

Annual Report 2004/5





PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

• • • *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 to fair resolution of disputes.

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The Public Service Coordinating 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 pertain 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 2004 to 31 March 2005.

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) coordinate, 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 are 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 powers or duties 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)
R. Venkiah (DOH)

Maude Dlomo (DOE)
Johan Griesel (SAPS)
Johan van der Hoven (DPSA)
Eugene van Vuuren (Social Development)

Labour Representatives and their alternates

L. Sotaka (NEHAWU)
M. de Clercq (PSA)
D. Mereothatha (SADTU)
A. Mahapa (POPCRU)

T. Mngomezulu (DENOSA)
S. Mataitsane (HOSPERSA/NUPSAW/NATU)
H. Hendricks (NAPTOSA)
R. Monareng (SAPU)

MESSAGE FROM THE CHAIRPERSON OF PSCBC



The year 2005 marks the 10th anniversary of the promulgation of the Labour Relations Act. To celebrate its extension to the Public Service, the PSCBC hosted a celebratory conference on 14 and 15 February 2005 in Midrand. The key feature of this conference was the role of collective bargaining and social dialogue in the transformation and restructuring of the Public Service. Papers presented at the conference reflected both the successes and the future challenges for social dialogue in the public service. More importantly, the conference created a platform for the PSCBC to foster relationships and partnerships with local, regional and international organizations.

The conference was attended by delegates from the SADC regions of Zambia, Malawi, Mauritius, Botswana, Lesotho and Zimbabwe, representatives from the International Labour Organisation (ILO-Geneva), Public Service International (PSI-Southern Africa), Department of Public Service Administration (DPSA), Human Sciences Research Council (HSRC), Public Service Trade Unions, International Industrial Relations Association (IIRA), Nedlac, CCMA and Department of Labour (DoL). The conference was a great success and PSCBC has recently taken a decision to hold such conferences biennially.

I take this opportunity to thank the Secretary of Council, Shamira Huluman, and her team for their tireless efforts in making the conference a success. Gratitude is also extended to Alexander Forbes for their financial backing that made the event possible.

It became apparent at the end of the conference that the PSCBC has become an important regional and international player and has in this regard a moral duty to not only share its experiences on social dialogue, but also to continue to foster relations in the SADC region and other developing regions.

During the period under review, the PSCBC experienced hectic collective bargaining, with six months being spent on salary negotiations, culminating in a second three-year multi-term agreement. Preceding the conclusion of the agreement, public service employees embarked on protected industrial action on 16 September 2004, the third exercise of such rights since 1999. Although negotiations were elevated to the dispute resolution processes of Council, with the exercise of the right to strike by trade unions, it was important for me, as Chairperson, to intervene to avert further industrial action. On 17 September, I called an urgent Council, where I proposed various deadlock-breaking mechanisms to the parties. Parties agreed to a smaller negotiating team, mandates were revised, and a successful resolution to the dispute on salaries was reached. On 29 September 2004, the majority of parties to Council signed Resolution 2 of 2004: Agreement on Improvements in Salaries and other Conditions of Service for the period 2004/5, 2005/6 and 2006/7.

Emanating from this agreement, task teams have been established to focus on the restructuring of macro-benefits, in particular, a new medical aid scheme for the public service. This process will require serious engagement and extensive deliberations between the parties. I am confident that with the matured relationship, parties will find common ground and be committed to agreeing on a scheme that is beneficial to all public servants.

I am very proud to announce that during the last financial year, disputes in the public service have dropped by 30% compared to the previous year. In the biggest sector of the labour market, only 0.27% of the employees in the public service have declared disputes. It is obvious from these statistics that the public service bargaining councils are succeeding in maintaining labour peace and sound labour relations in the various sectors of the public service. The dispute prevention initiatives in the form of training programmes embarked on by the various councils must be commended as a contributing factor to the reduction in the low caseloads. It is envisaged that these efforts will be strengthened by additional resources from the CCMA, which has agreed to pay a subsidy to the public service bargaining councils, thereby contributing to the dispute resolution and prevention costs of the councils.

My fourth term of office comes to an end, and regrettably, I have taken a decision not to stand for another term. I therefore take this opportunity to thank the PSCBC and its parties for giving me the opportunity to lead a highly successful social dialogue institution, which has reflected the values of South Africa's democracy and its labour dispensation.

I have been proud to be associated with the PSCBC and its sectoral councils and stakeholders, and wish you all the best in future endeavours.

EDWIN MOLAHLEHI
CHAIRPERSON: PSCBC
JUNE 2005

MESSAGE FROM THE SECRETARY TO PSCBC

This annual report, which encapsulates the activities of Council for the period 1 April 2004 to 31 March 2005, is presented to the 8th Annual General Meeting.

During the period under review, Council successfully implemented many of the strategic objectives agreed to:

- Improvement of collective bargaining and consultative processes – Old guidelines were reviewed and consolidated into a procedure manual. The manual provides guidelines on meeting procedures, functioning of task teams and committees, and the code of good practice for bargaining.
- Dispute Resolution and Prevention Strategy – Dispute resolution procedures have been amended and rules for conduct of proceedings have been adopted. Negotiation skills' training was successfully conducted for PSCBC negotiators during February and March 2005.
- Partnerships – Strategy and criteria was adopted. Decisions to join IRASA and IIRA have been taken. Partnerships and relationships with local and international organizations were cemented during the hosting of the celebratory conference held in February 2005, where representatives of ILO, PSI (trade unions affiliates in the SADC regions) and other local organizations attended.
- Relationship building within Council – A successful team-building exercise was arranged during November 2004 in Limpopo Province.
- Research and Resource Strategy – A draft research policy will be finalized soon. PSCBC successfully hosted the Celebratory Conference on A decade of Social Dialogue in the Public Service, which gave researchers a platform to present papers relevant to human resources in the public service.

In the next review period, Council will concentrate on implementing a communication strategy that will market the activities of the PSCBC. More importantly, Council will provide progress reports on the collective bargaining processes and other functions of Council to ordinary public servants, in the form of newsletters etc. To this end, a new section has been created under Dispute Resolution and Prevention Department that will be responsible for Media, Information management and a labour law resource centre. Consequently, relevant posts have been advertised and will be filled soon. Other human resource changes are the filling of both the IT officer and HR officer posts, which will also serve the Sectoral Councils. These posts are also intended to be filled soon.

During the period under review, Council concluded seven collective agreements. Much time was spent on salary negotiations, punctuated by industrial action, which culminated in a second multi-term agreement signed on 29 September 2004. A summary of the salary negotiations process has been included in this report.

The salary agreement, Resolution 2 of 2004, established various task teams to support the collective bargaining process by embarking on research or review processes and implementing specific provisions of the agreement. While the task teams have been convened on a number of occasions, progress is slow. Parties face the challenge of meeting the deadlines set for the work of these task teams. A summary statement of the work of the task teams is included in this report.

The PSCBC and the sectoral bargaining councils received a total of 2722 disputes for the period 1 April 2004 to 31 March 2005, in comparison to 3780 for the same period in the previous financial year. The 30% reduction may be attributed to the dispute prevention initiatives undertaken by the various sectoral councils. The number of disputes in comparison to the number of employees covered in the public service, approximately 1 million, is extremely low. This clearly indicates that the bargaining councils in the public service have contributed substantially to the maintenance of sound labour relations and labour peace in the sector.

However, the PSCBC caseload is largely characterised by disputes lodged by individuals. Disputes pertaining to application of PSCBC collective agreements comprised a large percentage of disputes. Clearly, this requires a dispute prevention strategy, where Council needs to focus on the monitoring and enforcement of collective agreements. This is an important challenge that Council must address in the coming year. To this end, a workshop is planned for July 2005 to discuss monitoring and enforcement of collective agreements in the public service.

The PSCBC has amended its dispute resolution processes and adopted rules of conduct during proceedings (details are covered under the dispute resolution report). The amendments are currently with the Registrar of Labour Relations for certification. Other Councils are embarking on similar processes.

In the last year, coordinating chambers of the PSCBC have been established in all nine provinces, with most functioning fairly well (a detailed report is covered). An additional negotiations and committee officer has been appointed nationally to provide the chambers with independent secretariat services, where requested. In other provinces, the employer has agreed to provide the secretariat services.

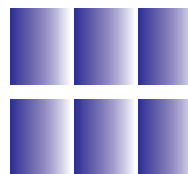
During the period under review, expenditure was well within budget. The auditors have been tasked to develop an investment policy that will direct the surplus funds. Council has finalized the joint accommodation project, and a seven- year lease agreement with the option to purchase the current office park, Lyttelton Office Village in Basden Road, has been concluded, housing PSCBC, GPSSBC, PHWSBC and SSSBC. One of the buildings in the office park will be converted into a bargaining facility, with meeting rooms accessible to all councils. It is envisaged that this facility will be operational early in 2006. I am grateful to the Finance Department, members of Fincom and Exco for their prudent management of Council's funds.

As their term of office ends, I especially wish to thank the Chairperson, Edwin Molahlehi and Vice Chairpersons, Fikile Hugo and Div Odendaal, for their strategic leadership and guidance over the last two years. On behalf of Council, I wish them great success in their future endeavours.

Last, but not least, my gratitude to the staff for their dedicated efforts in ensuring service delivery in carrying out the mandate of the PSCBC, in terms of its constitution and the LRA.

Shamira Huluman
PSCBC: Secretary
June 2005

COLLECTIVE BARGAINING AND CONSULTATIVE PROCESSES



The following table indicates the number of meetings held from 1 April 2004 to 31 March 2005

Full council meetings	17
Special council meetings Including salary negotiations	17
Task team / committee meetings	52
Workshops	1

Resulting from these meetings, parties successfully entered into the following collective agreements:

Resolutions of Council

The Council concluded seven resolutions during the period 1 April 2004 to 31 March 2005.

2004

Resolution 1/2004	The appointment of a Panel of Conciliators and Arbitrators (2004/2005)	23/06/2004
Resolution 2/2004	Agreement on improvement in salaries and other conditions of services for the period 2004/2005, 2005/2006, and 2006/2007	29/09/2004

2005

Resolution 1/2005	Agency Shop Agreement	10/02/2005
Resolution 2/2005	Amendments to Resolution 9 of 2003: Annexure A: Establishment of Provincial Coordinating Chambers of the PSCBC	10/02/2005
Resolution 3/2005	Amendment to Part XXVIII of Resolution 3 of 1999: Long Service Awards	10/02/2005
Resolution 4/2005	Rules for the conduct of Proceedings before the Public Service Coordinating Bargaining Council (PSCBC)	31/03/2005
Resolution 5/2005	Amendment to Annexure A of the PSCBC Constitution: Dispute Resolution Procedure	31/03/2005

Summary of Resolutions (collective agreements) entered into between April 2005 to March 2005

Resolution 1 of 2004: The Appointment of a Panel of Conciliators and Arbitrators (2004/ 2005)

Signed on 23 June 2004

Clause 8.1 of the Dispute Resolution Procedure, as incorporated into the PSCBC Constitution, makes provision for Council to appoint its own panel of Conciliators and Arbitrators at Council's Annual General Meeting. Annexure A provides a list of 44 panelists, nationally. The appointment of panelists is subject to the panelist signing a contract, and agreeing to the Fee Policy and Code of Conduct for Conciliators and Arbitrators.

Resolution 2 of 2004: Agreement on improvement in salaries and other conditions of service for the period 2004/ 2005, 2005/2006, and 2006/2007

Signed on 29 September 2004

The objectives of the agreement were to provide for the annual general salary adjustment for employees for the financial years 2004/05, 2005/06 and 2006/07, to determine the basis for the annual general salary adjustment, to provide a framework for the determination of and compensation for scarce skills, to provide for the finalization of macro-benefits (medical and housing) and to address other demands raised by parties to the Council.

MULTI-TERM SALARY ADJUSTMENT

Clause 3 of the agreement provided for annual salary adjustments for three financial periods as specified below, based on projected CPI-X, determined by National Treasury.

FINANCIAL PERIOD	ADJUSTMENT	IMPLEMENTATION DATE
2004/5	5% + 1.2% = 6.2%	1 July 2004
2005/6	Projected CPI-X + 0.4%	1 July 2005
2006/7	Projected CPI-X + 0.4%	1 July 2006

SCARCE SKILLS ALLOWANCE

Clause 4 and Annexure A of the agreement provided for a framework for the determination of and compensation for scarce skills allowance in the public service, which does not either set aside or vary existing policies or strategies at sectoral, departmental or provincial levels. The determination of the allowance is subject to negotiations in Council, and trade union parties would be consulted in the relevant sectoral bargaining structures prior to the approval and implementation of the allowance.

REVIEW OF REMUNERATION PACKAGES FOR IDENTIFIED CATEGORIES OF EMPLOYEES

The relevant departments, in consultation with the Department of Public Service and Administration, shall undertake a review of the total remuneration packages payable to identified categories of employees, with the view to ensuring that these employees are appropriately remunerated. Trade union parties will be consulted on the identification of the categories to be reviewed. Identified health care and social workers will be part of the first group to be reviewed. The outcome of the review and recommendations will be subjected to negotiations, with regard to matters of mutual interest, at the level of the Council, with a view to implementation by 01 January 2006.

PAY PROGRESSION

Parties agree to undertake a joint review of the current Pay Progression System that is part of the Incentive Policy for the Public Service. Following the completion of the review, the recommendations will be subjected to negotiations, where applicable, at the level of the Council, with a view to implementation with effect from 1 April 2006.

MACRO-BENEFITS

HOUSING ALLOWANCE

Clause 7 provided for the existing home-owners allowance as prescribed in Resolution 3 of 1999 to remain until 1 January 2009 for those employees who received this allowance prior to signing this agreement. The employer agreed to set aside funds for the extension of a housing allowance to a maximum of R403-00 for all permanent employees in a phased approach, as follows:

IMPLEMENTATION DATE	AMOUNT
1 January 2005	R 100
1 January 2006	40 % of allowance
1 January 2007	60 % of allowance
1 January 2008	80 % of allowance
1 January 2009	100 % to max. of R403

The rental payable by employees occupying State Housing has been aligned to the housing allowance above.

The employer shall develop and implement a system to manage and control a housing allowance system. The agreement also provides for the development of guidelines in consultation with labour on the implementation of this policy.

The agreement further provided for Council to develop and present mechanisms to encourage and promote home ownership among employees, which include:

- (a) Awareness programmes, such as education, information initiatives and housing advice; and
- (b) Access programmes to assist with the accessing of home loan products.

In this regard, Council established a task team to manage this process, and a tender process will be followed to appoint a service provider to implement such programmes.

MEDICAL ASSISTANCE

Clause 7.2 provided for the employer to set aside sufficient funds for the restructuring and provision of medical assistance to employees, and the establishment of a task team to assess proposals for consideration by Council. The revised medical assistance will also include a comprehensive prevention and treatment programme to address HIV and AIDS in the public service. The implementation of the new medical assistance will be effective from 1 January 2006.

REVIEW OF PSCBC RESOLUTION 3 OF 1999

In Clause 8 of the agreement, parties agreed to undertake a joint review of all allowances provided for in Resolution 3/99, and negotiations must be completed by 31 December 2006.

Council subsequently established a task team to deal with the review.

MINIMUM SERVICE LEVEL AGREEMENTS

Clause 9 instructed relevant sectoral bargaining councils to deal with the issue of the maintenance of minimum service level agreements in essential services.

Resolution 1 of 2005: Agency Shop Agreement

Signed on 10 February 2005

A new agency shop agreement was entered into in full compliance of section 25 of the LRA. The objective of the agreement is to ensure that all employees who received the benefits of collective bargaining contribute towards its costs. Taking into account the fees of the registered trade unions admitted to Council, the agreed agency fee is

R 39-50 per month, which is subject to review at Annual General Meetings of Council.

Resolution 2 of 2005: Amendments to Resolution 9 of 2003: Annexure A: Establishment of Provincial Coordinating Chambers of the PSCBC.

Signed on 10 February 2005

During the inaugural meetings of the Coordinating Chambers of the PSCBC in the provinces, a need arose to amend/ clarify certain clauses within Resolution 9 of 2003. The changes were of a technical nature and did not alter the fundamental principles agreed to in Resolution 9 of 2003. For easy reading, the entire section of Annexure A as amended was replaced in this resolution.

Resolution 4 of 2005: Rules for the conduct of Proceedings before the Public Service Coordinating Bargaining Council (PSCBC)

Signed on 31 March 2005

PSCBC is accredited by the CCMA in terms of S127 of the LRA to perform dispute resolution functions. The accreditation requires all bargaining councils to set rules for the conduct of dispute resolution proceedings aligned to the CCMA Rules.

For the first time, this collective agreement puts in place such rules, which covers six parts, namely: Serving and Filing documents, Conciliation of Disputes, Arbitrations, Rules that apply to conciliations and arbitrations, Application and General Matters.

Resolution 5 of 2005: Amendments to Annexure A of PSCBC Constitution: Dispute Resolution Procedure

Signed on 31 March 2005

There was a need to refine the dispute resolution procedure of Council in terms of legislative changes, and align it to new circumstances. The entire procedure was amended and signed as a collective agreement, enjoying two-thirds majority support. The new procedure will be effective once the Registrar of Labour Relations has certified the amendments to the constitution.

Details of the amendments are reflected in the Dispute Resolution Report.

Please note that all resolutions of Council can be located on the PSCBC website @ : <http://www.pscbc.org.za>

Summary of Salary Negotiations Process

The salary negotiations in 2004 was a process of extensive deliberations that lasted for almost 6 months. The following is an outline of the process that was followed:

- « 30 March 2004: Council requested parties to submit their Salary Demands.
- « Mid-May 2004: Labour parties to the PSCBC tabled their Salary Demands, together with proposals pertaining to the improvement of conditions of employment for 2004/2007.
- « 24 May 2004: The employer acknowledged the proposals/demands from the Labour parties, and requested a consolidated position from Labour.
- « 26 May 2004: Labour submitted their consolidated demands to the employer.
- « 2 June 2004: The employer tabled a draft agreement on Improvements in Salaries and other conditions of services, as well as an Annexure on a Framework for the Determination and Compensation of Scarce Skills Allowances in the Public Service.
- « 12 July 2004: The employer referred the issue as a Matter of Mutual-Interest dispute to the PSCBC.
- « 21–23 July 2004: Conciliation hearing conducted by PSCBC Panelist, Mrs. G Loveday.
- « 6 August 2003: Labour rejected the 5.5% offer that was tabled, and a certificate of non-resolution was issued.
- « 16 August 2004: DENOSA referred the dispute to arbitration.
- « 20 August 2004: Parties requested arbitration to be postponed sine die.
- « 6 August – 13 September 2004: In bilateral meetings, the employer tabled an improved offer of 6%, which labour accepted, provided that there were adjustments to the offer for the 2005/2006 and 2006/2007 financial years, (i.e. more than the CPI-X). With the employer failing to meet labour's requests, the former withdrew their offer on 13 September 2004 and approached the mandate committee for a new mandate.

The employer proposed that a joint technical team be established to develop proposals for consideration based on the following options:

- A single-year agreement
- A multi-term agreement focusing on salary adjustments over three years, and setting aside funds to implement effective career pathing in identified sectors.
- A multi-term agreement providing for salary adjustments over three years, with limited macro benefits.

- « 16 September 2004: Labour embarked on a strike. Thousands of public servants took to the streets in support of their demands relating to salaries and other conditions of service.

« 17 September 2004: The Chairperson of the PSCBC called parties to an urgent meeting in an attempt to break the deadlock. Parties acknowledged the responsibility of the Council to find a solution, and the Chairperson presented the following options to parties:

- Appointing an independent facilitator;
- Appointing a facilitator from the PSCBC panel of Conciliators and Arbitrators; and
- Establishing a Negotiating Committee as provided for in the PSCBC Constitution.

A small committee was subsequently established to work on proposals from both parties. The committee presented an amended document to Council, and parties requested time to consider it.

« 21 September 2004: The employer tabled their final offer. Labour requested time to acquire mandates and requested that Council meet on 29 September 2004.

« 29 September 2004: The following parties, together with the employer, signed the agreement as Resolution 2 of 2004:

- Nehawu
- Sadtu
- Popcru
- PSA
- Naptosa

« 1 October 2004: DENOSA withdrew their application for arbitration.



PUBLIC SERVICE STRIKE 2004



Task Teams and Committees

To support the collective bargaining process, the PSCBC established a variety of task teams and committees in terms of clause 18 of the PSCBC Constitution. The following task teams/ committees were active during the period under review. A brief report of the activities of each task team is provided.

REVIEW OF LEAVE PROVISIONS TASK TEAM

This Task Team was established in terms of Resolution 7 of 2000.

Terms of Reference

At its first meeting, the Task Team agreed that parties will identify areas to be reviewed and send their inputs to the secretariat. The terms of reference will be discussed on receipt of the inputs.

Progress

Although the task team convened two meetings, there was no progress at both meetings. At the second meeting, Labour parties requested more time to submit their inputs on the areas to be reviewed.

The employer would be given an opportunity to peruse Labour's inputs prior to scheduling the next task team meeting.

PENSIONS RESTRUCTURING TASK TEAM

Introduction

On 29 November 2002, Resolution 12 of 2002 (Pensions Restructuring Agreement) was signed. Subsequent to that, a further agreement to remove obstacles to the publication of the GEPP rules amending certain aspects of Resolution 12 of 2002 was signed as Resolution 2 and 7 of 2003. Some meetings were however postponed as a result of other competing priorities, such as the Salary Negotiations.

Progress

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

Parties to Council submitted their Trustee nominations. The Minister of Finance is in the process of ratifying the names.

The fund administrators also finalized the process of nominations for the Pensioner and Service Constituencies in terms of the Rules.

The list of nominees for the Board of Trustees is as follows:

PSA	M Maritz A du Plessis (Alternate)
Hospersa	G Moultrie M Rothballer (Alternate)
SADTU	D Mabuyakhulu F Hugo (Alternate)
Naptosa	D Bolt A Kock (Alternate)
Popcru	P Mngonkolo D Bout (Alternate)
Nehawu	Mr Prabir Badal Mr Bukuta Mashawana (Alternate)
Pensioner Trustee	Admiral MA Bekker Mr HJ Koekemoer (Alternate)
Services Trustee	Brigadier General AL De Wit Mr WT Maqhubela (Alternate)

The Minister of Finance is in the process of finalizing the employer nominees to the Board.

Action Plan for the verification of information regarding the Venda Pension Fund Issue

The action plan for the verification of information regarding the Venda Pension fund is still under judicial consideration. Council was informed that the outcome was in favor of the pension fund. Although the appeal process was being followed, the date for the appeal has not yet been scheduled.

Introduction of mechanisms to resolve problems that cause delays in the payment of pensions

The employer held discussions with GEPF, who took responsibility of resolving the matter. The GEPF would consult with the relevant stakeholders and develop proposals on how the matter could be resolved. GEPF is in the process of improving internal processes to accelerate the payment of pensions. This matter would also be dealt with when the permanent Board of Trustees is functional.

Distribution of the Guidelines document: Procedure to Adopt Children

The guidelines were tabled at the meeting for purposes of information sharing. The guidelines have been circulated to departments and a copy thereof can be obtained on the DPSA website.

In this regard, parties emphasised that the information should be relayed to all employees at all levels within the Public Service. The Employer would investigate appropriate measures to facilitate information sharing of the procedure.

A follow-up would be made with the departments and feedback would be given in this regard.

Reduction in Employer Contribution Levels

Parties raised a concern with regard to the possible reduction in the employer contribution rate to the GEPF.

Parties were informed that the report of March 2004 was not yet ready as it is awaiting the Minister's signature, after which it would be made available to parties. The report would also form part of the GEPF's Annual Report in June 2005. The employer contribution to the GEPF has been reduced from 15% to 13% for public servants, and 16% for services employees, with effect from 1 April 2005. The reduction does not affect the pension benefit since it is a defined benefit.

Clause 8 of Resolution 12 of 2002: Discriminatory Past Practices

The Employer and Labour jointly developed a list of past discriminatory practices regarding pension benefits. The document was forwarded to Council for consideration and adoption.

Implementation of Resolution 12 of 2002: Provincial Task Teams

Currently, the focus of the task teams is on the recognition of pensionable services for past discriminatory practices on employees in the public service. An indication was made that the task teams are still in operation. The task teams were requested to submit progress reports to Council. A format for submitting progress reports from Provincial Task Teams was developed, and the Secretariat was requested to circulate the format to the Provinces. Reports were received from the following provinces:

- North West
- Free State
- Kwa-Zulu Natal

The DPSA also indicated that there are provinces that are encountering problems with the implementation of Resolution 12 of 2002 and need intervention from the PSCBC as a matter of urgency, as the process has to be finalized by 30 June 2005.

The DPSA would follow up the process with the Director Generals. A sub-committee of the PSCBC Pensions Task Team that would intervene in the Provinces was established as follows:

- H Murray – Labour
- Manie Maritz– Labour
- 2 Employer representatives
- Jan van Pletzen- Coordinator

The employer is to endeavour to get a Nehawu representative on the sub-committee.

Investigation and development of proposals regarding the recognition of NSF service for affected GEPF members in the rest of the Public Service

The Employer has forwarded a circular to departments on the identification and verification of affected employees. The names would be forwarded to GEPF for calculations, and the process is projected to take one year to complete. It was agreed that the circular will be shared with parties.

TASK TEAMS THAT WERE ESTABLISHED IN TERMS OF RESOLUTION 2 OF 2004

Introduction

After extensive negotiations in the PSCBC on the improvement in salaries and other conditions of service, Resolution 2 of 2004 was signed on 29 September 2004. After the signing of the agreement, Council at its meeting of 1 November 2004 agreed that the following task teams should be established:

- Housing and Accommodation Restructuring Task Team
- Medical Aid Task Team
- Pay Progression Task Team
- Review of Resolution 3 of 1999 Task Team.

HOUSING AND ACCOMMODATION RESTRUCTURING TASK TEAM

The Housing Allowance Scheme was one of the macro benefits covered in Resolution 2 of 2004.

Terms of Reference

To develop and present mechanisms to encourage and promote home ownership among employees, including:

- Awareness programmes, such as education, information initiatives and housing advice; and
- Access programmes to assist with the accessing of home loan products.

Progress

Since its inception, the Task Team met on three occasions during the period under review. The Task Team identified that there is a need to acquire the services of a consultant to implement the terms of reference and make a recommendation to Council. The Task Team submitted a request for tender documents with the objective of procuring professional services of a consultant.

The Task Team also defined timeframes in terms of deliverables, the submission of tenders, as well as briefing the service providers. The Task Team recommended that Council should fund expenses emanating from the above-mentioned process, including advertising costs. The Task Team agreed that the draft Request for Tender and advertisement be recommended and submitted to the PSCBC Executive for consideration.

Update on Implementation of the Housing Allowance

The employer developed the guidelines as required in terms of the agreement. The employer, through Exco, invited labour parties to submit inputs on the guidelines.

Labour parties provided inputs on the draft guidelines. These inputs were discussed in the Task Team and integrated into the draft guidelines, to the satisfaction of all parties concerned.

Noting that the Implementation of the Housing Allowance should commence as soon as possible and that there may be a need for future amendments, parties concurred that the employer shall commence with the implementation, and that labour may, as and when necessary, make further inputs.

Way Forward

The tendering process is underway where consultants would be appointed.

MEDICAL AID TASK TEAM

The Medical Aid Scheme was one of the macro benefits covered in Resolution 2 of 2004.

Terms of Reference

1. Restructure and provide for the provisioning of medical assistance to employees.
 - 1.1 Investigate different options
 - 1.2 Explore appropriate funding arrangements.
2. The revised medical assistance must include a comprehensive prevention and treatment programme to address HIV and AIDS.
3. Implementation to commence with effect from 1 January 2006

Progress

Since its establishment, the task team only met once.

A two-day workshop was convened for the purpose of information sharing and the presentation of the research that was conducted. The Consultants, Toth Resources, and Alexander Forbes, made a presentation on the investigation that was conducted regarding the option of accrediting a restricted number of open medical aid schemes for public service employees.

Way Forward

In terms of the way forward, the Employer indicated that the following matters should be considered:

1. Members involvement strategy
 - Affordability and access
 - Critical masses
 - Timeframes for members to come in
 - Specific member groupings
2. PSCBC
 - Buy-in
 - Participation
 - Communication
3. Subsidies
 - Conditions of Service
 - Collective bargaining
 - Structure
 - Levels of subsidy
 - GEMS
4. HIV Disease management
 - 2005 PMB (prescribed medical benefits
 - All benefit plans
 - Target those at risk and those with risk
 - HIV: Programme – VCT; awareness; wellness
 - Care management
 - Sustainable funding mechanism (similar to ordinary diseases)
5. Pensioners
 - Cost implications
 - Equitable distribution of resources
 - Vested benefits
 - Cost of care versus contributions
 - Impact of pensioner migration
6. Other matters
 - Required information available
 - Review and analysis
 - Restricted scheme in the Public Service (POLMED & MEDCOR)
 - Further interaction

After the presentations by the consultants, the parties agreed that labour parties will use the findings of the consultants as a basis for them to conduct their own investigations, and to formulate their proposals.

The Task Team has not met since the workshop as labour is still busy with its own investigations. Labour has appointed their own consultants, 21st Century, to advise on the employer's proposal.

PAY PROGRESSION TASK TEAM

Terms of Reference

1. Parties agreed to undertake a joint review of the current Pay Progression System that is part of the Incentive Policy for the Public Service as per Resolution 2 of 2004.

The review should include a study into:

- The number of notches within a salary level;
- The percentage between notches;
- The percentage between the maximum of a salary level and the minimum of the next salary level; and
- Employees on personal notches who are excluded from the Pay Progression System.

Progress

The Pay Progression Task Team met twice after its establishment. At both meetings, parties did not reach consensus on the appointment of a consultant and referred the matter to Council for a decision.

The matter is currently on the Council agenda.

REVIEW OF RESOLUTION 3 OF 1999 TASK TEAM

Terms of Reference

- a) Parties agree to undertake a joint review of all allowances provided for in PSCBC Resolution 3 of 1999.
- b) The review will be completed and recommendations subjected to negotiations on matters of mutual interest, at the level of the Council, by 31 December 2006.

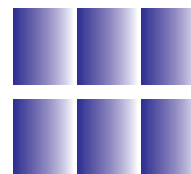
Progress

Since its inception, the Task Team met on two occasions during the period under review. The Task Team resolved that parties need to identify priority areas on allowances to be deliberated on, before making a recommendation to Council. The Secretariat was requested to make copies of Resolution 3 of 1999 and circulate to parties, to allow them to identify and prioritise the allowances that require review.

Labour parties are in the process of identifying specific allowances that require review and will report back to the task team.



REPORT ON THE PROVINCIAL CO-ORDINATING CHAMBERS OF THE PSCBC



Resolution 9 of 2003 as amended by Resolution 2 of 2005

The Chambers were established during April-June 2004 in all nine provinces. During the inaugural meetings, certain technical errors were identified, which resulted in effecting amendments to Annexure A of Resolution 9 of 2003. Resolution 2 of 2005 was entered into on 10 February 2005, which provides clarity on the functioning of chambers of the PSCBC at provincial level.

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 or the collective agreement of the Chamber. Should Council not consider any decision or collective agreement within 30 days, such a decision or collective agreement shall be deemed to have been ratified by Council.

The chambers function within the ambit of the PSCBC Constitution and Resolution 9 of 2003 as amended by Resolution 2 of 2005, and therefore are not required to draft their own constitutions. PSCBC is in consultation with the chambers to finalise a procedure manual that will provide guidelines to the chambers on practical operations.

Previously, the principle of independent secretariat services and venues was accepted. In the last year, the Chambers utilized the ELRC venue when available, while in other instances, the employer provided the venue for the meetings.

The PSCBC provided independent secretariat services to the following provinces:

- Gauteng;
- North West;
- Northern Cape; and
- Kwazulu Natal.

The employer provided secretariat services to the following provinces:

- Mpumalanga;
- Free State;
- Limpopo;
- Western Cape; and
- Eastern Cape.

The Eastern Cape Chamber requested at the beginning of 2005 for the PSCBC to provide independent secretariat services. In order to capacitate the provision of services to the chambers, PSCBC has appointed a full-time Negotiations Support and Committee Officer nationally, who will serve the chambers that have requested independent secretariat services.

PSCBC allocated an operational budget of R400 000 for the financial period 1 April 2004 to 31 March 2005. All expenditure was within the allocated budget.

Reports of the Coordinating Chambers of the PSCBC at Provincial Level for the period 1 April 2004 to 31 March 2005.

COORDINATING CHAMBER OF THE PSCBC FOR THE NORTHERN CAPE PROVINCE (CCPNCP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Ms E Snyders
- Vice-Chairperson: Ms L Motlhabakwe
- Vice-Chairperson: Mr V Sebotsa

During the period under review, the following issues were/are on the agenda for discussion:

- Previous Collective Agreements;
- Pay Progression: between Nehawu and Department of Public Service and Administration;
- Non Compliance of PSCBC Res 2/1999 amended by Re 1/2003 : Use of outside lawyer to chair internal disciplinary hearing;
- Non Compliance with PSCBC Res 8/1996 and 3/1999: Payment of danger allowances in secure care centres/places of safety; and
- PSCBC Procedure Manual for Provincial Chambers.

COORDINATING CHAMBER OF THE PSCBC FOR THE NORTH WEST PROVINCE (CCPNWP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr D Bokaba
- Vice-Chairperson: Mr B Malwane
- Vice-Chairperson: Ms K Peane
- Secretary: PSCBC

During the period under review, the following issues were/are on the agenda for discussion:

- Sexual Harassment Policy;
- Policy on Employee Assistance Programme;
- Substance Abuse Policy; and
- PSCBC Procedure Manual for Provincial Chambers.

COORDINATING CHAMBER OF THE PSCBC FOR THE GAUTENG PROVINCE (CCPGP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr M Mabuse
- Vice-Chairperson: Mr T Ledimo
- Vice-Chairperson: Ms J More
- Secretary: PSCBC

During the period under review, the following issues were/are on the agenda for discussion:

- PMDS-Agreement signed on 6 December 2004 and ratified by Council on 31 March 2005;
- Organisational Rights Agreement;
- Transformation Programmes: Implementation of Employment Equity, Affirmative Action, Skills Development, HIV/Aids;
- Request for full report on disciplinary cases handled by GSSC and outsourced to Price WaterHouseCoopers during 2003;
- Rewards and Recognition;
- Representatives to Chamber; and
- PSCBC Procedure Manual for Provincial Chambers.

The Chamber held a Strategic Planning Workshop in August 2004.

COORDINATING CHAMBER OF THE PSCBC FOR THE WESTERN CAPE PROVINCE (CCPWCP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr D Jacobs
- Vice-Chairperson (Labour): Ms P Harris
- Vice-Chairperson (Employer): Mr S Faker
- Secretary: Ms H Ward (Seconded by employer)

TASK TEAMS

The Chamber, in the absence of a draft procedure manual to expedite the core business, appointed the following task teams with representatives from Labour and the Employer:

STRATEGIC PLANNING TASK TEAM

The Task Team held a total of 5 meetings to finalise the arrangements for a strategic planning workshop. The task team prioritised the following strategic/operational issues for discussion at the proposed strategic planning workshop of the Chamber:

- Good governance and clarity on strategic goals;
- Effective prevention and resolution of collective disputes;
- Coordinate, facilitate and monitor the implementation of collective agreements concluded in the PSCBC and Chambers;
- Coordinate Sectoral structures at provincial level; and
- Effective operational management of the Chamber.

HUMAN RESOURCE MANAGEMENT TASK TEAM

The Task Team dealt with the amendment to the Policy Framework on Compensation Management. This policy was finalised and implemented on 1 January 2005.

A total of 4 general meetings and 3 special meetings were held during this reporting period.

PRESENTATIONS

The Employer presented the draft Policy Statement on Management of Employment, Development and Career Progression of People with Disabilities.

POLICIES CONSULTED

The Chamber concluded consultations on the following policies:

- Policy Statement on Management of Employment, Development and Career Progression of People with Disabilities; and
- Policy Framework on Compensation Management.

Over and above these matters, the Chamber also dispensed with the Pension Task Team report of the former Provincial Bargaining Council on the recognition of former casual workers, and made material inputs to the draft procedure manual for the PSCBC Coordinating Chambers in Provinces. This chamber, awaits guidelines from national level on its implementation.

COORDINATING CHAMBER OF THE PSCBC FOR THE MPUMALANGA PROVINCE (CCPMP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Zulu Mathlabegoane
- Vice-Chairperson: Thebma Makhubu
- Vice-Chairperson: Gladys Mahlangu
- Secretary: Robert Mayoyo Xaba (seconded by the employer)

RESTRUCTURING WITHIN THE MPUMALANGA PROVINCE

A collective agreement on Reorganisation and Restructuring was concluded and ratified by the PSCBC.

COORDINATING CHAMBER OF THE PSCBC FOR THE FREE STATE PROVINCE (CCPFSP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr P Ntuli
- Vice- Chairperson: Mr S Diakos
- Vice-Chairperson: Mr MJ Marumo
- Acting Secretary: Mr RK Thurston (seconded by employer)

During the period under review, the following issues were/are on the agenda for discussion:

- Composition of the Chamber;
- Parties to the Chamber;
- Vote Weights;
- Meeting Procedures;
- Year planner;
- Previous collective agreements;
- Integrating FET Council employees into the Public Service;
- PMDS;
- Management of negotiations;
- Pensions Restructuring, Temporary Incapacity Leave; and
- Career pathing within the Province.

COORDINATING CHAMBER OF THE PSCBC FOR THE LIMPOPO PROVINCE (CCPLP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr M Chilwane
- Vice-Chairperson: Ms F Lello
- Vice-Chairperson: Mr S Ntwampe
- Secretary: Mr M I Kutama (seconded by employer)

During the period under review, the following issues were/are on the agenda for discussion:

- Constitution of the PSCBC;
- PSCBC Resolution 9/2003 as amended to Res. 2/2005;
- Voting Weights: Parties to the Chamber;
- Secretarial Services;
- Provincial Performance Management System;
- Provincial Leave Policy;
- Procedure Manual for the PSCBC Coordinating Chambers in Province;
- Year planner 2005;
- Reconfiguration of Provincial department (Works, Finance, Transport and Health Department);
- Transfer of Pensions, Pension Restructuring;
- Leave without Pay for Nurses leaving the country for greener pastures abroad;
- CCPLP Training; and
- Changing of Border for Mpumalanga.

COORDINATING CHAMBER OF THE PSCBC FOR THE KZN PROVINCE (CCPKZNP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Mr GP Mngoma
- Vice-Chairperson: Mr B Ntuli (employer)
- Vice-Chairperson: Mr Roshan Lil-Rathan (labour)
- Secretary: PSCBC

During the period under review, CCPKZNP only met once (inaugural meeting).

COORDINATING CHAMBER OF THE PSCBC FOR THE EASTERN CAPE PROVINCE (CCPECP)

OFFICE BEARERS

The following office bearers were elected at the inaugural meeting of the Chamber:

- Chairperson: Ms N. Shishiba- Tom
- Vice-Chairperson: Ms Bussie Pityi
- Vice-Chairperson: Mr M. Bomeni
- Secretary: Mr V. Bhe

During the period under review, the following issues were/are on the agenda for discussion:

- Composition of the CCPECP;
- The HRD, HIV/AIDS and PMDS policies;
- Treasury on the Provincial Government Fiscal Discipline;
- Recognition of Pension service for General Assistants and Casuals;
- Placement of Educators;
- Appeals Committee Procedure and Abscondment Policies;
- Draft amendments of Res. 9 of 2003; and
- PMDS, Recognition and appreciation Policies.



Overview

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

Resolution 4 of 2005 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 pertain 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 PSCBC has been in existence since 13 October 1997, and a need arose to comprehensively amend its constitution to align it with new circumstances and changes to the legislative framework.

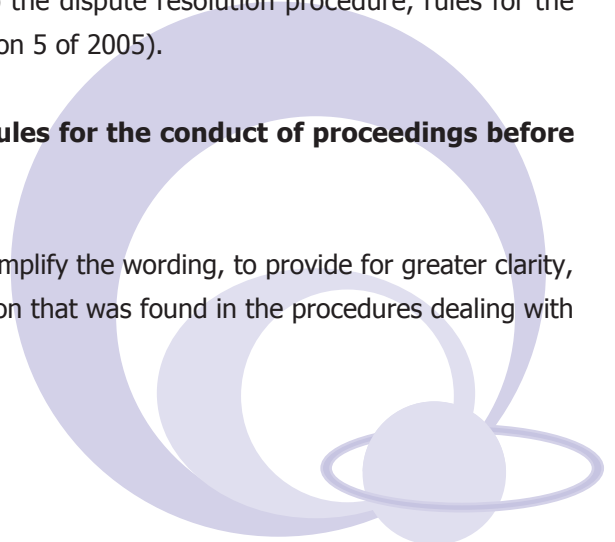
The PSCBC thus adopted Resolution 11 of 2002, which resolves that the constitution, as registered by the Registrar of Labour Relations on 13 October 1997, be amended. This new constitution (and with it the amended dispute resolution procedure) took effect from the date of its certification by the Registrar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

Although significant amendments were made, it was acknowledged that the procedures require further fine-tuning. With this in mind, the PSCBC has embarked on a process of drafting further amendments, as well as a rules document, to ensure that dispute resolution procedures are adapted to suit the ever-changing nature of dispute resolution in the public service.

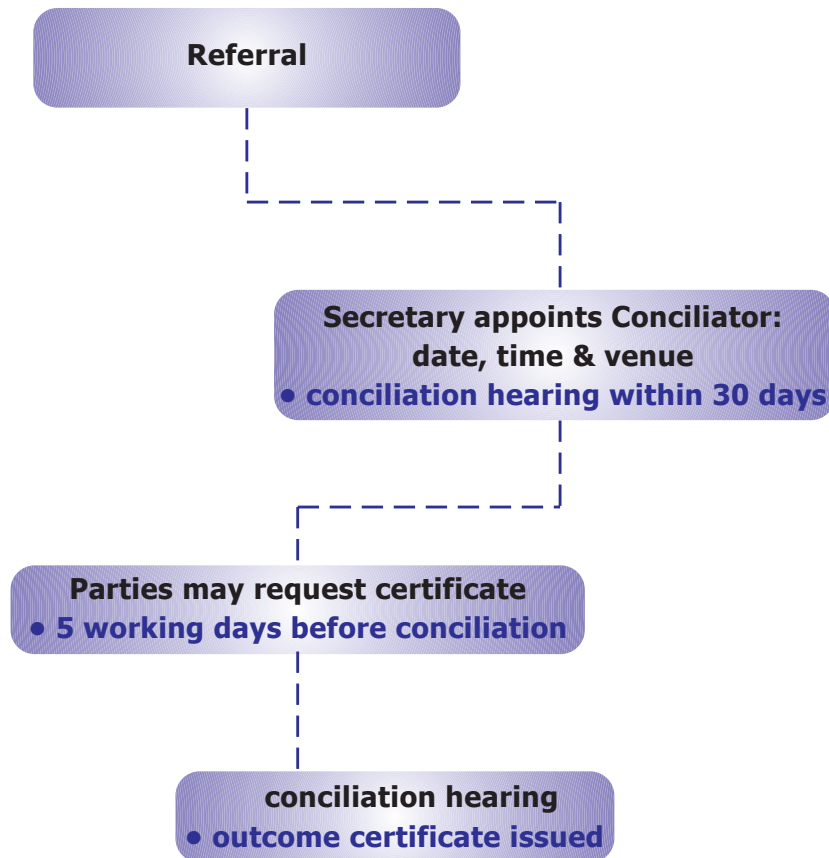
The outcome of the above-mentioned process was Resolution 4 of 2005, which substantially amends the current dispute resolution procedure. In addition to the amendments to the dispute resolution procedure, rules for the conduct of proceedings before the PSCBC were adopted (Resolution 5 of 2005).

Amendments to the Dispute Resolution Procedure and Rules for the conduct of proceedings before the PSCBC

The whole of the dispute resolution procedure was redrafted to simplify the wording, to provide for greater clarity, and to delete duplication of processes. For example, the duplication that was found in the procedures dealing with mutual interest disputes.



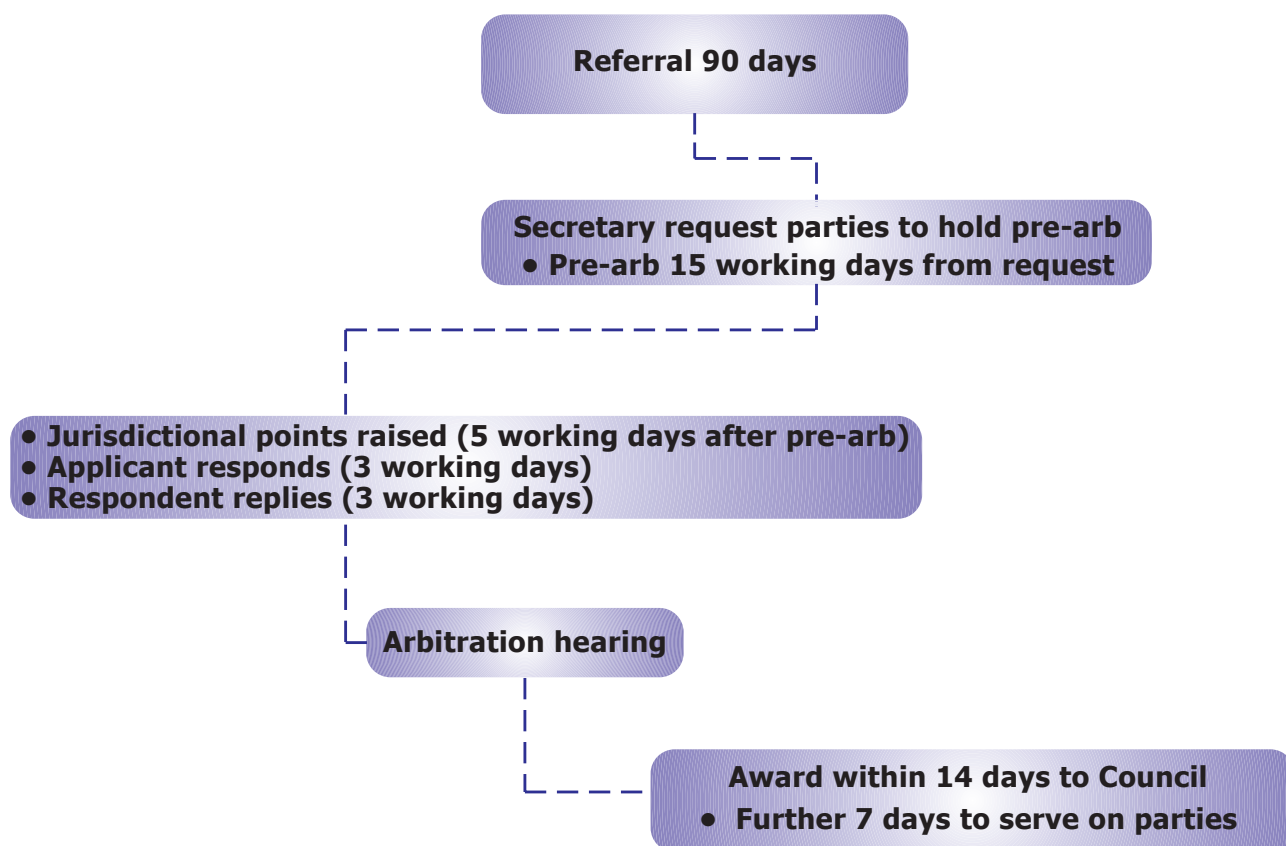
Conciliation Process



Some fundamental changes were however made to the arbitration process. The arbitration process now places a duty on the Secretary to Council to request parties (with every application for arbitration) to hold a pre-arbitration meeting. Parties are further expected to raise any jurisdictional points prior to the actual arbitration hearing. This requirement was included as a cost-saving measure.

Another interesting development is the change in the number of days in which the PSCBC must serve the award on the parties to the dispute. While the panelist is still required to submit the award to the PSCBC within 14 days from the date of the arbitration hearing, the procedures then allow the Secretary a further 7 days to serve the award on the parties to the dispute. This additional period is to be used for a quality assurance process of awards.

Arbitration Process



Another area to which substantial amendments were made is the paragraphs pertaining to costs.

Costs could previously only be awarded if a referral was made vexatiously or without reasonable cause. Costs could further only be awarded on application, and at the conclusion of the arbitration.

The amended procedure provides that costs can be awarded on application, or of panelist's own accord and at any time during the proceedings.

The grounds for cost were also extensively extended. Costs may now be awarded if:

- « A referral was made or defended vexatiously or without reasonable cause;
- « A party has caused unreasonable delays;
- « If a party or its representative acted in a manner seriously compromising the proceedings;
- « If a proceeding is adjourned or dismissed because of non-attendance;
- « A party withdraws a dispute within 5 working days before hearing (unless it is settled); and
- « Any other grounds specified in the PSCBC Rules for the Conduct of Proceedings.

The rest of the document was streamlined to only provide a framework in which disputes should be resolved, whilst the rules for the conduct of proceedings before the PSCBC was adopted (Resolution 5 of 2005) as a supporting document, containing the detailed processes to be followed.

The PSCBC rules were based on the CCMA rules, with just a few adjustments to cater for the specific needs of the parties to Council. A typical example of such a unique requirement is the specification that any document that is served and filed on the employer must be served on the employer at the workplace and on the Chief Negotiator of the State. This requirement aims to ensure that the DPSA will be up to date with all the disputes at PSCBC level at all times.

The amendments to the Dispute Resolution Procedures will only apply once it has been registered by the Registrar of Labour Relations. The rules were however effective from the date of signing, which was 31 March 2005.

The dispute resolution procedures and rules are there to give effect to parties' needs. Constant feedback and suggestions from the parties to Council are thus constantly required to ensure that it remains dynamic, alive, and supports the aim of optimal effectiveness and efficiency of Dispute Resolution in the Public Service.

The SSSBC and GPSSBC dispute resolution procedures were both amended in the 2003/2004 financial year (as discussed in the previous report) and no further amendments were made.

The GPSSBC also adopted rules for the conduct of proceedings before the GPSSBC (GPSSBC Resolution 4 of 2004). It must be noted that even though the PSCBC and GPSSBC rules are very similar, there are some distinct differences to cater for the different jurisdictional aspects between the two Councils.

CCMA Accreditation

The Public Service Bargaining Councils have been re-accredited until 31 January 2006.

The CCMA previously required all panellists to be accredited, which has motivated the public service bargaining councils to allow only accredited panellists on their panel. It is therefore hoped that the previous problems experienced in terms of the Recognition of Prior Learning will be something of the past.

The CCMA also confirmed that the PSCBC application for a subsidy will be considered by the Governing Body and that feedback on this issue would be provided by June 2005.

Case Management System (CMS)

Although all dispute resolution departments are using the CMS, there was criticism because the system seemed to be very slow.

A new server with a greater capacity has been acquired to assist with the challenges experienced. The possibility of replacing the wireless cables between the buildings with alternative cabling to enhance the performance and render the system more effective is also being considered.

Dispute Prevention Initiatives: Training

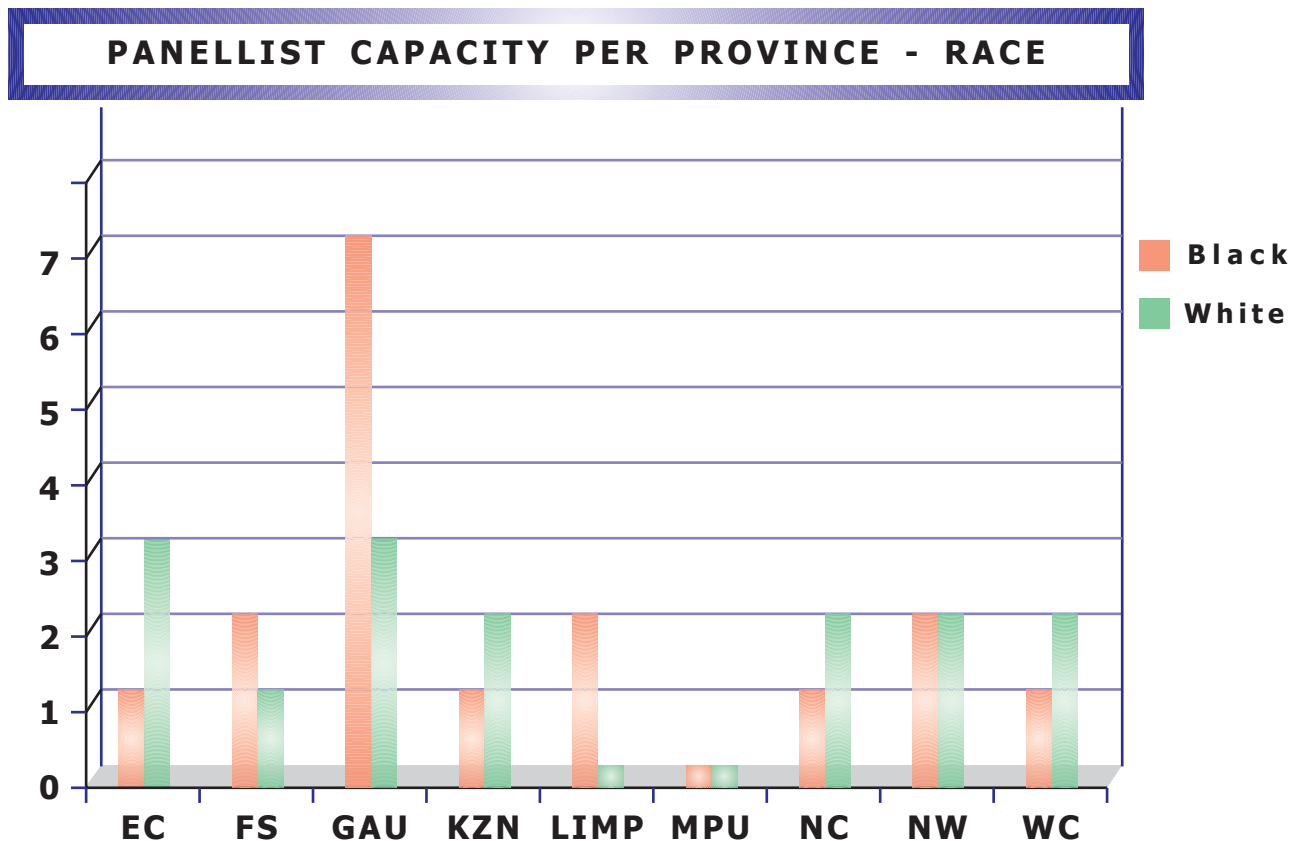
Negotiation Skills training for parties to Council was scheduled for two sessions to accommodate 28 persons (14 from labour and 14 from the employer) and was held at Mount Grace over a period of 4 days per session.

The feedback from the delegates was very positive, as they indicated that the training will contribute meaningfully towards the negotiation competencies and general effectiveness of Council members. It was further suggested that it would be valuable if PSCBC could arrange the same training for the Provincial Chambers, as well as for those Council members who could not attend due to the limited number of delegates per party to Council.

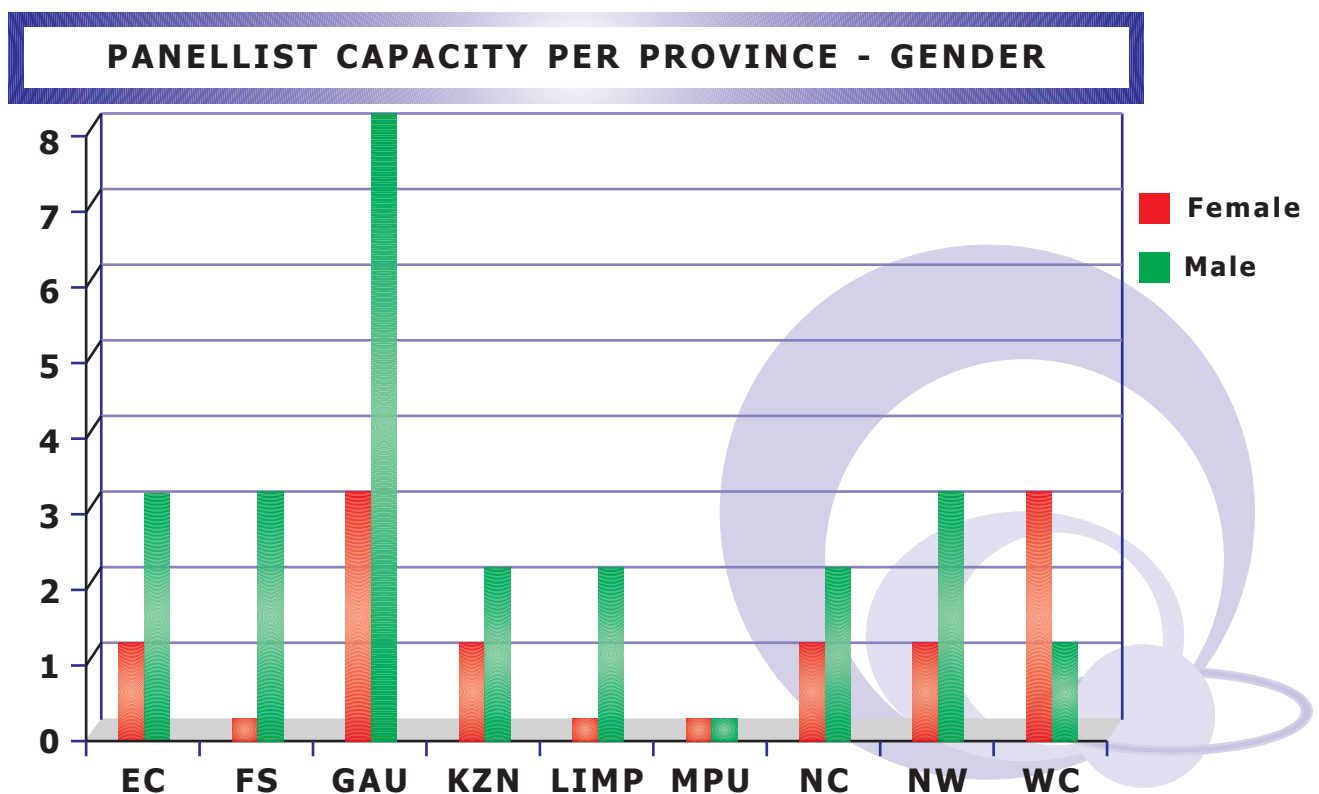
Operational Report

PSCBC Panel of Conciliators and Arbitrators

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



The total PSCBC panel consists of 53% black (including Indian and Coloured) panelists and 47% white panelists. From the above graphic it is however clear that the total percentages does not give a true reflection of the position in the specific provinces. The reason for the skewed reflection can be attributed to the fact that not all panellists sign the offered contracts, while some resign during the course of their contract, or even move to a different province. Any discrepancy reflected in the appointed panel of one year is automatically addressed by the intake of new applicants in the next year.



Of the total PSCBC panel, a mere 41% of the panelists are female, while 59% of the panelists 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.

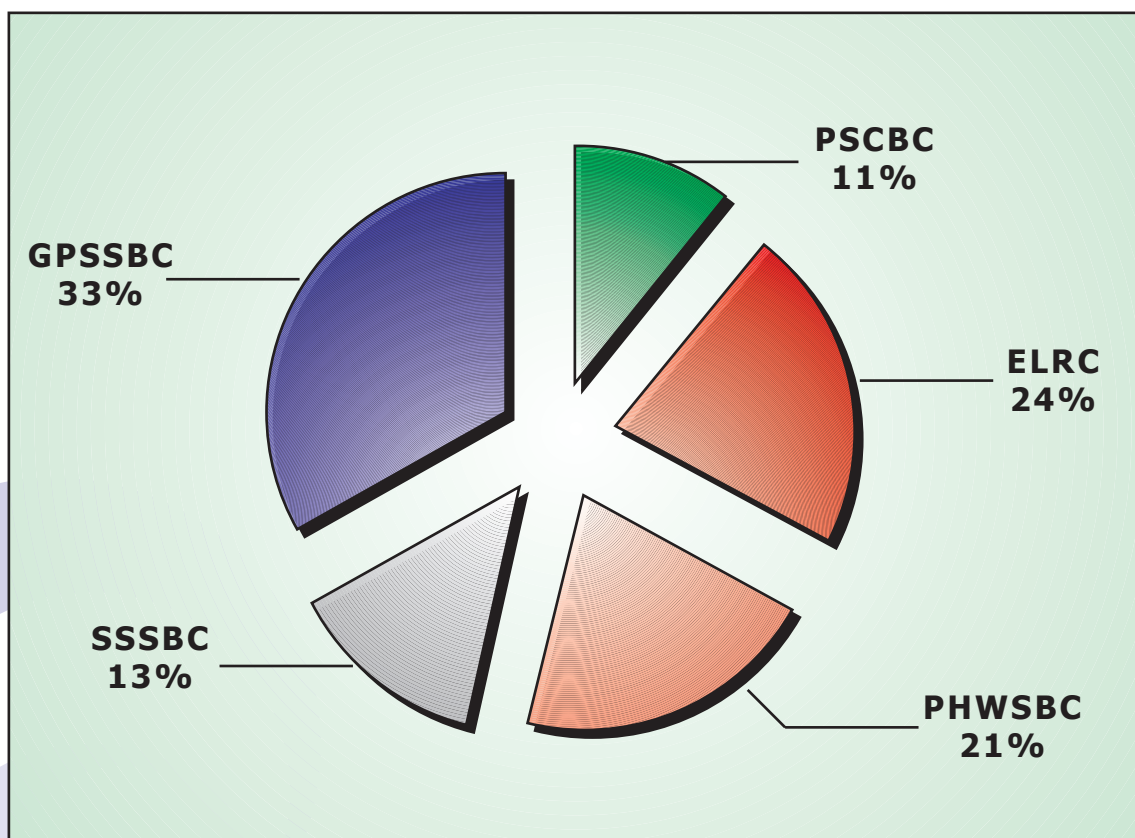
Case Load

The PSCBC and Sectoral Bargaining Councils received a total of 2722 referrals for the period 1 April 2004 to 31 March 2005. The number of disputes referred during the same period in the 2003/2004 financial year is 3780.

Last year it was reported that it seems as if the number of disputes referred in the public service has somewhat stabilised, even though there was still fluctuations in the number of disputes referred within specific councils. From the above it is however clear that there was a radical reduction in the number of disputes referred in the past year. It must be noted that various training initiatives were undertaken by especially the sectoral councils to educate the parties about the dispute resolution procedures, jurisdictional aspects, etc., and the reduction in the number of cases referred may be a direct result of the impact of the training.

The number of properly referred cases 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



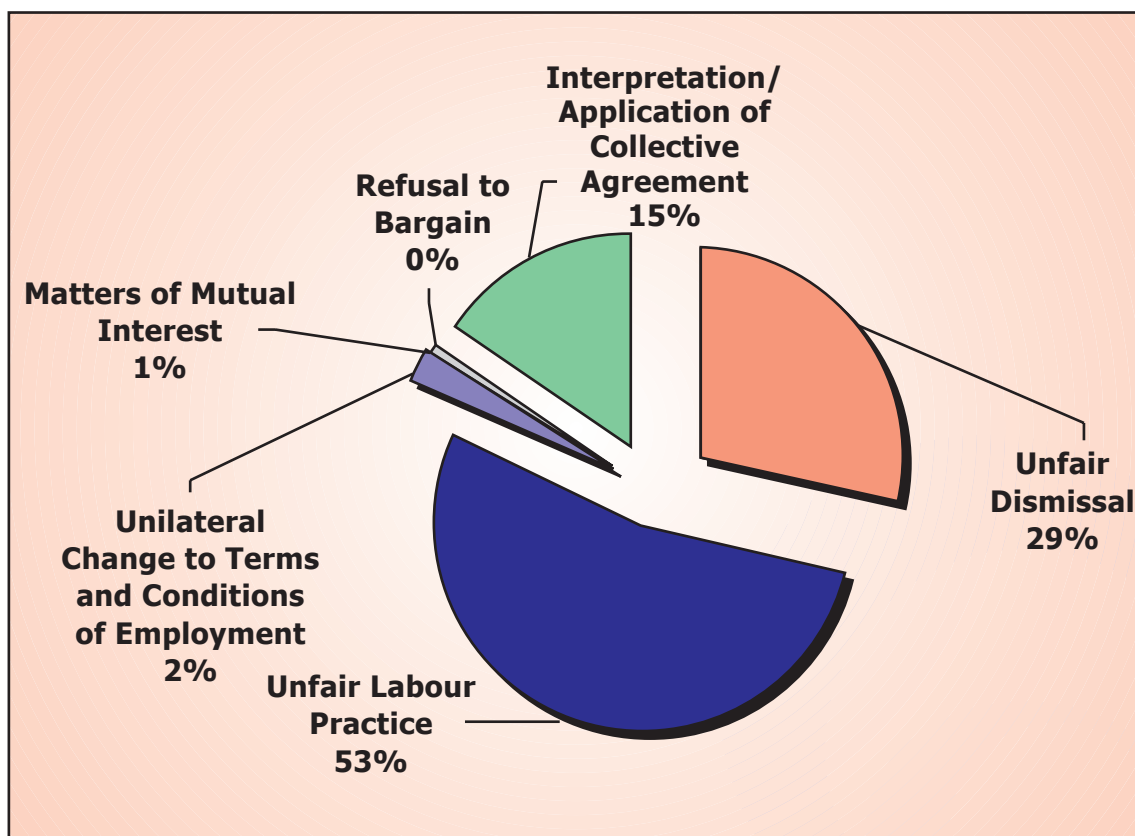
The PSCBC shows the highest fluctuating caseload when compared to previous statistics, and it is clear that there was a substantial increase in the number of cases referred to the PSCBC. In 2002, only 1% of the disputes referred in the public service were referred to the PSCBC. However, in April to March 2004, the percentage increased to 6% and is currently at 11%.

The main reason for the increase in the PSCBC caseload is the growing number of individuals who 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.

The above highlights the need for debates on innovative ways to enforce collective agreements in the public service.

DISPUTES REFERRED PER ISSUE



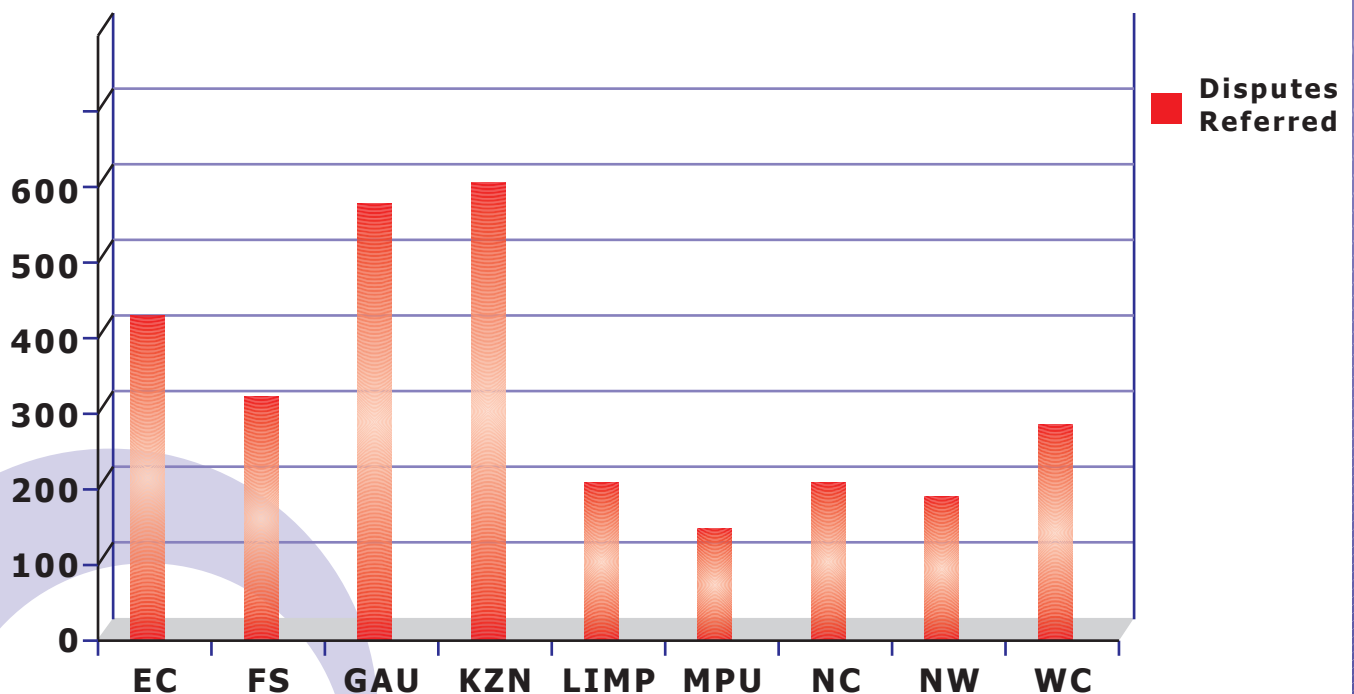
Of the total number of disputes referred, 53% pertained to unfair labour practice disputes (a decrease of 7% in comparison to the previous financial year). Unfair labour practice disputes include disputes about promotions, demotions, training, benefits, suspension or other disciplinary matters short of dismissal, as well as the failure to reinstate in terms of an agreement and probation disputes.

Unilateral Changes to Terms and Conditions of Employment disputes decreased by 2%, Unfair Dismissal disputes increased by 1%, and the Interpretation and Application of Collective Agreement disputes increased by 8%.

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 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 2004 with regard to the provinces where most disputes arose. The bulk of the disputes arose in Gauteng, KZN and Eastern Cape.

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 in both the conciliation and arbitration tables below:

CONCILIATIONS

Sector	Number of cases referred	Hearings scheduled	Settled / withdrawn	Settlement rate
PSCBC	281	230	120	43%
GPSSBC	866	1 234	98	11%
PHWSBC	536	506	95	18%
SSSBC	344	571	93	27%
ELRC	583	375	141	24%

There is a difference between the number of cases referred and the number of hearings scheduled. This is because the total number of cases scheduled also includes postponements, as well as hearings of cases that were referred prior to the period 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 7% lower 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	69	16	2	4
GPSSBC	1260	278	15	135
PHWSBC	291	84	14	43
SSSBC	571	156	7	14
ELRC	262	38	4	6

The GPSSBC scheduled the most arbitration hearings, followed by the SSSBC. It is interesting to note that the number of hearings scheduled by the PHWSBC increased by 60% in the past year, while the number of arbitration hearings scheduled by the ELRC more than doubled.

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 held during this period have not lapsed at the time of the report.

Postponements

A total number of postponements was recorded.

The percentage of cases postponed per council is as follows:

PSCBC: 13% of the scheduled cases were postponed

PHWSBC: 10% of the scheduled cases were postponed

SSSBC: 15% of the scheduled cases were postponed

GPSSBC: 7% of the scheduled cases were postponed

ELRC: 5% of the scheduled cases were postponed

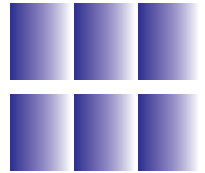
Review Applications

Seven awards were taken on review at PSCBC, 16 at ELRC, 32 at SSSBC, 16 at PHWSBC, and 84 at GPSSBC.

In total, 27% of the awards rendered were taken on review.

Yolanda Le Roux
Dispute Resolution Manager: PSCBC

REPORT ON CELEBRATING A DECADE OF SOCIAL DIALOGUE IN THE PUBLIC SERVICE CONFERENCE



The PSCBC Conference held at CS Holdings in Midrand on 14 & 15 February 2005 marked a watershed 10 years in the active and constructive existence of social dialogue within the Public Service Sector. Attended by 173 delegates, these included: delegates from the SADC regions of Zambia, Malawi, Mauritius, Botswana, Lesotho and Zimbabwe, representatives from the International Labour organisation (ILO-Geneva), Public Service International (PSI-Southern Africa), DPSA, HSRC, Public Service Trade Unions, IIRA, Nedlac, CCMA and Department of Labour, the dynamic focus of the conference was that of Collective Bargaining and Social Dialogue in transforming and restructuring the Public Service. Organised by the PSCBC, with logistical support from eWorx Events Management, and financial support from Alexander Forbes, the conference successfully created the platform for researchers to present papers that would critically inform the collective bargaining process. The PSCBC, which was given its statutory authority by the Labour Relations Act of 1995, has been an instrumental vehicle for the transformation and restructuring of the public service. It has been the medium through which many significant collective agreements on human resource matters were concluded. The PSCBC continues in the spirit of encouraging fruitful social dialogue and forging relations of cooperation in an attempt to promote a culture of effective and efficient service delivery within the public service.

The Chairperson of the PSCBC, Mr. Edwin Molahlehi, served as the Programme Director and welcomed all delegates to the conference, with all protocols being observed. He presented a brief history of social dialogue in the South African public service.

Prior to 1993, public service employees had no labour rights, no right to join unions and no right to bargain. The Public Service Labour Relations Act (PSLRA) was promulgated in 1993 and established the first social dialogue forums in the public service. The Public Service Bargaining Council at central level was the first formal structure where the State as employer and public service trade unions engaged on matters of mutual interest. This structure was fully functional in 1994, and therefore, as we celebrate a decade of democracy in South Africa, we also celebrate a decade of social dialogue and workplace democratisation in the Public Service.

The PSCBC as the successor institution was established by the Labour Relations Act, 1995, which was the first labour legislation in the country to cover the public service. In 2005, we therefore also celebrate 10 years of successful implementation of the Act and its extension to the Public Service.

The purpose of the conference was to celebrate a decade of social dialogue initiatives in the South African Public Service and to evaluate the role that the PSCBC played in the transformation and restructuring of the public service. The conference also aimed to present research papers on public service labour law and labour relations.

The PSCBC regards this as the first of many such conferences that would create a platform for social partners and researchers to present research papers that will stimulate debate and discussion in the social dialogue arena, but more critically it is intended to inform the collective bargaining processes.

The programme unfolded as follows:

Keynote Address – Minister of Public Service and Administration- Ms. Geraldine Fraser-Moleketi – The Role of PSCBC as a vehicle for transformation and restructuring of the Public Service

Messages of Support

- Ms Mary Maletse – FEDUSA President
- Ms Thembi Mngomezulu - COSATU
- Mr. Dave Balt - CONSAWU
- Mr. Baptist Sigidi – SAPU (Independent union)



Theme 1: International Perspectives on Social Dialogue

- Comparative Analysis of Laws & Social Dialogue Machinery in the Public Service: Where does SA lie - Ms Jane Hodges (ILO – Geneva)
- The Role of Public Services International (PSI) in the SADC Region – Ms Maria van Driel (PSI – Southern Africa)
- Panel discussion: Public Service Social Dialogue Experiences in SADC Region
- Representatives from the following countries participated: Mauritius, Zambia, Botswana, Malawi, Lesotho, Zimbabwe

Theme 2: Social Dialogue Machinery — Collective Bargaining and Dispute Resolution

- Structure of Social Dialogue in the South African Public Service – Edwin Molahlehi (PSCBC)
- The power behind the desk: Democracy, Collective Bargaining and the Public Service in South Africa – Ebrahim Hassen (NALEDI)
- Dispute Resolution in the Public Service: Past achievements and future innovation – Dawie Bosch (PSCBC Panelist)

Theme 3: Transforming and Restructuring in the Public Service

- Employment Equity in the Public Service: Challenges of implementation – Ms Nerine Kahn (Department of Labour)
- Transforming organizational culture for service delivery improvement – Prof. Richard Levine (Director-General: DPSA)
- Trade Union/Government Partnership for Transformation: Case Study Chris Hani Baragwanath Hospital – Mr. Karl Von Holdt (Senior Researcher, NALEDI)
- Towards an integrated public service in South Africa: Prospects for uninterrupted service delivery for the next decade – Dr. KJ Maphunye (HSRC)
- Career Pathing in the Public Service – Dr Neva Makgetla (COSATU)
- Retirement Funds and Social Reform – Ms Fagmeedah Petersen (Alexander Forbes)

Theme 4: Public Employment Relationship and Practice

- Constitutional Reflections on the Public Employment Relationship – Prof. M Olivier (University of Johannesburg)
- Managing Discipline in the Public Service – Ms Gill Loveday (PSCBC Panelist)

Theme 5: Partnerships for Effective Service Delivery

- Enabling the Public Service Through Batho Pele – Mr. Chez Milani (FEDUSA General Secretary)
- Understanding 'Scarce Skills' in the Public Service with reference to the Education and Health Sectors – Dr. Andrew Paterson (HSRC)

A detailed conference report and papers/ presentations can be located on the PSCBC Website, or obtained from PSCBC Offices.

The conference ended with a gala dinner, where Mr. Cyril Ramaphosa, Chairman of Alexander Forbes, was the guest speaker.

Conference



Tea Break

**P
S
C
B
C**



**Gala Dinner- Cyril Ramaphosa
John Ertzen, Edwin Molahlehi & Shamira Huluman**



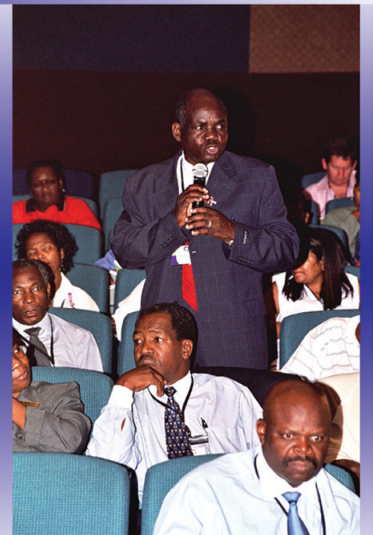
Lesotho Representative



Denosa Representative



Mauritius GSA



Malawi Representative



**Honourable Minister:
Ms: Geraldine
Fraser-Moleketi**



**DG: DPSA
Dr. Richard Levine**

Conference



**PSCBC: Chairperson
Edwin Molahlehi**



**CONSAWU:
Mr. Dave Balt**



**FEDUSA:
Mr. Chez Milani**



**Ms. Fagmeeda Petersen:
Alexander Forbes**



Professor Marius Olivier



**Dr. Andrew Peterson:
HSRC**



Gill Loveday: PSCBC Panellist





Fikile Hugo:
PSCBC Vice Chairperson



Gala Dinner:
Jome Hodges ILO, John Ernstzen



Alexander Forbes
Representatives



Cyril Rhamaposa:
Alexander Forbes



PSCBC Representatives



PSCBC Chairperson &
Secretary



PSCBC Staff



GALA Dinner: Dancers



GALA Dinner: Dancers



Reports of the Educational Labour Relations Council (ELRC)

Introduction

The Education Labour Relations Council (ELRC) derives its powers from the Labour Relations Act (LRA) as amended and is registered as a public entity that is required to comply with the Public Finance Management Act (PFMA) of 1999, and the Treasury Regulations. This report covers the financial year from 1 April 2004 to 31 March 2005.

The ELRC has as its core business the promotion of labour peace within the public educational sector through a process of dispute resolution and prevention. The council is instrumental in facilitating consultations between the employer and the unions, which eventually culminate in sound collective agreements.

Negotiation Support Services

The ELRC facilitates negotiations at both national and provincial level in accordance with its vision to promote labour peace within the public education sector.

For the period under review, the ELRC was instrumental in facilitating the signing of the following collective agreements at a national level:

- Collective agreement 1 of 2005 signed on 22 February 2005, dealt with the ***Vote Weights for the Trade Unions that are Parties to the Council.***
- Collective agreement 2 of 2005 signed on 11 March 2005, dealt with the ***Salary Progression for the period 1 July 1996 to 30 June 2002.***

The following collective agreements were signed in the provincial chambers:

Limpopo Chamber

- Collective Agreement No. 1 of 2004 on the ***selection criteria for the appointment of ABET examiners.***

Mpumalanga Chamber

- Collective Agreement 2 of 2004 on the Permanent appointment of temporary educators.
- Collective Agreement 4 of 2004 on the ***Implementation of the new post and salary structure.***

North West Chamber

- Collective Agreement 4 of 2004 on the ***Implementation of new post and salary structure.***

Other Projects

The Council identified the following research projects:

The HSRC was contracted to commence research on the **Maximum working hours for Educators in the Public Sector**. The project commenced in October 2004 and will conclude in July 2005, which is in the next financial year. The research is aimed at determining the maximum working hours for educators, which will have implications both for the productivity and quality of output delivered by educators.

A second research study on the **Post Provisioning Model** began in October 2004. The CEPD was commissioned as the main service provider. Progress reports have been submitted to the Council.

The ELRC has commissioned the HSRC to conduct a study to examine determinants of demand and supply of educators in South African Public educational institutions. The variables that might shed light on the attrition and supply of educators are HIV / AIDS-related illness and death, general non-HIV/ AIDS-related ill-health, tuberculosis, staff morale, job satisfaction, workload, violence, alcohol misuse, drug use and migration. The report has been released at a press conference at the end of March 2005. The final results would be available in July 2005.

The ELRC funded the development of **Curriculum 2005**. All parties have participated in the development of Curriculum 2005. Each party has to submit a report to conclude the process.

In 2003, Collective Agreement 8 was signed on the **Integrated Quality Management System (IQMS)**. Some provinces have been successful in getting this project off the ground. It is crucial that the roll-out of the training takes place for the effective implementation of the system. Each province has therefore been requested to present a Provincial Task Team (PTT) report to the next IQMS meeting.

The ELRC, SACE and its partners celebrated World Teachers' Week during 4 to 8 October 2004. The International Theme "Quality Teachers for Quality Education" and "Wanted: Quality Teachers to recruit and retain" formed the basis of the celebrations. The celebrations consisted of one national event and 9 provincial events. While the national event was hosted in Pretoria on 8 October 2004, the provincial events were held during October 2004 in various regions within the provinces. A total amount of R1, 3 million was spent on the programme.

The Tenth Anniversary celebrations of the ELRC was held in July 2004. Over the past 10 years, the ELRC, consisting of the Department of Education and the four trade unions (SADTU, NATU, SAOU and NAPTOSA), contributed significantly towards the development and delivery of quality public education. The relevant stakeholders to the ELRC attended this event, and the Minister of Education, Mrs. Naledi Pandor, was the keynote speaker at the evening gala.

Dispute Resolution

1. Total Number of Disputes and Settlement Rate

During the period 2004/2005, a total of 671 disputes were referred to the Council. (Note: that in the PSCBC dispute resolution report, statistics reflect properly referred cases).

Of these, 467 were successfully dealt with through conciliation/arbitration. Cases that are still in process amount to 160, and the rest were either withdrawn, did not proceed, or were removed due to lack of jurisdiction.

2. Expedited Process in KwaZulu Natal

In this financial year, the Council facilitated the Expedited process in KwaZulu Natal, which was aimed at dealing with disputes which arose from the promotions and appointments process that emanated from the implementation of HRM circulars.

A total of **82** cases were referred to this process. While sixty-one (**61**) cases were settled at conciliation, **9** were successfully dealt with at the arbitration. The balance were withdrawn, settled by the parties, or removed due to lack of jurisdiction.

3. Total Number of Cases Referred Per Province

In terms of the total number of disputes registered per province for the period 2004/2005, KwaZulu Natal recorded the highest percentage with almost **41%** of all disputes referred, followed by Western Cape with **14%**. In the previous financial year, KwaZulu Natal, followed by Limpopo, recorded the highest number of disputes.

Total Number of Disputes Referred Per Issue

In terms of the number of cases referred per issue, almost **44%** of cases referred related to Appointments & Promotions, followed by Dismissals with **24%** and Salary and Benefits with **13%** of the total number of disputes referred. In the previous financial year, rationalization and redeployment recorded the second highest of the disputes referred per issue at **23%** followed by dismissals with **21%**.

It is envisaged that the ELRC is likely to receive more disputes relating to salary and benefits, due to the recent signing of the agreement on teacher salary backlogs.

Other Achievements

- Accreditation of ELRC panelists
- Activation of the con/arb process
- Amendments to the Constitution and Dispute Procedure

Financial overview

The total levies collected this financial year amounted to R13.5m as compared to R15.6m the previous year. The decrease of R2m is the result of the decrease in levies per educator that came into effect in the middle of the previous financial year. This has necessitated the transfer of an amount of R6.3m from the reserves to meet budgetary requirements. The reserves cannot sustain this organisation for a long time, hence the urgency to review the levies per educator for the next financial year. This has been brought to the attention of the Executive Authority.

The Accounting Officer has endeavoured to implement sound financial measures to comply with the requirements of the PFMA and the Treasury Regulations. Among these, a Risk Assessment of the organisation was undertaken and is being updated on a regular basis. A fraud prevention plan is in place and will be updated when necessary. The EFT (electronic funds transfer) system has been successfully implemented. The Council is in the process of implementing a Supply Chain Management system by June 2005.

4. NPDE

A report on the evaluation of the NPDE programme was completed and circulated to all parties of Council during the year under review. The report on the database of students on the NPDE programme was also completed. This report forms part of the evaluation of the programme. It makes available all information on teachers enrolled, track the number of teachers enrolled, show the number of students who qualified, or are yet to qualify, as well as those who have withdrawn.

5. Policy Handbook

The delivery of Policy Handbooks for Educators has been completed in all provinces except Eastern Cape, KwaZulu Natal, Mpumalanga and Limpopo, where significant problems have affected the smooth delivery, and consequently, the closure of the project.

Conclusion

The Accounting Officer is satisfied with the output and delivery of the core business services of the Council. This report demonstrates the commitment of the Council to the principles of transparency, accountability and service delivery.

M Govender
General Secretary: ELRC

REPORT OF THE GENERAL PUBLIC SERVICE

SECTORAL BARGAINING COUNCIL (GPSSBC)

Overview

The General Public Service Sector was designated in terms of the PSCBC Resolution 10 of 1999. The Bargaining Council for the Sector, referred to as the General Public Service Sector 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.

Vision

'To be the leading Sectoral Bargaining Council in the Public Service'

Mission Statement

'To promote sound labour relations and to ensure industrial stability within the sector through effective collective bargaining, dispute management and good governance.'

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 your behaviour
- Commitment

Equity:

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

Strategic objectives

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 management.
- Improve the governance model by inculcating best practice in all aspects of our work.
- 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 covers 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;

Administration Officer;

Chambers Administrator; and

Personal Assistant to the Secretary.

During the period under review, Council approved the appointment of three (3) additional staff members, namely, the HOD: Finance and Administration, Dispute Resolution Supervisor, and an additional Chambers Administrator.

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 POPCRU, NEHAWU and PSA.

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

Although Council, on the basis of information received, must admit combined unions, as required by clause 6.3 and 6.4(b), a recalculation of the vote weight is not determined 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.

Vote weights of Parties to Council for 2004/2005

TRADE UNIONS	AUDITED MEMBERSHIP FIGURES Clause 10	VOTE WEIGHTS Clause 11	NUMBER OF REPRESENTATIVES Clause 12
PSA	110, 618		
UNIPSA	3, 589		
NPSWU	1, 120		
TOTAL	115, 327	48.33%	5
NEHAWU	79, 814		
PAWUSA	11, 376		
TOTAL	91, 190	38.22%	5
POPCRU	22, 613		
SASAWU	9, 486		
TOTAL	32, 099	13.45%	3
GRAND TOTAL	238, 616	100%	

GPSSBC Achievements

The changes effected by the signing of PSCBC Resolution 5 of 2003 and GPSSBC Resolution 3 of 2003 were consolidated. All administrative functions of the GPSSBC have been successfully 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 during the review period, Council has been able to avert undue delays in setting matters down and to manage the caseload more efficiently.

The second annual panellist workshop was held in all provinces during the reporting period. 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 during this financial year was the successful completion of Labour Relations Training for approximately 1000 public servants under the scope of the Council. The benefits of the training are evident from the reduction in defective referrals to Council, as well as a marginal decrease in the number of disputes referred to Council.

Council has approved additional training for the new financial year, including training on Dispute Resolution Rules, Governance Rules for Chambers, and Negotiations skills.

In line with the strategic objective of Council to forge ties with international and local organisations in an effort to promote the objectives of Council, a study tour to India and Korea has been approved by Council. It has also been agreed that Council will attend the regional IRASA conference to be held in November 2005.

Collective Bargaining and consultative processes

Council successfully concluded two (2) resolutions during the period 1 April 2004 to 30 March 2005. These are:

- | | |
|------------------------|--|
| Resolution 3 of 2004 - | Establishment of Provincial and National Departmental Chambers of the GPSSBC |
| Resolution 4 of 2004 - | Adoption of Rules for the Conduct of Proceedings before the GPSSBC |

Task teams of the Executive Committee

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

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

The following task teams met in 2004-2005:

Financial Committee

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

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

A sub-task team, namely, the Financial Policy and Procedure Manual task team, was established and tasked with the responsibility of reviewing Council's financial policies and procedures, with specific emphasis on supplementing the existing policy to take into account the changes as a result of Council administering all its financial and human resource functions. The policy manual is being aligned by our auditors in preparation for submission to Council for adoption.

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 reports 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; and
- Review of the Constitution of Council.

Staffing committee

The primary responsibility of this Task Team was to review the current Human Resource Policy of Council. The task team has completed its work. The policy is being aligned to both the Finance Policy and Procedure Manual by Council's auditors in preparation for submission to Council for adoption.

Transformation task team

Proposals on the implementation of projects and the designing of a training programme for the GPSSBC were identified and agreed by parties to Council. The training programmes agreed to for rollout during the next reporting period are: Dispute Resolution Rules, Negotiations Training, and Governance Rules for Chambers.

Provincial Chambers task team

This task team was established to make recommendations to give effect to the provisions in the constitution of the GPSSBC, as well as the PSCBC Resolution 9 of 2003 on the establishment of Provincial and National Departmental chambers of the GPSSBC. Having successfully overseen the launching of the chambers, the terms of reference of this task team were extended to deal with both the redefining of the ratification of resolutions from chambers, and the finalisation of the Governance Rules for chambers.

A Garson
Secretary: GPSSBC

Report of the Public Health and Welfare Sectoral Bargaining Council (PHWSBC)

Introduction

The PHWSBC was designated by the PSCBC in terms of section 37 of the LRA, 1995. It also obtained its registration from the Labour Department in terms of s. 29 as an official collective bargaining entity within the Public Health and Welfare sectors.

The core functions of the Council are envisaged in section 28 of the LRA, with its vested powers to engage in collective bargaining, to implement dispute resolution and prevention functions, to sign and engage in amending its Constitution, and to administer its own funds and other special projects.

Scope

The scope of the PHWSBC, in terms of clause 3 of its current Constitution, is as follows:

- Employer from the National Departments of Health and Social Development, as well as in the spheres of Health and Welfare Departments in the nine provinces.
- Employees, both in the National Departments of Health and Social Development, and in the nine provinces.

Clause 3.1(b) (c) also includes employees who are employed in the health and welfare facilities under the Public Service Act (PSA) and the Correctional Services Act and their employers. Additionally, Health and Welfare workers as defined in Schedule 1 of the current Constitution, employed under the PSA and their employers.

Parties to Council

- The Employer is represented by the Department of Health and the Department of Social Development.
- Five trade union parties are admitted to Council with the following membership:
 - NEHAWU (acting together with PAWUSA) - 82 885
 - DENOSA (acting together with SAMA & SADNU) - 76 819
 - PSA (acting together with NPSWU) – 46 058
 - HOSPERSA - 39 867
 - NUPSAW - 10 338

The Executive Committee

Mr. MH Fadal (Chairperson)
Ms T Mngomezulu (Vice – Chairperson)
Mr. TE Marule (Vice – Chairperson)

Trade Unions

Mr. Johan van den Berg (NEHAWU)
Mr. Leon Gilbert (PSA)
Ms Thembi Gumbi (DENOSA)

Employer

Mr. James Cornwall
Mr. Armstrong Malope
Mr. Joey Roman



Collective Bargaining and consultative processes

Regrettably, the Council did not conclude any resolution during the period under review. However, the contentious items on the agenda were:

- Minimum Service Framework Agreement;
- Scarce Skills and Rural Allowances;
- Allowances for uniforms;
- South African Social Security Agency;
- Increases on Social Workers Salaries;
- Resolution on the Administration of Disputes in terms of Res. 1/2003 of the PSCBC;
- Resolution on the evaluation of Full Time Shop Stewards;
- Constitutional amendments;
- Endorsement of Fee Policy; and
- Increase of leave days for union office bearers.

Committees and Task Teams

Transformation Committee

In 2004, the Council took a decision to commission Sithole Human Capital, – a service provider – to facilitate training on Labour Relations in the Public Health and Welfare Sector, for shop stewards and managers.

While Training continued in all provinces in accordance with Council's decision, the actual idea for the training stemmed from Skuatu recommendations (2003) after having conducted a climate survey on HIV and AIDS, and Labour Relations in the Sector.

Reference is made to Resolution 1/2000 – **Application for Transfer and Utilisation of the R10 million Allocated to the Public Health and Welfare Sector** – envisaging projects that the fund would be utilized for.

The Council is awaiting the results of both Managers and Shop stewards who attended Labour Relations Training. The Employers position was that there would be no need for capacitating employees on HIV and AIDS issues at that stage since there were such projects within the provincial and national departments, for employees.

Fincom

The Council adopted a Financial Policy and Procedure Manual as a guiding document on Council's financial matters. The Council holds these accounts in its name, and their values as at 31 January 2005:

Levy Fee Account	-	R 9 048 433.00
Transformation Account	-	R 4 957 752.30
Training Plan Account	-	R 1 430 100.89

The total value includes the investment account (call account accumulating interest).

The Approved budget for activities is as follows:

Communication	-	R 152 000.00
Office Administration	-	R 266 600.00
Legal Services	-	R 465 000.00
Collective Bargaining	-	R 101 200.00
Provincial Chambers	-	R 1 678 946.00
Dispute Resolution	-	R 1 941 400.00
Capital Expenditure	-	R 90 000.00
Workshops and Team Building	-	R 232 000

The financial status of the Levy Account seemed not to be healthy in the past years. The Council felt that there were levies from other Departments, such as Education, Correctional Services and Defence, which were diverted to other Bargaining Councils.

Mr. Mokoena, the Auditor, has however been assigned to conduct a blanket research in all Departments, and to develop mechanisms to retrieve levies due to this Council.

The GPSSBC was informed of this intention.

The Levy Fee project commenced in early March 2005 to May 2005.

Dispute Resolution

1. The list of panellists for 2004/2005 was endorsed in October 2004 by the Council.
2. The Panellists Fee Policy has not yet been endorsed due to unforeseen delays. Parties are also aware that the Fee Policy proposed is similar across Bargaining Councils in the Public Service.
3. A Resolution on the administration of disputes emanating from Res.1/2003 of the PSCBC is also not yet endorsed.

Clause 7.3 (c) of the PSCBC resolution stipulates the transfer of the disputes in terms of s188A of the LRA to relevant Sectors.

It is due to the said clause that the Committee came up with the draft resolution. Moreover, in November 2004, Council tasked the Office Bearers to finally check and refer to a Special Council for endorsement.

4. Apart from having dispute procedures in the Constitution, the Council needs to adopt its own rules of conduct. It was recommended in the DR meeting of 8 March 2005 that the document should be forwarded to Commissioner T Moodley to check legalities.
5. The proposed directory on dispute procedure that was ideally introduced to assist parties when referring a dispute has not yet been endorsed.

Skills Development Committee

The Committee was formed as a forum to facilitate the implementation of skills development in the sector prior to the establishment of the SETAs. In the process, a Resolution on Sectors' Training Plan was endorsed at PSCBC level.

This Resolution envisaged that the Sector should draw up its Training Plan on Skills Development. Parties would then appoint academics/specialists in the Skills Development field to form a Working Group, to assist in drafting the plan. Moreover, in the process, research should be conducted either at National or provincial levels of the Sector. An amount for this project has been set aside.

The Council endorsed nominations of people who would form the Working Group. Dr N van Zyl was appointed by the **Employer**, **COSATU** appointed Mr. S Shezi, and Mr. J Allcock was appointed by **FEDUSA**.

Current position

1. Parties acknowledged that the Resolution on setting up a Sector's Training plan was endorsed prior to the establishment of the SETAs.
2. People who were nominated to form a Working Group are most probably engaged in other projects. The Council should therefore seek advice from the H & W SETA.
3. Parties have suggested that Dr Govender from the H&W SETA should be invited to make presentations on what the SETA does and give advice on the Training plan.
4. In the interim, the Secretariat will engage with the PSCBC with regard to verifying the origin and intentions of the Resolution.
5. The current amount (the Training Fund) set aside is R1, 4 million.

Staffing Committee

The Council meeting of 21 May 2004 decided that the Job Evaluation (JE) outcome for staff members should be adopted. The Equate System had been utilized for the JE exercise.

Job levels were in the following order wherein the Council decided that the level with a plus (+) rating should be moved up by one (1) level, and the level without a + rating should be moved to the last notch of the same level:

Secretary	12+ = 13
DRM	11+ = 12
DRO	08 = last notch of the same level
CB Officer	08+ = 09
Fin. Officer	08+ = 09

Constitutional Amendments Task Team

The process of amending the current Constitution has not yet been finalized. The Employer submitted fresh proposals in November 2004. It was recommended that Adv. R. La Grange, the facilitator, should fuse the working document with the Employer's proposals.

Provincial/Departmental Chambers

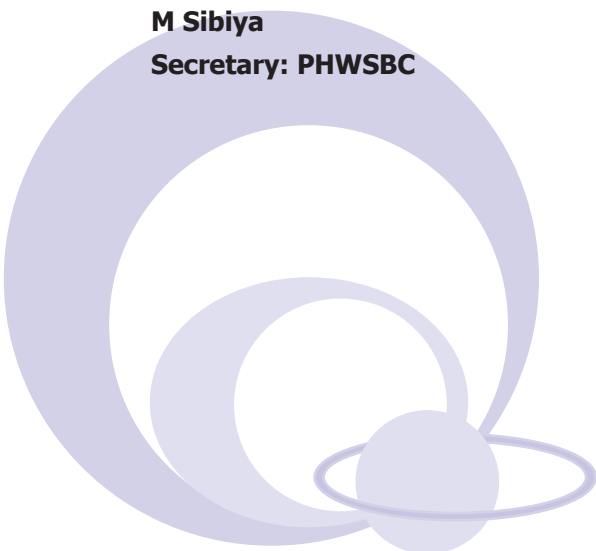
Provincial Chambers of the PHWSBC are established in terms of the PHWSBC Constitution. These chambers have been functional during the period under review.

As a pilot project, the Council has sourced an Employment Agency to provide Secretarial services to Chambers for a period of six months, from 17 January to 30 June 2005.

Appointment of new Secretary to Council

As a result of the resignation of Mr. R Mahlabane, Council appointed Mr. M. Sibiya as the new Secretary with effect from 1 December 2004.

M Sibiya
Secretary: PHWSBC



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

The Safety and Security Sectoral Bargaining Council (**SSSBC**) was established in terms of Resolution 12/98 of the PSCBC. The SSSBC is 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 powers and functions 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.

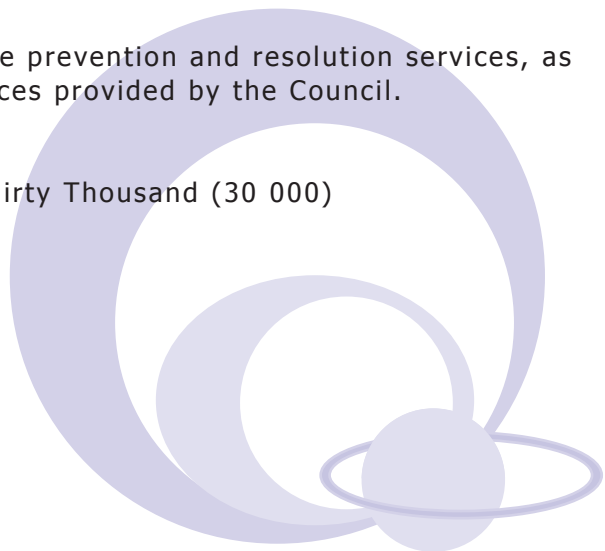
Admission Threshold for Trade Union Parties: Thirty Thousand (30 000)

Parties to Council:

Employer - South African Police Services (**SAPS**)

South African Police Union (**SAPU**),

Police & Prisons Civil Rights Union (**POPCRU**).



SSSBC OBJECTIVES

- « To enhance labour peace in the Sector;
- « To provide a forum for collective bargaining in the sector;
- « To negotiate and conclude collective agreements on matters of mutual interest;
- « To implement, monitor and enforce its collective agreements;
- « To promote a sound relationship between the employer and employees;
- « To prevent and Resolve Disputes;
- « To 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 2004/05 FINANCIAL YEAR

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

Agreement 3 of 2004 Agreement on Clothing Credit

Agreement 4 of 2004 Dispute Procedure for disputes emanating from PSCBC Resolution 7/2002

Agreement 1 of 2005 Adoption of SSSBC Dispute Resolution Rules

PROVINCIAL CHAMBERS

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

MONTHLY REPORTS

Chambers are required to submit monthly/bi-monthly reports to Council. These reports assist the Council in monitoring the activities of the chambers and to identify problems experienced.

TRAINING

Training was provided to provincial secretaries and chairpersons on the administration of the chambers. The training focused, among others, on:

- « Minute and Report writing;
- « The Constitution of Council;
- « The Role of the Chairperson and Secretary;
- « Disputes declared in Chambers; and
- « Agreements signed in chambers.

PROVINCIAL VISITS

The Council once again embarked on provincial visits to chambers. The purpose of these visits was to observe the meetings of the chambers and engage in dialogue with the parties regarding the functioning of the chambers. The provincial visits assist Council in determining appropriate intervention measures to build capacity, and hence, to enhance the functioning of the chambers.

CAPACITY BUILDING

In an effort to build capacity at provincial level, parties to chambers were sent to various labour law seminars during the period under review. More capacity-building, as well as relationship building programmes, will be made available to the chambers in the next financial year.

K Mosoane
SSSBC: Secretary

VOTING WEIGHTS AND MEMBERSHIP

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	GP	SS	EDUCATION	TOTAL		
	SECTOR	SECTOR	SECTOR	SECTOR			
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





1. Terms of reference of the Financial Committee

The following duties are assigned to the Financial Committee:

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

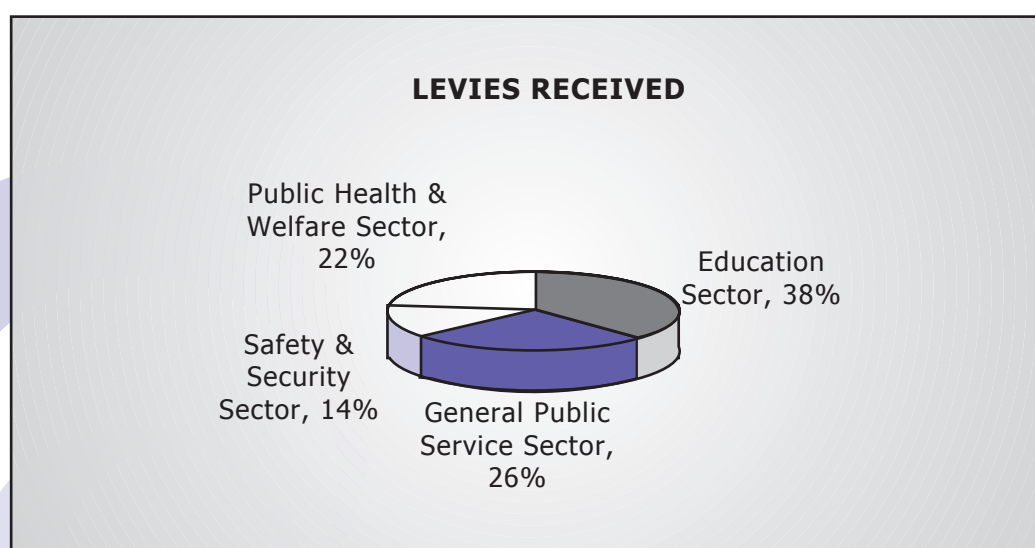
2. PSCBC Financial Committee members-2004/5

M. Muller	Labour Representative
R. Monareng	Labour Representative
P. Pillay	Labour Representative
G. Mackenzie	Employer Representative
S.G Padayachee	Employer Representative
R. Venkiah	Employer Representative
J. Griesel	Employer Representative

3. Financial performance

3.1 Levies Received

Total levies received from the Public Service as prescribed by Res. 2 of 1998, and Res. 5 of 2003, amounts to R12 million. Below are the approximate amounts and percentages of the total levies received from the different sectors:



3.2 Total expenditure

The total expenditure amounted to approximately R7 million in the financial period ending 31 March 2005. This amounts to a 42% decrease compared to the previous year, and a surplus of R5 million. This year's surplus arose principally as a result of the positive financial impact of Res. 3 of 2003.

During the period 2004/5, the PSCBC established Provincial Chambers in all four provinces. It is expected that the total cost of running these chambers will amount to R400 000 per annum.

3.3 Interest Received

Total interest received from Cash Management System for the period under review amounted to R 215 520, and R 96 837 from the Call Account.

3.4 Special Projects Account

The Special Projects account has accumulated interest income amounting to R569 726. No special projects were implemented during the period under review.

3.5 Multi-term Budget

Each year, although Council budgets on a prudent basis to breakeven, there are often uncertainties that need to be taken into account. During 2004/5, Council expected to purchase its own office premises. However, due to the uncertainty with regard to the viability of the project, it was decided that Council should enter into a long-term lease agreement with the existing landlord.

4. Post-Balance sheet contracts

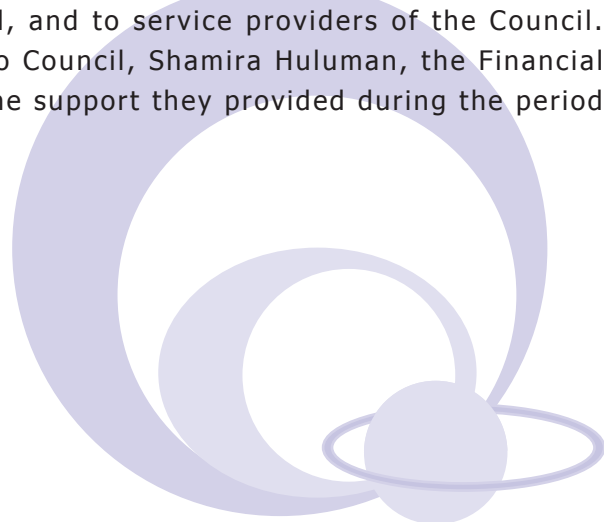
After 31 March 2005, the PSCBC signed a seven-year office space lease contract with Lyttelton Property Developers. The contract will cost the Council an amount of R1.5 million in terms of rental for the year ending 2006.

5. Conclusion

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

Sindi Moolman

Finance And Administration Manager: PSCBC



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 2005



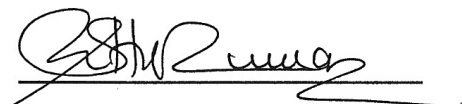
**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

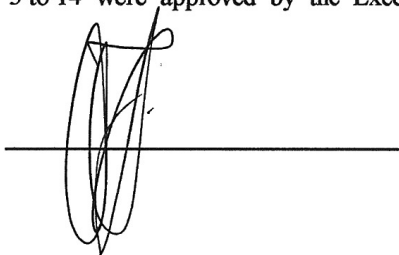
The reports and statements set out below comprise the annual financial statements presented to the members:

Index	Page
Report of the independent auditors	2
Report of the Council	3
Balance sheet	4
Income statement	5
Statement of changes in funds	6
Cash flow statement	7
Notes to the financial statements	8 - 13
Detailed income statement	14

Approval

The financial statements which appear on pages 3 to 14 were approved by the Executive Committee on 24 June 2005 and signed on their behalf by:


PSCBC:SECRETARY





**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 13 for the year ended 31 March 2005. These financial statements are the responsibility of the Council. 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 bargaining council at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the bargaining council's constitution.

Supplementary information

The supplementary schedule set out on page 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

SAB&T

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

Centurion
24 June 2005



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
Page 12 *Offices in Mauritius and Australia (Perth)*

*Directors: *D E Zondo (CEO), B Adam, M R Arbee, J Bosch, *A Darmalingam, Y M Hassen, H Kajie
S Makamure, *T M Mayet, *D R Nathoo, B Nduna, F J Oeschger, I Osman, *R Parbhoo, K Pather, 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*



**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
REPORT OF THE COUNCIL
for the year ended 31 March 2005**

The Council presents their report for the year ended 31 March 2005. This report forms part of the audited financial statements.

1. Principal activities of the organisation

Public service co-ordinating bargaining council.

2. General review

The organisation's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

3. Statements of responsibility

The Council is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the council's constitutions.

The Council is also responsible for the organisation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Council to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Council has every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

4. Financial results

The results of the organisation and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

5. Property, plant and equipment

There have been no major changes in the property, plant and equipment during the period or any changes in the policy relating to their use.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
BALANCE SHEET
as at 31 March 2005

	Notes	2005 R	2004 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	536,582	590,381
Current assets			
Accounts receivable	3	33,287,855	26,794,197
Cash and cash equivalents		389,107	149,844
		32,898,748	26,644,353
Total assets		<u>33,824,437</u>	<u>27,384,578</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated funds		6,995,698	1,552,621
Non-current liabilities			
Special projects	4	10,850,865	10,547,037
Current liabilities			
Accounts payable	8	15,977,874	15,284,920
Trade unions funds	5	348,210	1,421,667
		15,629,664	13,863,253
Total equity and liabilities		<u>33,824,437</u>	<u>27,384,578</u>



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
INCOME STATEMENT
for the year ended 31 March 2005

	Notes	2005 R	2004 R
Levies received	6	12,018,636	11,878,884
Other income		350,000	18,140
Operating costs		<u>7,125,916</u>	<u>12,519,531</u>
Operating surplus/(deficit)	7	5,242,720	(622,507)
Interest received		312,357	197,392
Finance costs		<u>(112,000)</u>	<u>(131,288)</u>
Surplus/(Deficit)		<u><u>5,443,077</u></u>	<u><u>(556,403)</u></u>



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
STATEMENT OF CHANGES IN FUNDS
for the year ended 31 March 2005

	Accumulated funds R
Balance at 01 April 2003	2,109,024
Net deficit for the year	<u>(556,403)</u>
Balance at 01 April 2004	1,552,621
Net surplus for the year	<u>5,443,077</u>
Balance at 31 March 2005	<u><u>6,995,698</u></u>



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
CASH FLOW STATEMENT
for the year ended 31 March 2005

	Notes	2005 R	2004 R
Cash flows from operating activities		6,236,874	(6,310,912)
Cash receipts		12,368,636	11,878,884
Cash paid to suppliers and employees		(6,332,119)	(18,255,900)
Cash generated by/(utilised in) operating activities	12.1	6,036,517	(6,377,016)
Interest received		312,357	197,392
Interest paid		(112,000)	(131,288)
Cash flows from investing activities		(286,307)	(578,915)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(286,307)	(581,215)
Proceeds of disposals of property, plant and equipment		-	2,300
Cash flows from financing activities			
Movement in Special Projects		303,828	40,167
Increase/(decrease) in cash and cash equivalents		6,254,395	(6,849,660)
Cash and cash equivalents at beginning of the year	12.2	26,644,353	33,494,013
Cash and cash equivalents at end of the year	12.2	32,898,748	26,644,353



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

1 Basis of preparation

The financial statements are prepared in accordance with South African 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 Revenue recognition

Levies received are recorded on the date of receipt.

1.2 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

1.3 Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.4 Provisions

Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

1.5 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts payable, accounts receivable and borrowings.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as follows:

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

2. Property, plant and equipment

	2005			2004		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
<i>Owned assets</i>						
Motor vehicles	179,152	-	179,152	-	-	-
Furniture and fittings	486,888	349,126	137,762	424,167	258,977	165,190
Computer equipment	667,245	482,942	184,303	629,018	338,457	290,561
Computer software	468,191	432,826	35,365	461,985	327,355	134,630
	<u>1,801,476</u>	<u>1,264,894</u>	<u>536,582</u>	<u>1,515,170</u>	<u>924,789</u>	<u>590,381</u>

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R	R	R	R	R
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	172,445	-	(98,043)	134,630
	<u>349,749</u>	<u>581,216</u>	<u>(7,990)</u>	<u>(332,594)</u>	<u>590,381</u>
	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R	R	R	R	R
2005					
<i>Owned assets</i>					
Motor vehicles	-	179,152	-	-	179,152
Furniture and fittings	165,190	62,722	-	(90,150)	137,762
Computer equipment	290,561	38,329	-	(144,587)	184,303
Computer software	134,630	6,104	-	(105,369)	35,365
	<u>590,381</u>	<u>286,307</u>	<u>-</u>	<u>(340,106)</u>	<u>536,582</u>
		2005		2004	
		R		R	

3. Accounts receivable

Accounts receivable is made up of the following:

Sectors	214,807	58,076
Staff loans	9,886	4,606
Deposits	48,643	48,643
Accrued interest	66,985	38,519
Sundry debtors	48,786	-
	<u>389,107</u>	<u>149,844</u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

	2005 R	2004 R
4. Special Projects		
Development of Training Plan (Clause 5 of Resolution 7/98)		
Opening balance	1,129,735	1,223,693
Interest received	-	179,910
Bank charges	-	(175)
IIRA Conference	-	(261,519)
Transfer to General Funds	(1,129,735)	-
Nepal Study Tour	-	(12,174)
Balance at year end	<u>-</u>	<u>1,129,735</u>
Transformation and Restructuring Fund		
Opening Balance	9,417,302	9,283,177
Interest received	-	1,429,569
Bank charges	-	(1,282)
Transfer to General Funds	(9,417,302)	-
Consulting fees	-	(3,000)
Technical Committee	-	(1,291,162)
Balance at year end	<u>-</u>	<u>9,417,302</u>
General funds		
Transferred from Development of Training Plan	1,129,735	-
Transferred from Transformation and Restructuring Fund	9,417,302	-
Interest received	569,726	-
Bank charges	(811)	-
Restucturing costs	(73,351)	-
Arbitration fees	(191,736)	-
Balance at year end	<u>10,850,865</u>	<u>-</u>
Total	<u>10,850,865</u>	<u>10,547,037</u>



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

5. Trade union funds

	Allocations 2005 R	Distributions 2005 R	Amount due 2005 R	Allocations 2004 R	Distributions 2004 R	Amount due 2004 R
DENOSA	5,392,548	(5,138,930)	1,124,704	4,388,317	(4,199,546)	871,086
HOSPERSA	7,881,096	(7,584,365)	917,728	4,908,510	(4,837,517)	620,997
NAPTOSA	6,906,686	(6,706,909)	2,159,971	7,632,948	(6,743,827)	1,960,194
NUPSAW	-	(24,776)	-	391,359	(609,667)	24,776
NEHAWU	13,212,952	(12,728,220)	2,723,627	11,349,652	(10,916,274)	2,238,895
PAWUSA	-	(292,615)	-	1,512,293	(1,479,439)	292,615
POPCRU	7,420,230	(7,182,295)	1,547,138	6,638,323	(6,384,952)	1,309,203
PSA	13,646,106	(13,416,206)	2,813,251	13,012,162	(12,548,316)	2,583,351
SADTU	16,133,261	(15,810,072)	3,322,817	15,112,961	(14,448,643)	2,999,628
SAPU	4,934,544	(4,796,301)	1,020,428	4,420,199	(4,204,204)	882,185
SAOU	-	(26,059)	-	411,629	(641,245)	26,059
SAMA	-	(54,264)	-	222,737	(168,473)	54,264
	<u>75,527,423</u>	<u>(73,761,012)</u>	<u>15,629,664</u>	<u>70,001,090</u>	<u>(67,182,103)</u>	<u>13,863,253</u>

6. Levies received

Resolution 5 of 2003 (Levy fee agreement): employer and employee contributes R0.50 each.

	2005 R	2004 R
7. Operating surplus/(deficit)		
Operating surplus/(deficit) is stated after:		
<i>Income</i>		
Profit on disposals of property, plant and equipment	-	2,300
<i>Expenditure</i>		
Auditors' remuneration		
- Audit fees	39,900	64,410
Depreciation		
- Property, plant and equipment	340,106	332,594
Lease rentals		
- Premises	<u>1,053,883</u>	<u>835,663</u>
8. Accounts payable		
Sectors	191,735	1,374,484
Accrued expenses	85,857	47,183
Leave pay provision	<u>70,618</u>	<u>-</u>
	<u>348,210</u>	<u>1,421,667</u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

	2005 R	2004 R
9. Commitments		
<i>Operating lease commitments</i>		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	150,516	1,053,883
Later than 1 year and not later than 5 years	848,719	-
Later than 5 years	563,848	-
	<u>1,563,083</u>	<u>1,053,883</u>

10. Financial instruments

Fair values

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and borrowings are approximate to their fair values.

Interest rate risk

The bargaining council adopts a policy of ensuring that its exposure in interest rates is on a combination of floating and fixed rate basis.

Credit risk

The bargaining council has no significant concentrations of credit risk. Cash is placed with substantial financial institutions.

11. Comparative figures

Certain comparative figures have been reclassified.



**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

12. Notes to the cash flow statement

	2005 R	2004 R
<i>12.1 Cash generated by/(utilised in) operating activities</i>		
Net surplus/(deficit)	5,443,077	(556,403)
Adjustments for:		
Depreciation	340,106	332,594
Interest received	(312,357)	(197,392)
Finance costs	112,000	131,288
Fixed assets sponsored and written off	-	7,990
Profit on disposals of property, plant and equipment	-	(2,300)
	<u>5,582,826</u>	<u>(284,223)</u>
<i>Movements in working capital:</i>		
Increase in accounts receivable	(239,263)	(109,915)
Increase/(decrease) in accounts payable	692,954	(5,982,878)
	<u>6,036,517</u>	<u>(6,377,016)</u>
<i>12.2 Cash and cash equivalents</i>		
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>32,898,748</u>	<u>26,644,353</u>



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
DETAILED INCOME STATEMENT
for the year ended 31 March 2005

	2005 R	2004 R
Income		
Levies	12,018,636	11,878,884
Other income	662,357	215,532
Administration fees	-	15,840
Interest received	312,357	197,392
Profit on disposal of property, plant and equipment	-	2,300
Sponsorships	350,000	-
Total income	12,680,993	12,094,416
Expenditure	7,237,916	12,650,819
Advertising	18,602	-
Arbitration and conciliation costs	314,506	5,295,616
Auditors' remuneration	39,900	64,410
Bank charges	27,474	34,778
Case management system fees	343,710	150,000
Computer expenses	202,718	98,090
Consulting fees	126,706	37,558
Consumables	460	9,351
Contribution towards sector expenses	-	768,530
Depreciation	340,106	332,594
Fixed assets transferred to sectors	-	161,953
Hire of equipment	-	7,316
Insurance	45,982	40,341
Interest	112,000	131,288
Lease rentals	1,053,883	835,663
Legal fees	309,061	209,370
Meetings, conferences and seminars	1,156,712	240,009
Postages	5,400	516
Printing and stationery	200,261	231,111
Provincial Chambers	124,319	10,420
RSC Levies	8,511	10,258
Refreshments	6,603	6,311
Repairs and maintenance	85,890	54,808
Salaries	2,003,717	3,317,617
Security	12,196	9,487
Telephone and fax	377,273	337,184
Training	55,868	124,953
Training for council	251,884	115,981
Travelling - secretariat	14,174	15,306
Surplus/(deficit)	5,443,077	(556,403)
Accumulated funds at beginning of year	1,552,621	2,109,024
Accumulated funds at end of year	6,995,698	1,552,621

Secretariat

Secretary to Council:	Shamira Huluman
PA to Secretary:	Phumeza Maposa
Section Head: Collective Bargaining	Valencia Kola
Negotiations and Committee Officers:	Nnete Monyamane David Rambau
Dispute Resolution Manager:	Yolanda Le Roux
Senior Dispute Resolution Officer:	Thandi Mnisi
Finance and Administration Manager:	Sindi Moolman
Senior Finance Officer:	Oomang Parag
Finance Officer:	Maria Mamokadi Makoli
Driver:	Philip Kgoadi
Switchboard operator:	Ruth Molaudzi

Vacant approved posts to be filled in coming year:

IT Officer

Section Head: Media, Information Management and Resource Centre

Information Officer

HR Officer

Representativity Profile

Race

African	75 %
Indian	17 %
Coloured	0 %
White	8 %

Gender

Male	25 %
Female	75 %

Senior Management

At this level, the Council is headed by the Secretary who acts as the Chief Executive Officer of the institution.

Race

Indian	(01) 100%
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Gender

Female	(01) 100%
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Middle Management

There are two heads of departments i.e. Dispute Resolution Manager and Finance and Administrative Manager

Race

African	(01) 50 %
White	(01) 50 %

Gender

Female	(02) 100 %
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Other staff (9)

This group consists mainly of administrative support staff, the Negotiations Support and Committee Work Section, Senior Dispute Resolution Officer, Senior Finance Officer and Finance Officer, Personal Assistant to the Secretary of Council, Receptionist and Driver.

Race

African	89 %
Indian	11 %
Coloured	0 %

Gender

Male	33 %
Female	67 %

Employees with disabilities

The PSCBC has not succeeded in attracting people with disabilities in any of its categories of employment.



Staff Photos



INSERT LEFT: Ruth Molaudzi

INSERT RIGHT: Mamokali Makoli

Back (from left to right): Oomang Parag, David Rambau, Sindi Moolman
Phillip Kgoadi, Nnete Monyamane

(Sitting left): Yolanda le Roux ; (Sitting right): Thandi Mnisi

Front (from left to right): Phumeza Maposa, Shamira Huluman, Valencia Kola



Finance Office



Reception