew from Resolution 8 of 1998, and the LRTT noted that Council was addressing the matter.

Demarcation of further Sectors

The LRTT established a subcommittee to look into the demarcation of further sectors. The committee is still in the process of obtaining inputs from the various Sectoral Councils on how the release and receipt of members in their Sectors would affect the operations of the Council, and how these members would be accommodated.

Constitutional Amendments

The subcommittee finalised the proposed amendments to the constitution, after which Council adopted the constitution. The Registrar registered the amended constitution on 30 March 2003.

Relationship between the budget and the negotiation process

The LRTT noted that the Job Summit Framework is in the process of being implemented, and that there are outstanding matters. Members agreed that an invitation be forwarded to the DPSA and Treasury to address the PSCBC on how to align their processes with the negotiating processes in Council. This process is still ongoing.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

PENSIONS RESTRUCTURING

Period: April 2002 – March 2003

Terms of reference

The joint task team in terms of resolution 7 of 2000 was tasked to investigate:

- (a) Advantages and disadvantages of the present system in relation to a "Pay as You Go (PAYG)" and any other pension system;
- (b) A reduction in the employer's contribution to the Government Employees Pension Fund (GEPF) to an agreed percentage. The purpose of this is to use funds accrued from such reduction towards the development of social services and job security in the public service;
- (c) The implications of the alleged mismanagement of the Venda pension fund on the affected employees; and
- (d) The purchase of pensions at favourable rates to assist those employees who were previously denied access to the pension fund, as well as all employees in terms of previous collective agreements.

In addition to the above, the terms of reference were extended to include improvements to the benefit restructuring amendments aimed at aligning the Rules with the Constitution, as well as amendments aimed at efficiency in management and administration.

Progress Report

1. A package approach to restructuring was followed and the terms of reference were extended to include extensions (improvements) to the current benefit structure, the restructuring of existing benefits, amendments aimed at aligning the GEPF Rules with the Constitution, as well as amendments aimed at efficiency in management and administration. The investigation focused on areas targeted for change, and no fundamental changes were made to the form and manner of pension provisioning, i.e. the Government Employees Pension Fund as a defined benefit fund remains the vehicle for pension provisioning for public service employees.
2. Through a process of Task Team meetings supported by further bilateral meetings and technical inputs from the actuary of the GEPF, the Task Team submitted finalized proposals to the PSCBC during August 2002. Based on the Task Team proposals, PSCBC Resolution 12 of 2002 was concluded on 29 November 2002.
3. Through the new agreement, the benefit structure of the Government Employees Pension Fund is expanded to include an orphan's pension and a funeral benefit. The orphan's pension will be payable in the event of a member's or future pensioner's death where there is no surviving spouse. Funeral benefits will be payable on the death of members and future pensioners, and on the death of spouses and eligible children of members and future pensioners. The amended benefit structure also allows members to sacrifice part of their initial pension in return for a higher spouse's pension entitlement. This change allows greater flexibility without increasing the value of pensions.
4. The employer will in future be able to vary its contribution rate in consultation with the Board of Trustees



and according to the financial experience of the Fund, subject to a minimum funding level of 90%. This change does not affect the value of benefits payable by the Fund, and employee contributions remain fixed at 7.5% of basic salary.

5. The restructuring investigation also focused on the need to protect the purchasing power of pensions. In future, pensioners are guaranteed annual pension increases with effect from 1 April of each year. The annual increase shall be equal to at least 75% of the percentage increase in the Consumer Price Index over the previous year. There will also be additional increases to ensure that the value of pensions does not drop below 75% of a pension that would have been adjusted with full inflationary increases since inception.
6. The definition of "spouse" is now formally amended to include life partners, (inclusive of same sex life partners). To ensure that all members are treated equally and to prevent fraudulent claims, Fund members will be required to register all persons to be regarded as "spouses" with the Fund. This will include persons who are spouses in terms of the Recognition of Customary Marriages Act, or the tenets of any religion.
7. To assist Fund members who wish to provide for additional retirement savings within the GEPEF, the agreement provides for changes to the provisions that enable members to buy additional service in the Fund.
8. The agreement also provides for enabling rules for the provision of guarantees by the Board of Trustees in respect of home loans by registered or otherwise approved institutions to members. The amount of such a guarantee will be commensurate with the value of a member's withdrawal benefit after tax deductions, and will be determined according to a policy of the Board of Trustees.
9. Other negotiated changes relate to the management of the Fund. The most significant are the amendments to the Rules that would enable the appointment of a Board of Trustees. The State as employer and members, together with pensioners, will enjoy equal representation on the Board. The appointment of the Board means that the Employer and employees will make joint decisions in respect of the investment policy of the Fund.
10. Finally, the agreement provides for the conclusion of:
 - ongoing processes aimed at rectifying imbalances caused by past discrimination (where Fund members who will benefit immediately are persons who served as casual employees before 1994 and who were never admitted to government pension funds);
 - implementation actions to restore pensionable service for employees who were dismissed between 1991 and 1993 due to industrial action; and
 - the investigation into the implications for affected employees of changes around the former Venda Pension Fund.
11. Persons who served in the former non-statutory forces will also have the option to apply for the recognition of such service as pensionable service within the Government Employees Pension Fund. Exercising this option means that affected persons will contribute to the cost of recognising this service, and will exclude affected persons from receiving benefits under the Special Pensions Act.
12. To monitor the implementation of the agreement, the relevant PSCBC Task Team will be reconvened.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

HOUSING AND ACCOMMODATION RESTRUCTURING TASK TEAM

Period: April 2002-March 2003

Terms of reference

- (a) Possibilities on how the employer's collective buying power can be harnessed to obtain better and affordable arrangements with the financial institutions. Further, to develop criteria for the evaluation of the financial institutions that will provide mortgage bonds for public servants;
- (b) Measures to address the needs of the low-income and rural based employees, together with those based in tribal trust land, inner city and peri-urban areas with regard to housing benefits;
- (c) Measures to enable new employees with continuous 12-months period of service to obtain a housing subsidy;
- (d) A review of all allowances related to the housing and accommodation, with a view to extending the same to all employees;
- (e) A review of the current accommodation benefits provided by the Employer; and
- (f) The possibility of using individual actuarial value with the Government Employee Pension Fund (GEPF), to be accessed for the purposes of collateral.

Progress

The task team appointed and mandated a working group to arrange a workshop that would assist in achieving the terms of reference. The workshop was held on 22-23 August 2002. While FNB sponsored the workshop, the PSCBC covered the remainder of the expenses, e.g. contingency fee.

The following organisations made presentations at the Housing Workshop:

- **FNB** is a banking group, which, among others, is involved in the provision of home loans. FNB also funds its home loan book through the internationally recognised practice of "securitisation".
- **National Department of Housing:** The National Department of Housing is responsible for the national housing strategy, as well as the planning of programmes to implement these policies and strategies.
- **National Housing Finance Corporation (NHFC)** jointly with Greenstart Home Loans (Pty) Ltd and SouthFin:
The NHFC, which was established by the Government, in partnership with the broadest range of organisations, searches for new and better ways to mobilise finance for housing from sources outside the State. The NHFC aims to create housing opportunities for low and moderate-income families by, among others, funding intermediaries to promote broader access to housing.
- **Greenstart** Home Loans, which is a wholly owned subsidiary of the NHFC, was established with the prime objective of being a provider of financial assistance to the lower and moderate income market, enabling this sector, previously excluded from traditional mortgage finance, with the ability to acquire individual title or sectional title residential properties.



- SouthFin markets, prices and administers financial products and services to the lower income segments of the South African market. SouthFin is also an intermediary of the NHFC financing low cost housing.
- **Sasol** is currently regarded as a 'world class' organisation in the chemical industry. SASOL, as an employer, shared its practices with regard to the housing benefits for its employees.
- **Matthew Nell and Associates** is a consulting firm with 20 years experience in low-income housing and socio-economic development programmes. Its area of specialisation includes institutional consideration in respect of the housing sector, inner-city housing projects, on-site upgrade projects, housing project management, employer housing programmes, and the strategic and risk management in respect of the full range of housing projects and organisations.
- **Habitat for Humanity** is both an NGO and NPO. It is a grassroots, ecumenical Christian organisation that works in partnership with communities to eliminate poverty housing in 83 countries worldwide. HFHSA works through a community development model that values broad participation by helping families living in inadequate shelters to build and own simple, decent, healthy houses.
- **Banking Council South Africa** is the industry body whose role is to establish and maintain the best possible platform on which banking groups can do responsible, competitive, and profitable banking. As the representative body, the Banking Council continually interacts with various government departments, consumer bodies and other interest groups regarding banking issues. The Banking Council also seeks to ensure that its members maintain best international practice. Since the Banking Council South Africa is a critical roleplayer in the housing industry, the Workshop indicated that the Council be invited at a later stage to a Task Team meeting.
- ESKOM is engaged in the energy and related services business in Africa. They shared their practices with regard to the housing benefits for their employees.

Parties to the PSCBC were also afforded the opportunity to voice their views on the topic.

The employer approached its presentation in three phases, i.e.

- The Department of Public Service and Administration gave a broad perspective on housing in the Public Service within the parameters of the current policy provisions, namely the Home Owner Allowance, State and Other Housing and the State Guarantee Scheme.
- The South African Police Service (SAPS) gave their perspective on and experience with regard to the provisioning of Official Housing within the SAPS.
- The Department of Public Works from KwaZulu/Natal provided a provincial perspective on the provisioning of State Housing.

Labour presented its perspectives on the restructuring of the housing benefits within the framework of the terms of reference.

Way forward

The Task Team compiled a report on the Housing Workshop. The Task Team adopted the said report as a reference report. The parties have to revisit their positions/proposals and make recommendations to Council for further deliberations.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

MEDICAL AID RESTRUCTURING TASK TEAM

Period: April 2002 – March 2003

This Task Team was established with the signing of Resolution 7 of 2000.

Terms of Reference

- (a) Mechanisms to introduce collective buying power;
- (b) Extending medical assistance to all employees in the public service;
- (c) The feasibility of capping and /or de-linking the present medical aid contribution from the medical price index;
- (d) Administrative mechanisms to control and manage costs for the employer and employee;
- (e) Measures and resources for the treatment of HIV/AIDS in respect of affected employees and their dependants;
- (f) How medical aid schemes can strengthen the public health system in the country;
- (g) Post-retirement medical aid; and
- (h) Draft proposals to the PSCBC.

Progress

The Medical Aid Restructuring Task Team was established in November 2000 and has since met on a number of occasions.

The appointment of researchers was finalised in August 2001. The researchers, NBC Health Care Consultants made presentations to the Medical Aid Restructuring Task Team in August 2001 and November 2001 respectively. The Task team concluded the terms of reference and timeframes for the researchers.

A workshop to receive feedback from the researchers as per the terms of reference was held on 20 February 2002. The parties were subsequently given time to provide their inputs on the matter.

Parties agreed that the report would be used as a basis for them to conduct their own investigations and to formulate their proposals. Based on this decision, the employer then went ahead and held discussions and interviews with administrators. In the latter part of 2002, the work of the committee was held in abeyance as debates ensued in Council on an Interim measure for HIV/ Aids. At subsequent meetings, Council established a working group to look at advertisements to be placed for a consultant to be appointed. The working group consisted of one representative per federation and one representative from the independent unions and an equal representation from the employer. The employer conducted the interviews, and labour was invited to attend as observers. The terms of reference stipulated what the Transaction Adviser was required to do. This did not imply that labour supported what was done. The employer raised that the issues should be explored, following which a decision needs to be taken on the system to be used. Council then agreed that a workshop be arranged through the task team. A full presentation would be made to Council. The employer raised that the process should be a joint process with labour, and that the Transaction Adviser should report back to a collective body. The employer also raised that their document on a closed medical aid scheme is a concept document.

It was noted that labour submitted a consolidated proposal on medical aid to the employer in February 2003,



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based on the employer's document dated April 2002.

The workings of the Task Team were suspended by Council, which attempted to address an interim measure for HIV/ Aids. After a workshop held on 15 April 2003, the employer tabled new documentation and inputs on the matter.

Way Forward

The Task Team was reactivated by Council with a clear mandate to explore all possible options according to its terms of reference as in Resolution 7 of 2000, as a matter of urgency.



BASIC CONDITIONS OF EMPLOYMENT ACT TASK TEAM

Period: April 2002 – March 2003

After lodging an application for a Ministerial determination in terms of Section 50 of the Basic Conditions of Employment Act by the Employer, the Minister of Labour responded by indicating that he believed that attempts to achieve consensus have not been exhausted. The matter was subsequently referred back to the PSCBC for negotiations. Council agreed during their meeting held on 4 June 2002 that a task team be established, both to develop solutions, and to draft a resolution to Council for consideration.

The areas covered by the Task Team are as follows:

- Overtime
- Meal intervals
- Nightshift work;
- Sunday work;
- Daily and weekly rest periods;
- Public Holidays;
- Averaging of working hours

The Task Team has finalised its proposal to the PSCBC for negotiations.



SCARCE SKILLS TASK TEAM

Period: April 2002 – March 2003

Overview of process

The Task Team was established in terms of the PSCBC Resolution 9 of 2001 to determine a framework to retain scarce skills in the Public Service by February 2002. The signing of Resolution 5 of 2002 extended this timeframe to August 2002. The Sectoral Councils were tasked to determine occupational classes that constitute scarce skills.

The Task Team however agreed that the determination of occupational classes that constitute scarce skills should form part of the development of a framework to retain scarce skills.

Inputs on the development of a framework were received from the PSA and DENOSA.

Due to the problems experienced by the Task Team to hold quorated meetings, coupled with the timeframes of the resolution lapsing, EXCO made a recommendation to Council to disband the Task Team until parties were in a position to engage on the matter.

At the Council meeting in March 2003, the employer indicated that the DPSA developed a draft framework for the retention of scarce skills. Parties agreed that the document be made available to labour to provide inputs. The Task Team would be re-convened to receive the inputs and to make a recommendation to Council on a framework to retain scarce skills.



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TRAINING COMMITTEE

Period: April 2002 – March 2003

Terms of Reference

- (a) Internal capacity building for parties to Council, sectors and secretariats: (The Secretary clarified that the committee would be able to assist with the staffing needs of the Secretariat, and that business plans can be submitted to the Training Committee to make a recommendation to EXCO on training for the Secretariat).
- (b) Facilitate common understanding of labour relations matters in the public service through joint training projects (e.g. implementation of dispute resolution procedures.) – This process can be done in consultation with the Labour Relations Task Team on matters such as the “Train the Trainer” course, labour law in the Public Service, etc.
- (c) To regularly review PSCBC training material and identify training needs (e.g. the updating of existing training material, etc.)
- (d) To identify skills within the PSCBC Panel of Conciliators and Arbitrators, as well as the Database of Service Providers for purposes of providing training to PSCBC parties. (This process needs to feed in with the LRTT processes).
- (e) As a training resource, to attract funding/ donors for PSCBC training projects (involving PSI, ILO, etc).
- (f) To carry out specific tasks related to training and education as mandated by Council.
- (g) PSCBC Representation on SETA's (feedback on the implementation of business plans in Sectors, financial accountability from SETA to Sector/ PSCBC, gaps in terms of issues outside the role and scope of the SETA's).
- (h) Co-ordination of Sectoral Skills Development Committees.
- (i) Establishment of SGB: GET/ FET

Status of Committee

Since no progress was made in this Committee, Council agreed at their meeting held on 28 and 29 November 2002 to stop the functioning of the Committee, and that it be re-activated as and when the need arose.



TECHNICAL COMMITTEE

Period: August 2002-March 2003

Introduction

The committee was established in terms of the PSCBC Resolution 7 of 2002 (Restructuring and Transformation of the Public Service). The committee comprises nine representatives from labour, and nine representatives from the employer, with assistance provided by the Secretariat. The committee provides information regarding the resolution, co-ordinates the process of restructuring, compiles, and submits reports to the PSCBC on an ongoing basis.

Terms of reference

- (a) Develop a joint action plan and programme for the monitoring of the implementation of the restructuring agreement;
- (b) Establish appropriate timeframes for the phases of implementation;
- (c) Consider the proposed action plans by parties and make recommendations on a joint plan to Council.
- (d) Ensure the establishment of structures and confirm their functionality.
- (e) Liaise and oversee the structures established in terms of the Resolution, namely the Inter Departmental Task Teams and Departmental Task Teams.
- (f) Ensure ongoing monitoring and evaluation of the process and report to Council either on a monthly basis, or when necessary.

Progress

National Evaluation Workshop

The committee identified the need for a national workshop to evaluate the progress of the process. The workshop, which included all stakeholders and the IDTT chairpersons, was held on 24 and 25 February 2003. The national workshop held in Durban dealt with the following:

- Brief outline of Res. 7 and 8 of 2002;
- Progress report on the implementation of Res. 7 and 8 of 2002;
- Revised timeframes;
- Resources for the implementation of Res. 7 of 2002;
- Progress reports on the implementation of Res. 7 and 8 of 2002;
- Draft social plan guidelines; and
- HR plans guidelines.

A report was compiled by the committee and submitted to Council.

Provincial Evaluation Workshops

Following the national workshop, Provincial Evaluation Workshops were held from 24 March – 15 April 2003, to evaluate the progress made by provinces. The teams, consisting of two employer and two labour representatives, briefed IDTT and DTT members at the workshop on the HR plan, training and development, timeframes, linking restructuring to transformation, and severance packages.

The teams were expected to do the following at the workshops:



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- Gather information
 - Assess the progress made and problems encountered
 - Make strategic interventions, recommendations and provide guidance

The IDTTs of the provinces were requested to submit the workshop reports to the Technical Committee.

The Technical Committee was highly successful in identifying problem areas in particular departments in provinces and focusing on targeted interventions to facilitate the implementation of Resolution 2 of 2002.

Budget

Resolution 10 of 2002 provided funds to assist in the implementation of Restructuring and Transformation. This amounted to approximately R8.5 million. The Technical Committee developed a budget of R2.5 million for its activities and conducting of evaluation workshops. The Committee is in the process of finalising criteria for allocating the remaining funds to structures that require special assistance.

Way forward

The Technical Committee has committed itself to conduct regular assessments of the implementation process, through the review of monthly IDTT reports and the workshop reports. Where necessary, the appointed teams will re- visit provinces and departments to facilitate the implementation of Resolution 7 of 2002.

The Technical Committee is committed to finalizing the process by end June 2003.



EDUCATION LABOUR RELATIONS COUNCIL (ELRC)

Introduction

Council comprises the department of education at national and provincial level, and the following teacher unions:

- (a) South African Democratic Teachers' Union,
- (b) National Professional Teachers' Organisation of South Africa,
- (c) Suid Afrikaanse Onderwysersunie

In terms of the vote weights agreed upon by the parties, the composition of the council was as follows:

EMPLOYER	25 REPRESENTATIVES
SADTU	15 REPRESENTATIVES
NAPTOSA	07 REPRESENTATIVES
SAOU	03 REPRESENTATIVES

Strategic Objectives

The primary functions of the council are set out in the Constitution of the ELRC. The strategic objectives of the Council are, among others:

- (a) To promote and maintain labour peace in education;
- (b) To prevent and resolve labour disputes in education;
- (c) To perform dispute resolution functions in terms of section 51 of the Act;
- (d) To conclude and enforce collective agreements;
- (e) To conduct research, analyse and survey education nationally and internationally, and to promote training and build capacity in education; and
- (f) To consider and ratify collective agreements of provincial chambers.

Negotiations and consultation activities of council

(a) Collective Agreements Signed by Council

- Agreement No. 1: Vote Weights for trade unions that are parties to the Council;
- Agreement No. 2: Appointment of a panel of conciliators and arbitrators;
- Agreement No. 3: Performance Management and Development Scheme for Office Based Educators;
- Agreement No. 4: Permanent Appointment of Unqualified Educators;
- Agreement No. 5: Recognition for Improvement in REQV;
- Agreement No. 6: Implementation of the Basic Conditions of Employment Act (1997) in Education;
- Agreement No. 7: Appointment of Full-Time Shop Stewards in Education;
- Agreement No. 8: Payment of Acting Allowance for an Educator acting in a higher post where the Incumbent is absent;
- Agreement No. 9: Evaluation Procedures, processes and Performance Standards for Institution-Based Educators.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

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- (b) The Council also adopted the Application Manual for the New Leave Dispensation, which was circulated to the provincial departments to ensure uniform application of the leave measures in all institutions.
- (c) The Council also ratified a number of collective agreements that were adopted in provincial chambers.
- (i) KwaZulu-Natal Chamber
 - Collective agreement 2 of 2001 (Procedure for implementation of PPN)
 - Collective agreement 3 of 2001 (Procedure for filling of office-based educator posts)
 - Collective Agreement 1 of 2002 (Procedure for filling of school-based educator posts)
 - (ii) Free State Chamber
 - Collective Agreement 1 of 2003 (Guidelines for filling of educator posts at institutions)
 - Collective Agreement 2 of 2003 (Guidelines for filling of office-bound educator posts)
 - (iii) Eastern Cape Chamber
 - Collective Agreement 1 of 2002 (Guidelines for the absorption of educators declared additional to the establishment)
 - (iv) Western Cape
 - Collective agreement 1 of 2002 (Terms of reference for Standing Committee)

The Council conducted workshops on the following matters:

- (a) New Salary Grading System
- (b) Developmental Appraisal System
- (c) Post Provisioning
- (d) Restructuring in Education
- (e) Medium Term Expenditure framework
- (f) Recognition of prior learning

Special Projects

- (a) Development of ELRC Website

The ELRC Website was successfully launched in November 2002 through MWeb. The ELRC will appoint a Media Officer to, amongst other matters, update the website on an ongoing basis.

- (b) Policy Handbook for Educators

A major venture that the ELRC embarked upon was the compilation and printing of a Policy Handbook for Educators. Contracts were entered into with two service providers. 400,000 handbooks would be printed and distributed to institutions.

- (c) World Teachers' Day

The celebration of World Teachers' Day was successfully organised in the Free State Province on 5 October 2002. Several Education dignitaries, including the Minister of Education, Director General, MEC's for Education, leaders of employer and employee parties, attended the occasion.

- (d) Education Convention

The Education Convention was one of the major events organised by the ELRC. The convention was a sequel to the Public Job Summit that had taken place during 2001 in Polokwane in the Limpopo province. The convention took place at the University of Port Elizabeth from 24 to 27 November 2002. All the parties signed a Declaration of Intent.



The convention constituted a unique opportunity for a wide variety of stakeholders to debate critical issues related to public education in an endeavour both to provide better access to education, and to improve on service delivery.

(e) National Professional Diploma in Education (NPDE)

The implementation of the NPDE commenced in April 2002 with the participation of accredited institutions in all the provinces. The programme is geared to upgrade the qualifications of a large number of under-qualified educators. Funds were made available for bursaries for 10,000 educators at R5000 per year. A Project Management Committee has been responsible for coordinating the implementation of the NPDE.

(f) Managing the Transition (FET)

The Council allocated an amount of R9 million to assist with the implementation of Further Education and Training (FET) in the provinces. The funds were utilised for various purposes, such as organising workshops, developing materials, payment of facilitators, printing of educator guides and distribution thereof.



GENERAL PUBLIC SERVICE SECTORAL BARGAINING COUNCIL (GPSSBC)

Introduction

The General Public Service Sector was designated in terms of the PSCBC Resolution 10 of 1998. A Bargaining Council for the Sector, called the General Public Service Sectoral Bargaining Council (GPSSBC), was registered with the registrar of Labour Relations on 28 July 1998, and inaugurated on 07 September 1998. The GPSSBC was accredited to perform dispute resolution functions from June 2000.

Council's vision:

To be recognized as a world class Bargaining Council by the year 2005, by making quality service our number one priority.

Council's mission:

To promote labour peace and collective bargaining in the General Public Service Sector.

Council's philosophy:

Knowledge and learning, teamwork and the satisfaction of the Public we serve.

Council's values:

Integrity, transparency and respect.

The objectives of council

The objectives of the Council are to:

- Promote labour peace in the General Public Service Sector;
- Promote and maintain sound relations between employer and its employees;
- Promote collective bargaining in the General Public Service Sector;
- Provide effective and expeditious resolution of disputes in the General Public Service Sector;
- Promote the effective delivery of services to the community;
- Promote effective communication between the employer, its employees and trade unions in the General Public Service Sector.

Scope of council

The employer and all employees who fall within the scope of the PSCBC, but who do not fall within the scope of the Education Labour Relations Council, or any other sectoral bargaining council designated by the PSCBC.

The Council covers 257 553 public servants, eighty-two (82) Provincial Administration Departments, and twenty-nine (29) National Departments and organisational components.



Management of Council

The Executive Committee comprises:

- Chairperson;
- Two deputy-chairpersons (one from the employer and one from labour);
- Three representatives from Labour; and
- Three representatives from the Employer.

The GPSSBC's staff complement comprises the following:

Secretary;

Financial and Administration Officer (also served as Acting Secretary to Council);

Dispute Resolution Manager;

Dispute Resolution Officer; and

Personal Assistant to the Secretary.

During the year under review, Council also employed the services of three (3) Dispute Resolution Officers appointed in a temporary capacity.

Parties to Council

The GPSSBC consists of the employer and employee organisations. The employer and employee organisations (collectively) each represent 50% of the votes in Council.

During 2002-2003, three trade union organisations were represented in the GPSSBC. (Refer Table 1.) To be admitted to Council, a union has to have at least 20 000 members who fall within the scope of the Council. The following unions were represented in the GPSSBC:

Labour Participation in the GPSSBC for 2002/2003

UNION	MEMBERSHIP	VOTE WEIGHT (%)
NEHAWU	79 836	37.49
POPCRU	22 899	10.75
PSA	110 230	51.76

GPSSBC Achievements

It is important to mention that for much of the period under review, Council's activities were disrupted because of members' involvement in the implementation PSCBC Resolutions 7 and 8 of 2001 on the restructuring of the public service.

Collective bargaining and consultative processes

While the signing of resolutions is not the most important barometer of our achievements, there are currently three (3) important resolutions ready for signature. These are:

- An Amendment to the Full-Time Shop Stewards Agreement;
- Far-reaching Amendments to the Constitution of Council; and
- A Code of Conduct for Exco Members.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

The Council's achievements can best be measured in terms of the work achieved in the task teams appointed by the Executive Committee, and most importantly by the implementation of systems, which have slowly, borne fruit in the better administrative functioning of our Council.

Task teams and committees

GPSSBC has established a variety of committees and task teams to support the collective bargaining process. The task teams permit informed and more constructive engagement in dealing with complex and highly technical issues facing Council.

All task teams report to the Executive Committee.

The following task teams met in 2002-2003:

- Financial Committee (Fincom)
- Full-Time Shop Steward Task Team
- Ten Million Sectoral Allocation Transformation Task Team
- Training and Development Task Team
- Dispute Resolution Committee

Financial Committee

The Financial Committee (FINCOM) was established in terms of the GPSSBC constitution to monitor the use of finances, and to safeguard the assets of Council.

FINCOM meets once a month to peruse and discuss the financial report, and to make recommendations to the Executive Committee.

Other sub-task teams were established within this structure to investigate various technical problems.

The following sub task teams met in 2002-2003:

- Review of the budget task team
- Financial policy and procedure manual task team
- Sector allocation task team

Full-time Shop Steward Task Team

This task team was established for the purpose of revisiting the provisions of the current full-time shop steward agreement to address specific needs within the Sector. Amendments to the Full-time Shop Steward Agreement, which have been tabled at Council, are ready for signature.

Transformation Task Team

The Transformation and Training and Development Task Teams were collapsed into a single task team, the Transformation Task Team.

Proposals on the implementation of projects and the designing of a training plan for the GPSSBC were identified during the period under review. The proposals await final agreement by parties.



Dispute Resolution Core Team

The Dispute Resolution Core Team was established to reflect on the activities of the dispute resolution unit of Council and to report to the Executive Committee. Issues that the Task Team consider and report on include the following:

- Monthly report on statistics of dispute referrals received and handled
- Issues pertaining to recruitment of panellists
- The conduct of panellists
- Necessary amendments to referral forms
- General problems experienced in the administration of disputes and the unit
- Review of the Constitution of Council

The ongoing work of the task teams have been instrumental in effecting much-needed administrative changes in Council, and have made valuable inputs into the constitutional amendments that have been tabled for adoption in Council.



PUBLIC HEALTH AND WELFARE SECTORAL BARGAINING COUNCIL (PHWSBC)

Scope

The PHWSBC's scope covers the Department of Health and the Department of Social Development, nationally and provincially. It also covers other occupations in the SAMHS.

Parties to the Council

The following Labour parties were admitted members of the Council. The membership figures are as at 30 December 2001.

The summary of parties acting together is as follows:

No.	PARTY	MEMBERSHIP	VOTE WEIGHT
01.	NEHAWU	77 818	32,23%
02.	DENOSA	61 441	25,44%
03.	PSA	46 560	19,28%
04.	HOSPERSA	45 594	18,88%
05.	PAWUSA	10 054	4,17%
	TOTAL	241 467	100%

PARTY	ACTING WITH
NEHAWU	SASAWU
DENOSA	SADNU and SAMA
PSA	NPSWU
HOSPERSA	NUPSAW

Collective bargaining and consultative processes

Council passed the following Resolutions during the period under review:

- Agreement on Acting Allowance (Resolution 1/2002)
- Agreement on Implementation of Dispute Resolution Procedures of the PHWSBC (Resolution 2/2002)
- Agreement on the Appointment of a Panel of Conciliators and Arbitrators (Resolution 3/2002)
- Agreement on the Appointment of Full Time Shop Stewards (Resolution 1/2003)

Utilisation of Transformation Funds

In May 2003, the researchers appointed by the Council will be embarking on a research project in respect of two identified areas, viz. HIV/AIDS and Labour Relations. Five Provinces (Gauteng, Western Cape, Eastern Cape, Limpopo Province and KwaZulu/Natal) have been identified for the project.

The research will focus on a Climate Assessment exercise, as an initial stage for the Transformation project plan. Two Health and Welfare institutions per province, in both rural and urban areas, will be the subjects of the research. The Council has budgeted R300 000 for the project. The project will be finalised by August 2003.



The recommendations from the project will inform Council on the strategy that should be followed in the Council's Transformation Plan.

The Council will also undertake a study tour to a developing country (Cuba) and a developed country (Canada). The study, which forms part of the Transformation plan of the Council, intends to capacitate Council in improving the understanding and skills of parties to the Council, on a wide range of aspects related to the activities of the PHWSBC and the sector in which it functions. The study will focus on developing the Council on:

- Service delivery
- Retention of scarce skills
- Training and Skills Development
- Dispute resolution
- Compensation structures and collective bargaining
- Administration of Bargaining Councils/ Structures.

A group of ten EXCO members will undertake the tour from 15 June 2003 to 28 June 2003.

Research

During the next financial year, the Council will embark on a comprehensive programme to research the salary structure of all health and welfare workers in the sector. Applications for the tender in this regard have been received from NGO's, and the programme will commence soon.

Skills Development

The Council has established the Working Group that will develop a sector skills plan. Work will resume in May/June 2003.

Constitutional Amendments

The Council set up a Constitutional Amendments Committee, which was chaired by an independent consultant. From this Committee's report, the following possible Constitutional amendments will be negotiated in Council:

- Collective Bargaining Structures.
- Collective Bargaining Process.
- Dispute Resolution Procedures
- EXCO Alternates
- Appointment of the Secretary of Council
- Quorum and representation in EXCO
- The Determination of consensus
- Task Teams of Council
- The Scope of the Bargaining Council
- The National Chambers under the scope of the PHWSBC

Committees

The Council has maintained the following Committees, which fully participate and give attention to matters assigned to it by Council. The Committees meet monthly, except where indicated:

- (a) EXCO
- (b) FINCOM



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

-
- (c) Skills Development
 - (d) Transformation
 - (e) Dispute Resolution
 - (f) Research
 - (g) Staffing (Meets Bi-monthly)
 - (h) AGM Preparatory (Interim)

Provincial Chambers

The Council has established nine provincial chambers. The chambers submit bi-monthly reports to Council.

The Western Cape Provincial Chamber has signed a Resolution on the Employee Assistance Programme (EAP).

Because of the lack of resources, coupled with the fact that the secretaries are seconded from the Employer to conduct the business of the chamber, the Council is facing a serious challenge in the Provincial chamber operation.



SAFETY AND SECURITY SECTORAL BARGAINING COUNCIL (SSSBC)

The Safety and Security Sectoral Bargaining Council (SSSBC) was established in terms of Resolution 12/98 of the PSCBC. The SSSBC is the result of the amalgamation of the National Negotiating Forum (NNF) and the Department of Safety and Security Departmental Bargaining Council.

Scope

The state as employer and its employees employed in the South African Police Service in terms of :

- The South African Police Service Act; and
- The Public Service Act.

Powers and functions

- Negotiate collective agreements on matters of mutual interest;
- Implement, monitor and enforce its collective agreements;
- Implement and monitor those collective agreements that have been concluded in the PSCBC;
- Prevent and resolve disputes;
- Resolve disputes between the employer and:
 - (a) trade unions admitted to Council; and
 - (b) its employees;
- Administer funds to be used for resolving disputes, collective bargaining and general administration of the Council;
- Raise, borrow, lend and invest funds;
- Develop policy proposals that may affect the sector;
- Promote and establish training and education schemes; and
- Exercise any other power and function that may be necessary or desired to achieve the objectives of the Council.

Vision

To strive towards the continual maintenance and promotion of labour peace in the sector by implementing the ideals of both the Constitution and the Labour Relations Act.

Mission

To provide accessible, expeditious and credible dispute prevention and resolution services, as well as to achieve and maintain excellence in all services provided by the Council.

Admission Threshold: Thirty Thousand (30 000)

Parties to Council:

- South African Police Services (SAPS);
- South African Police Union (SAPU);
- Police & Prisons Civil Rights Union (POPCRU).



SSSBC Objectives

- Enhance labour peace in the Sector;
- Provide a forum for collective bargaining in the Sector;
- Negotiate and conclude collective agreements on matters of mutual interest;
- Implement, monitor and enforce its collective agreements;
- Promote a sound relationship between the employer and employees;
- Prevent and Resolve Disputes;
- Provide effective and expeditious resolution of disputes in the Sector; and
- Consider and deal with any other matters that may affect the interest of parties to Council.

Agreements reached in the 2002/03 financial year

The achievements of the Council in the past year are once again indicative of the commitment and co-operation of parties in reaching the objectives of the Council. The following agreements were concluded in Council during the year under review:

Agreement 5 of 2002	Working hours in the South African Police Service.
Agreement 6 of 2002	Special Daily Allowance for duties at the World Summit on Sustainable Development.
Agreement 7 of 2002	Amendment to agreement 5/99 dated 8 October 1999: Transfer Policy and Procedures.
Agreement 8 of 2002	Implementation of Kirstein Arbitration award shifting of rank/leg promotion dates.
Agreement 1 of 2003	Appointment and Utilisation of Full Time Shop Stewards.

Provincial chambers

The SSSBC has established chambers in nine provinces. Council has conducted a review in respect of support measures for the Provincial Chambers in terms of their effectiveness and capacity enhancement. This review has led to a number of projects being embarked upon during the year under review to empower and build capacity in provincial chambers.

The projects embarked upon are:

1. Provincial visits

The purpose of the visits was to:

- Observe the running of the chamber meetings and ensure that all chambers are up and running and functional;
- Have discussions about problems experienced and provide assistance in this regard;
- Give the chambers feedback on national processes;
- Give feedback on training (negotiation skills & dispute prevention and resolution) that will be provided to them; and
- Assist in harmonising the relationships between the parties to chambers.

2. Training

In an effort to enhance capacity at provincial chambers, the team identified the need to provide training on negotiation skills for parties to the chambers. Resolve Training Works was appointed to prepare a customised course for the Council and conduct training in all the nine provinces.



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The course was rolled-out to the provinces in January and February 2003. Positive feedback was received from all chambers and service providers with regard to the training.

3. Financial assistance

In order to ensure that chambers had meetings on a regular basis, and as a response to the requests for financial assistance, financial allocations were made to the chambers for the following:

- refreshments during chamber meetings.
- year-end functions.

Transformation projects

One of the outstanding successes of Council during the year under review was the implementation of the agreement on transformation initiatives in the SAPS (9/2000).

Project 1: Service Delivery Improvement

Council approved the appointment of service providers recommended by the Project Team in December 2002 for the following sub-projects:

- Sub-Project 1:** To provide and erect information billboards (display boards) at all service delivery points (centres), including police stations of the SAPS.
- Sub-Project 2:** To establish victim-friendly facilities at identified police stations in line with SAPS specifications and needs.
- Sub-Project 3:** To provide note books (lap tops) to area and provincial offices complying with the set specifications.
- Sub-Project 4:** To equip previously disadvantaged members with training necessary to improve service delivery, including developing skills and knowledge.
- Sub-Project 5:** To market and institutionalise Batho Pele principles within SAPS, including the development of innovative marketing items/articles to popularise and enhance service delivery.

Project 2: Employment Equity

Due to the varied activities of project 2: Employment Equity, the project was divided into three sub-projects which covered:

- (i). Data Wizard
- (ii). Diversity Management
- (iii). Employment Equity

A joint venture of three service providers was recommended by the Transformation Committee to render service in SAPS, namely:

- Ndawo: for training in Diversity Management
- Picay: to acquire software EE Wizard
- Bono: to deal with the bulk of the project on Employment Equity prescripts in SAPS

Contracts have been signed with the service providers and implementation of the project is underway.



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Project 3&4: Joint Labour Relations and Discipline Training

R5 million was allocated for joint labour relations training to enhance sound labour relations between employees of the Service, including Organised Labour and the employer. The objective of this training would be to know and understand the principle and values underlying sound labour relations, thereby minimising conflict.

R1 million was made available for training in discipline management. This training would enhance capacity to effectively deal with discipline management in the South African Police Service. As discipline management is a line management function, it is important to train line managers, as well as union officials and office bearers in the application of the disciplinary code.

The consortium M&M Simeka, was appointed as service provider for this project. The roll-out of the training to provinces and Head Office commenced on 3 February 2003 and ended on 7 March 2003. Two concurrent courses were conducted each week in two provinces, that is, four courses running in any one week. Each course trained 25 persons, which is a total of 50 persons per province.

Some of the areas covered in the training are:

- the big picture
- relevant legislation
- implications, roles and responsibilities
- managing LR
- dispute resolution
- grievance and disciplinary action procedures
- turning vision into practice

A help desk at telephone number 011-7881544 was set up to assist trainers. It will be operative for six months from 3 February up until the end of July 2003. Its hours are Monday to Friday 8am-5pm.

At the end of six months, "Frequently Asked Questions" (FAQ's) will be compiled into a user-friendly format and loaded onto the website. At the moment, the help desk responds within 24 hours to all e-mail enquiries related to the training material, as well as any information needed with regard to the labour relations material covered in the curriculum.

The website address for the project is: www.jointlrrt.co.za

Dispute Resolution

Dispute prevention continues to be one of the major challenges facing the Council. A number of workshops were held where parties discussed the major causes of disputes, together with possible ways of reducing them. A notable one is the Badplaas workshop where parties discussed the correlation between the high caseload and the effectiveness of the internal grievance procedure. This has led to the amendment of the dispute procedure to provide for more expeditious procedures and to reduce the costs incurred in respect of disputes.

The new procedure will, amongst others, provide for a compulsory pre-arb meeting for parties to narrow down issues and deal with point in limine issues before the actual hearing takes place. It is envisaged that this process will go a long way in reducing the dispute costs. The amendments will be adopted in Council in the next financial year.



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DISPUTE RESOLUTION IN THE PUBLIC SERVICE

Overview

The PSCBC manages disputes that arise between parties who fall within its scope, whether admitted to Council or not.

Resolution 11 of 2002 confirms the scope of the PSCBC to be in line with Section 36 of the LRA, namely, to perform all the functions of a Bargaining Council in respect of those matters that:

- (a) Are regulated by uniform rules, norms and standards that apply across the public service; or
- (b) Relate to terms and conditions that apply to two or more sectors; or
- (c) Are assigned to the State as employer in respect of the public service that are not assigned to the State as employer in any sector.

In correlation with the above, the bulk of disputes that the PSCBC receives relates to collective disputes that affect two or more sectors.

Most individual disputes (e.g. dismissal or unfair labour practice disputes) do not affect more than one sector and are handled by the relevant Sectoral Council.

Disputes at the PSCBC are dealt with in terms of the PSCBC dispute resolution procedure that was initially adopted in 1998 (Resolution number 3 of 1998), which was notably amended by Resolution 11 of 2002.

Since inception, the Dispute Resolution Departments of the PSCBC and the Sectoral Councils were faced with numerous challenges. These challenges were addressed in various Dispute Resolution forums where, with the combined effort of all the parties concerned, possible solutions and the necessary recommendations were made.

Dispute Resolution Costs

There was an astronomical increase in the dispute resolution costs since 2001. The costs have in fact increased by more than 100%, from R 3943 551 in 2001 to R8 674 369 in 2002, and to R 11 553 412 in 2003. For the period under review, Council spent its entire income only on dispute resolution costs.

Acknowledging that this issue had to be addressed, a workshop involving the PSCBC and Sectoral Councils was held in May 2002.

The aim of the workshop was to scrutinise the current dispute resolution procedures, panellist contracts, policies and operating procedures to identify problematic areas, and deliberate on possible cost saving solutions.

Several issues that needed to be addressed were identified, and the Dispute Resolution Cost Sub-Committee was tasked to work through the challenges and recommend possible solutions.

Probably the most drastic action taken in an effort to curb costs was the amendments to the Panelist Fee Policy, which will be discussed in more detail later in the report.



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Dispute Resolution Procedures

The PSCBC has been in existence since 13 October 1997, and a need arose to comprehensively amend its constitution to align it with new circumstances and changes to the legislative framework.

The PSCBC thus adopted Resolution 11 of 2002, which resolves that the constitution, as registered by the Registrar of Labour Relations on 13 October 1997, be amended. The new constitution (and with it the new dispute resolution procedure) took effect from the date of its certification by the Registrar of Labour Relations in terms of section 57(4) of the Labour Relations Act 66 of 1995, i.e. 30 March 2003.

The most drastic change to the PSCBC dispute resolution procedure is the introduction of one arbitrator to arbitrate a dispute, instead of a panel of three arbitrators as per the old procedure. This amendment is a direct result of the Costs Workshop and will save the Council at least R3 000 per arbitration hearing.

A further significant change is that the arbitration hearings will not automatically be scheduled once a conciliation hearing is unresolved. The applicant will have to apply for arbitration on a separate form after the conciliation is unresolved.

The new procedure further outlines the correct procedure that must be followed if a party wants to apply for postponement of any hearing.

Although the amendments have just been registered, it is acknowledged that the procedures still need more fine-tuning. With this in mind the PSCBC has embarked on the process of drafting further amendments to ensure that the dispute resolution procedures are adapted to suit the ever-changing nature of dispute resolution in the public service.

The Sectoral Councils have also entered into processes to amend their dispute resolution procedures, and have already made vast progress.

The reasons for the amendments are mainly threefold:

- Firstly, it was found that the current procedures do not support the efficient day-to-day administration of disputes, and in fact, hinders the speedy scheduling of hearings.
- Secondly, all Councils endeavour to implement some of the cost saving measures that were identified in the Costs Workshop as discussed above.
- Thirdly, the current procedures are revisited to align them with the recent amendments to the Labour Relations Act 66 of 1995.

The SSSBC is currently considering implementing a compulsory pre-arbitration meeting. It was found that their current Con-Arb process does not work as effectively as was anticipated. The primary contributing factor was the high number of postponements, which was mainly the result of a lack of preparedness by the parties for the arbitration hearing that must take place on the same day as the conciliation hearing.

This problem will be addressed by the compulsory pre-arbitration meeting, as parties will be forced to consider all the facts and prepare their arguments before the actual hearing. It is logical that if the number of



postponements can be curbed in this way, the dispute resolution costs of the Council will also drop dramatically.

The SSSBC is also considering broadening the powers of the panellists insofar as the awarding of costs is concerned. This will mean that an arbitrator will be able to award costs of his/her own accord, without the need of any of the parties to apply for a cost award.

The main amendment that is envisaged for the procedures of the GPSSBC and PHWSBC is a change in the scheduling requirements for the conciliation and arbitration processes. Their procedures currently provide that the arbitration hearing must be set down within 30 days, and that the conciliation hearing must automatically be scheduled for 14 days prior to the arbitration hearing. It is pre-empted that it will be changed according to the practice that the arbitration hearing will only be scheduled once the conciliation hearing is unresolved.

The ELRC procedure is quite elaborate and includes all the issues referred to in the CCMA rules, as well as an interesting and innovative procedure called the "Expedited Arbitration Procedure". In terms of this procedure, numerous related cases are dealt with simultaneously in one comprehensive process. This does not only save on dispute resolution costs, but also ensures consistency in the rulings related to a particular issue.

Referral Forms

The SSSBC amended their referral form and came up with a few innovative ideas. These amendments were brought to the attention of the other Sectoral Councils for possible consideration when they amend their own forms.

The amendments to the LRA, the PSCBC constitution and dispute resolution procedure also called for amendments to the current referral forms of the PSCBC, as well as the need to draft new forms.

The existing forms must, for instance, include references to probation disputes, whereas the following new forms had to be drafted:

- Arbitration referral form
- Application in terms of Section 142A (to make an agreement an award)
- Request for pre-dismissal arbitration
- Application for admission of a Trade Union to PSCBC / Change of Trade Union position or name

New Processes

(a) Pre-dismissal Arbitration

The CCMA was requested to clarify the position of Bargaining Councils concerning pre-dismissal arbitrations. The CCMA confirmed that Councils, who are not specifically accredited to perform pre-dismissal arbitrations, should only perform this function for parties to Council.

Once the Councils are accredited to conduct pre-dismissal arbitration hearings, they will have jurisdiction to perform this function for non-parties to Council as well.



The implication of this is that Councils need to decide whether they are going to perform this function for parties to Council before they are accredited and exclude non-parties, or whether they will refrain from performing this function until such time that they are accredited to assist all the roleplayers within their scope (parties and non-parties).

If Councils decide to perform this function for parties to Council before they are accredited for this function, they will have to decide on the fee that will be charged (according to the LRA the employer should pay for this function).

While the GPSSBC received several applications to perform this function, it has, in the interim, requested the parties to deal with this issue as a private arbitration, outside of the scope of the GPSSBC.

(b) Con-arb procedure

The LRA now makes provision for an automatic Con-Arb procedure in certain instances. It has also been confirmed that this automatically applies to all Public Service Bargaining Councils, and that they do not have to be specifically accredited to perform this function.

Panellist Fee Policy

The main aim of the amendments to the fee policy was to address administrative problems experienced with claims (for example the late submission of claims and supporting documentation) and to give effect to the suggested cost saving changes as per Costs Workshop.

The amendments to the fee policy can be summarised as follows:

- Daily fee - reduced from R2 000 to R1 500
- Conciliation report - no claim (previously R200 if the report was made on the request of the Secretary to Council)
- Award fee - reduced from R650 to R500
- Travelling rate - can only claim when travelling more than 50 km from the area where the panellist normally conducts his / her business.
- Penalty clause - this clause endeavours to assist in the effective management of the processing of the claims and provides for penalties to be instituted for the late submission of claims.
- Cancellation fee - the maximum amount that a panellist can now claim for any cancellation is 50% of his/her daily fee, even if the case is cancelled the day before the hearing (previously 100%).

As various concerns were raised with regard to the application of the fee policy when processing claims, further amendments were suggested to assist with the practical problems experienced in the processing of claims.

Panellist contracts

Due to drastic changes to the fee policy, the panellists were required to sign new contracts confirming that they accept the new conditions of the fee policy. The contracts were distributed in November 2002 and the panellist had to confirm their acceptance and sign the contracts by 31 December 2002.

Numerous panellists contacted the Councils to voice their dismay about the amendments to the fee policy.



A cause for concern is not only that numerous panellists chose not to sign the contract, but that even those who signed the contract made it clear that they will only be able to make the minimum number of days available to the Councils to hear cases.

This has a negative impact on the scheduling of cases as the dispute resolution staff have already experienced some problems with regard to the availability of panellists, which may lead to a backlog of cases to be scheduled in the future.

CCMA Accreditation

The CCMA advised that the re-accreditation for the Public Service Bargaining Councils has been extended to August 2003. They have further confirmed that the accreditation training for the panellists', who are not accredited yet, will be arranged for September 2003. The names of the individuals who require training will be forwarded to the CCMA once the new panellist list has been confirmed in June 2003.

The accreditation issue is also linked to the use of the CMS and the availability of the panellists. The CMS will only allow DROs to schedule cases for panellists who are accredited. If Councils have been using unaccredited panelists, they will now be prohibited from doing so, which may in turn place a heavier burden on the accredited panellists' diaries.

There is also a connection between the date of appointment of new panellists (expiry of contracts), the accreditation date and the date of the accreditation training. With the amendments to the contracts in 2002, it was suggested that the first contracts should only be valid for a period of 6 months (1 January 2003 to the date of the relevant Council's AGM). The understanding was that the contracts that will be signed from thereon would run for a 12-month period (from AGM to AGM, or a Council meeting around that period).

This was to ensure that the appointment dates of the panellists in the various Councils are in sync, and to ease the general administration and arrangements of the accreditation training for any newly appointed panellists who may require such training. PSCBC, GPSSBC and SSSBC adhered to this understanding, but PHWSBC amended their contracts to state that their contracts are valid for a 12-month period, starting from 1 January 2003.

The practical implication of this is that if the other sectors appoint new panellists in June who require accreditation training, such training will be scheduled in August/September. As PHWSBC however appoints new panellists in January, they will not be able to utilize the services of the newly appointed panellists who are not accredited until the training has taken place, which may be for a period of about 8 months.

Application for CCMA subsidy

A meeting was held with the CCMA Director to discuss the PSCBC application for a CCMA subsidy.

The Director elaborated on the application process and further advised that subsidies would only be paid for cases that are closed as a result of a settlement agreement or an arbitration award. The payments for awards are however not automatic. The CCMA will check the awards, and payments will only be made for competent awards.

The necessity of the subsidy in light of the PSCBC's financial position was further discussed, and the Director



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made it clear that Bargaining Councils should not perceive subsidies as a long-term commitment on which they can rely to ease the financial strain of the Council.

The application was submitted to the CCMA for consideration at their next Accreditation/ Subsidy Subcommittee (ASSC) meeting.

Butterworths Publishing Rights

The PSCBC and Butterworths have entered into a contract, giving Butterworths publishing rights to the Public Service Bargaining Councils' awards.

It must be mentioned that the Sectoral Councils have shown tremendous support for this project and have already started to submit their awards on a regular basis to the PSCBC.

Interpreters

CCMA Interpreters have been approached to forward their CV's before the end of April 2003. Parties were also requested to advise interested candidates to forward their CVs to the PSCBC for consideration.

The PSCBC has already received a number of CV's, and it is hoped that the problem of a lack of interpreters will be addressed in the near future.

Case Management System (CMS)

A report on the challenges faced in relation to the CMS and possible solutions were tabled last year, but could not be considered due to the uncertainty around the accommodation.

As it was confirmed that the PSCBC and Sectoral Councils will remain on the same premises for another year, the solutions suggested in 2002 had to be considered to enable the Dispute Resolution Departments to function effectively.

A meeting between the CCMA IT Department and the PSCBC staff was held to discuss the different options and to obtain recommendations from the CCMA on the best way forward.

The CCMA was extremely co-operative and agreed to conduct an audit on all the computers in the PSCBC and Sectoral Councils to ascertain whether the current equipment is sufficient to support the effective and efficient functioning of the Councils.

The CCMA conducted the audit and confirmed that the computers are outdated and lack the capacity to support effective and efficient performance. Based on the findings of the audit, the CCMA made recommendations of the required equipment and the networking systems that need to be installed to ensure the optimum functioning of the CMS and other programs in general.

Service providers were invited to submit tenders, and on the basis of the presentations, Kunene was appointed to oversee and implement the project.

This is indeed an immense step forward for the Dispute Resolution Departments, as it is envisaged that the



new systems will not only assist in alleviating the day-to-day administration of cases and ensure accurate records and statistics, but will also assist with greater financial control.

Dispute Resolution Staff Training

As the CMS will be implemented within the near future, CMS training was conducted. Further training sessions will be arranged for those employees who are not familiar with the system.

In 2002 the training on the LRA amendments had to be cancelled due to budgetary constraints. However, a new date will be confirmed in the near future.

The PSCBC is further supporting Dispute Resolution staff in the following courses:

- Diploma in Industrial Relations (Unisa)
- Diploma in Labour Relations (Rau)
- LLB (Unisa)
- BBA (Unisa)



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OPERATIONAL REPORT

PSCBC Panel of Conciliators and Arbitrators

Since last year, the number of PSCBC panellists has decreased from 300 to 165. The decrease is mainly as a result of the amendments to the panellists' fee policy and contract, as discussed above.

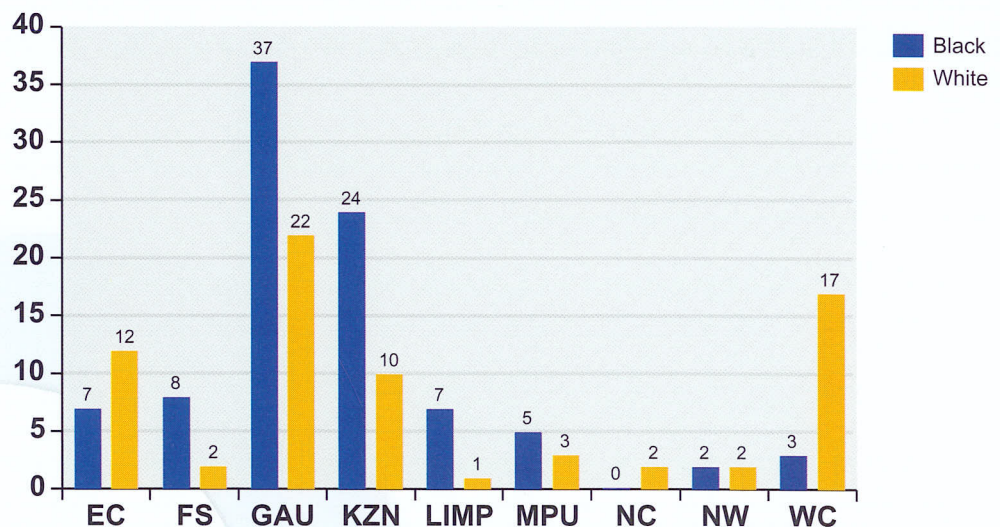
The Sectoral Bargaining Councils are still in the process of recruiting panellists in certain provinces. The new list of panellists will be adopted by PSCBC at the annual general meeting of this financial year (2003/2004). It is expected that this trend will continue until Councils have sufficiently struck a balance both in gender and in race in terms of the country's demographics.

As the PSCBC are currently contracting the panellists who are on the Sectoral Councils' panel, the PSCBC has no control over the representivity of its own panel.

If one of the Sectoral Councils' panels is not representative, it will thus reflect on the PSCBC panel. It must also be kept in mind that although the PSCBC sends contracts to all the sectoral panellists, not all of them sign the contracts and are indeed contracted to the PSCBC.

The graphic below illustrates the breakdown of panellists per province.

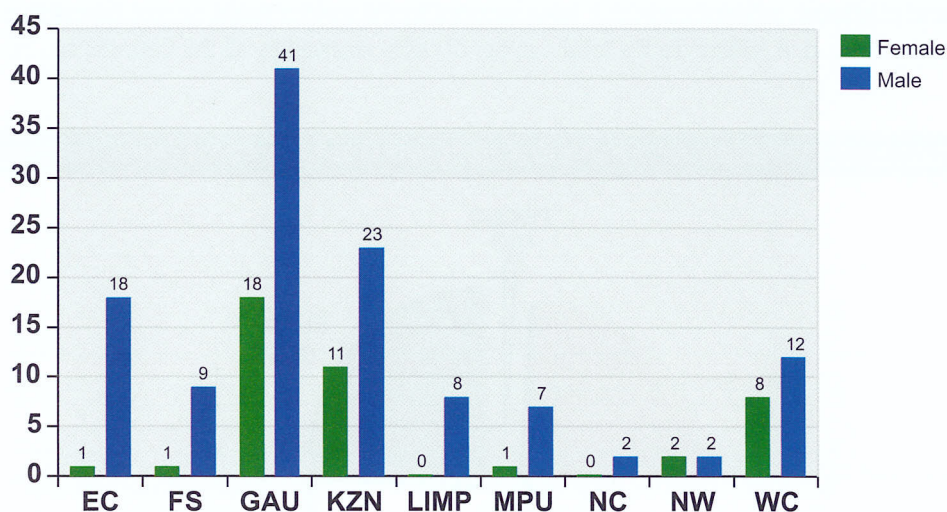
PANELLIST CAPACITY PER PROVINCE - RACE



The total PSCBC panel consists of 57% black (including Indian and coloured) panellists and 43% white panellists. From the above graphic it is however clear that the total percentages do not give a true reflection of the individual provinces. In the Western Cape, for instance, 85% of the panellists are white, while 88% of the panellists in Limpopo are black.

The ratio in terms of gender can be depicted as follows:

PANELLIST CAPACITY PER PROVINCE - GENDER



Of the total PSCBC panel a mere 26% of the panellists are female, while 74% of the panellists are male. From the above graphic it is clear that there is not a single province that is currently representative with regard to gender, and it is evident that this issue has to be addressed.

Case load

Challenges experienced in the compilation of this report:

- All Councils had their own format in which they submitted statistics, which made it an arduous exercise to draw comparisons between the Councils.
- The statistics provided by the Councils did not tally.
- The manner in which Councils calculated their statistics differed (for example, one Council calculated the settlement rate by including the number of withdrawals, while another Council excluded it. This has a direct impact on the settlement rate).

The above obviously has a negative influence on the scientific correctness of any statistics compiled and subsequent reports. To address this problem and ensure more correct statistics in future reports, a standardised format was drafted, and all Councils were requested to use this particular format for the compilation of statistics from January 2003.

The PSCBC and Sectoral Bargaining Councils received a total of 3732 referrals for the period 1 April 2002 to 31 March 2003. The number of disputes referred during the same period in the 2001/2002 financial year is 3705.

Although it may appear that there was only a slight increase in the number of disputes referred, it must be noted that the manner in which statistics are compiled has changed. Previously, the number of disputes

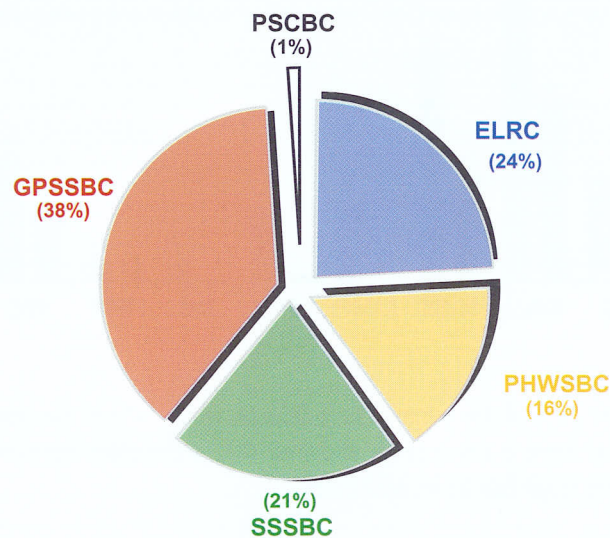


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referred included the "not properly referred" cases, while the statistics for the 2002/2003 financial year only reflects the number of disputes that were properly referred.

The number of properly referred cases that were received by the various Public Service Bargaining Councils and the sectoral case load in relation to the total number of cases received by all the Councils can be illustrated as follows:

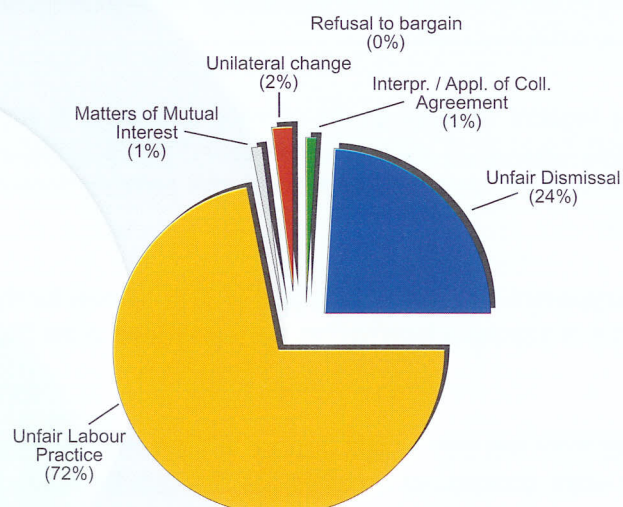
NUMBER OF PROPERLY REFERRED CASES PER COUNCIL



From the above, it is clear that GPSSBC received the most referrals and have the highest caseload. ELRC received the second most referrals and are just above SSSBC. Of the Sectoral Councils, PHWSBC received the least referrals, while PSCBC cases only form 1% of the total case load.

This correlates with the scopes of the various Councils, which state that all the individual rights disputes should be dealt with by the Sectoral Councils.

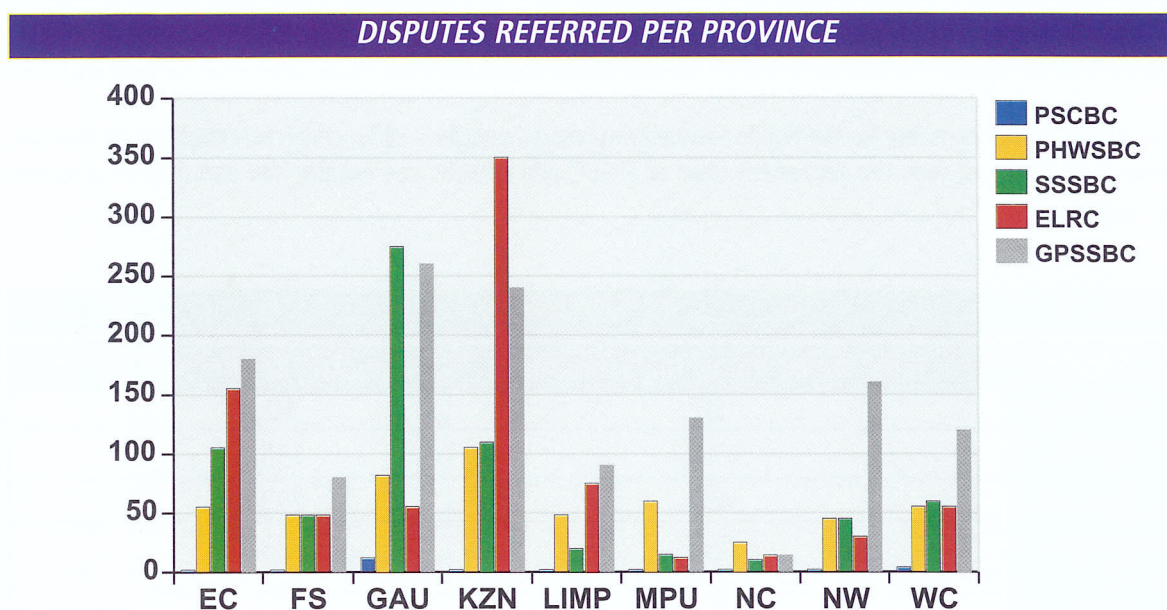
DISPUTES REFERRED PER ISSUE



Of the total number of disputes referred, 72% pertained to unfair labour practice disputes. Unfair labour practice disputes include disputes about promotions, demotions, training, benefits, suspension or other disciplinary matters short of dismissal, as well as the failure to reinstate in terms of an agreement, and probation. Most of the unfair labour practice disputes that were referred however pertained specifically to promotions.

It is further interesting to note that there is a slight increase (3%) in the number of dismissal disputes that were referred, while the number of disputes pertaining to Unilateral Change to Terms and Conditions of Employment decreased by 1%.

The following graphic provides an indication of where the disputes arose:



The above correlates with the figures of 2002 with regard to the provinces where the most disputes arose.

Most cases arose in Gauteng, KwaZulu/Natal and Eastern Cape. Quite a high number of cases arose in Northwest and Limpopo, which are generally regarded as small provinces.

It is interesting to note that the different Sectoral Bargaining Councils received the bulk of their referrals from different provinces. GPSSBC and SSSBC for instance received most of their disputes from Gauteng, while most of PHWSBC and the ELRC's disputes arose in KwaZulu/Natal.

Hearings

In general, hearings can be divided into conciliation and arbitration hearings. However, it must be noted that the SSSBC (due to their Con-Arb procedure) do not differentiate between the conciliation and arbitration hearings, and that the ELRC also makes use of an Expedited Con-Arb procedure that has an influence on the statistics. GPSSBC could only provide the total number of hearings scheduled for the period April - December 2002 (without differentiating between conciliations and arbitrations), hence the low settlement rate.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

CONCILIATIONS

Sector	Number of Cases referred	Hearings scheduled	Settled	Settlement Rate
PSCBC	23	26	15	58%
GPSSBC	1308	2055	241	12%
PHWSBC	543	411	136	33%
SSSBC	721	1249	111	9%
ELRC	828	649	172	27%

There is a difference between the number of cases referred and the number of hearings scheduled. This is mainly due to the fact that the total number of cases scheduled also includes postponements and the hearings of those cases that were referred outside of the timeframe of the report.

The average settlement rate for the Public Service Bargaining Councils is 28%, which is notably lower than the average of 48% last year. The settlement rates of SSSBC and GPSSBC are notably low and may be a reason for concern.

ARBITRATIONS

Sector	Arbitration Hearings Scheduled	Awards Rendered
PSCBC	20	10
GPSSBC	1136	135
PHWSBC	452	223
SSSBC	1249	333
ELRC	193	135

By comparison, the SSSBC conducted the most arbitration hearings. This can once again be attributed to their Con-Arb procedure for all rights disputes. It will be interesting to observe in future if the suggested amendments to the SSSBC Dispute Resolution Procedure will have the positive effect on the number of cases scheduled as anticipated. The GPSSBC scheduled the second most arbitration hearings, which correlates with their high caseload.

It is important that Councils keep track of the number of no-jurisdiction rulings that are made within their sector, as this may be an indicator of the efficiency of the screening process and whether further staff training is needed.

Review Applications

Three awards were taken on review at PSCBC, 13 at ELRC, 31 at SSSBC and 2 at PHWSBC. The high number of review applications in the GPSSBC (79) for the period April - December 2002 was alarming, as it indicated that 92% of all awards rendered in GPSSBC were taken on review. However, GPSSBC received no review applications for the past 3 months (January - March 2003) and it is hoped that this positive trend will continue for the rest of the year.



PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Disputes against PSCBC

SOLIDARITY v PSCBC and DPSA

In March 2003, Solidarity Union filed 2 applications with the Labour Court on behalf of their members against the PSCBC and the DPSA. Both of these applications pertain to PSCBC resolutions.

The DPSA has appointed counsel to oppose this application on behalf of the DPSA and the PSCBC.

General Comments

This past year was filled with challenges for the various Dispute Resolution Departments, and although it was sometimes a rocky road, most of the challenges were addressed head on and turned into positive experiences.

The GPSSBC had a particularly difficult year. It is well known that the major challenge in this Council is the broad scope in which it operates and resolves disputes. The high number of disputes referred, together with the staffing problems, created backlogs and caused general turmoil in the Dispute Resolution Department.

The GPSSBC however re-evaluated their workflow and instituted systems to monitor and track cases, while simultaneously addressing the backlog. The commitment shown by the GPSSBC staff and the support they received from the parties to Council is truly commendable and is an inspiration to all.

Next year however will bring its own challenges for the various Councils, especially with regard to the transition from the manual systems to the electronic case management system, as well as the amendments to the dispute resolution procedures. There is still a lot of work that needs to be done and teamwork will be of the utmost importance.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

REPORT ON SECRETARY'S DETERMINATION OF VOTE WEIGHTS: MAY 2003

Please find attached the determination of vote weights of trade union parties in terms of Clauses 10, 11 and 12 of PSCBC Constitution (as registered on 30 March 2003). Also find the auditor's report of the verification of the audit reports received.

Acting Together Arrangements

Clause 7.1 of the amended constitutions sets new requirements for the admission of trade union parties to Council, namely:

- (a) meets the threshold requirement of 50 000 members, and
- (b) is admitted to a Sectoral Council.

Clause 7 and 8 of the constitution prescribes the procedures for two or more unions to act together as a single party.

The result of the above, is that the following unions are admitted to Council:

1. DENOSA acting together with SAMA
2. HOSPERSA and NUPSAW acting together as HOSPERSA/NUPSAW
3. NAPTOSA acting together with SAOU
4. NEHAWU acting together with PAWUSA
5. POPCRU acting together with SASAWU and SADNU
6. PSA acting together UNIPSA and NPSWU
7. SADTU
8. SAPU

In terms of Clause 7.2 (b) I have confirmed that each constituent party of the combined trade union party on its own or acting together (as a single party), is admitted to a Sectoral Council.

Although Council has accepted the above acting together agreements I have requested that the agreements must be in compliance with Clause 7.4 (b) of the Constitution. The following unions are yet to comply with the requirements:

- POPCRU acting together with SASAWU and SADNU
- DENOSA acting together with SAMA
- NEHAWU acting together with PAWUSA (awaiting Council's decision on the administration of agency fee allocations).



PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

MEMBERSHIP STATISTIC 2003 (APPLICABLE JUNE 2003 TO JUNE 2004)

TRADE UNION	MEMBERSHIP CLAUSE 10					VOTE WEIGHT CLAUSE 11	REPS CLAUSE 12
	PHW	GP	SS	EDUCATION	TOTAL		
	SECTOR	SECTOR	SECTOR	SECTOR			
DENOSA	62421				62421		
SAMA	4224				4224		
TOTAL	66645	0	0	0	66645	6.732%	4
HOSPERSA	35547	5118	169	7776	48610		
NUPSAW	7240	10336	7	3495	21078		
TOTAL	42787	15454	176	11271	69688	7.039%	4
NAPTOSA				96534	96534		
SAOU				22221	22221		
TOTAL	0	0	0	118755	118755	11.995%	5
NEHAWU	79313	80652	4	220	160189		
PAWUSA	9441	11245		73	20759		
TOTAL	88754	91897	4	293	180948	18.278%	5
POPCRUI		23989	48600		72589		
SASAWU	3352	9299			12651		
SADNU	8457				8457		
TOTAL	11809	33288	48600	0	93697	9.464%	4
PSA	33725	108919	11760	11885	166289		
UNIPSA		4138			4138		
NPSWU	9159	1755			10914		
TOTAL	42884	114812	11760	11885	181341	18.317%	5
SADTU				215416	215416		
TOTAL	0	0	0	215416	215416	21.759%	5
SAPU			63514		63514		
TOTAL	0	0	63514	0	63514	6.416%	3
GRAND TOTAL	252879	255451	124054	357620	990004	100.00%	35



PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Findings

We set out our findings below:

- a) All reports that were submitted, were prepared by Registered Accountants and Auditors;
- b) The audit reports comply in all material respects with the guidelines issued by the PSCBC;
- c) The membership statistics of all accredited unions are summarised below;
- d) The membership statistics summarised below are in agreement with the original audit reports submitted to the PSCBC.

<i>Union</i>	<i>Notes</i>	<i>Number of members</i>	<i>Vote weight</i>
DENOSA		66 645	6.732%
HOSPERSA	(c)	69 688	7.039%
NAPTOSA	(b)	118 755	11.995%
NEHAWU		180 948	18.278%
POPCRU	(c)	93 697	9.464%
PSA		181 341	18.317%
SADTU	(a)	215 416	21.759%
SAPU		63 514	6.416%
TOTAL		990 004	100.00%

Notes:

- a) Sectoral break-downs as required by the guidelines issued by PSCBC were not included in the audit report of the following union:
 - SADTU
- b) According to the auditors' report of NAPTOSA and SAOU (associated with NAPTOSA), their auditors verified the number of members of the union to an audit report dated 6 February 2003 issued by the auditing firm PricewaterhouseCoopers that was directed to the Education Labour Relations Council on ELRC voting weights as at 31 December 2002.
- c) The audit report of the union was not submitted to PSCBC under the cover of the union's letterhead as required by the guidelines issued by PSCBC.

SAB&Tinc.



PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

FINANCIAL REPORT 2003

Terms of reference of the Financial Committee

The following duties are assigned to the Financial Committee:

- Formulate financial policies and procedures;
- Recommend practical ways of implementing these policies;
- Review budgets and recommend to council;
- Review financial statements and ensure that financial policies and procedures are adhered to;
- Discuss the audited financial statements and management report with the auditors;
- Consider and recommend the acquisition of capital expenditure items within the budget;
- Discuss and manage the expenditure of the special projects
- Cash flow management (including treasury functions)

PSCBC Financial Committee members

M. Muller	Labour Representative
H. Henricks	Labour Representative
R. Monareng	Labour Representative
P. Pillay	Labour Representative
Idyll Coetzee	Employer Representative
S.G Padayachee	Employer Representative
R. Venkiah	Employer Representative
H. Collins	Employer Representative

Overview

The period 1 April 2002 to 31 March 2003 was a very difficult year for the Council. The year was again characterized by the increase in operational costs, particularly in terms of Dispute Resolution costs. An amount of approximately R12 million was transferred from the Reserve funds to fund the operations of the Council. As a result of this, the Council implemented some cost-cutting measures in August 2002 that would be operated until the Council's financial position improves. This resulted in the panelist fee policy amendment, from a daily fee of R2000 and award fee of R650 to R1 500 and R500 respectively. The Council is now in the process of communicating the need to increase funding for the PSCBC and the Sectoral Councils, taking into account the long term needs of all the Councils.

In January 2003, the Financial Committee formed a subCommittee that would assist the Finance department in the implementation of internal controls. This committee reports directly to the Financial Committee on a monthly basis.

Results

Levies Received

Resolution 2 of 1998 prescribes the amount to be collected by the Council, namely, 50 cents contribution by each employee, with an equal 50 cents contribution per employee from the employer. Levies received during the year remained constant. Total levies received from the Public Service amount to R11 600 000. Below are the approximate amounts that were received from the different sectors:

Education Sector	R4 200 000
General Public Service Sector	R3 100 000



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Safety & Security Sector	R1 600 000
Public Health & Welfare Sector	R2 700 000

Total expenditure per sector

The total expenditure amounted to approximately R19.8 million. The dispute resolution costs amounted to R11.5 million, which is included in the above-mentioned total costs.

Interest Received

Due to a decrease in the reserve funds, the interest received dropped from approximately R1.2 million to R249 902

Dispute Resolution Costs

The dispute resolution costs have increased from R8 674 369 in 2002 to R11.5 million in 2003. This amounts to a 33% increase in these costs. The Council has taken a decision to conduct an investigation into the reasons for this huge increase. The breakdown of these costs is listed below.

GPSSBC	R4 887 999
ELRC	R2 537 411
SSSBC	R2 213 678
PHWSBC	R1 626 256
PSCBC	R 288 068

Funding of the Sectoral Bargaining Councils

The Sectoral Bargaining Councils are allocated 15% of the actual levies received from the different sectors, for administration and operational costs. The total allocated to sectors in the year under review amounts to R The breakdown of this amount is as follows:

GPSSBC	R462 275
ELRC	R657 828
SSSBC	R214 547
PHWSBC	R406 327

Restructuring process in the Public Service- Funding

In terms of Resolution 7 of 2002, a Technical Committee that would oversee the process of restructuring in the Public Service was formed. Council took a decision and signed Resolution 9 of 2002 to utilize funds in the accounts of projects to fund all the activities of this committee. The activities of the Technical Committee for the duration of ten months (duration of the restructuring process) were budgeted at R2,5 million.

Issues under consideration

The following issues are still under consideration:

- Increase in the operational funding for the PSCBC and the Sectoral Councils.
- Possible changes in the organizational structures of the Public Service Bargaining Councils, and the costing of this process.

Conclusion

The PSCBC Finance department will continue to strive towards improvement of internal controls, services to PSCBC staff, parties to Council, and to service providers of the Council. The department would like to thank the Secretary to Council Shamira Huluman and the Financial Committee for the support they provided during the period under review.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
(Established in terms of the Labour Relations Act, 1995 (Act No 66 of 1995))
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

The reports and statements set out below comprise the annual financial statements presented to the members:

Index	Page
Report of the independent auditors	2
Balance sheet	3
Income statement	4
Cash flow statement	5
Notes to the financial statements	6 - 10

Approval

The financial statements which appear on pages 3 to 10 were approved by the Executive Committee on 13 June 2003 and signed on their behalf by:



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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL**

We have audited the annual financial statements of Public Service Co-ordinating Bargaining Council set out on pages 3 to 10 for the year ended 31 March 2003. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Council at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Practice, and in the manner required by the Council's Constitution.


SAB&T Incorporated
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Centurion
13 June 2003



1st Floor, Hazel Park, 119 Witch-Hazel Avenue, Highveld Technopark, Centurion • P.O. Box 10512,
Centurion, 0046 • Docex 15 • Tel: (012) 665 0950 • Fax: (012) 665 0959/0180 • www.sab-t.co.za
Offices: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Middelburg, Polokwane, Port Elizabeth, Pretoria

Directors: B Adam (CEO), J Bosch, A Darmalingam, Y Maseko, L Kirsten, J Liebenberg, T M Mayet,
S Naidoo, Y Naidoo, D R Nathoo, B Nduna, F J Oeschger, R Parbhoo, P L Popat, R Rajah, M Simjee, K Rama,
Z Sonpra, E Yuseph, P H van Zyl, D E Zondo. Practising Consultants: L A D Hoosen, F F Makenzi



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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
BALANCE SHEET
as at 31 March 2003**

	Notes	2003 R	2002 R
ASSETS			
Non-current assets			
Fixed assets	2	349 749	564 556
Current assets			
Accounts receivable	3	34 832 694	40 128 838
Department of Public Services and Administration		1 338 680	1 056 310
Call deposits		-	500 000
Bank balances		2 395 062	5 903 958
		31 098 952	32 668 570
Total assets		<u>35 182 443</u>	<u>40 693 394</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated reserves		2 109 023	10 546 545
Non-current liabilities			
Special projects	4	10 506 870	18 527 708
Current liabilities			
Accounts payable		22 566 550	11 619 141
Trade unions funds		2 947 689	2 612 946
Department of Public Services and Administration	5	11 044 266	9 006 195
		8 574 595	-
Total equity and liabilities		<u>35 182 443</u>	<u>40 693 394</u>

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
INCOME STATEMENT
for the year ended 31 March 2003

	Note	2003 R	2002 R
Income			
Levy fee	6	11 582 305	12 239 186
Other income		700 596	1 106 429
Interest received		651 896	1 106 429
Sponsors		48 700	-
Total income		12 282 901	13 345 615
Expenditure		20 720 423	17 937 233
Advertising		20 889	37 441
Arbitration and conciliation costs		11 565 092	8 472 027
Auditors' remuneration		38 496	13 908
Bank charges		32 187	32 730
Computer expenses		8 527	99 899
Consulting fees		113 042	359 476
Consumables		5 644	3 896
Contribution towards sector expenses	8	1 742 050	1 915 964
Depreciation	2	328 937	187 859
Insurance		20 543	18 029
Legal fees		37 745	33 020
Meetings, conferences and seminars		313 459	739 795
Postage		38 412	6 597
Printing and stationery		107 568	106 220
Publication & photocopying		103 738	27 277
Refreshments		4 223	2 584
Rent		772 535	580 304
Repairs and maintenance		23 323	16 134
Salaries	9	4 737 325	4 602 983
Sectoral set - up costs		-	31 088
Security		8 043	7 173
Telephone and fax		461 886	348 134
Training		114 472	198 103
Travel - local		50 935	96 592
Workshop		71 352	-
Deficit		(8 437 522)	(4 591 618)
Accumulated funds at beginning of year		10 546 545	15 138 163
Accumulated funds at end of year		<u>2 109 023</u>	<u>10 546 545</u>

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
CASH FLOW STATEMENT
for the year ended 31 March 2003

	Notes	2003 R	2002 R
Cash flows from operating activities		3 056 454	(2 030 337)
Cash generated by/(utilised in) operating activities	10.1	2 404 558	(3 136 766)
Interest received		651 896	1 106 429
Cash flows from investing activities		3 394 766	5 479 140
<i>Expenditure to maintain operating capacity</i>			
Fixed assets acquired		(114 130)	(361 271)
<i>Expenditure for expansion</i>			
Call deposit		3 508 896	5 840 411
Cash flows from financing activities			
Movement in Special projects		(8 020 838)	1 472 075
(Decrease)/increase in cash and cash equivalents		(1 569 618)	4 920 878
Cash and cash equivalents at beginning of the year	10.2	32 668 570	27 747 692
Cash and cash equivalents at end of the year	10.2	31 098 952	32 668 570

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

1 Basis of preparation

The financial statements are prepared in accordance with statements of generally accepted accounting practice. The financial statements are prepared on the historical cost basis in terms of the concept of fund accounting, which is consistent with that of the previous year.

1.1 Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives as follows:

Furniture and fittings	5 years
Computer equipment	3 years
Computer software	2 years

2. Fixed assets

	Cost / valuation R	2003 Accumulated depreciation R	Carrying value R	Cost / valuation R	2002 Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Furniture and fittings	418 510	175 094	243 416	407 272	69 247	338 025
Computer equipment	297 911	251 806	46 105	293 921	189 628	104 293
Computer software	289 541	229 313	60 228	190 640	68 402	122 238
	<u>1 005 962</u>	<u>656 213</u>	<u>349 749</u>	<u>891 833</u>	<u>327 277</u>	<u>564 556</u>

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**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003**

2. Fixed assets continued

The carrying amounts of fixed assets can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
2002				
<i>Owned assets</i>				
Furniture and fittings	232 706	156 644	(51 325)	338 025
Computer equipment	135 950	65 577	(97 234)	104 293
Computer software	22 488	139 050	(39 300)	122 238
	<u>391 144</u>	<u>361 271</u>	<u>(187 859)</u>	<u>564 556</u>
2003				
<i>Owned assets</i>				
Furniture and fittings	338 025	11 238	(105 847)	243 416
Computer equipment	104 293	3 990	(62 178)	46 105
Computer software	122 238	98 902	(160 912)	60 228
	<u>564 556</u>	<u>114 130</u>	<u>(328 937)</u>	<u>349 749</u>
		2003	2002	
		R	R	

3. Accounts receivable

Accounts receivable is made up of the following:

ELRC	1 258 584	714 332
Sundry debtors	80 096	341 978
Total	<u>1 338 680</u>	<u>1 056 310</u>

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

	2003 R	2002 R
4. Special Projects		
4.1 Skills Audit (Clause 6 of Resolution 7/98)		
Opening Balance	16 244 193	16 010 306
Previous job summit expenses not recovered	(500 000)	-
Expenditure recovered	-	500 000
Job summit	-	(266 113)
Transferred to Transformation and Restructuring Fund	(15 744 193)	-
Balance at year end	<u>-</u>	<u>16 244 193</u>
4.2 Development of Training Plan (Clause 5 of Resolution 7/98)		
Opening balance	1 119 751	1 045 327
Interest received	103 942	74 424
Balance at year end	<u>1 223 693</u>	<u>1 119 751</u>
4.3 Research and Development		
Opening Balance	1 163 764	-
Interest received	838 336	1 244 692
China trip	(376 802)	(80 928)
S Tshwete funeral	(6 353)	-
Transferred to Transformation and Restructuring Fund	(1 618 945)	-
Balance at year end	<u>-</u>	<u>1 163 764</u>
4.4 Transformation and Restructuring Fund		
Transferred from other funds	17 363 138	-
Interest received	777 589	-
- Human Resource Development Strategy Launch (Eastern Cape)	(220 301)	-
DPSA (Resolution 10 of 2002)	(8 574 595)	-
Technical Committee	(62 654)	-
Balance at year end	<u>9 692 344</u>	<u>-</u>
Total	<u>10 506 870</u>	<u>18 527 708</u>

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

5. Trade union funds

	Allocations 2003 R	Distributions 2003 R	Amount due 2003 R	Allocations 2002 R	Distributions 2002 R	Amount due 2002 R
DENOSA	3 902 969	(3 796 086)	682 315	3 291 288	(3 229 714)	575 766
HOSPERSA	3 115 510	(3 010 297)	550 004	2 659 106	(2 679 601)	444 726
NAPTOSA	5 978 346	(5 718 207)	1 071 073	4 762 509	(4 681 789)	809 837
NUPSAW	1 378 458	(1 332 892)	243 084	857 797	(1 120 977)	197 506
NWU	374 715	(607 936)		1 412 889	(1 451 262)	237 313
NEHAWU	10 163 372	(9 778 145)	1 805 517	8 716 964	(8 729 524)	1 419 376
PAWUSA	1 438 691	(1 368 628)	259 761	1 132 806	(1 173 839)	189 310
POPCRU	5 835 249	(5 542 695)	1 055 832	4 712 868	(4 481 820)	761 564
PSA	12 040 227	(11 740 597)	2 119 505	10 153 184	(10 169 749)	1 735 494
SADTU	13 245 946	(12 725 624)	2 335 310	11 334 714	(11 326 116)	1 899 407
SAPU	3 747 462	(3 603 726)	666 190	2 772 573	(2 945 059)	522 089
SAOU	1 459 441	(1 417 482)	255 675	1 564 108	(1 443 791)	213 807
	<u>62 680 386</u>	<u>(60 642 315)</u>	<u>11 044 266</u>	<u>53 370 806</u>	<u>(53 433 241)</u>	<u>9 006 195</u>

6. Levies received

Resolution 2 of 1998 (Levy fee agreement): employer and employee contributes R0.50 each.

7. Taxation

The Council is exempt from the payment of income tax in terms of section 10(1)(cA)(1) of the Income Tax Act, No.58 of 1962.

8. Contributions towards sectoral expenses

	2003 R	2002 R
- PHWSBC	406 327	450 325
- SSSBC	214 546	251 755
- GPSSBC	462 274	574 505
- ELRC	658 903	639 379
	<u>1 742 050</u>	<u>1 915 964</u>

9. Salaries

PSCBC is responsible for the salaries of all the sectors, being GPSSBC, SSSBC, PHWSBC and ELRC.

End

**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003**

10. Notes to the cash flow statement

	2003 R	2002 R
<i>10.1 Cash generated by/(utilised in) operating activities</i>		
Net deficit	(8 437 522)	(4 591 618)
Adjustments for:		
Depreciation	328 937	187 859
Interest received	(651 896)	(1 106 428)
	<u>(8 760 481)</u>	<u>(5 510 187)</u>
<i>Movements in working capital:</i>		
Decrease in accounts receivable	217 630	563 791
Increase in accounts payable	10 947 409	1 809 630
	<u>2 404 558</u>	<u>(3 136 766)</u>

10.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank balances	<u>31 098 952</u>	<u>32 668 570</u>
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Directors: GJP Human (Managing), L Geyser, JH Spies



