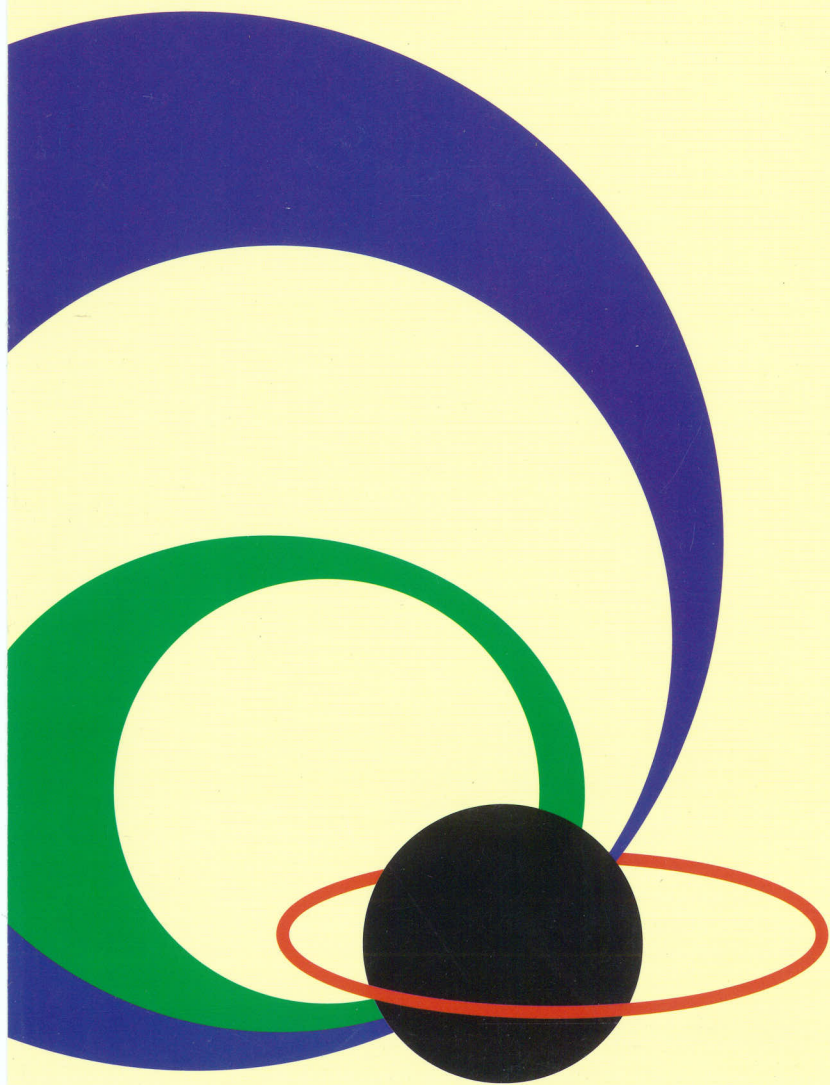


PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

annual report 2003/4



Vision

To be a model bargaining council within the South African labour market and in the global arena.

Mission

To promote integrated collective bargaining at national, sectoral and provincial levels of the public service. To provide mechanisms to ensure labour peace and stability in the public service.

Values

We aim to work together as a team, encouraging co-operation and efficiency both from ourselves and others around us. Mutual respect, trust and value for the people that we serve and with whom we work. Commitment to be fair, ethical, trustworthy and accountable in all of our work.

Commitment to the collective bargaining processes and the fair resolution of disputes.

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Overview

The Public Service Co-ordinating Bargaining Council (PSCBC) is 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 2003 to 31 March 2004.

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 designated in terms of clause 21.3 of the Constitution.

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 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 those 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 they contribute 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 Chairperson (Employer)
Div. Odendaal



Vice Chairperson (Labour)
Fikile Hugo

Employer Representatives and their alternates

S. G. Padayachee (DOE)
K. Ndaba (SAPS)
K. Govender (DPSA)
G. Sekobe (DOH)

R. Pretorious (DOE – Eastern Cape)
J. Griesel (SAPS)
J. van der Hoven (DPSA)
E. van Vuuren (Dept. of Social Development)

Labour Representatives and their alternates

L. Sotaka (NEHAWU)
M. de Clercq (PSA)
R. Monareng (SAPU)
H. Hendricks (NAPTOSA)

T. Mngomezulu (DENOSA)
P. Phayane (POPCRU)
V. Dhlalalala (POPCRU)
D. Mereothatha (SADTU)

Message from the Chairperson of PSCBC

The PSCBC will be celebrating its 7th anniversary on 13 October 2004. And as we celebrate 10 years of democracy in South Africa, we also celebrate 10 years of democratization of labour relations in the public service.

The Public Service Labour Relations Act, which was promulgated in 1993 gave birth to a firm foundation of the process of democratization and the development of a process of an effective social dialogue system between the state as employer and the representative trade unions. The establishment of the PSCBC, seven years ago is an integral part of this process. Also forming part of this process is the predecessor to the PSCBC, the Central Chamber which was established in 1993 and became fully functional in 1994.

Accountability, transparency and review of performance are central to the principles of democracy.

It is therefore prudent for us to review our performance in the year our country is celebrating ten years of democracy.

In the past seven years, the PSCBC has been confronted by several challenges, amongst them being the ability to sustain the increase in dispute resolution expenditure. A close analysis of the work of the PSCBC does however reveal a significant contribution to the transformation of the public sector labour market.

- Vehicle for transformation and restructuring of the public service – hosted Public Service Job Summit – agreement on transformation and restructuring.
- Joint management of restructuring process between state as employer and organized labour – Resolution 7 of 2002.
- Restructuring of human resources practices, macro- benefits, policies and procedures in the public service.
- Designated sectoral bargaining councils in 1998, formalizing social dialogue between state as employer and organized labour in sectors of the public service.
- Provision of independent, accessible, credible and expeditious dispute resolution services.

These are just some of the highlights of many contributions that PSCBC has made to sound labour relations practices and labour peace in the public service. In the developing world, the PSCBC can be regarded as best practice in labour relations in the public service. To this end, PSCBC has a lot to share with other developing countries in Africa and the rest of the world. PSCBC, in their partnership strategy, should focus on assisting these countries in setting up collective bargaining and dispute resolution systems.

During the period under review, PSCBC has spent valuable time restructuring bargaining structures of the public service by entering into Resolution 9 of 2003, and at the same time, empowering existing sectoral councils through new funding arrangements (Resolution 5 of 2003). Council finally embarked on a strategic planning session, setting a vision and mission for the PSCBC, and agreed on strategic objectives for the next three years. This will go a long way in fulfilling the bargaining council's objectives in terms of the LRA and its constitution. PSCBC continues to achieve its collective bargaining objectives by engaging on various matters of mutual interest, and successfully entering into important collective agreements. The last year has been no different. However, I will be failing in my duty as Chairperson if I did not urge Council to seriously focus on the monitoring and enforcement of these collective agreements.

This has been the result of the substantial number of individual disputes received by the PSCBC, which pertain to the application of PSCBC collective agreements. It is clear that the implementation of PSCBC agreements must be closely monitored at the level of departments in the public service. The last year also saw the lapsing of Resolution 7 of 2002, although Council continues to engage on matters arising from the restructuring and transformation process. Regarding the disputes emanating from this process, Council agreed that disputes must be referred to Sectoral Councils, with PSCBC funding these costs. Sectoral Councils subsequently entered into resolutions assuming jurisdiction. To date, these disputes have not been many, except in the Safety and Security sector.

I would like to congratulate PSCBC and the sectoral councils for the high standard of dispute resolution services provided to public servants. Over the last year, notable improvements have been made. Dispute resolution procedures and policies have been refined to ensure a speedy, accessible and efficient service to users. I am also proud to announce that PSCBC and the sectoral councils have been re-accredited by the CCMA, and their application for subsidy approved. The ripple effect of this is quality of panelists appointed, who must be accredited by CCMA in addition to the rebates in funding. PSCBC and sectoral councils will, from 1 April 2004, be paid R450-00 per case, successfully settled or arbitrated. The relationship between PSCBC and CCMA continues to strengthen.

I have said this before, but I will say it again, that I have been proud to be associated with the PSCBC and its partners. I take this opportunity to thank the Vice-Chairpersons, the Secretariat and members of Council for their support and confidence in me, for leading the PSCBC. Appreciation is also extended to the governance structures, Fincom and EXCO, for their effective corporate management.

It has been a great privilege to be involved in the growth and development of PSCBC, which is reflective both of the values of the new South African democracy, and the improvement of labour relations machinery.

Edwin Molahlehi
June 2004



Summary of Resolutions (collective agreements) entered into from April 2003 to March 2004

Resolution 2 of 2003: Amendment to Resolution 12 of 2002: Pension Restructuring

Signed on 6 June 2003

The purpose of this agreement was to amend Resolution 12 of 2002 to remove the obstacles to the publication of the amended Rules of the Government Employees Pension Fund (GEPF). Clause 3.5 of Resolution 12 of 2002 was amended.

Resolution 3 of 2003: Annual Wage Increase for 2003/4 Financial Year

Signed on 11 June 2003, effective 1 July 2003.

Resolution 9 of 2001, a three-year multi-term wage agreement provided for the annual wage increase for the 2003/4 financial year, which shall be CPI-X (year on year May 2002 to May 2003), plus additional 1 per cent. Parties agreed that the annual wage increase for the 2003/4 financial year shall be 8.5 per cent.

Resolution 4 of 2003: Amendment to Resolution 1 of 1998: Agency shop agreement

Signed 19 June 2003

In concluding Resolution 1 of 1998, parties intended to comply with all the applicable requirements of Section 25 of the LRA and specifically intended the agreement to provide that employees, who are not members of a trade union party to the agreement, are not compelled to become members of any trade union party. A new Clause 3(2) is therefore inserted to Resolution 1 of 1998 to state that "no employee is or can be obliged to join a trade union that is or becomes a party to this agreement. Employees who are not members of a trade union party to this agreement are not compelled to become members of any trade union party to this agreement."

Resolution 5 of 2003: Levy Agreement

Signed 26 June 2003 and effective 1 August 2003.

The objective of this agreement was to establish a levy to fund collective bargaining and dispute resolution in the public service, and to provide for co-ordination between the PSCBC and sectoral councils. This agreement replaced Resolution 2 of 1998 (Levy agreement) and Resolution 2 of 2000 (Allocation of funds to Sectoral bargaining councils and related matters).

The agreement, with effect from 1 August 2003, provided for a levy of:

- (a) 50 cents per employee who falls within the scope of PSCBC; plus an additional levy of:
 - (i) R2-00 per employee, who falls within the scope of GPSSBC and PHWSBC;
 - (ii) R1-50 per employee who falls within the scope of the ELRC.

The employer will make an equal contribution per employee and this will be implemented on a monthly basis.

The agreement also provided that, with effect from 1 September 2003, the Sectoral Councils will take full responsibility for costs, including the management and resourcing of collective bargaining, human resources, dispute resolution, administration, and establishment and resourcing of chambers.

The PSCBC will be responsible for its own collective bargaining, human resources, dispute resolution and administration costs, and costs in respect to the establishment of provincial co-ordinating chambers. In addition, the PSCBC is also responsible for overall policy formulation (human resources and dispute resolution) in conjunction with sectors, to ensure uniformity; compute networks, website development and management; commissioning and maintenance of the case management system; resource and information centre; reception and switchboard; where applicable; messenger and postal service, where applicable; accommodation for PSCBC and Sectoral Councils, where applicable; and overall co-ordination of Public Service Sectoral Bargaining Councils

Resolution 6 of 2003: Amendment of Part XXVIII of Annexure B of Resolution 3/99 (Long Service Award).

Signed 30 July 2003, effective date 1 April 2003.

The purpose of this agreement was to change the Long Service Award from a watch to a cash amount of R3000-00. The agreement also provided that this amount will be adjusted annually on 1 April according to CPIX for the period January to December of the preceding year.

Resolution 7 of 2003: Pension agreement

Signed on 18 November 2003, effective on the date the relevant Rules are published in the Government Gazette.

This agreement addresses discriminatory practices of the past with respect to recognition of service of former Non Statutory Forces and calculation of benefits for men and women who left the service on VSPs.

The objectives of this agreement were to provide for the recognition of service in the former Non Statutory Forces (NSF) as pensionable service in the GEPP; provide an equitable basis of recognizing non-contributory service as pensionable service in the GEPP for persons eligible in terms of clause 7.2.2 of Resolution 7 of 1998 read with clause 4.1 of Resolution 12 of 2002; and amend the formula contained in the Pension Rules, with retrospective effect to remove a disparity in the calculation of benefits for former male and female members of the GEPP who left the service with a Voluntary Severance Package.

Resolution 8 of 2003: Foreign Service Dispensation for the Officials serving in the Republic of South Africa Missions Abroad.

Signed 28 November 2003, effective 1 December 2003.

The objectives of the new Foreign Service Dispensation (FSD) was to provide the foreign service officials with a working tool and create conditions that will facilitate a better working environment. The FSD ensured that the allowances of the officials are distributed adequately and that the computation of such allowances is done with an objective to avoid disparities that existed in the past; that foreign officials who are at the same 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.

This agreement replaces Resolution 9 of 2002 and any other previous agreements and arrangements regarding the Foreign Service Dispensation.

Resolution 9 of 2003: 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.

Signed 4 December 2003.

The LRA, 1995 in Schedule 1 Item 3 deemed the bargaining chambers established in terms of Public Service Labour Relations Act, 1993 to be bargaining councils in terms of section 37(3) (a) of the Act. Section 37(1)(b) of the LRA, as amended, gave PSCBC the power to disestablish bargaining councils in the public service in accordance to its constitution and by resolution of Council.

The Council, in this agreement, resolved to disestablish all provincial and departmental bargaining councils in the public service. This will be effective when the specific sector council resolves to establish chambers within its area of jurisdiction. The intention here was not to create vacuum, and that the chambers of the relevant sector council will replace these departmental and provincial bargaining councils.

The agreement also established provincial co-ordinating chambers of the PSCBC as per Annexure A of the agreement, which outlined, inter alia, the powers and functions etc of these provincial co-ordinating chambers of the PSCBC.

The chambers are not juristic persons, and are established to deal with issues of a transverse nature in the provincial administration. The chambers deals with issues that affect only the provincial administration concerned and those that affect more than one sector, as designated by PSCBC, in the provincial administration. The Chamber has the power to negotiate collective agreements within its area of jurisdiction and conclude such agreements, subject to Clause 5.3 of the agreement. Clause 5.3 states that a chamber shall report any decision or collective agreement to the PSCBC within 30 days of being taken or concluded for purposes of ratification by Council in terms of clause 12. Clause 12 provides for the establishment of a committee comprising of the Secretary and a panelist to consider any decision or collective agreement of a Chamber and notify Council of its finding. Should it be found that a decision or collective agreement of the Chamber does not fall within the jurisdiction of the Chamber, or is in conflict with any decision or collective agreement of Council, Council may set aside or vary the decision or collective agreement of the Chamber.

The agreement also provided guidelines on the establishment of chambers of sectoral councils as per Annexure B of the agreement. This was adopted and forwarded to Sectoral Councils for implementation.

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

Task Teams and Committees

The PSCBC has established a variety of task teams and committees in terms of clause 18 of the PSCBC Constitution, to support the collective bargaining process.

The following task teams/ committees were active during the period under review. A brief report of the activities of each task team is provided.

Labour Relations Task Team Report

Period: April 2003 – March 2004

The Labour Relations Task Team (LRTT) was established to oversee the development of a coherent, effective and legally sound labour relations system for the public service. This task team was established in 1998, since the inception of PSCBC. Most matters on its business plan have been finalized. In an attempt to restructure and streamline Council's task teams and committees, PSCBC Exco recommended to Council that the LRTT be disestablished. PSCBC Exco agreed that other matters like issues of training needs and management of dispute resolution on the LRTT business plan, would be dealt with by EXCO.

At the PSCBC meeting held on 30 March 2004 Council agreed that the Labour Relations Task Team should be dormant, pending any mandate or instruction from Council.



Pensions Task Team

Period: April 2003 – March 2004

The Pensions Task Team was established in terms of Resolution 7 of 2000. On 21 August 2002, the Task Team concluded its work and tabled a draft resolution to Council. This resulted in the signing of Resolution 12 of 2002 (Pensions Restructuring Agreement) on 29 November 2002. A further agreement to remove obstacles to the publication of the rules amending certain aspects of Resolution 12 of 2002 was signed as Resolution 2 of 2003.

At the PSCBC meeting held on 30 January 2003, a sub-committee was established, consisting of one representative from labour and one representative from the employer to outline a programme for consideration by Council on the implementation of Resolution 12 of 2002. The sub-committee developed an action plan for the implementation of the resolution.

Progress Report

Communication of the amended benefit structure and Rules

A joint road show involving the Department of Public Service and Administration, unions, and the GEPF, was conducted to inform national and provincial departments of the contents of the PSCBC Resolution 12 of 2002.

A sub-committee was established to deal with the communication of the amended benefit structure and rules. The sub-committee considered the following:

- Content of the documentation
- Means of communication
- Distribution to members

50 000 posters were printed, and it was agreed that the copies will be distributed to pay points in the provinces, while the remainder would be distributed proportionately amongst trade unions. A pamphlet has also been placed on the PSCBC's website.

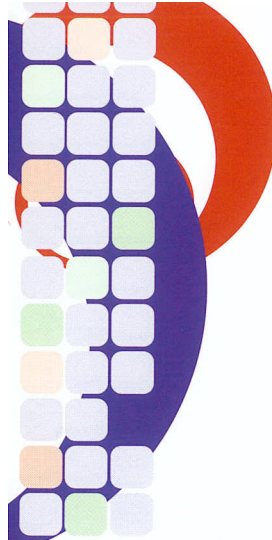
Actions to facilitate and expedite the nomination and appointment of a duly constituted Board of Trustees for the GEPF

The PSCBC's Chairperson, Mr. Edwin Molahlehi, was appointed by the PSCBC's Executive Committee at its meeting held on 19 February 2004 to facilitate between NIA, SASS and SANDF the nomination of an employee representative to serve on the board of trustees of the GEPF. The committee met on two occasions and proposed to Council that the rules be amended to allow for two representatives to be nominated and that the South African National Academy of Intelligence (SANAI) be included in the resolution, since they are part of the Intelligence Services. A report on this was tabled at the PSCBC meeting held on 30 March 2004.

Council noted that the mandate of the Chairperson was limited only to facilitating the dialogue between the parties with the view to reaching consensus on the nomination and election process. Council therefore recommended that since the facilitation process has failed, the matter should be left to the Government Employee Pension Fund (GEPF) to finalise.

On the representation from labour on the board of trustees, labour has nominated the following representatives and their alternates:

- H Maritz (PSA)
- H de Clercq (alternate)
- G Moultrie (HOSPERSA)
- A Wocke (alternate)
- D Mabuyakhulu (SADTU)
- F Hugo (alternate)
- D Balt (NAPTOSA)
- A Kock (alternate)
- P Mngonkola (POPCRU)
- D Bout (alternate)
- V Nhlapo (NEHAWU)
- M Siko (alternate)



The employer is still in the process of finalizing their nominations.

The nomination for the pensioner representative is as follows:

- Admiral Bekker
- H J Koekemoer (alternate)

The formulation of proposals for submission to the PSCBC regarding the increase of pensionable service under PSCBC Resolution 7 of 1998

Former General Assistants

The PSCBC agreed on a basis for recognizing casual service in the GEPP per PSCBC Resolution 7 of 2003. Provincial Task Teams, consisting of provincial departments and union representatives, were established to conclude the process of identifying eligible employees and the validation of applications. The Provincial Task Teams are working according to a terms of reference document adopted by the PSCBC, to ensure consistency in the process across provinces. The PSCBC Task Team monitors the process through bi-monthly reports and will develop and implement interventions where needed.

NSF Service

Upon requests that the dispensation agreed to under PSCBC Resolution 12 of 2002 be reviewed, a further agreement, namely PSCBC Resolution 7 of 2003, was concluded in November 2003. The Employer is taking implementation of the resolution forward.

Past discrimination in Pensions

The PSCBC Task Team has commenced a process of identifying and prioritizing other categories of employees disadvantaged by past discrimination in pensions.

Other matters

Most other matters have been implemented to the satisfaction of the PSCBC Task Team. Some issues still under finalization and worth mentioning are the following:

- The development of policy on the provision of guarantees on home loans by the GEPP, together with transitional measures to govern transition from the present State Guarantee Scheme was referred to the Housing and Accommodation Task Team.
- The actuaries made a presentation to Council regarding the development of actuarial factors that would ensure the purchasing of additional pensionable service on a cost-neutral basis.
- The position of employees affected by the dissolution of the former Venda Pension Fund in 1992 is still under judicial consideration. The PSCBC Task Team has held in abeyance the action plan for the verification of information regarding the Venda Pension fund until the court ruling is available. The PSCBC Task Team is awaiting a comprehensive strategy by the Employer to improve the turnaround time for pension payments.

Housing and Accommodation Restructuring Task Team

Period: April 2003-March 2004

Terms of Reference

- a) To explore 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) To introduce 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 as far as the housing benefit is concerned;
- c) To introduce measures to enable new employees with a 12-month continuous service to obtain a housing subsidy;
- d) To review all allowances related to the housing and accommodation with a view of extending the same to all employees;
- e) To review the current accommodation benefits provided by the Employer; and
- f) To investigate the possibility of using individual actuarial values with the Government Employee Pension Fund (GEPF), to be accessed for collateral purpose.

Progress

The task team met on two occasions during the period under review.

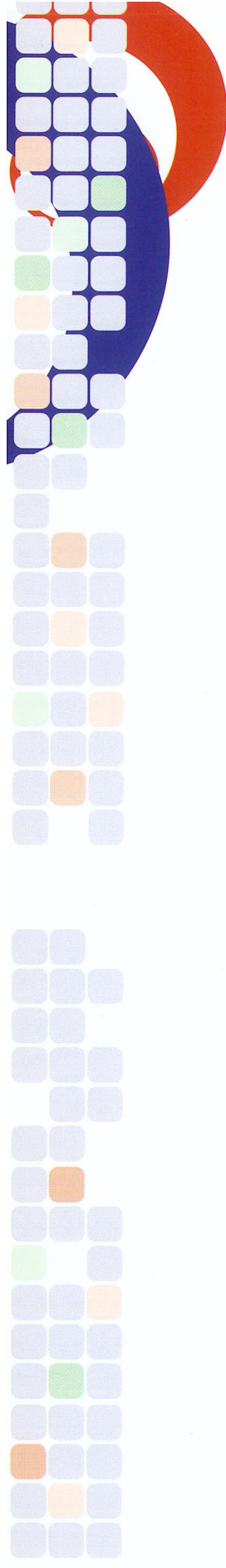
Parties revisited their positions and have not made any recommendations to Council thus far regarding the Housing and Accommodation Workshop report. The committee indicated that they will await the employer's preliminary report in order to continue with its tasks.

The committee was also tasked by Council to develop a policy on the provision of guarantees on home loans by the GEPF/ proposal to feed into the policy together with transitional measure to govern transition from the present state guarantee scheme. An indication was made that the task in question would not be performed and that Council should give guidance in this regard.

Way Forward

In Council the employer raised that they require additional time to deal with the restructuring of the housing and accommodation as a benefit and parties indicated that they were not prepared to deal with the development of a policy on the provision of guarantees on home loans by GEPF, separately from the rest of the terms of reference of the task team. Parties agreed that the Housing and Accommodation Task Team should be disestablished.

Matters relating to housing and accommodation benefits in the public service will be directly negotiated in Council.



Medical Aid Restructuring Task Team

Period: April 2003 – March 2004

This Task Team was established in terms 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;
- 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, and NBC Health Care Consultants were appointed.

After receiving a report from the researchers, the 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 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.

A working group was appointed by Council to look at advertisements to be placed for the appointment of consultants. The working group consisted of 1 representative per federation and 1 representative from the independent unions, with an equal number of representatives from the employer. The employer conducted the interviews and labour was invited to attend as observers. Two Consultants were appointed with a clear terms of reference. The participation of labour in the process did not imply that labour supported what has been done. A full presentation would be made to Council by the Transaction Adviser.

The employer stated that their document on a closed medical aid scheme is a concept proposal.

Labour has submitted its consolidated proposal on medical aid to the employer in February 2003, which was based on the employer's document dated April 2002.

At the last meeting of the task team held on 30 July 2003, the appointed Consultants, Toth Resources, gave a presentation on the proposed development of a Closed Medical Scheme. The presentation provided background on the analysis of data, benefit design, contribution and subsidies, infrastructure, governance, post – retirement assistance and the interim HIV Programme. After labour enquired from the employer if the presentation was the employer's position, the employer responded that they would develop a position after looking at the document from the Consultants.

This matter is currently on the agenda of the PSCBC.

Task Team to evaluate the salary adjustment system implemented on 1 April 2003

Period: April 2003 – March 2004

The task team was established at the PSCBC's meeting that was held on 3 December 2003 to evaluate/ assess the salary adjustment system that was implemented on 1 April 2003.

At the PSCBC meeting held on 30 March 2004, Council agreed to extend the terms of reference of the Task Team to include the review of the pay progression system in the Public Service. At the last meeting held in April 2004, it was agreed that a recommendation would be made to Council that a researcher be appointed to conduct the research. This matter is still under discussion in Council.

Task Team on MMS Proposal (Salary levels 11 & 12)

Period: April 2003 – March 2004

The employer tabled a proposal to the PSCBC on 23 April 2003 to introduce a revised remuneration dispensation for middle managers and professionals on salary levels 11 and 12. The aim of the proposal was to obtain agreement on the principle of introducing an all- inclusive, flexible remuneration system (total cost to employer) as a mechanism to attract suitable middle managers and professionals in the Public Service. It would also assist in addressing Scarce Skills and the retention of skills. The employer clarified that there would be no policy shift in terms of grading, and that the change is with regard to payment (moving to a total cost to employer package).

At the Council meeting held on 29 May 2003, a task team was established, consisting of one representative per party with equal representation by the employer, with the following terms of reference:

- To engage on the proposals as tabled in Council.
- To share information on the matter.
- To investigate moving to a total cost to employer package.

The task team met on two occasions. On 31 July 2003 a presentation was made by the employer to Council, demonstrating practical examples of flexible structuring of packages. Labour then requested that an investigative research team should be established. The employer disagreed with this proposal and indicated that they have embarked on the necessary research, and the proposal tabled is based on the research conducted. At that meeting, Council agreed that parties should engage through bilateral meetings on the principle of moving salary levels 11 and 12 to a total cost to employer package. The work of the Task Team was then suspended until further notice.

Parties agreed to deal with the matter in Council, and on 28 August 2003, a revised proposal from the employer was tabled, which took into account the discussions in the last Task Team meeting. Some of the labour parties raised at the meeting that there are lower paid employees who do not receive some of the macro benefits (housing, medical aid, etc) whilst it would be extended to all employees on salary levels 11 and 12. Labour acknowledged that this proposal is targeted to benefit senior levels in the Public Service, and requested to see a roll-out programme implementing it for the rest of the Public Service. The employer responded that Resolution 7 of 2000 was signed to review all macro benefits, and is in a process of being finalized by Council. Since the differences raised by parties are fundamental differences, the employer raised that they would serve notice to Council to declare a dispute on the matter.

Council set down the dispute for conciliation during January and February 2004. The dispute remains unresolved, and the conciliator has issued a certificate on non-resolution.

Joint Accommodation Task Team Report

Period: April 2003 – March 2004

The Joint Accommodation Task Team was tasked by Council to investigate the acquisition of permanent accommodation for the PSCBC and Sectoral Councils in line with Resolution 5 of 2003 (Levy Agreement), which mandates the PSCBC to obtain joint accommodation.

The Task Team, consisting of representatives of the relevant sectoral councils, investigated three locations as agreed to by Council, namely Johannesburg, Midrand and Centurion. A report was tabled to Council on 5 November 2003. Based on the positions taken by the relevant Sectoral Councils, together with a comprehensive analysis of each geographical location, Council agreed that the permanent offices be located in Centurion.

The task team was then tasked to explore all options i.e. purchasing/ leasing of an existing building, or a new development in terms of the requirements of the bargaining councils. A request for a proposal was sent out to developers in the Centurion area, and tenders were submitted. The task team received detailed presentations from these developers, who presented both lease and purchase options.

The conclusion reached by the task team was that the option to develop a new building according to the specific needs of the public service bargaining councils was the best option. The task team also engaged Council's bank on the conditions for a bond application. The finance department was also tasked to embark on a cost analysis regarding bond and lease repayments.

At the PSCBC's meeting held on 30 March 2004, the task team tabled a report to Council where it was noted that the Sectoral Councils were requested to indicate their commitment to occupy the building, and, where necessary, to assist the PSCBC financially. Parties were granted time to apply their minds to the matter.

It is expected that Council will finalise the decision on acquiring a bond to purchase the building, or to enter into a lease-to-own agreement before the Annual General Meeting in June 2004.



Some members of EXCO

Technical Committee Report

Period: April 2003 – March 2004

Introduction

The committee was established by Council to monitor the implementation of Resolution 7 of 2002 (Restructuring and Transformation of the Public Service). The committee comprised of representatives from labour and representatives from the employer, with the assistance of the Secretariat. The committee provided information regarding the resolution, co-ordinated the process of restructuring and compiled and submitted reports to the PSCBC on an on-going basis, and provided clarification to provinces and departments on the Resolution.

Terms of Reference

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

Progress

1. Criteria for allocation of funds for restructuring projects

The committee developed criteria for allocation of funds for restructuring of special programmes that are not covered for in Resolution 7 of 2002. The funds were intended for structures that required special assistance.

2. Appointment of analyst

The analyst, Prof. J Mokgoro was appointed by the DPSA on a contract basis to analyse and verify the IDTT reports, identify issues in the reports that require intervention by the Technical Committee and also consider all evaluation reports and develop monthly reports, as well as the final report for consideration by Council. The Technical Committee supplemented the final report.

3. Provincial visits

The Technical Committee embarked on a second round of provincial visits, focusing mainly on the moratorium on the advertising of posts, assessing the need for extending the process, as well as assisting departments with outstanding matters. Senior Managers from the DPSA, who were tasked to monitor the restructuring process, were also involved in the provincial visits.

In addition to the above-mentioned visits, the Committee also conducted regular assessment of the implementation process, through the review of monthly IDTT reports.

On the 25 August 2003, the Technical Committee conducted a workshop that involved all the Inter Departmental Task Team (IDTT) Chairpersons and Secretaries, who provided an overview of their status in relation to the restructuring process. The purpose of the workshop was to receive reports on:

- the developments since June 2003
- progress made in each department
- where intervention is required
- Persal system
- status reports on excess lists/vacancy lists
- methods of absorption
- disputes

4. Budget

The Technical Committee developed a budget of R2.5 million for its activities, which included the facilitation of evaluation workshops and provincial visits.

5. Expedited dispute resolution procedure

The Technical Committee developed a document on expedited dispute resolution procedure that would deal with disputes arising from Resolution 7 of 2002. A recommendation was made to Council to discuss the principle of an expedited con-arb procedure to deal with disputes emanating from Resolution 7/2002. After the deliberations in Council, it was agreed that sectoral councils must sign resolutions assuming jurisdiction and that all individual disputes arising from Resolution 7/2002 will be dealt with by sectoral councils. PSCBC however will fund the dispute resolution processes.

6. Final restructuring report

On the 12 February 2004, a final Transformation and Restructuring closure report was tabled together with the Annexes that indicated on the following;

- the number of employees declared in excess by provincial and national departments
- the number of funded vacancies
- graphs on excess employees in indicating the excesses
- number of vacancies by occupational classification
- graphs showing the comparison between employees in excess and funded vacancies.

An indication was made that further information regarding the restructuring process after 12 September 2003, can be accessed from the employer in Council, as the Technical Committee, which has completed its tasks, would not be able to monitor or determine developments post 12 September 2003. On 24 February 2004, the Technical Committee endorsed the report and forwarded it to Council. The employer would update Council regularly on the other processes arising from Resolution 7 of 2002.



Dispute Resolution in the Public Service

Overview

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

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) 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.

In contradiction with the above however, the bulk of disputes that the PSCBC received during the period under review are not collective disputes that affect two or more sectors, but disputes referred by individuals regarding the interpretation and/or application of PSCBC resolutions.

Generally, most rights 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), but which was substantially amended by Resolution 11 of 2002.

PSCBC Panel of Conciliators and Arbitrators

Position: 2003

The PSCBC panel of conciliators and arbitrators and the possibility of appointing a smaller panel were discussed in various PSCBC Dispute Resolution Core Team meetings and after lengthy deliberations the number of PSCBC panellists was decreased from 165 to 25. The number of appointed panellists was reduced for the following reasons:

- (a) PSCBC had a very low case load and very few individuals on the panel was utilized
- (b) It was foreseen that the PSCBC would use even less panellists due to the amended dispute resolution procedure where only 1 arbitrator is appointed per case
- (c) The cases that are dealt with at PSCBC level are complicated and require experienced conciliators and arbitrators as it often affects more than one sector. This is confirmed by the fact that in most cases the parties insist on a specific arbitrator as they regard him / her as an expert in the labour relations field.
- (d) It is an unnecessary administrative burden to have such a large panel if only a few individuals are being used.
- (e) Costs implications to train panellists that are not used.
- (f) CCMA indicated that the payment of a subsidy would depend on the quality of the awards, so only competent, experienced arbitrators should be appointed to ensure quality awards.
- (g) As the PSCBC used to adopt the combined sectoral panellists, there was no control over the composition of the panel to assure an equitable panel. In order to have control over this aspect the PSCBC:
 - Established how many panellists were realistically required in the different provinces
 - Established the ideal targets in terms of equity
 - Appointed panellists in line with above

Employment Equity – Setting Targets

The importance of having a representative panel was acknowledged and it was agreed that the ratio should be 60:40 (i.e. for every 10 panellists that are appointed 6 must be from the designated groups). It was endeavoured to have a panel where this ratio is reflected in every province.

Criteria for the Appointment of Panellists

It was further agreed that future appointments to the PSCBC panel should be done in terms of stricter criteria than what is generally used at the Sectoral Councils, as the type of disputes at PSCBC level are often complex and the outcomes may have a significant impact on the public service in general.

Position: 2004

The PSCBC received 85 disputes in the period from 1 April 2003 to 31 December 2003, compared to only 18 disputes received for the same period in 2002. This is in line with the increase in the number of disputes referred by individuals regarding the interpretation and/or application of PSCBC resolutions as mentioned above.

Case Management System (CMS) and IT support

The IT project had a significant impact not only on the dispute resolution functions of the various sectors, but also on the overall functioning of the councils and was the cause of a lot of excitement and even more frustration. The implementation of the IT project started in May 2003 and was divided into two phases:

Phase 1: Installation of new computers and internal network

Phase 2: Migration of the server (from CCMA to PSCBC premises)

Although it was anticipated that both of the above phases would be finalised by 30 June 2003, numerous unforeseen challenges resulted in delays and it was impossible to finalise the project within the set time frames. This period was extremely frustrating for the sectors, as work was continuously interrupted and many man-hours were lost.

The systems however are fully operational, with all councils utilising the CMS. The server has been moved to PSCBC offices.

Training

LRA Amendments

Training on the LRA amendments was arranged for the Secretaries and the dispute resolution staff. The training was scheduled for a period of four days. The sectors experienced difficulties in attending the training, as the dispute resolution departments could not be left unattended for such a long period of time. A special one day training session on substantive law was thus arranged for the staff who never received labour law training before, while the other staff attended the three day course.

CCMA Commissioner Training

The Secretaries and Dispute Resolution Managers of all the public service bargaining councils attended the CCMA Commissioner training. The training consisted of 6 modules: Substantive Law; Jurisdictional Rulings; Conciliations; Managing Dismissals; Arbitration (1) and Arbitration (2).

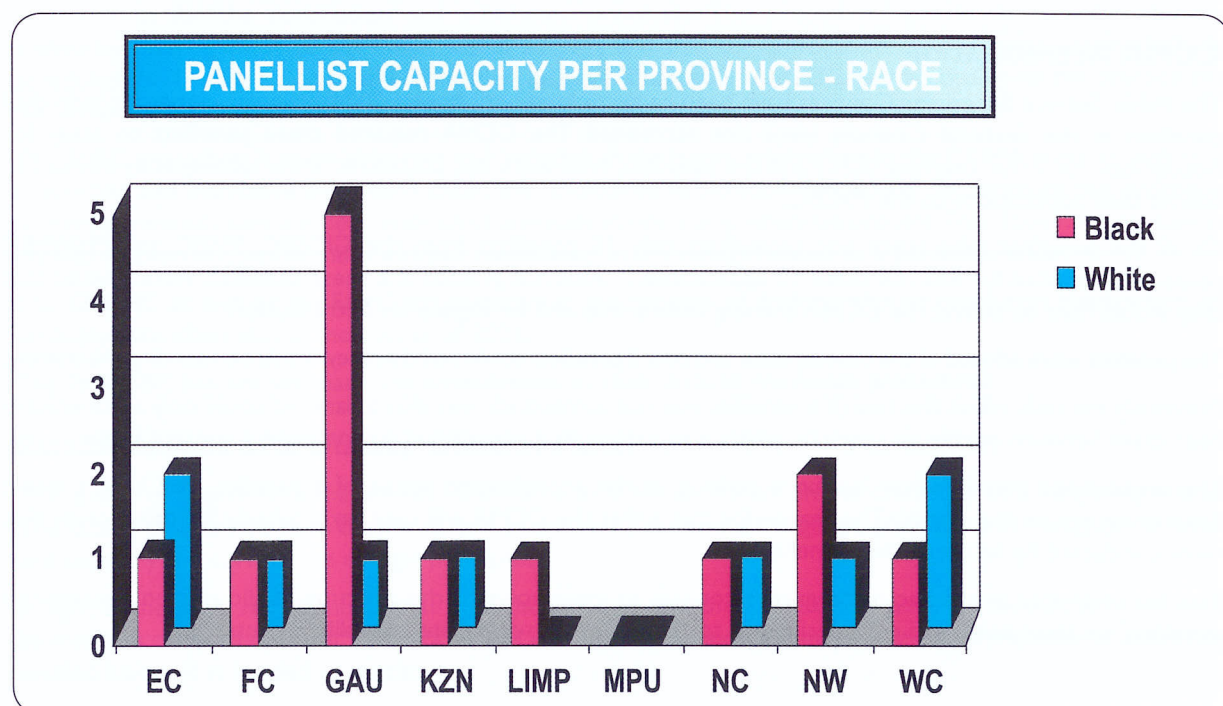
The overall view of the staff who attended the training is that not only was the training material and the trainer excellent, but the knowledge that was gained from this course is invaluable in the performing the job functions of a Secretary or Dispute Resolution Manager. The training once again confirmed the immense necessity for dispute resolution staff to be up to date with the latest developments and jurisprudence in labour law.

Operational Report

PSCBC Panel of Conciliators and Arbitrators

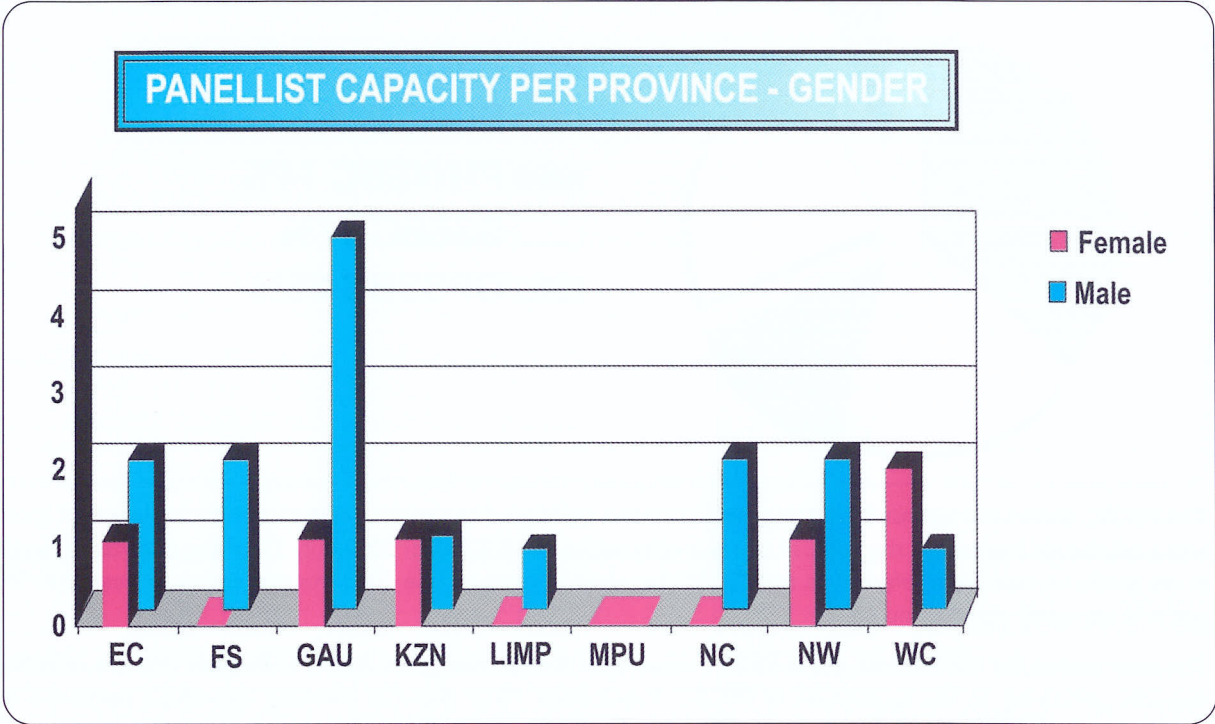
The new list of panellists (see discussion above) will be adopted by PSCBC at the annual general meeting of this financial year (2004/2005).

The diagram below illustrates the breakdown of panellists per province for the period 2003/2004.



The total PSCBC panel consists of 62% black (including Indian and Coloured) panellists and 38% white panellists. From the above graphic it is however clear that the total percentages does not give a true reflection of the individual provinces. In Western Cape and Eastern Cape there are 2 white panellists and only 1 black panellist, while there is only 1 white panellist in Gauteng.

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



Of the total PSCBC panel a mere 24% of the panellists are female, while 76% of the panellists are male. From the above graphic it is clear that only the Western Cape is currently representative with regard to gender and it is evident that this issue will have to be addressed in future appointments.

Case Load

Challenges experienced in the compilation of this report

The CCMA Case Management System (CMS) was introduced in the latter part of 2003 (as discussed above) and this resulted in a dual system to compile statistics. Statistics pertaining to cases referred prior to the introduction of the CMS still had to be compiled manually, while it was endeavoured to obtain electronic statistics for the cases referred after the date of utilisation from the CMS. This presented its own challenges as not all councils used the CMS extensively from the onset.

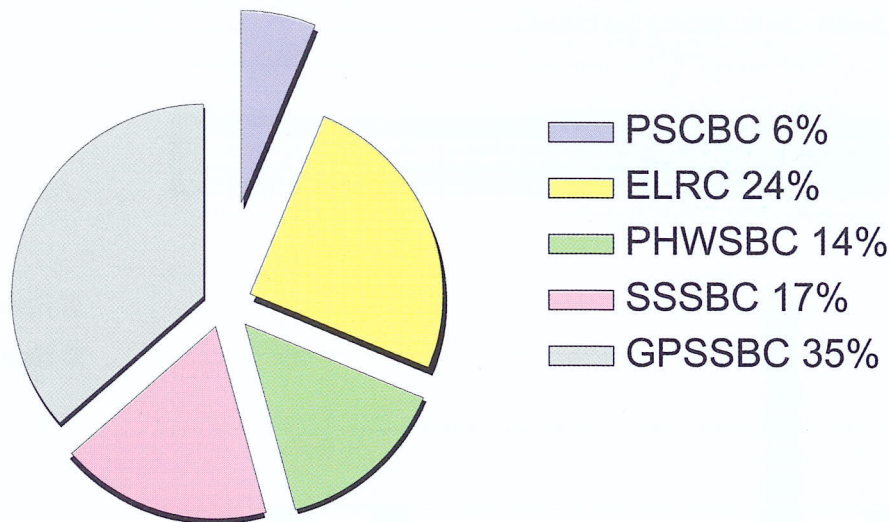
The PSCBC and Sectoral Bargaining Councils received a total of 3780 referrals for the period 1 April 2003 to 31 March 2004. The number of disputes referred during the same period in the 2002/2003 financial year is 3732.

Of the cases received, 517 were not properly referred (no proof of service, not signed or not properly completed). A total of 408 cases were further screened out due to a clear lack of jurisdiction. This amounts to 925 disputes that were incorrectly referred i.e. 24% of all the disputes referred was screened out prior to a hearing being scheduled.

Although it seems as if the number of disputes referred in the public service has somewhat stabilised, there was still fluctuations in the number of disputes referred within the specific councils.

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:

DISPUTES REFERRED IN THE PUBLIC SERVICE

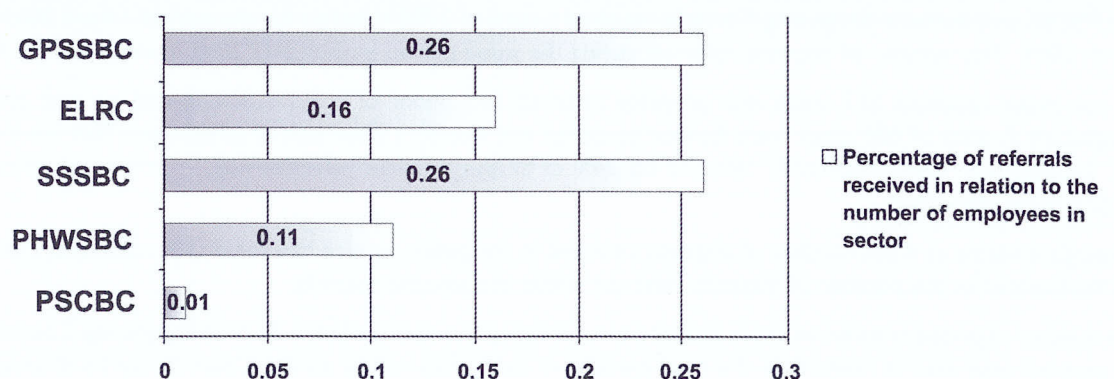


The PSCBC shows the highest fluctuating caseload when compared to previous statistics and it is clear that there was a substantial increase in the number of cases referred to the PSCBC. In 2002 only 1% of the disputes referred in the public service were referred to the PSCBC; however, in April to June 2003 the percentage increased to 3% and it is currently standing on 6%.

The main reason for the increase in the PSCBC caseload is the increasing number of individuals that are referring disputes pertaining to the application of PSCBC Resolutions. Most disputes involving individuals pertained to Resolution 7 of 2000 and Resolution 3 of 1999. A concern is that some of the disputes relate to minimal amounts, which are less than the actual costs of the hearings. These disputes include the non-payment of leave pay, overtime, danger allowance etc.

A further concern is the disputes that are being referred in terms of Resolution 14 of 2002 (Grievance procedure). A trend has been identified where unions refer disputes based on the allegation that the employer does not adhere to the timeframes as set out in the grievance procedure. The outcomes of these cases are invariably that the employer agrees to adhere to the relevant timeframes. This is an unnecessary waste of Council resources and ways should be explored to resolve these disputes prior to a conciliation hearing.

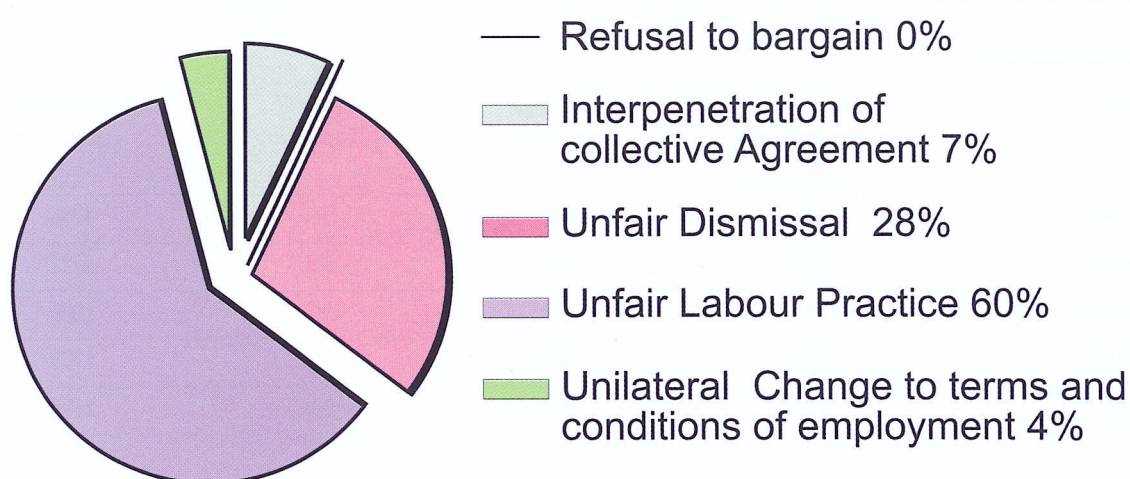
DISPUTES REFERRED IN RELATION TO SCOPE OF COUNCIL



The above graph provides an indication of the percentage of employees who referred disputes within a specific sector. If these statistics are monitored over a period of time, it may assist in providing valuable information for dispute prevention purposes.



DISPUTES REFERRED PER ISSUE



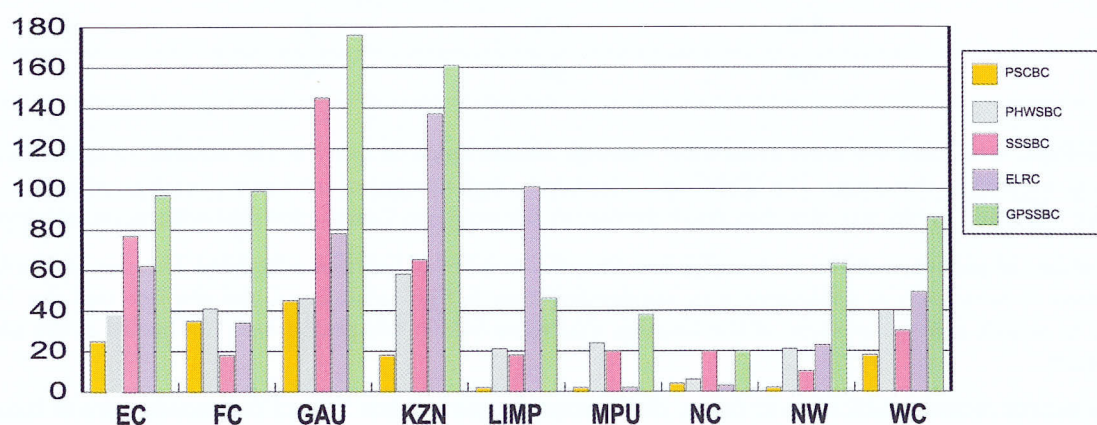
Of the total number of disputes referred, 60% pertained to unfair labour practice disputes (a decrease of 12% in comparison to the previous financial year). Unfair labour practice disputes include disputes about promotions, demotions, training, benefits, suspension or other disciplinary matters short of dismissal, as well as the failure to re-instate in terms of an agreement and probation disputes.

Unilateral Change to Terms and Conditions of Employment disputes increased by 2%, Unfair Dismissal disputes increased by 4%, and the Interpretation and Application of Collective Agreement disputes increased by 6%.

The increase in the number of Interpretation and Application of Collective Agreement disputes correlates with the increase in the number of disputes referred to the PSCBC, as 89% of all disputes that were referred to the PSCBC pertained to the interpretation or application of a PSCBC resolution.

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

DISPUTES REFERRED PER PROVINCE



The above correlates with the figures of 2003 with regard to the provinces where the most disputes arose.

Most of the disputes arose in Gauteng, KZN and Eastern Cape. It is further 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 the bulk of PHWSBC and the ELRC's disputes arose in KZN.

Hearings

In general, hearings can be divided into conciliation and arbitration hearings. It must be noted however that the SSSBC (due to their Con-Arb procedure) does not differentiate between the conciliation and arbitration hearings. The total number of hearings scheduled by SSSBC is thus reflected under both the conciliation and arbitration tables below:

Conciliations

Sector	Number of cases properly referred	Hearings scheduled	Settled/ withdrawn	Settlement rate
PSCBC	135	90	64	47%
GPSSBC	809	1197	380	47%
PHWSBC	375	131	67	18%
SSSBC	420	826	73	17%
ELRC	706	318	204	29%

There is a difference between the number of cases referred and the number of hearings scheduled. This is because the total number of the cases scheduled also includes postponements, as well as hearings of cases that were referred prior to the time frame covered by this report.

The number of cases scheduled by SSSBC in relation to the number of cases referred to them seems to be disproportionate, but it must be taken into account that the SSSBC does not distinguish between the conciliation and arbitration processes. Con-Arb hearings are scheduled for all their disputes, which in general results in an average of two hearings per case.

The average settlement rate for the Public Service Bargaining Councils is 32%, which is 4% higher than the settlement rate of the previous financial year.

Arbitrations

Sector	Arbitration Hearings Scheduled	Awards Rendered	Dismissed: non attendance of ee	No Jurisdiction Ruling
PSCBC	41	21	3	5
GPSSBC	1 506	370	16	157
PHWSBC	180	166	4	0
SSSBC	826	174	3	20
ELRC	108	28	9	4

The GPSSBC scheduled the most arbitration hearings, almost twice as many as the number of cases that was properly referred to that sector. The SSSBC also scheduled a high number of arbitration hearings, which can once again be explained by the fact that they don't distinguish between the Conciliation and Arbitration hearings.

The number of awards received is invariably less than the number of hearings scheduled. This can be attributed to various factors, such as postponements, outstanding awards from arbitrators, and the fact that the 14-day period to submit awards for some of the hearings that were held in this period have not lapsed at the time of the report.

Of the awards received, 63% were in favour of the employer party, while 37% of the awards were in favour of the applicants.

Postponements

A total number of 514 postponements was recorded.

The percentage of cases postponed per council is as follows:

PSCBC: 5% of the scheduled cases were postponed

PHWSBC: 11% of the scheduled cases were postponed

SSSBC: 8% of the scheduled cases were postponed
GPSSBC: 14% of the scheduled cases were postponed
ELRC: 6% of the scheduled cases were postponed

Review Applications

One award was taken on review at PSCBC, 7 at ELRC, 37 at SSSBC, 22 at PHWSBC and 81 at GPSSBC.

In total, 21% of the awards rendered were taken on review.

Labour Court Cases: Solidarity v PSCBC and DPSA

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

- The **first application (Labour Court Case number J648/2003)** pertained to **Resolution 1 of 1998** (Agency Shop Agreement).

Solidarity Union, on behalf of some of their members, argued that this agreement is null and void, as it does not adhere to the requirements as set out in section 25(3) (a) of the LRA.

They further argued that in light of the aforesaid, the deductions from the employees' salaries for the agency fees were unlawful in terms of Section 34 of the Basic Conditions of Employment Act 75 of 1997.

The PSCBC opposed this application on behalf of the PSCBC and the DPSA. However, the Labour Court judgement confirmed that the initial resolution (1 of 1998) was invalid, but that the subsequent Resolution 4 of 2003 amending Resolution 1 of 1998 was valid.

The PSCBC is in the process of applying for appeal of this judgement.

- The **second application (Labour Court Case number J649/2003)** pertained to **Resolution 7 of 2002** (Framework Agreement: Transformation and Restructuring of the Public Service - Utilisation of Human Resources)

Solidarity union, on behalf of some of their members, argued that:

- All actions the Government has taken in terms of Resolution 7 with regard to non-members of the parties to the Resolution is an unfair labour practice in terms of S32 of the Constitution.
- The aims and outcomes of Resolution 7 are unlawful in terms of S6(1) of the Employment Equity Act, as efficient service delivery is compromised for the sake of racial representivity, which is irreconcilable with S9(3) of the Constitution.
- The process in terms of Resolution 7 (specifically clause 7.2) is unlawful in terms of S6.1 of the Employment Equity Act and is irreconcilable with S 9(3) of the Constitution, as the employer discriminates on the basis of race.
- That the forced and unfair dismissal as foreseen by Clause 8 of Resolution 7 is unlawful in terms of S185 of the LRA, and is therefore irreconcilable with S22 and 23 of the Constitution.
- That the implementation of Resolution 7 is null and void and against contra bones mores because it is unlawful in terms of the Public Service Act and irreconcilable with S195,205 and 206 of the Constitution.

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

This case is still pending at the Labour Court.

Status of Resolution 7 of 2002 Disputes

PSCBC

The PSCBC received 27 disputes pertaining to Resolution 7 of 2002. Of these disputes, 4 were settled at conciliation, 4 remained unresolved at conciliation, and 2 awards were rendered.

Once the sectors signed a resolution accepting jurisdiction over Resolution 7 of 2002 disputes, the PSCBC referred the 17 individual cases (application disputes) that have not been dealt with, to the sectors.

PHWSBC

PHWSBC has not yet signed a resolution accepting jurisdiction over Resolution 7 of 2002 disputes. A draft resolution was tabled in the EXCO meeting held on 10 May 2004 and the issue was referred to Council.



To date, they have received 10 disputes, but as no resolution was signed in their sector accepting jurisdiction, the applicants were advised to refer the disputes directly to the PSCBC.

GPSSBC

The GPSSBC has received 8 disputes thus far and has commenced with the process of scheduling these disputes in terms of the normal dispute resolution procedure.

ELRC

The ELRC has record of only 1 dispute that was referred in terms of Resolution 7 of 2002, and this dispute was settled.

SSSBC

A total of 199 disputes were referred to the SSSBC, and a special process has been put in place to finalise these disputes as speedily and cost effectively as possible.

General

The past year has held many challenges for the various public service bargaining council, and there is no doubt that these challenges also contributed to the growth of all the dispute resolution departments.

Report on Provincial Co-ordinating Chambers of the PSCBC

Background

The Labour Relations Act, promulgated in 1995, replicated the bargaining structures in the public service that existed prior to its enactment, by retaining them in transitional arrangements. It deemed the provincial and departmental bargaining chambers created by the Public Service Labour Relations Act (1993) to be sectoral bargaining councils of the PSCBC, hence giving them powers they previously did not have. This also resulted in an overlap of jurisdiction between the sectoral bargaining councils designated by PSCBC and these structures.

This matter was debated and discussed by the parties, as it was not the intention to create formal bargaining structures at the level of the provinces or departments. These structures were costly and not necessary, in light of the PSCBC and designated sectoral councils.

In an attempt to end this confusion, the PSCBC entered into Resolution 3 of 2000, withdrawing the decision to designate bargaining councils in provincial administrations and national departments in terms of the LRA (1995).

The validity of this agreement was subsequently challenged in the Labour Court by PSA and the Western Cape Provincial Bargaining Council. The PSCBC lost the challenge, and Resolution 3 of 2000 was set aside on 1 March 2001. While PSCBC agreed to appeal the judgement (which was later withdrawn), the Labour Relations Task Team embarked on an investigation on the powers and functions of collective bargaining structures at departmental and provincial levels, and the relationship of these structures to sectoral bargaining councils and the PSCBC.

After two years of deliberations on the matter, Resolution 9 of 2003: Disestablishment of Departmental and Provincial Bargaining Councils, Establishment of Provincial Coordinating Chambers of the PSCBC, and Guidelines on the establishment of chambers of Sectoral Bargaining Councils, was signed on 4 December 2003.

Notably, Section 37(1)(b) of the LRA, was amended in 2002 and gave PSCBC the power to disestablish bargaining councils in the public service in accordance with its constitution and by resolution of Council.

Resolution 9 of 2003

PSCBC, in this resolution, resolved to disestablish all provincial and departmental bargaining councils in the public service. This will be effective when the specific sector council resolves to establish chambers within its area of jurisdiction. The intention here was not to create a vacuum, and that the chambers of the relevant sectoral council will replace these departmental and provincial bargaining councils.

The agreement also established provincial coordinating chambers of the PSCBC as per Annexure A of the agreement, which outlined, inter alia, the powers and functions of these provincial coordinating chambers of the PSCBC. The agreement also provided guidelines on the establishment of chambers of sectoral councils as per Annexure B of the agreement. This was adopted and forwarded to Sectoral Councils for implementation.

Operations of coordinating chambers at provincial level

The chambers are not juristic persons, and are established to deal with issues of a transverse nature in the provincial administration. The chambers deal with issues that affect only the provincial administration concerned, as well as those that affect more than one sector, as designated by PSCBC, in the provincial administration. The Chamber has the power to negotiate collective agreements within its area of jurisdiction and conclude such agreements, subject to Clause 5.3 of the agreement. Clause 5.3 states that a chamber shall report any decision or collective agreement to the PSCBC within 30 days of being taken, or concluded for purposes of ratification by Council in terms of clause 12. Clause 12 provides for the establishment of a committee comprising the Secretary and a panelist to consider any decision or collective agreement of a Chamber and notify Council of its findings. Should it be found that a decision or collective agreement of the Chamber does not fall within the jurisdiction of the Chamber, or is in conflict with any decision or collective agreement of Council, Council may set aside or vary the decision of the collective agreement of the Chamber.

The chambers function within the ambit of the PSCBC Constitution and Resolution 9 of 2003, and therefore are not required to draft their own constitutions. PSCBC is currently developing a meetings procedure manual that will provide guidelines to the chambers on practical operations.

Inaugural meetings of Coordinating Chambers of the PSCBC

During March and April 2004, the Executive Committee of PSCBC elected teams to establish the coordinating chambers of the PSCBC at provincial level.

The following table illustrates the date of establishment in each province, the chairperson, and vice-chairpersons elected, and decisions on secretariat services, and the number of representatives agreed to.

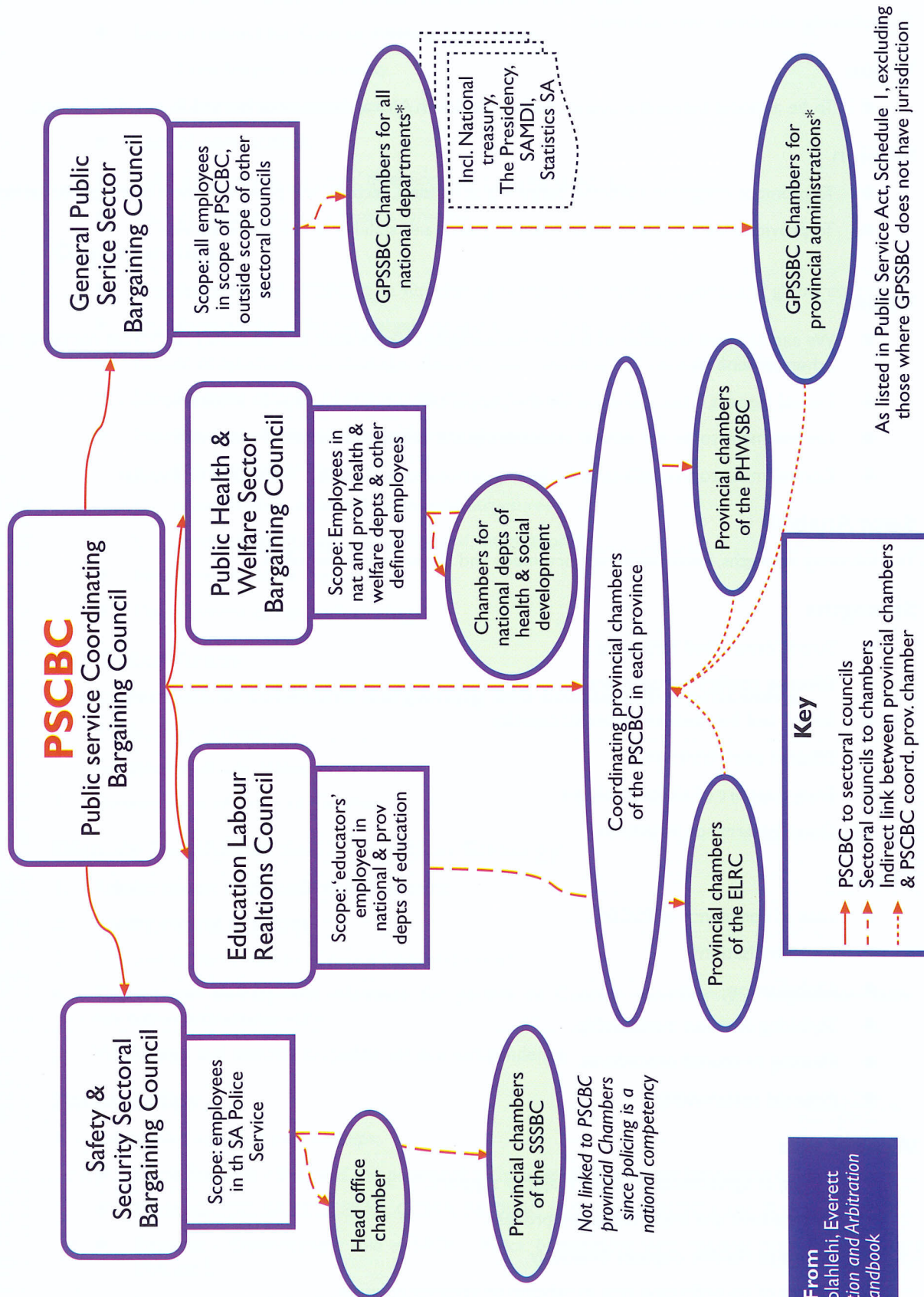
PROVINCE	DATE	CHAIRPERSON	VICE-CHAIR EMPLOYER	VICE-CHAIR LABOUR	SECRETARIAT	NO. OF REPS
Eastern Cape	3 March 2004	Ms. N Shishubaton		Mr. M. Bomeni	Employer to provide	2 reps per trade union and equal reps for employer
Gauteng	16 March 2004	Mr. Molatlhegi Mabuse	Ms. J. More.	Mr. Tshediso Ledimo	Independent – PSCBC to provide	Proportional Representation based on membership.
Free State	10 March 2004	Mr. P Ntuli	Mr. S. Daikos	Mr. M.J Marumo	Employer to provide	To be agreed at next meeting
Northern Cape	1 April 2004	Dispute - To be decided at next meeting	To be decided at next meeting	To be decided at next meeting	Independent – PSCBC to provide	1 rep per trade union party and equal reps for employer
Western Cape	16 April 2004	Mr. Darrel. Jacobs	Mr. S. Faker	Ms. P. Harris	Employer to provide	2 reps per trade union and equal reps for employer
North West	24 March 2004	Mr. D Bokaba	Mr. T Kwamongwe	Ms. K Peane	Independent – PSCBC to provide	2 reps per trade union and equal reps for employer
Limpopo	31 March 2004	Mr. M Chilwane	Mr. S Ntwampe	Ms. F Lello	Employer to provide	2 reps per trade union and equal reps for employer
Mpumalanga	25 March 2004	Mr. Z Mahlobogone	Mr. T Makubu	Ms. G Mhlango	Employer to Provide	Labour proposed 2 reps per trade union and equal reps for employer – employer to respond at next meeting
Kwazulu-Natal	23 March 2004	Mr. P Giana Nangoma	Mr. B W Ntuli	Mr. R Lil-Rathan	Independent –PSCBC to provide	To be determined at next meeting.

Funding and resourcing of chambers

The PSCBC has allocated a budget for the provincial coordinating chambers, which, at this stage, caters for its meetings, workshops and other incidental operating costs.

In the longer term, the principle of independent secretariat services, venues, etc has been accepted. However, for the first year, it is intended that in most provinces, the employer provides secretariat services, to allow PSCBC to develop a proposal on the provision of independent secretariat services. At this stage, the frequency of meetings and workload does not warrant the employment of independent secretaries in each province. The option of shared services with other sectoral councils is being investigated.

The current collective bargaining structures in the public service are as follows:



From
Bosch, Molahlehi, Everett
The Conciliation and Arbitration Handbook

- Communication of PSCBC Collective agreements
- Publicizing of codes and procedures as set in collective agreements
- Publicising arbitration awards
- Circulation of annual reports

Relationship building within Council

1. Team building exercise

Good Governance

1. Corporate Management
2. Co-ordination function
3. Effective Implementation of policies, plans and decisions
4. Acquisition of joint permanent premises

Research and resource strategy

1. Commission/ embark on research of public service labour relations practices.
2. Conduct comparative analysis on collective bargaining systems in the public service in other countries.
3. Research dispute resolution / prevention systems in other countries.

Strategic Objectives

A. Dispute Resolution and Prevention

1. Dispute Resolution
 - 1.1 To review dispute resolution procedures to ensure effectiveness on an annual basis.
 - 1.2 To ensure quality control of awards issued by the panellists (ongoing).
 - 1.3 To finalise PSCBC rules for conducting conciliation and arbitration proceedings (by April 2004)
 - 1.4 To monitor the administrative systems, financial control and case management effectively (ongoing)
 - 1.5 To publish new arbitration awards (website Jan 2004)
2. Dispute Prevention
 - 2.1 To train and develop parties to Council on negotiations/ conciliation and arbitration skills (July 2004)
 - 2.2 To facilitate and co-ordinate the training of parties at the workplace on internal remedies (July 2004)
 - 2.3 To conduct workshops and seminars on public service jurisprudence (start October 2004).
 - 2.4 To effectively co-ordinate policy formulation regarding panellists contracts, fee policy, case management and workflow (ongoing).

B. Relationship building within Council

1. To conduct team building exercises (annually – November 2004)
2. To conduct relationship surveys of parties and role-players in the public sector (annually – September 2004)
3. To develop an organisation culture reflecting a committed and professional team (ongoing)

C. Communication

1. Provide effective communication protocol (communication procedures – internal and external, short term)
2. Promote and market/profile PSCBC Services (short term and ongoing)
3. To establish and comprehensive electronic information system (short term)
4. Enhance communication of PSCBC Resolutions (short term)

D. Good governance

1. Promote transparency and accountability (short and medium).
2. Monitor the effective implementation of plans, decisions and policies (short term and ongoing).
3. Permanent premises (short term).
4. To promote good and professional conduct of Council and Staff (short and ongoing).
5. Adherence to statutory framework (ongoing).

E. Improvement of Collective bargaining and consultative processes

1. Synchronisation of salary negotiations with budgetary process
Time Frame – budgeting annually under collective bargaining
2. Productivity of meetings
 - 2.1 Review guidelines for conducting PSCBC Meetings in line with constitution and ensure implementation thereof.
Time frame – Immediate – June 2004
3. Functioning of task teams
 - 3.1 Clarify role of task teams and review guidelines of the functioning of task teams.
Time frame – Immediate – June 2004
4. Re-affirming and implement Code of Good Practice for bargaining.
Time frame – immediate
5. Monitoring of implementation of agreements and develop a procedure.
Time frame – Immediate – June 2004

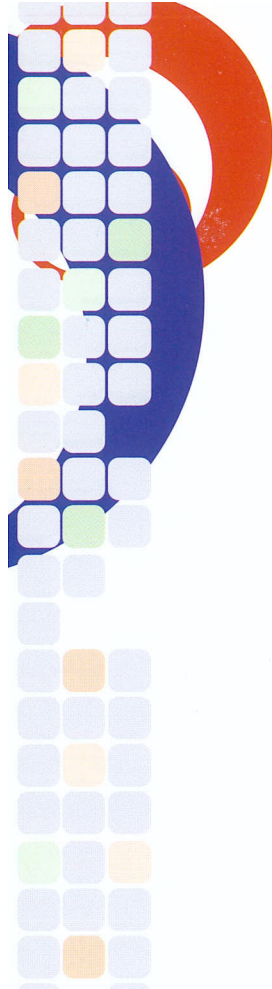
F. Partnerships

Develop criteria for establishing partnerships and develop guidelines for functioning and monitoring of partnerships.

Time frame – Immediate – June 2004 (assessments)

G. Research and information resource strategy

1. Develop a research policy for Council
Timeframe – June 2004
2. Establish an information resource centre relevant to Council activities.
Time frame – 2004/5 financial year



Report on the International Industrial Relations Association 13th World Congress held from 8-12 September 2003 at Freie Universität Berlin, Germany.

A. Introduction

The PSCBC, as part of its assessment to become an institutional member of IIRA, sent a delegation of seven members of its Executive Committee to attend the 13th World Congress of IIRA.

B. Theme of the Congress

The theme of the congress was “Beyond Traditional Employment- Industrial Relations in the Network Economy”.

C. Pre-Congress

Delegates attended a pre-congress session that focused on Co-determination in Germany. A book on the “Changing Contours of German Industrial Relations” edited by Walther Muller-Jentsch and Hansjorg Weitbrecht on behalf of the German Industrial Relations Association (GIRA) was presented to all delegates. The book covers issues of renewal of the collective bargaining system, re-assessing co-determination, Human Resource Management and Co-determination, Re-building of IR in Eastern Germany, Exploring the boundaries of co-determination, economic effects of co-determination, recent developments in the labour market, recent developments in German and European labour law and German Industrial Relations and European Integration. The book is available at PSCBC offices and has been registered in the Resource Centre (DR Department).

D. Tracks and workshops

The following plenary session tracks and workshops took place:

Plenary Session Track I: Enterprise Reorganization: Negotiated, Consultative or Unilateral?

- Union Bargaining Power in the Global Economy: A Comparative Study of Workplace Change and Local Unions in Canada and Mexico
- Contesting Time: International Comparisons of Employee Control of Working Time
- High Performance Work Systems, Industrial Relations and Pay Settings in Europe.
- The Role of the Senior HR Executive in Japan and the United States: Companies, Countries and Convergence

Workshops Track I:

1. Enterprise Reorganization: Issues of Governance and Management
2. HR Challenges in Multinational Corporations
3. Models of Workplace Change: Politics and Strategic Design (South Africa, Germany)
4. Regulation, Culture and Enterprise Reorganization: National Studies (Finland, India, Brazil, Korea)

Special Seminars:

1. Improving International Labour Standards Through Codes of Conduct and Other Firm-Level Strategies (case studies and discussants- Sri Lanka, Germany, USA, Canada, China)
2. Reform through Dialogue? New Models of Regulation for Changing Labour Market and Social Protection Schemes (UK, France, ILO, German Employer Associations, European Trade Union Institute, Belgium)
3. Can Labour Markets of the Network Economy Cope with Economic Shocks and World Political Uncertainty (discussants- USA, Germany, France, Taiwan, USA,)
4. From Margins to Center? Researching Gender in Industrial Relations.
 - a. Gender/ Diversity & Trade Unions (Germany, UK,)
 - b. Women and Employment Issues (Australia, Five central European Candidates to EU)
5. Dispute Settlement in a Global Economy: Promoting Best Practice (Australia, Britain, ILO – reference to CCMA in SA as best practice model, Launch of the Dispute Resolution Agencies Forum- CD provided)
6. The Future of Collective Bargaining in Germany.

Plenary Session Track 2: Changing Contours of the Employment Relationship and New Models of Labor Regulation

- Towards a New Standard Employment Relationship in Western Europe? New Patterns of Life-Cycle Labor Market Behavior and Changes in Social Protection (Germany)
- The Network Economy and Models of the Employment Contract: Economic, Legal and Psychological (UK)
- Joint Employers Status in Triangular Employment Relationships (Israel)
- Flexibility Meets National Norms and Regulations: Part-time Work in New Zealand, Denmark and the Netherlands.

Plenary Session Track 3: Industrial Relations and Global Labor Standards

- Comparing and Quantifying Labor Standards in the United States and the European Union.
- Trade Unions and the Social Clause: A North-South Union Divide
- Transnational Labor Regulation in the NAFTA – A Problem of Institutional Design. The Case of the North American Agreement on Labor Cooperation between the USA, Mexico and Canada.
- HRM Practice and the Influence of the Country of Origin in Chinese MNC's Operating in the UK.

Workshops Track 2

1. Non-Standard Employment Relationships, the Informal Sector (Canada, UK, Netherlands)
 - Beyond Formal Labor Market Regulation: Social Protection and the Future of Labor Law in Southern Africa (Olivier, Kalula, Carolus)
2. Information Technology, Organizational Boundaries and Spatial Issues (USA, Australia, UK, France, India)
3. Employers Strategies/ HR Policies and Regulation (Australia, The Netherlands, Korea, USA, Taiwan)
4. Concepts and Theories to Address Employment Change (Netherlands, Germany, USA)

Workshops Track 3

- Regional Trading Blocs and Labor Standards (ILO, Germany, France)
- Employment Restructuring in a Global Economy (India, China, Korea, Taiwan, Japan, Philippines, Spain)
- Regulation of Human Rights in Employment (Philippines, Venezuela, Netherlands)
- Transitional Influences on Labor Standards (ILO, Canada, USA, China, UK)

Special Seminars III

- Between Politics and Social Movements: Trade Union Renewal Strategies in the Advanced Countries (United States, UK, Germany, Belgium)
- New Forms of Organization, Partnership and Interest Representation (Australia, France, UK).
- IR and HR in Telecommunications: International and Comparative Analyses of changing Approaches (Australia, USA, UK, Brazil, Italy, Japan).
- The Future of the Social Dialogue – A Determinant of Successful Economic and Social Reforms in Europe (Belgium, Germany, Norway, UK)
- Decent Work: Opportunities and Challenges (ILO, France)
- Industrial Relations Research at the European Foundation.

Plenary Session Track 4: Collective Actors in Industrial Relations: What Future

- Mutual Gains – Community and Unions in a Networked Economy. Towards a Globally Sustainable and Inclusive Theory of Industrial Relations for Knowledge Economy.
- Towards Gendering Trade Unions in Japan and Germany – The Impact of Expanding Part-time Employment in the 1990's.
- Economic Change and its Impact on Employer Associations: A Cross-national Comparison
- Labor and Global Justice: Emerging Reform Coalitions in the World's Only Superpower.



Plenary Session Track 5: European Integration: Convergence or Diversity

- Trade Unions and the Ambiguities of Social Europe
- Social Dialogue in Central and Eastern Europe – Present State and Future Development.
- Foreign Direct Investment in Central Eastern Europe and Industrial Relations: The Case of European Works Councils in Poland.
- Effective Enforcement of EC Labor Law – A Comparative Analysis of Community Law Requirements on National Laws on Procedure and Sanctions.

Workshops Track 4

- Changing Structures: Effects of Decentralization on Employer Structures (Australia, UK, France)
- Alternatives to Collective Bargaining: Information, Transparency and Community (Italy, UK, Germany, South Africa)
- The Perceptions of Employers and employees in the Chemical Industry regarding South African Labour Relations Issues.
- Toward a New Model of Unionization (Ireland, USA, Singapore, France, UK, Ireland)
- Unions, Work Councils and Partnerships: Alternative Structures for Voice and Representation (India, Korea, Germany, UK)
- Alternatives to Standard Work and Employment Relationships: Implications for Management and Unions (Australia, Denmark, Norway, USA, Germany)

Workshops Track 5

- The German Model Revisited (Norway, Germany, UK)
- Challenges of Eastern Enlargement (Germany, Hungary)
- EMU and its Social Consequences (Italy, Belgium, Germany).
- Labor Market Strategies in Europe (UK, Sweden, Ireland, Italy)

Please note that the reports from the rapporteurs and plenary and workshop abstracts have been published in a book handed to each delegate. This, together with the CD with all research papers submitted to the Congress is also available at PSCBC Resource Centre. These papers are also available on the IIRA website.

E. Summation of critical issues

1. Co-determination (Germany)

- Effects of globalization on co-determination- changes in collective bargaining systems
- Combination of collective bargaining and works councils (dual system)
- Flexible collective agreements
- Challenges for trade unions e.g. calculation of economic effects of wage demands.
- Link between macro-economic policies and collective bargaining
- System of centralized decentralization – sectoral frameworks and local company/ plant level bargaining (challenge for unions- strength of local branches)

2. Social Dialogue

Importance of social dialogue between social partners (tripartite structures)

3. Dispute Settlement

- Launch of DR agencies forum in Australian system – focus on unrepresented parties.
- Exclusion of lawyers in Employment tribunals in UK.
- Independence of DR services crucial especially in public sector disputes.
- Advisory services of DR agencies – proactive approach and a good dispute prevention mechanism.
- ILO – emphasis on developing dispute prevention and settlement capacity in developing countries.
- Need for legitimate institutions (Tripartite alliances: employer/ labour/ government)
- CCMA in RSA – most impressive system observed by ILO.

4. Enforcement of ILO standards

- Challenge for developing countries
- Introduce link between labour rights and standards with trade agreements (WTO)
- Overwhelming support by trade union federations to link labour standards to trade agreements.
- Challenge for G77 countries is that governments in G77 countries do not speak for organized labour, when they oppose link of labour standards to trade agreements.

5. Collective actors in IR

- New model – globally networked relationship
- **International arena** – international tripartite bodies (ILO, IMF, World Bank, International Community Bank groups, International union federations, multinationals, international NGO's)
- **Local (country arena)**
- Link between principal actors (political, cultural, environment, legal and economic groups)
- Notably short term link between unions and community groups. This is problematic and the relationship between these actors should be long term.

F. Overall assessment of the state of industrial relations globally

1. Union density is on a decline world-wide.
2. Employers and labour federations in nation states have formed coalitions for job creation and reduction of unemployment. This has undermined international labour standards and international union solidarity.
3. The absence of the role of governments in IIRA in shaping employment relations and in reducing unemployment.

G. Critical analysis of Congress

1. Lack of public sector labour relations focus globally.
2. Lack of South African publications on public sector labour relations matters.
3. Congress too academic – a need to bridge the gap between academia and practitioners in labor relations field.
4. Lack of involvement of institutional research units of social partners e.g. government/ trade unions NGO's in IRASA (country IRA)

H. Benefits of attending IIRA/ membership to IIRA

1. Understanding global/ regional and country industrial relations legislation, practices and trends.
2. Networking with other IR academics/ practitioners internationally especially developing countries.

In this regard the PSCBC Secretary circulated PSCBC Annual Reports for 2002 and 2003 to participants from developing countries, IIRA Executive members, ILO and ICFTU. An overwhelming interest in the South African IR system, and public service practices especially in collective bargaining, dispute resolution systems, and social dialogue initiatives, was shown. Some developing countries indicated that they would like to invite PSCBC to share such initiatives and experiences with them.

3. Sharing of research, practices and experiences around critical labor relations issues in the public sector (social dialogue, collective bargaining, dispute resolution practices)

I. Way Forward/ Programme of Action

1. Membership:

- There is a need for PSCBC and similar practitioner institutions to become members of IIRA, which automatically gives you membership to the country organization (IRASA) and regional (Africa Regional IRA). The annual dues for membership are US\$60.

2. Involvement in IRASA and Africa Regional IRA

- Networking with other IRASA and regional members
- Bridging the gap between academic institutions and practitioner institutions
- Assist in hosting of IRASA and regional congresses, as requested by the Secretary of IIRA (Tayo Fashoyin)

3. Publications on Public Sector Labour Relations issues

- Commissioning research on public sector IR issues
- Writing and publicizing PSCBC activities/ experiences.

Brief Report on the ILO Sub-regional Seminar on Social Dialogue in the Public Service: 17-21 December 2003, Kathmandu, Nepal

The Secretary to PSCBC was invited by ILO to present a paper on the South African experience on social dialogue machinery in the public service.

The convening of the sub-regional seminar was a response by the ILO In Focus Programme in Geneva to meet the demands of the region to hold an in-depth examination of social dialogue in the public service.

The countries involved in the sub-region are India, Nepal, Pakistan, Afghanistan, Sri Lanka, Bangladesh and Iran.

The aims of the seminar were:

- To offer representatives from public service management and workers of the 7 countries a forum to exchange experiences, strengths and weaknesses of the social dialogue frameworks in their respective countries;
- To promote the ILO Convention relevant to the public service, No.151, currently ratified by 41 member states, but none in this region;
- To expose participants to fundamental rights contained in ILO Conventions nos. 87, 98 and 154 (promotion of collective bargaining).

In comparison with South Africa, all seven countries in the South Asia region are far behind regarding labour rights (right to join trade unions, right to bargain and right to strike) in the public service. The invitation to PSCBC was to provide a valuable comparative experience from a country where the systems of social dialogue are working well. Our systems are regarded as best practices.

The presentation was well received, providing participants with insight into the workings of a collective bargaining system for the public service. It also gave participants inspiration and courage to begin exploring the adoption of similar systems in their own countries.

The area of concern was that although we are leaders in this field in the developing world, South Africa is yet to ratify ILO Convention 151. We may have to explore this issue with the Department of Labour and the ILO office-South Africa.

The paper and presentation are available at the Office of the Secretary.



Reports of Sectoral Bargaining Councils

Report from Education Labour Relations Council (ELRC)

1. Introduction

Report of the Education Labour Relations Council (ELRC)

- 1.1 Council comprises the Department of Education at national and provincial level, and the following teacher unions:

- 1.1.1 SOUTH AFRICAN DEMOCRATIC TEACHERS' UNION
- 1.1.2 NATIONAL PROFESSIONAL TEACHERS' ORGANISATION OF SOUTH AFRICA
- 1.1.3 SUID AFRIKAANSE ONDERWYERSUNIE
- 1.1.4 NATIONAL TEACHERS' UNION

NATU was admitted to the Council as an independent party during the review period.

- 1.2 The council was composed as follows in terms of the vote weights agreed upon by the parties:

EMPLOYER	25 REPRESENTATIVES
SADTU	15 REPRESENTATIVES
NAPTOSA	06 REPRESENTATIVES
SAOU	02 REPRESENTATIVES
NATU	02 REPRESENTATIVES

2. Strategic Objectives

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

- 2.1.1 To promote and maintain labour peace in education;
- 2.1.2 To prevent and resolve labour disputes in education;
- 2.1.3 To perform dispute resolution functions in terms of section 51 of the Act;
- 2.1.4 To conclude and enforce collective agreements;
- 2.1.5 To conduct research, analyse and survey education nationally and internationally, and to promote training and build capacity in education; and
- 2.1.6 To consider and ratify collective agreements of provincial chambers.

3. Negotiations and Consultation activities of Council

- 3.1. The following Collective Agreements were signed by Council

- 3.1.1. Agreement No. 1: Evaluation Procedures, Processes and performance standards for institution-based educators.
- 3.1.2. Agreement No. 2: Transfer of Serving Educators in terms of Operational Requirements.
- 3.1.3. Agreement No. 3: Protocol and Instrument for use when observing educators in practice for the purpose of Whole-school evaluation and Developmental Appraisal System.
- 3.1.4. Agreement No. 4: Post and Salary Structure for Educators.
- 3.1.5. Agreement No. 5: Amendments to measures dealing with Recognition of Experience of Educators gained outside public education prior to July 1996.
- 3.1.6. Agreement No. 6: Amendment to Resolution No. 2 of 1998.
- 3.1.7. Agreement No. 7: Amendment of Formula for Part –Time Remuneration and Recognition of Part-Time experience.
- 3.1.8. Agreement No. 8: Integrated Quality Management System.
- 3.1.9. Agreement No. 9: Appointment of a Panel of Conciliators and Arbitrators.
- 3.1.10 Appointment of Full-Time Shop Stewards in Education for 2004.

- 3.2. In respect of the Integrated Quality Management System, a National Training Team was established to

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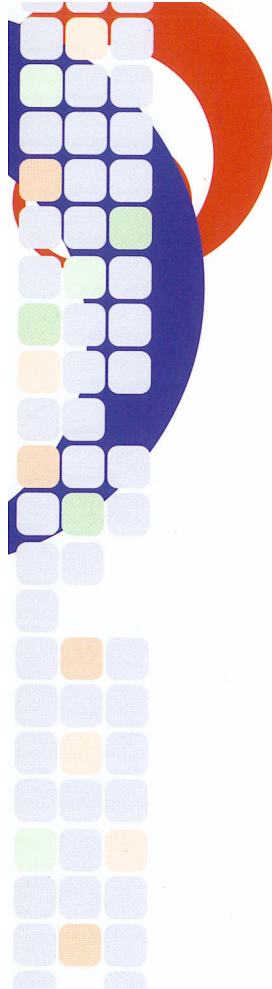
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- 3.2. In respect of the Integrated Quality Management System, a National Training Team was established to



facilitate the training for and implementation of the system in the provinces. The training was held successfully in all the provinces.

3.3 The Council ratified the under-mentioned chamber agreements:

- a) Free State chamber
 - Agreement No. 1 of 2003 on “Guidelines for the advertising and filling of posts for institution-based educators”
 - Agreement No. 2 of 2003 on “Guidelines for advertising and filling of posts for office-based educators”
 - Agreement No. 3 of 2003 on “Guidelines for handling of grievances of educators in terms of the PAM.”
- b) KwaZulu-Natal chamber
 - Agreement No. 2 of 2002 on “Absorption of displaced educators.”
- c) Mpumalanga chamber
 - Agreement No. 1 of 2004 on “Advertising, short listing and interview procedure for posts created in terms of the EEA.”
- d) North West chamber
 - Agreement No. 1 of 2003 on “Procedure to ensure the employment security of unqualified educators.”

The above record of agreements is indicative, both of the high level of activity in which the Council was engaged, and the joint sense of purpose that existed between the parties.

4. Special Projects

4.1. Policy Handbook for Educators

The delivery of the Policy Handbook for Educators was continued in the provinces. However, numerous logistical problems were encountered in several provinces. By the end of the review period, 85% of the handbooks were delivered.

The provision of the handbooks constitutes an important empowerment tool for educators, as it contains important information on conditions of service, legislation, departmental regulations and other pertinent aspects of a professional nature.

4.2. World Teachers' Day

The celebration of World Teachers' Day was successfully organised in several provinces. The Council helps to facilitate the celebrations as part of an honour that is extended internationally to educators. The celebrations are shared with SACE, unions and education departments.

4.3. National Professional Diploma in Education

The implementation of the NPDE, which commenced in 2002, continued during 2003 with the second cohort of “learners”. The programme has been successful in providing for the upgrading of qualifications, and therefore, the skills of large numbers of educators. The upgrade would also lead to improvement in category and remuneration. Funds were made available for bursaries for 10,000 educators at R5000 per year. A Project Management Team was responsible for coordinating the implementation of the NPDE.

4.4. Managing the Transition (FET)

The Council allocated an amount of R9 million to assist with the implementation of the 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 and distribution of educator guides.

4.5 Determinants of demand and supply of Educators in public schools and FET colleges

After extensive interaction between parties, and as a result of huge concern regarding the above matter, the Council commissioned a service provider to conduct research on the factors that influence the supply and demand of educators in public institutions.

A Technical Task Team was established to facilitate the research, and ongoing reports were submitted to the Council. The research is to be conducted over an extended period, and would include voluntary

interviews with educators. The research is deemed to be particularly critical for the development of strategies for human resource management by educator employers.

4.6 Maximum hours of work for educators

A task team was appointed to investigate the maximum hours of work of educators. Based on the report of the task team, the Council decided to institute formal research into the matter. Quotations were solicited from service providers, and a process was established for the appointment of a provider to proceed with the research. Such appointment would be effected in the new year.

4.7 Post Provisioning Model

A similar process as in paragraph 4.6 above was embarked upon, and a service provider would be appointed in the new year to conduct research into a post provisioning model for institutions.

5. Provincial Chambers

5.1 The provincial chambers continued to conduct negotiations and consultations on matters of mutual interest. Some of the negotiations resulted in the adoption of the collective agreements that are recorded in paragraph 3 of this report. The chambers variously dealt, amongst others, with the following matters:

- Medium Term Expenditure Framework;
- Implementation of the Integrated Quality Management System;
- Staff establishments for FET Colleges
- Transfer of educators;
- Provision of psychological services;
- Whole School Evaluation;
- Grievance procedures and dispute prevention;
- Employment Equity Plans
- Absorption of ex-college educators; and
- Filling of vacant posts.

5.2 The activities of the chambers are accounted for by way of quarterly reports which are submitted to the executive authority of the Council. These reports reflect good levels of operation in the chambers as a result of a general unity of purpose among parties.

6 Dispute prevention and resolution

- 6.1. The Council's core business is to promote and maintain labour peace in public education. This is done by a process of dispute prevention and resolution. The Council therefore appoints conciliators who mediate disputes between the employer and the employee. In short, conciliation is a voluntary process in which the services of an acceptable third party appointed by the Council is utilised to assist disputing parties to arrive at a mutually agreeable solution.
- 6.2 ELRC panellists consist of highly trained accredited practitioners who are drawn from a diverse range of academic, community and professional backgrounds. These practitioners have been selected by the Council on the basis of their expertise, credibility and ability to build trust within the disputing parties.
- 6.3 In 2003-2004, 748 disputes were referred to the Council. Of these, 439 were successfully dealt with through conciliation / arbitration. 149 cases are still being processed. The rest were either withdrawn, not proceeded with, or removed due to lack of jurisdiction.
- 6.4 There has been a significant decrease in referrals of disputes compared with the previous year. This decrease is due largely to the efficient involvement of the provincial education departments early in the process. Another reason is that, unlike in previous years, there is a proper screening of referrals received by the Council in order to establish jurisdiction. It is also mandatory that before a dispute is referred to the Council, internal remedies, such as appeals and grievance procedures, must be exhausted.
- 6.5 As was the case in the previous financial year, KwaZulu-Natal still has the most disputes - almost 30% of all disputes referred. Limpopo is next with almost 20% of disputes. In the previous year, the Eastern Cape recorded the second highest number of disputes. However, it is interesting to note that in 2003-2004, Limpopo recorded the second highest number of disputes referred.
- 6.6 Those disputes, which could not be settled by way of the expedited conciliation process, would then be referred to arbitration.

6.7 Year-to-year comparison by nature of disputes 1997-2003/4

- a) From 1997 till to date, it is clear from the statistics that almost 56% of cases referred were Appointment/Promotion disputes (Unfair Labour Practice), followed by rationalisation and redeployment disputes with 23% and dismissals with 21%.
- b) It is emerging from the arbitration awards received with regard to appointments/promotions that the following guidelines must be taken into account:
 - The interview panel must be properly constituted;
 - The criteria must be objectively fair and consistently applied;
 - The interview process must be procedurally fair; and
 - Finally, it is worth reiterating that a recommendation by the SGB does not result in a legally binding contract of employment.

The ELRC offers a wide range of training programmes in alternative dispute resolution. Apart from dispute resolution and prevention, a workshop on appointments and promotions was successfully conducted in all the nine provinces. This workshop was conducted as a result of the significant number of disputes arising out of promotions and appointments.



Report of the General Public Service Sectoral Bargaining Council (GPSSBC)

Introduction

The General Public Service Sector was designated in terms of the PSCBC Resolution 10 of 1999. The 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 1999, and inaugurated on 7 September 1999. The GPSSBC was accredited to perform dispute resolution functions from 1 June 2000.

Mission Statement

To promote sound labour relations and to ensure industrial stability within the sector through the following values:

Integrity:

- Honesty
- Sound service delivery

Efficiency:

- Productivity
- The best work methods and practices, procedures and systems to achieve set goals
- Excellent services

Accountability:

- Desire to perform well
- Accepting accountability for one's behaviour
- Commitment

Equity:

- No unfair discrimination
- Gender equality
- Integration of disability issues
- Affirmative action

Strategic objectives of Council

The objectives of Council are to:

- Create an enabling environment for collective bargaining
- Create and maintain effective and efficient administration
- Promote effective and expeditious dispute resolution and prevention
- Develop an effective communication strategy

Scope of Council

The scope of the GPSSBC is the state as 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 (ELRC), the Public Health and Welfare Sectoral Bargaining Council (PHWSBC) or the Safety and Security Sectoral Bargaining Council (SSSBC).

The Council comprises 257553 public servants, eighty-two (82) Provincial Departments, and thirty-one (31) National Departments.

Management of Council

The Executive Committee comprises:

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



The GPSSBC's staff complement comprises the following:

- Secretary;
- Dispute Resolution Manager;
- Two Finance Officers;
- Four Dispute Resolution Officers;
- An administration Officer; and
- A personal Assistant to the Secretary.

During the period under review, Council approved the appointment of four (4) additional staff members.

Parties to Council

The GPSSBC consists of the state as employer and admitted trade unions. The employer and the trade unions each represent 50% of the votes in Council. The trade unions admitted to Council are PSA, POPCRU and NEHAWU.

During 2003-2004, as provided for by constitutional amendments effected in June 2003, unions entered into working-together arrangements. NEHAWU entered into a working-together protocol with PAWUSA. POPCRU entered into a working-together arrangement with SASAWU, and the PSA entered into working-together arrangements with UNIPSA, NPSWU and PUSEMO.

Although Council must admit the combined unions as required by clause 6.3 and 6.4(b), a recalculation of the vote weight is not triggered by the working-together arrangements. The validity of the acting-together arrangements must be at least until the next Annual General Meeting, as per clause 6.13 of the constitution.

The Annual General meeting of the GPSSBC will be held in July 2004. Ratified and adopted vote weights will only be available after the Annual General meeting.

GPSSBC Achievements

During the period 2003-2004, a number of important changes were effected. The PSCBC's resolution 5 of 2003 provides for sectoral councils to collect levies directly. Previously, levies were collected centrally by the PSCBC, who also performed some of the Human Resource and Financial Management functions on behalf of the GPSSBC.

All its administrative functions are now being performed by the GPSSBC. Systems and procedures, accompanied by a review of Council's current policies, have been put in place.

Consolidating and refining the administrative systems has been ongoing. There is evidence to suggest that progress has been made in this regard. Despite the increase in the number of disputes referred in this period, Council has been able to avert undue delays in setting matters down and managed the caseload more efficiently.

Successful panellist workshops were held in all provinces for the first time since the inception of Council. This is in line with Council's objective to establish effective communication with our panel of conciliators and arbitrators.

One of the significant achievements of the GPSSBC has been the finalisation of an accredited labour relations training programme for the sector. The training programme is viewed as part of Council's role in the broader programme of transformation of the public sector. The roll-out of the training programme will take place during the months of May, June and July 2004. It is envisaged that a minimum of one thousand (1000) public servants will participate in the programme.

Council has also taken the first steps towards forging ties with international and local organisations that promote the objectives of Council. The Executive Committee attended a conference in Germany, arranged by the International Industrial Relations Association (IIRA) with the theme 'Beyond Traditional Employment: Industrial Relations in the Network Economy.' Council has taken the decision to join the regional and international bodies of IIRA.

Collective Bargaining and consultative processes

While the signing of resolutions is not the most important barometer of our achievements, the following resolutions were signed in the GPSSBC:

Resolution 2 of 2003 – Constitutional Amendments

Resolution 3 of 2003 – Levy Agreement

Resolution 1 of 2004 – Amendments to the Fulltime Shop stewards Agreement

Resolution 2 of 2004 – Expedited dispute procedure for dispute emanating from PSCBC resolution 7 of 2002

Resolution 3 of 2004 – Establishment of Provincial and National Departmental Chambers of the GPSSBC

Council's achievements can best be measured in terms of the work achieved in the task teams and committees appointed by the Executive Committee.

Task teams and committees

Various task teams and committees were established to support the collective bargaining process. The task teams facilitate informed and more constructive engagement and negotiation in dealing with complex and technical issues facing Council.

The following task teams met in 2003-2004:

Financial Committee

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

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

A sub-task team, the Financial Policy and Procedure and Manual task team, was established and tasked to review Council's financial policies and procedures, with specific emphasis on supplementing the existing policy to take into account the changes resulting from Council administering all its financial and human resource functions. The policy manual is ready to be tabled for adoption by Council.

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 disputes received and handled
- Issues pertaining to the recruitment of panellists
- The conduct of panellists
- Amendments to referrals
- General problems experienced in the administration of disputes and the unit
- Review of the Constitution of Council

Staffing committee

This task team's terms of reference were to review the current Human Resource Policy of Council. Although the task team has not yet completed its work, progress has been made. The deadline for completion of the proposed changes to the policy is September 2004.

Full-time Shop Steward task team

The task team was established for the purpose of revisiting the provisions of the current full-time shop stewards agreement to address sector-specific needs. Amendments were finalised, and the resolution was signed in February 2004.

Transformation task team

Proposals for the implementation of projects, as well as the designing of a training programme for the GPSSBC, were identified and agreed by parties to Council. The Labour Relations Training Programme for the sector will be rolled out during May, June and July 2004, as mentioned above.

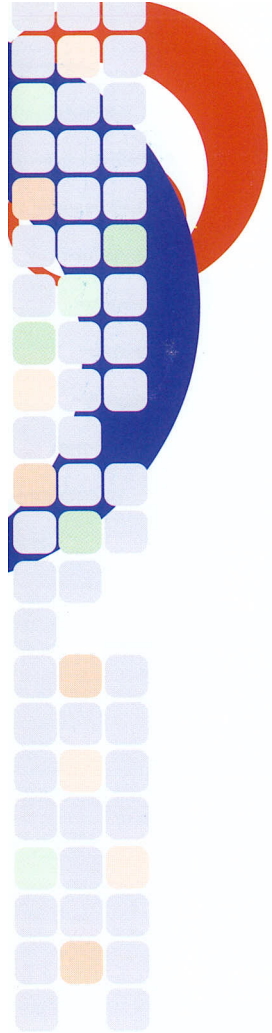
Provincial Chambers task team

This task team was established to make recommendations to give effect to the provisions in the constitution of the GPSSBC and the PSCBC Resolution 9 of 2003 on the establishment of Provincial and National Departmental chambers of the GPSSBC. At the end of the period under review, a resolution was ready to be tabled for signing by the parties.

Conclusion

Council has made significant progress during this period in meeting the strategic objectives set for itself at the beginning of the period. The commitment of parties to Council's fulfilling its mandate has been unquestionable.

The ongoing work of these task teams has been instrumental in effecting much-needed administrative change in Council. In addition, the collective effort of the task teams and the Executive Committee has made valuable input into the constitutional amendments finalised during this period.



Provincial/ Departmental Chambers

Provincial Chambers of the PHWSBC are established in terms of the PHWSBC constitution. These have been functional during the period under review.

A national departmental chamber for Departments of Health and Welfare was established in January 2003.

International Educational Tours

As one of its transformation projects, the PHWSBC took a decision to send its Executive committee on tour during June 2003, to countries that would assist in building capacity for the Council in the following areas:

- Service delivery;
- Retention of scarce skills;
- Training and skills development;
- Dispute resolution;
- Compensation structures;
- Collective bargaining; and
- Administration.

Targeted countries were Cuba [a developing country] and Canada [a developed country]. The tour was concluded by a visit to the ILO in Geneva.

The representatives visited the Ministries of Public Health and Welfare, health institutions, clinics and community movements in both countries.

The PHWSBC Executive Committee also attended the IIRA World Congress in Berlin, Germany, in September 2003.

The dispute resolution report is covered under the PSCBC report.

Report of the Safety and Security Sectoral Bargaining Council (SSSBC)

Introduction

The Safety and Security Sectoral Bargaining Council (SSSBC) was established in terms of Resolution 12/98 of the PSCBC. The SSSBC is a 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:
 - (i) trade unions admitted to Council; and
 - (ii) 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 for the continual maintenance and promotion of labour peace in the sector by implementing the ideals of the Constitution and 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
- To consider and deal with any other matters that may affect the interest of parties to Council.



Agreements reached in the 2003/4 financial year

The following collective agreements were concluded in Council during the year under review:

Agreement 2 of 2003 Amendment to Agreement 5/99: SAPS Grievance Procedure

Agreement 3 of 2003 Evaluation Strategy for Basic Training

Agreement 1 of 2004 Amendment to schedule 2 of SSSBC Constitution

Agreement 2 of 2004 Dispute Procedure for disputes emanating from PSCBC Resolution 7/2002

Provincial Chambers

The structure of the SSSBC consists of 10 Provincial Chambers and 42 Area chambers.

Provision of Resources

- The Council provided the chambers with tape recorders and audiocassettes to record the proceedings of meetings.
- The amount for year-end functions was increased to R5000, 00 per chamber.

Provincial Workshops

Workshops on the functioning of the chamber were conducted in all chambers. The participants to the workshop were parties to the provincial chamber, as well as parties to the area chambers in a particular province. The workshops focused on the following:

Structural Function

This topic covered and explained the hierarchy of task teams, Exco and Chamber. The role of the different task teams and committee was explained in detail. The chambers were also informed on how to distinguish administrative task teams from negotiating task teams.

Meetings

The procedure for conducting meetings was covered under this topic. This included issues relating to the quorum, guidelines for submitting position papers, representation, timeframes and reports.

Agreements

The role of Framework Agreements, ratification of provincial agreements, and the procedure for dealing with disputes about the interpretation and application of National Agreements was explained in detail.

Jurisdiction

The jurisdiction of the chambers was explained and outlined. The committee further discussed the difference between issues for negotiation and issues for consultation, together with the different levels where this takes place.

Role Clarification

The roles of the different role-players were clarified. The roles clarified included those of the Secretary of the Chamber, The Chairperson, representatives in different task teams, and Exco.

Communication

The chambers were informed that they are required to submit monthly and annual reports to the Council. The same applies to area chambers in respect of provincial chambers. Timeframes for the submission of reports were stipulated. The need to develop letterheads for chambers was emphasized.

Finances

The chambers were briefed on the financial status of Council, as well as the developments at PSCBC level in respect of Sectoral Councils charging their own levies.

Training

Feedback was received on training provided to chambers. Chambers were encouraged to communicate their training needs to Council.

Disputes

Concern was raised with the chamber regarding the high caseload of the Council. It was highlighted that dispute costs absorb approximately half of the annual income of Council.

All chambers agreed that internal grievance mechanisms need to be strengthened, and that parties should take responsibility in ensuring that they do not refer frivolous cases to the Council. In addition, it was agreed that Council needs to embark on a vigorous dispute prevention drive in order to reduce the caseload.

Future Interventions

From the workshops conducted, it was clear that Council needs to urgently address the issue of appointing Secretaries to these chambers.

After considering a number of options relating to the appointment of Secretaries, the Council eventually decided to request SAPS to provide employees who will be partially dedicated as Secretaries of the chamber. The employees' job descriptions will be amended in order for them to be also assessed on the functions of the Secretary of the chamber.

During the next financial year, training will be provided to Secretaries on minute and report writing, as well as on the administration of the chambers.

Dispute Resolution

Dispute Resolution Procedure

The Council dispute resolution procedure has been amended and submitted to the Department of Labour for registration.

The amended procedure will, amongst others, introduce the following:

- A compulsory pre-arbitration meeting for all rights disputes;
- Procedure for Pre-dismissal arbitrations;
- A fee to be paid by unions not recognised in the public service who wish to represent members;
- Tariffs for Taxation of bill of costs;
- A procedure for part heard matters where the arbitrator is unable to finalise the case;
- The procedure also caters for an arbitrator to issue a cost order on own accord; and
- Calculation of Time Periods

The procedure will come into effect once the amendments have been effected by the Department of Labour.

Resolution 7 disputes

PSCBC Resolution 7/2002 deals with restructuring and transformation of the Public Service. The implementation of the agreement was done at sectoral level, including our sector.

Members of SAPS were given a cut-off date of 19 December 2003 to refer disputes on PSCBC Resolution 7/2002 to the SSSBC. A total of 223 cases were received by the SSSBC by the cut-off date. Given the high number of disputes in the sector in respect of the application of the resolution, SSSBC agreement 2/2004 was signed to accept jurisdiction to adjudicate disputes arising from the resolution.

Of the 223 cases referred, only 197 names corresponded with the disputes submitted to the Departmental Task Team (DTT). The other 26 applicants were requested to furnish Council with proof that they made submissions to the DTT or Provincial Monitoring Committee.

The breakdown of the 197 cases per province is as follows:

PROVINCE	NUMBER OF CASES
Eastern Cape	119
North-West	30
Free State	25
Western Cape	10
Gauteng	7
Mpumalanga	5
Northern Cape	1
KZN	0
Limpopo	0
TOTAL	197

Of these 197 disputes, 5 have been withdrawn by the applicants, who indicated that they are now comfortable with where they have been placed. The breakdown of the referrals is as follows:

PROVINCE	WITHDRAWALS
Eastern Cape	1
North-West	3
Gauteng	1

Procedure for Handling Resolution 7/2002 Disputes

The Council decided that the disputes will not follow the normal Council dispute resolution process. It was agreed that a pre-arbitration meeting will be compulsory for all cases, and that in provinces with 10 or more disputes, the cases will be grouped in consultation with the parties. Furthermore, the DR Core Team conducted briefing sessions in provinces with more than 10 disputes to explain the procedure to be followed when resolving the disputes.

Vote Weights and Membership

Report on Secretary's determination of Vote Weights:

June 2004 – June 2005

Please find attached as Annexure A, the determination of vote weights of trade union parties in terms of Clauses 10, 11 and 12 of PSCBC Constitution. Also find the auditor's report of the verification of the audit reports received.

Admitted trade union parties

In terms of this year's review of membership, the following trade unions are admitted to Council, in terms of Clause 7 and 8 of PSCBC Constitution:

1. DENOSA acting together with SAMA, as DENOSA
2. HOSPERSA, NUPSAW and NATU acting together as HOSPERSA/NUPSAW/NATU
3. APEK, CTPA, ITUSA, NUE, OFSATA, PEU, SAOU, SAUVSE and USAPE acting together as NAPTOSA.
4. NEHAWU acting together with PAWUSA, as NEHAWU
5. POPCRU acting together with SASAWU and SADNU, as POPCRU
6. PSA acting together UNIPSA and NPSWU, as PSA.
7. SADTU
8. SAPU

Acting together agreements

Please note that the acting together agreement between HOSPERSA, NUPSAW and NATU was renewed, and the name under which they would be acting together was clarified as HOSPERSA/NUPSAW/NATU. It was however clarified that for purposes of communication all correspondence must be sent to HOSPERSA.

Also note that PSA has terminated its acting together agreement with PUSEMO. Therefore PUSEMO is no longer a party to Council.

Annexure A
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL MEMBERSHIP STATISTICS
(PERIOD JUNE 2004 TO JUNE 2005)

TRADE UNION	MEMBERSHIP CLAUSE 10					VOTE WEIGHT CLAUSE 11	REPS CLAUSE 12
	PHW SECTOR	GP SECTOR	SS SECTOR	EDUCATION SECTOR	TOTAL		
DENOSA	67,871				67,871		
SAMA	4,806				4,806		
TOTAL	72,677	-	-	-	72,677	7.283%	4
HOSPERSA*	36,391	6,024	82	5,518	48,015		
NATU		1		28,952	28,953		
NUPSAW	10,203	13,958		4,771	28,932		
TOTAL	46,594	19,983	82	39,241	105,900	10.612%	5
NAPTOSA							
APEK			5,249	5,249			
CTPA			6,742	6,742			
ITUSA			3,484	3,484			
NUE			14,928	14,928			
OFSATA			4,590	4,590			
PEU			19,728	19,728			
SAOU			21,714	21,714			
SAUVSE		1,244		5,271	6,515		
USAPE			8,559	8,559			
TOTAL	-	1,244	-	90,265	91,509	9.170%	5
NEHAWU	73,171	79,814			152,985		
PAWUSA	7,633	11,376		205	19,214		
TOTAL	80,804	91,190	-	205	172,199	17.256%	5
POPCRU		22,613	55,134		77,747		
SASAWU	3,121	9,486			12,607		
SADNU	8,983				8,983		
TOTAL	12,104	32,099	55,134	-	99,337	9.955%	5
PSA	31,581	110,618	11,082	10,971	164,252		
UNIPSA		3,589		3,589			
NPSWU	9,512	1,164			10,676		
TOTAL	41,093	115,371	11,082	10,971	178,517	17.890%	5
SADTU			212,090	212,090			
TOTAL	-	-	-	212,090	212,090	21.254%	5
SAPU		65,657		65,657			
TOTAL	-	-	65,657	-	65,657	6.580%	4
GRAND TOTAL	253,272	259,887	131,955	352,772	997,886	100.00%	38

* NAME - HOSPERSA/ NUPSAW/ NATU - IN TERMS OF ACTING TOGETHER AGREEMENT

Report of the Independent Auditors to the Public Service Co-ordinating Bargaining Council ("PSCBC")

Scope

membership vote weights as at 31 December 2003. Our engagement was undertaken in accordance with the statement of South African Auditing Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Council. Our procedures were performed solely to assist you in determining the vote weights and should be used by you only for this purpose.

The procedures are summarised as follows:

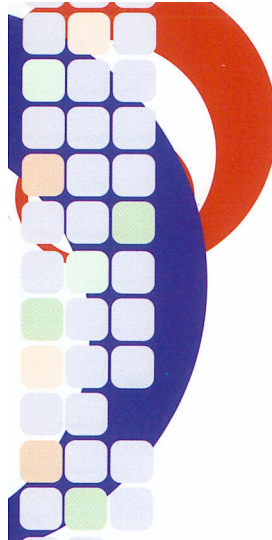
- Verify the registration of all independent auditors with the Public Accountants and Auditors Board;
- Verify that the audit reports submitted by the independent auditors of the trade unions comply with the guidelines issued by the PSCBC;
- Agree the membership statistics as at 31 December 2003 with the audit reports issued by the independent auditors of the trade unions.

Because the above procedures do not constitute either an audit or a review made in accordance with statements of South African Auditing Standards, we do not express any assurance on the number of union members as at 31 December 2003.

Had we performed additional procedures or had we performed an audit or review of the membership figures in accordance with the statements of South African Auditing Standards, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information, and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the audit reports on the membership figures, and does not extend to any financial statements of the Public Service Co-ordinating Bargaining Council and trade unions, taken as a whole.

SAB&T Chartered Accountants Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors



Findings

We set out our findings below:

- a) All the audit reports submitted by the trade unions, were prepared by Registered Accountants and Auditors;
- b) The audit reports submitted by the trade unions comply in all material respects with the guidelines issued by the PSCBC except as reported below.
- c) The membership statistics summarised in Annexure A are in agreement with the audit reports submitted by the trade unions to the PSCBC.

The following instances of non-compliance to the Guidelines issued by PSCBC were found:

- a) Sectoral break-downs were not included in the audit reports of the following trade unions:
 - CTPA
 - ITUSA
 - PEU
 - NEU (Eastern Cape)
- b) The audit reports of the following trade unions were not submitted to PSCBC under the cover of the trade union's letterhead:
 - NUPSAW
- c) Provincial break-downs were not included in the audit reports of the following trade unions:
 - HOSPERSA
 - NUPSAW
 - USAPE
 - PAWUSA
 - POPCRU
 - SASAWU
 - PSA
 - UNIPSA
 - NPSWU
 - SAPU
 - NUE (Eastern Cape)

Financial Report 2003/4

Overview

The report outlines the financial activities and decisions of Council during the year. In July 2003 the PSCBC signed Resolution 5 of 2003. The agreement made provisions for the following:

- The Sector Councils would collect their own levies, and would take full responsibility for costs listed below:
 - Collective Bargaining
 - Human Resources costs
 - Dispute Resolution Costs
 - Administration costs
 - Costs relating to the establishment of Chambers
- The PSCBC is responsible for its own costs in respect of the following:
 - Collective bargaining,
 - Human resources,
 - Dispute resolution
 - Administration cost, and
- The PSCBC would be responsible for the costs of the following shared resources:
 - IT and Resource centre,
 - Accommodation where necessary.

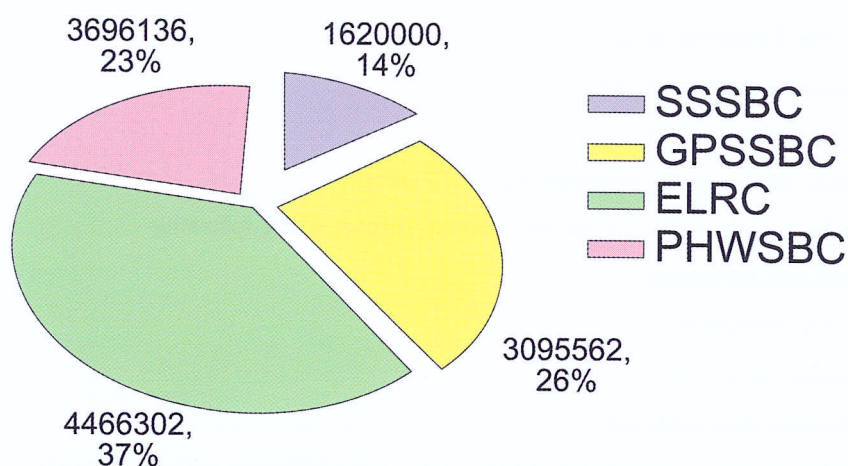
Previously Sector Councils' human resource and dispute resolution costs were borne by the PSCBC. This agreement resulted in substantial savings on the operating costs. In the period between October 2003 and 31 March 2004, the PSCBC accumulated a savings of approximately R3 million, which amounts to the average of R500 000 a month.

The PSCBC Finance department assisted Sector Councils during the period of assuming their new financial responsibilities. This was done through the conclusion of administrative resolutions with the different Sector Councils. PSCBC continues to assist PHWSBC with human resource administration until October 2004.

Income and Expenditure Report

Levies

Resolutions 2 of 1998 and 5 of 2003 prescribe the amount to be collected by the Council, namely; 50 cents contribution by each employee and equal 50 cents contribution per employee by the employer. Total levies received from the Public Service amounts to R11.9 million for the financial year. Below are the approximate amounts that were received from the different sectors:



Interest Received

Total interest received for the period under review is R 197 392.

Total expenditure

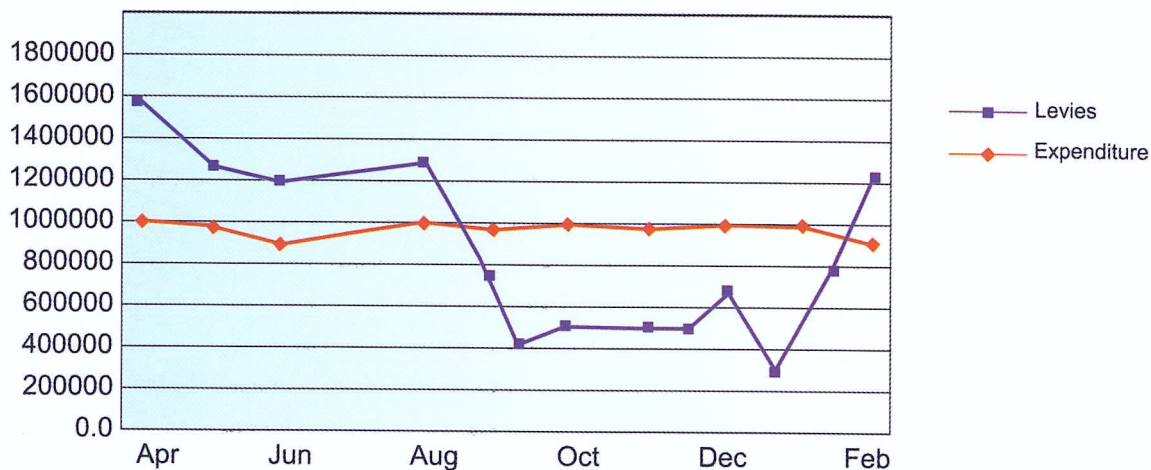
The total expenditure amounted to approximately R12 million in the financial period ending 31 March 2004. This amounts to a 39% decrease compared to the previous year. The drop in total expenditure is due to the effects of Resolution 5 of 2003.

In future the total expenditure is expected to decrease further, due to the decrease in dispute resolution and human resources costs. Savings made from this decrease is expected to be utilized to fund the purchase of the building.

Dispute Resolution Costs

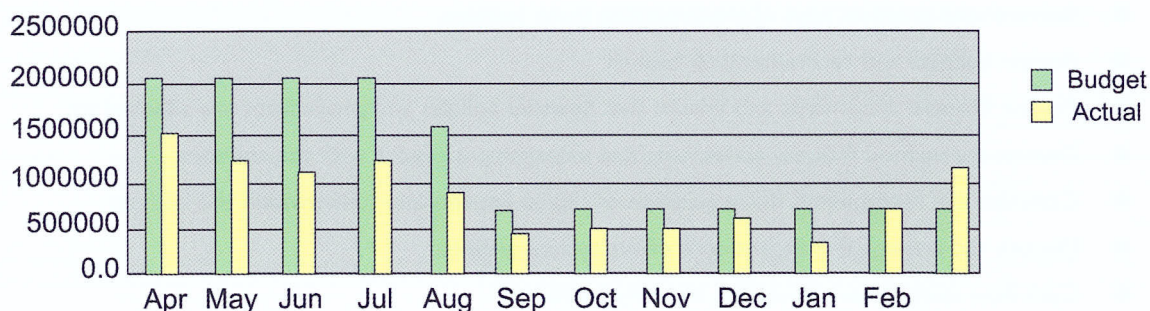
The dispute resolution costs have decreased from R11.5 million in 2003, to R4.6 million in 2004. This amounts to 63% decrease in these costs. This is due to the conclusion of Resolution 5 of 2003, and the dissolution of responsibility to sectors.

The graph below reflects levies received versus expenditure incurred during the year under review.



Budget versus Expenditure

In 2003, for the first time PSCBC, in line with the Public Service policy developed a three year term budget, based on Council's strategic priorities. Due to financial difficulties at the beginning of the year, an amount of R2.5 million was transferred from the Call account to fund the operations of Council during 2003. The graph below reflects the budget versus actual expenditure.



Special Projects Account

In 2003 financial period, Council signed Resolution 10 of 2002 to close the following projects:

- Skills audit project
- Research and development

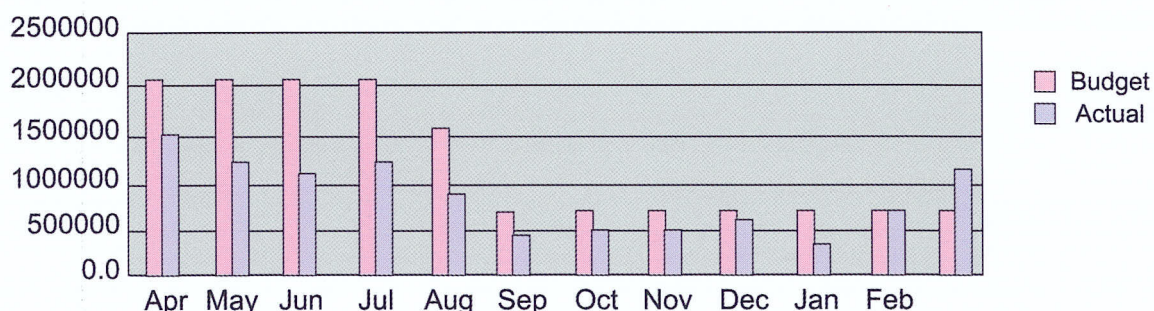
The Resolutions concluded that fifty percent of funds that were in the Skills Audit project account be transferred back to the DPSA. The remainder of funds in these two projects was transferred to the Transformation and Restructuring project.

Transformation and Restructuring Project

During the period ending 2003, Council established the Technical Committee to implement Resolution 7 of 2002. The committee was established to oversee the transformation and restructuring process in the Public Service. A budget amounting to R2.5 million was allocated to the Technical Committee for operational expenses. The committee concluded its work in October 2003. At this time, the technical committee utilized R1.2 million of this budget.

It is envisaged that the rest of the funds will be utilized for costs of disputes emanating from Resolution 7 of 2002, which are heard at both PSCBC and Sectoral levels. Funds have also been set aside for other processes arising out of Resolution 7 of 2002.

Below is the overview of budget versus expenditure of the Technical Committee





Skills development and Research Fund

In August 2003 Council took a decision to use some of the funds from this fund to attend the IIRA conference that was held in Berlin, Germany.

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-2003/4

M. Muller	Labour Representative
P. Phayane	Labour Representative
R. Mahlake	Labour Representative
G. Mackenzie	Employer Representative
S.G Padayachee	Employer Representative
R.Venkiah	Employer Representative
J. Griesel	Employer Representative

Issues that are under consideration by Fincom

The following issues are still under consideration:

- The purchase of Council building. Council is in the process of purchasing its own building. The building would accommodate the PSCBC and Sector Councils, where applicable.

Conclusion

The PSCBC Finance department will continue to strive towards the improvement of internal controls and sound financial management, to ensure efficient financial services to Council.

The department would like to thank the Secretary to Council, Shamira Huluman, the Financial Committee and the external auditors, SAB & T Inc., for their support and guidance 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 2004

E. M. 

SAB&T inc.
CHARTERED ACCOUNTANTS (S.A.)

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

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 Property, plant and equipment

All property, plant and equipment 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. Property, plant and equipment

	Cost / valuation R	2004 Accumulated depreciation R	Carrying value R	Cost / valuation R	2003 Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Furniture and fittings	424,167	258,977	165,190	418,510	175,094	243,416
Computer equipment	629,018	338,457	290,561	297,911	251,806	46,105
Computer software	461,985	327,356	134,629	289,541	229,313	60,228
	1,515,170	924,790	590,380	1,005,962	656,213	349,749

Sum 

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
CASH FLOW STATEMENT
for the year ended 31 March 2004

	Notes	2004 R	2003 R
Cash flows from operating activities		(6,270,745)	(4,964,385)
Cash utilised in operating activities	10.1	(6,336,849)	(5,616,281)
Interest received		197,392	651,896
Interest paid		(131,288)	-
Cash flows from investing activities		(578,915)	(114,130)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(581,215)	(114,130)
Proceeds of disposals of property, plant and equipment		2,300	-
Decrease in cash and cash equivalents		(6,849,660)	(5,078,515)
Cash and cash equivalents at beginning of the year	10.2	33,494,013	38,572,528
Cash and cash equivalents at end of the year	10.2	26,644,353	33,494,013

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**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2004**

Balance at 01 April 2002
Net deficit for the year

Balance at 01 April 2003
Net deficit for the year

Balance at 31 March 2004

**Accumulated
reserves
R**

10,546,545
(8,437,521)

2,109,024
(556,403)

1,552,621



S.M.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
INCOME STATEMENT
for the year ended 31 March 2004

	Note	2004 R	2003 R
Income			
Levies	6	11,878,884	11,582,305
Other income		215,532	700,596
Administration fees		15,840	-
Interest received		197,392	651,896
Sponsorships		-	48,700
Profit on disposal of property, plant and equipment		2,300	-
Total income		12,094,416	12,282,901
Expenditure		12,650,819	20,720,422
Advertising		-	20,889
Arbitration and conciliation costs		5,295,616	11,565,092
Auditors' remuneration		64,410	38,496
Bank charges		34,778	32,187
Case management system fees		150,000	-
Computer expenses		98,090	8,527
Consulting fees		37,558	113,042
Consumables		9,351	17,421
Contribution towards sector expenses	8	768,530	1,742,050
Depreciation	2	332,594	328,937
Hire of equipment		7,316	-
Insurance		40,341	20,543
Interest		131,288	-
Legal fees		209,370	37,745
Meetings, conferences and seminars		240,009	313,459
Postages		516	38,412
Printing and stationery		231,111	210,665
Provincial Chambers		10,420	-
RSC Levies		10,258	12,022
Refreshments		6,311	3,798
Rent		835,663	755,539
Repairs and maintenance		54,808	28,967
Salaries	9	3,317,617	4,742,609
Security		9,487	8,043
Fixed assets transferred to sectors		161,953	-
Telephone and fax		337,184	462,526
Training		124,953	97,166
Travelling - secretariat		15,306	50,935
Workshops		115,981	71,352
Deficit		(556,403)	(8,437,521)
Accumulated funds at beginning of year		2,109,024	10,546,545
Accumulated funds at end of year		1,552,621	2,109,024

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
BALANCE SHEET
as at 31 March 2004

	Notes	2004 R	2003 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	590,380	349,749
Current assets			
Accounts receivable	3	26,794,197	33,574,109
Cash and cash equivalents		149,844	80,096
		<u>26,644,353</u>	<u>33,494,013</u>
Total assets		<u><u>27,384,577</u></u>	<u><u>33,923,858</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated reserves		1,552,621	2,109,024
Non-current liabilities			
Special projects	4	10,547,037	10,506,870
Current liabilities			
Accounts payable		15,284,919	21,307,964
Trade unions funds		1,421,666	1,689,103
Department of Public Services and Administration	5	13,863,253	11,044,266
		<u>-</u>	<u>8,574,595</u>
Total equity and liabilities		<u><u>27,384,577</u></u>	<u><u>33,923,858</u></u>

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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 11 for the year ended 31 March 2004. 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 2004 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

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

Centurion
17 June 2004

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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: *D E Zondo (CEO), B Adam, M R Arbee, J Bosch, *Page 2, *M M Hlangam, Y M Hassen, H Kajie, J Liebenberg,
*T M Mayet, *S Naidoo, D R Nathoo, B Nduna, F J Oeschger, I Osman, R Parbhoo, P L Popat, R Rajah, M Simjee, K Rama,
Z Sonpra, *E Yuseph, P H van Zyl. Practising Consultants: L A D Hoosen, E F Mukendi. * Executive Committee
Co. Reg no. 1997/018869/21

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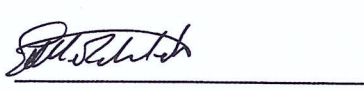
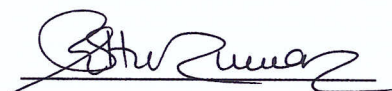
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

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
Statement of changes in reserves	5
Cash flow statement	6
Notes to the financial statements	7 - 11

Approval

The financial statements which appear on pages 3 to 11 were approved by the Executive Committee on 17 June 2004 and signed on their behalf by:



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 2004

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SAB&T inc.
CHARTERED ACCOUNTANTS (S.A.)



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

Property, plant and equipment continued

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying value at end of year R
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>-</u>	<u>(328,937)</u>	<u>349,749</u>
2004					
<i>Owned assets</i>					
Furniture and fittings	243,416	13,646	(7,990)	(83,882)	165,190
Computer equipment	46,105	395,125	-	(150,669)	290,561
Computer software	60,228	172,444	-	(98,043)	134,629
	<u>349,749</u>	<u>581,215</u>	<u>(7,990)</u>	<u>(332,594)</u>	<u>590,380</u>
			2004	2003	
			R	R	

3. Accounts receivable

Accounts receivable is made up of the following:

Accrued interest	38,519	-
Deposits	48,643	45,937
Sundry	62,682	34,159
Total	<u>149,844</u>	<u>80,096</u>

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[Signature]

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

	2004 R	2003 R
4. Special Projects		
Development of Training Plan (Clause 5 of Resolution 7/98)		
Opening balance	1,223,693	1,119,751
Interest received	179,910	103,942
Bank charges	(175)	-
IIRA Conference	(261,519)	-
Nepal Study Tour	(12,174)	-
Balance at year end	<u>1,129,735</u>	<u>1,223,693</u>
Transformation and Restructuring Fund		
Opening Balance	9,283,177	-
Transferred from other funds	-	17,363,138
Interest received	1,429,569	777,589
Bank charges	(1,282)	-
Human Resource Development Strategy Launch (Eastern Cape)	-	(220,301)
DPSA (Resolution 10 of 2002)	-	(8,574,595)
S Tshwete funeral	-	(62,654)
Consulting fees	(3,000)	-
Technical Committee	(1,291,162)	-
Balance at year end	<u>9,417,302</u>	<u>9,283,177</u>
Total	<u><u>10,547,037</u></u>	<u><u>10,506,870</u></u>

5. Trade union funds

	Allocations 2004 R	Distributions 2004 R	Amount due 2004 R	Allocations 2003 R	Distributions 2003 R	Amount due 2003 R
DENOSA	4,388,317	(4,199,546)	871,086	3,902,969	(3,796,086)	682,315
HOSPERSA	4,908,510	(4,837,517)	620,997	3,115,510	(3,010,297)	550,004
NAPTOSA	7,632,948	(6,743,827)	1,960,194	5,978,346	(5,718,207)	1,071,073
NUPSAW	391,359	(609,667)	24,776	1,378,458	(1,332,892)	243,084
NWU	-	-	-	374,715	(607,936)	-
NEHAWU	11,349,652	(10,916,274)	2,238,895	10,163,372	(9,778,145)	1,805,517
PAWUSA	1,512,293	(1,479,439)	292,615	1,438,691	(1,368,628)	259,761
POPCRU	6,638,323	(6,384,952)	1,309,203	5,835,249	(5,542,695)	1,055,832
PSA	13,012,162	(12,548,316)	2,583,351	12,040,227	(11,740,597)	2,119,505
SADTU	15,112,961	(14,448,643)	2,999,628	13,245,946	(12,725,624)	2,335,310
SAPU	4,420,199	(4,204,204)	882,185	3,747,462	(3,603,726)	666,190
SAOU	411,629	(641,245)	26,059	1,459,441	(1,417,482)	255,675
SAMA	222,737	(168,473)	54,264	-	-	-
	<u>70,001,090</u>	<u>(67,182,103)</u>	<u>13,863,253</u>	<u>62,680,386</u>	<u>(60,642,315)</u>	<u>11,044,266</u>

6. Levies received

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

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E.M.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

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

	2004 R	2003 R
- PHWSBC	169,300	406,327
- SSSBC	71,517	214,546
- GPSSBC	192,740	462,274
- ELRC	334,973	658,903
	<u>768,530</u>	<u>1,742,050</u>

9. Salaries

PSCBC was responsible for the salaries of all the sectors, being GPSSBC, SSSBC, PHWSBC and ELRC from 1 April 2003 to 31 August 2003.

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

10. Notes to the cash flow statement

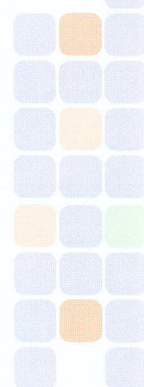
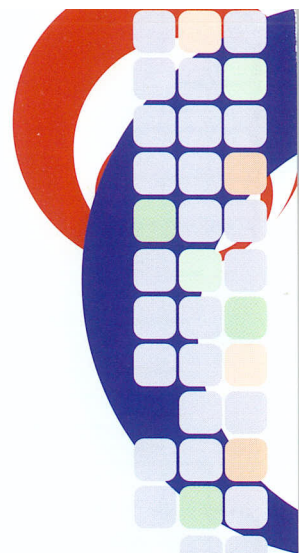
	2004 R	2003 R
<i>10.1 Cash utilised in operating activities</i>		
Net deficit	(556,403)	(8,437,521)
Adjustments for:		
Depreciation	332,594	328,937
Interest received	(197,392)	(651,896)
Finance costs	131,288	-
Fixed assets sponsored and written off	7,990	-
Profit on disposals of property, plant and equipment	(2,300)	-
	<u>(284,223)</u>	<u>(8,760,480)</u>
<i>Movements in working capital:</i>		
(Increase)/decrease in accounts receivable	(69,748)	217,630
(Decrease)/increase in accounts payable	<u>(5,982,878)</u>	<u>2,926,569</u>
	<u><u>(6,336,849)</u></u>	<u><u>(5,616,281)</u></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:

Cash and cash equivalents	<u>26,644,353</u>	<u>33,494,013</u>
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