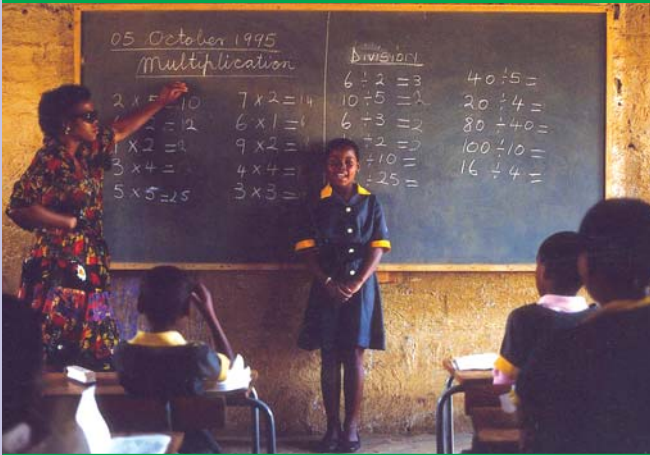






Vision

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 we serve and with whom we work.
- Commitment to be fair, ethical, trustworthy and accountable in all of our work.

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Table of Contents

	<i>Page</i>
PART 1 : Governance Structure	
• Overview	4
• Objectives	4
• Powers and Duties	5
• Leadership Structure	6
• Message from Chairperson	8
• Message from Secretary	9
PART 2 : Performance Report	11
PART 3 : Collective Bargaining	
• Introduction	18
• Vision: NSCWS	18
• Strategic objective of Council	18
• Task Teams and Committees	20
PART 4 : Provincial Co-ordinating Chambers	
• Background	24
• Capacity building	24
• Office-Bearers	25
• Issues for bargaining/consultation	26
• Meeting procedures	28
PART 5 : Dispute Resolution	
• Overview	30
• Dispute Resolution Procedure and Rules	30
• Panelist Fee Policy	33
• CCMA Subsidy	33
• CCMA Accreditation	33
• CMS	33
• Training	34
• Dispute Resolution Survey	36
• Operational Report	36
• General	46

Table of Contents (continued)

	<i>Page</i>
PART 6 : Media, Resource and Information	47
PART 7 : Information Technology	51
PART 8 : Conferences and Seminars	
• 6th Global Forum 2005	56
• IIRASA Annual Conference 2005	56
• Council Involvement in IRASA	57
• 4th African Regional IIRA Congress 2005	57
PART 9 : Sectoral Bargaining Councils	
• ELRC	60
• GPSSBC	63
• PHWSBC	68
• SSSBC	74
PART 10 : Trade Union Membership	
• Clause 7.1 & 7.2 PSCBC Constitution	78
• Admitted Unions	78
• Vote Weights	79
PART 11 : Financial Report	81
PART 12 : Secretariat Profile	101

PART 1



GOVERNANCE STRUCTURE

Bargaining for a better future

1. Governance Structure

1.1 Overview

The Public Service Co-ordinating Bargaining Council (Council), whose constitution was registered in October 1997, was established in terms of Section 35 of the Labour Relations Act, No. 66 of 1995 (LRA) and was amended in October 2002 to address the new needs of Council.

In performing its function, the Council has the mandate to deal with matters that:

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

In establishing the Council, the LRA sought to provide a platform for the social partners, – the State as the employer, and the Public Service Unions, representing approximately 1 million employees – to engage constructively over matters of mutual interest. In addition and similar to the bargaining councils in the private sector, the purpose of establishing the Council was to provide a forum whose sole purpose is to create and maintain sound labour relations in the Public Service through, among others, the collective bargaining process.

This report provides an overview of the achievements of the Council from 1 April 2005 to 31 March 2006.

1.2 Objectives

In terms of its constitution, the Council has set for itself the objectives of enhancing labour peace, promoting good relations between the parties, providing a forum for the parties to engage in collective bargaining, and providing a mechanism for dispute prevention and resolution. The constitution also requires the Council to conclude, supervise and enforce collective bargaining agreements and deal with any other matters that may affect its organizational interest. The constitution also places the responsibility for promoting effective communication and co-ordination between itself and the Sectoral Councils, of Council.

1.3 Powers and duties

The powers and duties of the Council are to:

- (a) negotiate and conclude collective agreements in respect of matters regulated by section 36(2) of the Act, which may include negotiating minimum standards on such matters;
- (b) supervise and enforce collective agreements concluded in the Council;
- (c) prevent and resolve labour disputes;
- (d) resolve disputes between the parties to Council in terms of the Act and the dispute resolution procedures of the Council;
- (e) resolve the disputes of parties who are not parties to the Council, but who fall within the registered scope of the Council, in terms of section 51(3) of the Act and the dispute resolution procedures of the Council;
- (f) establish and administer a fund to be utilised for resolving disputes, collective bargaining and general administration of the Council and the Sectoral Councils;
- (g) develop proposals for submission to NEDLAC or any other appropriate forum on policy and legislation that may affect labour relations in the Public Service;
- (h) determine by collective agreement those matters which may not be an issue in dispute for strike or a lock-out;
- (i) designate sectors, vary their scope, amalgamate or disestablish Sectoral Councils in the Public Service;
- (j) co-ordinate, among the Sectoral Councils, and between such Councils and the Council, the functions and operations of such Councils, including those related to collective bargaining and administration;
- (k) determine, in consultation with Sectoral Councils, appropriate standards of financial control and service that such Councils must maintain;
- (l) provide operational services to Sectoral Councils, if they contribute to efficiency or administrative convenience, and is appropriate for the sharing of skills, expertise or resources, including the following:
 - (i) providing policy and guidelines regarding the appointment, training and payment of panellists;
 - (ii) management and maintenance of case management systems and policy;
 - (iii) training of users and parties regarding the dispute resolution framework in the Public Service;
 - (iv) provision to the public, the parties and the Sectoral Councils of information services relevant to the functions of the Council;
 - (v) providing accommodation to Sectoral Councils, except for the ELRC;
 - (vi) formulation and maintenance of human resources policy and systems for the Council and Sectoral Councils, and training of their staff;
 - (vii) collection of uniform levies from employees and the employer, and proportional disbursement of such levies to Sectoral Councils; and
 - (viii) the determination of uniform levies by the Council and the effective date thereof.

- (m) where a Sectoral Council becomes dysfunctional in the view of the Council, and in consultation with such Council, provide such assistance and fulfil such functions as are required;
- (n) raise, borrow, lend, levy and invest funds; and
- (o) exercise any other power or duty that may be necessary or desirable to achieve the objectives of the Council.

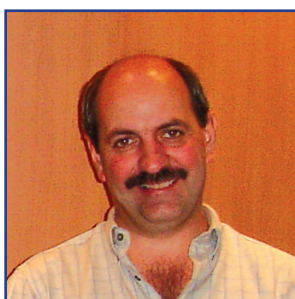
Council's power in respect of clause (l) will be exercised in agreement with the relevant Sectoral Council. Should the parties fail to reach an agreement, the Council's dispute resolution mechanism will apply.

1.4 Leadership Structure

The constitution provides for the election/appointment of a Chairperson and Vice-Chairpersons of Council. At the AGM held in June 2005, the following chairpersons were elected/appointed for a 24 month term:

Chairperson: Mr Edwin Molahlehi

Vice-Chairpersons: Mr Div Odendaal (Employer)



Mr Fikile Hugo (Labour)



The constitution further provides for the appointment of an independent Secretariat. Council appointed Ms Shamira Huluman as its independent Secretary in 1999.

1.4.1 Executive Committee (EXCO)

In carrying out its mandate, the Council is assisted by the Executive Committee and the Finance Committee. The following members served on the Executive Committee:

Employer Representatives and their alternates	Labour Representatives and their alternates
❑ S G Padayachee (DOE) ❑ M Dlomo (DOE) ❑ K Ndaba (SAPS) ❑ J Griesel (SAPS) ❑ K Govender (DPSA) ❑ M Ntikila (DPSA) ❑ J Cornwall (DOH) ❑ E Van Vuuren (Social Development)	❑ L Sotaka (NEHAWU) ❑ T Mngomezulu (DENOSA) ❑ A Mokgabodi (PSA) ❑ D Van Wyk (NEHAWU – PAWUSA) ❑ H Hendricks (NAPTOSA) ❑ S Pardesi (SADTU) ❑ S Pillay (SAPU) ❑ A Mahapa (POPCRU)

1.4.2 Finance Committee (FINCOM)

The Finance Committee comprises the following representatives:

Employer Representatives and their alternates	Labour Representatives and their alternates
❑ F Hugo (Vice Chairperson) ❑ G Mckenzie (DPSA) ❑ S Padayachee (DOE) ❑ J Griesel (SAPS)	❑ T Matsane (POPCRU) ❑ D van Wyk (NEHAWU) ❑ S Pardesi (SADTU) ❑ L Grobler (DENOSA) ❑ R Mahlake (HOSPERSA)

1.5 Message from the Chairperson

In contrast to previous reports, this report is characterised by a significant reduction in collective bargaining activities of the Council. It is apparent that the completion of the work on the transformation of macro-benefits has been one of the reasons for the reduction. However, during the period under review, the Council was occupied with intense negotiations over the restructuring of the medical aid benefit and the registration by Government of the new Government Employee Medical Scheme (GEMS). At the time of preparing this report, the negotiations between the parties were at an advance stage, with the prospects of reaching an agreement being very high. Significant amount of work was however done through the various task teams of council.



Notwithstanding this, the effective functioning of the consultative process of the various task teams remained a challenge. The challenge manifested itself in the form of non-attendance and late arrivals at task team meetings. There is a need for the parties to Council to pay attention to this matter.

Council spent most of the last year in various capacity-building initiatives in the form of negotiations skills training for national and provincial negotiators, a very successful workshop for panelists (dispute resolvers) held throughout the country, and CCMA Commissioner training for Council representatives.

In implementing its strategic objectives, Council has successfully forged partnerships at local, regional and international levels. Of particular note in this regard is its membership of the Industrial Relations of South Africa (IRASA), and the International Industrial Relations Association (IIRA), as well as the continued relationship with the International Labour Organisation (ILO) and Public Services International (PSI).

Council sent delegations to the 6th Global Forum on Reinventing Government, which was held in Seoul, Korea in May 2005, and to the IRASA Annual Conference in Stellenbosch in October 2005. The Secretary of Council attended the 4th African IIRA Regional Congress in Mauritius in November 2005 where she presented a paper on Social Dialogue in the Public Service. These events have assisted in both marketing the PSCBC, and in providing networking opportunities with other key IR stakeholders.

As Council prepares to enter into strategic planning and set itself new objectives for the next three years, it is important for parties to debate and define in as precise terms as possible the co-ordination role of the PSCBC in relation to Sector Councils. It is therefore important for parties at the level of PSCBC to provide strategic and political guidance on this issue.

EDWIN MOGOMOTSI MOLAHLEHI
CHAIRPERSON: PSCBC
JUNE 2006

1.6 Message from the Secretary to PSCBC

This annual report, which encapsulates the activities of Council for the period 1 April 2005 to 31 March 2006, is presented to the 9th Annual General Meeting.

As we settle into the second decade of democracy, Council can pride itself on the significant progress made in the area of transformation and restructuring. The success in the transformation and restructuring process can be attributed to the commitment, dedication and hard work of parties to Council.



The mandate to make macro-benefits accessible to all Public Service employees is finally bearing fruit. A new housing allowance has been extended to all Public Service employees. The Board of Trustees of the Government Employees Pension Fund (GEPF), consisting of all relevant stakeholders, is fully functional, taking total responsibility for the management of the biggest pension fund in the country.

The restructuring of medical aid assistance, the other important macro-benefit, was the critical focus of the bargaining agenda for the last year. With this occupying much of Council's time, only two resolutions were signed during the review period, namely, the appointment of a panel of conciliators and arbitrators (2005/2006), and pensions restructuring regarding orphan's pension and funeral benefit.

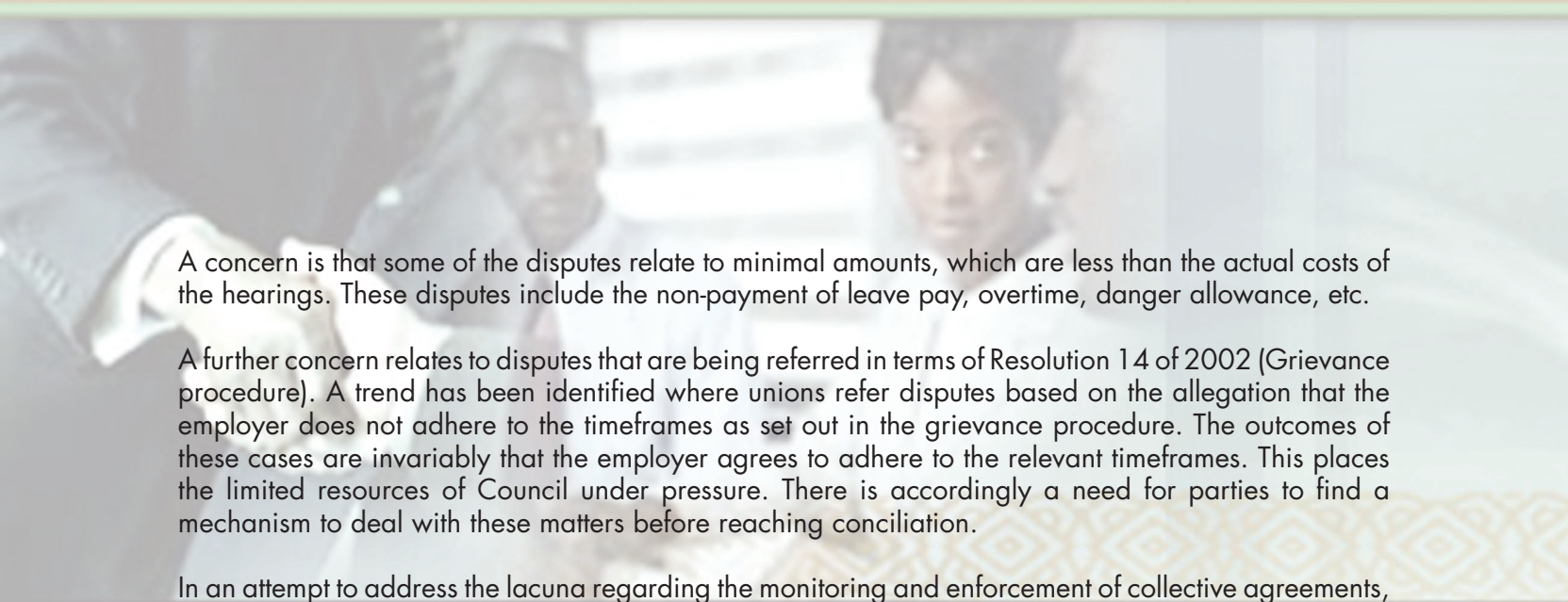
The salary agreement, Resolution 2 of 2004, established various task teams to support the collective bargaining process by embarking on research or review processes and implementing specific provisions of the agreement. While the task teams have been convened on a number of occasions, the challenge is that of streamlining their workings and making them efficient. Parties face the challenge of meeting the deadlines set for the work of these task teams.

During the review period, two new sections have been created with the Secretariat, namely: the Media, Resource and Information Centre, and Information Technology. Madeleine Theron has been appointed in the Media, Information Management and Resource Centre Section, while Oomang Parag was transferred from the Finance Department to manage the new IT Section. Both sections have begun the daunting task of upgrading and updating the PSCBC website. Other exciting projects on implementing Council's communication and information management strategy will be embarked on in the next financial year.

We bade farewell to our Finance and Administration Manager who left us to join the Department of Land Affairs as Director in Financial Management. We wish her well in her new, exciting job and thank her for her contributions to the PSCBC. We also welcome Shimonay April as my Personal Assistant and Siphso Dladla as Senior Finance Officer to the PSCBC team.

The Council and the sectoral bargaining councils received a total of 4089 disputes for the period 1 April 2005 to 31 March 2006, an 8% increase from the previous financial year.

In the PSCBC, there is an increasing number of individuals who are referring disputes pertaining to the application of Council 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 relates to 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 places the limited resources of Council under pressure. There is accordingly a need for parties to find a mechanism to deal with these matters before reaching conciliation.

In an attempt to address the lacuna regarding the monitoring and enforcement of collective agreements, Council convened a workshop, where relevant statistics on non-implementation of collective agreements, as well as other relevant research material, were presented to the parties. After numerous deliberations, including those at Exco level, parties resolved to continue with the current dispute resolution procedures, namely: if there is non-implementation, parties will declare the interpretation and application of collective agreement disputes. The DPSA however committed to putting in place internal mechanisms to monitor the implementation of collective agreements.

The PSCBC has funded negotiations skills training for the Provincial Chambers facilitated by the International Negotiations Academy. While three provinces have completed this training, others will undergo the training early in the next financial year. Most provinces have also embarked on successful operational planning and relationship-building exercises, funded by the Council.

This report also reflects the successful functioning of the various Provincial Chamber Councils of the Council. The Council Secretariat has offered independent secretariat services to five provinces, while the employer has seconded personnel in four provinces. However, there have been requests from the latter for Council-independent services, which has been approved by Council Exco. It is anticipated that Council will soon have to take a principled decision regarding the provision of independent secretariat services to all nine provinces, and the necessary human resource capacity created to carry this out.

During the period under review, expenditure was well within the budget. Investment in capacity-building projects was the key focus for the last financial year. These included training of parties in dispute resolution skills (CCMA Course), negotiations skills training for provincial chamber representatives, panelist workshops in all provinces, and other skills development initiatives for staff.

I am grateful to the Finance Department, members of Fincom and Exco for their prudent management of Council's funds.

Special gratitude is once again extended to the Chairperson, Edwin Molahlehi, and Vice- Chairpersons, Fikile Hugo and Div Odendaal, for their strategic leadership and guidance over the last year.

To my staff, I salute you for your dedicated efforts in carrying out the mandate of the PSCBC in terms of its constitution and the LRA.

SHAMIRA HULUMAN
SECRETARY: PSCBC
JUNE 2006

P A R T 2



PERFORMANCE REPORT

Bargaining for a better future

2. Report on performance against measured objectives

At the beginning of each financial year, the Council develops a business plan to ensure the implementation of its three-year rolling strategic plan. Arising from this plan, all staff members, including the Secretary, are required to sign performance contracts aligned to both the strategic and business plans. In terms of the policy, the Chairperson is responsible for regular assessments of the Secretary, whilst the Secretary is responsible for assessing all managers and then submitting a report to Exco.

STRATEGIC OBJECTIVE 1: *Improvement of Bargaining and Consultative Processes*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Productivity of meetings	Achieved - Guidelines for functioning of meetings were reviewed and incorporated into a Procedure Manual adopted by Council in February 2005. - A Procedure Manual was also developed for Provincial Chambers. All Provincial Chambers have adopted the use of the guidelines and are implementing them. - Reports received from Provincial Chambers indicate that adherence to the guidelines has contributed significantly to the successful conducting of meetings.
2. Functioning of Task Teams	Achieved - The guidelines on the functioning of Task Teams have been reviewed and incorporated into the Procedure Manual, which was adopted by Council. - Council determines the terms of reference and deadlines for completion of work, at the establishment of the task team. - Task Teams report to Exco and Council which monitor the work of the task team.
3. Reaffirming and implementing Code of Good Practice on bargaining (Misty Hills)	Achieved "Misty Hills Manifesto" or the Code of Good Practice for Bargaining was reviewed and incorporated into the Procedure Manual.
4. Monitoring of implementation of agreements	Achieved - Agreement concluded on dealing with implementation of agreements. Monitoring by PSCBC in place - DR submits regular statistics to Council on compliance with agreements. - DPSA agreement to develop an internal monitoring mechanism.

STRATEGIC OBJECTIVE 2: *Dispute Resolution and Prevention Strategy*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Regular review of procedures and systems	Achieved 1. Amendments to dispute procedures agreed to in 2005. 2. Quarterly reports with accurate case management statistics are submitted to Exco and Council 3. Regular reports for managing and monitoring the work flow are reviewed by Exco and Council 4. Annual DR Report considered at AGM.
2. Quality control of awards	In Process 1. A draft policy on establishment of a quality control panel is under consideration by Exco. 2. Awards have been accessible to panelists and parties to Council in form of CD. 3. Website in process of being updated. 4. Successful Panellist Workshops were conducted throughout the country informing them of the standard of awards expected. 5. Encouraging networking and information-sharing among panellists.
3. Effective implementation of procedures and systems (Ongoing)	Achieved 1. Administrative systems, financial controls and case management are effectively monitored on a regular basis. 2. Enhancements to the CMS were effected. All Sector Councils fully implementing CMS. 3. Co-ordinated amendments to DR policies and procedures for PSCBC and Sector Councils 4. Finalisation of PSCBC rules – Resolution 4 of 2005 adopted.
4. Training and development initiatives for parties to Council	Achieved 1. Independent negotiations skills training offered by International Negotiations Academy conducted nationally and provincially for all Council and chamber representatives. 2. CCMA Commissioner training offered to Secretariat and Council members.
5. Workshops and seminars on Public Service jurisprudence	Achieved 1. Labour Relations Conference on “Social Dialogue in the Public Service” was organized in February 2005, attended by international speakers and role players in SADC region. 2. Highly successful panellists workshops were conducted nationally during 2005. 3. Agreement with Butterworths to publish Public Service Arbitration Awards.

STRATEGIC OBJECTIVE 3: *Partnerships*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Establishing strategic partnerships: - Local / Internal – Sectoral and Provincial Structures; public sector bargaining councils	Achieved 1. Partnership strategy with criteria for establishing partnerships and guidelines for functioning and monitoring of partnerships was developed and adopted by Council.
- National – PSC, SAMDI, SETA's, CCMA, NEDLAC and relevant NGO's and IR Institutions - Regional – Development role in SADC / Africa Networking with regional organizations(e.g. Regional IRA etc) - International – ILO, IIRA, PSI and other international organizations	2. Partnerships established with ILO, IIRA, PSI, IRASA, NABC, CCMA, OPSC and Services SETA. 3. Attendance at conferences of above organizations ensuring sharing of experiences, systems and knowledge. 4. Secretary invited to ILO South Asia Public sector dialogue conference to present South African experience.

STRATEGIC OBJECTIVE 4: *Communication Strategy*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Profile and communicate the services of PSCBC - Communication of PSCBC Collective Agreements - Publicizing of codes and procedures as set in collective agreements - Publicizing of arbitration awards - Circulation of annual reports (ongoing)	In Process 1. New Section, Media, Resource and Information Centre, created with two staff members, to implement communication strategy. 2. Website in process of being updated. 3. Collective agreements published in JUTA Public Service Labour Law handbook. 4. Butterworths publication of awards. 5. Annual Reports circulated to international organizations and locally.

STRATEGIC OBJECTIVE 5: *Relationship Building within Council*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Team Building Exercise	Achieved 1. Effective RBO and team building exercises organized for Council and all provincial chambers.

STRATEGIC OBJECTIVE 6: *Good Governance*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Corporate Management (Ongoing)	Achieved 1. Effective Management of Secretariat – Administration, HR, Finances, Dispute Resolution and other support functions. 2. Effective and efficient administration systems. 3. Current review of HR policies, organograms and grading of posts
2. Co-ordination Function (Ongoing)	1. Effective Co-ordination of Dispute Resolution services between PSCBC and Sector Councils. 2. Effective provision of office space to Sector Councils – 7 year lease agreement entered into in Lyttelton, Centurion. 3. Monitor implementation of PSCBC Agreements at Sectoral Level. 4. Effective co-ordination of Provincial Co-ordinating Chambers.
3. Effective implementation of policies, plans and decisions (Ongoing)	Achieved 1. Regular meetings of governance structures – monthly Fincom and Exco meetings, and bi-weekly Council meetings

STRATEGIC OBJECTIVE 6: *Good Governance (Continued)*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
4. Acquisition of joint permanent premises	Achieved 1. A 7-year lease agreement has been entered for all 5 buildings in Lyttelton Office Village, 260 Basden Road, Lyttelton for provision of office space and meeting facilities for PSCBC, GPSSBC, SSSBC and PHWSBC. In process 2. A bargaining facility and library facility is in the process of being finalized for PSCBC / Sector bargaining meeting. The facility can cater for 70 people.

STRATEGIC OBJECTIVE 7: *Research and Resource Strategy*

KEY RESULT AREA	ACHIEVED/NOT ACHIEVED
1. Develop a research policy for Council.	Achieved 1. A research policy has been developed and adopted by Council.
2. To conduct comparative analysis on collective bargaining systems in the public service in other countries.	Achieved 1. Addressed at the 2005 Social Dialogue Conference, where ILO presented a comparative analysis. 2. Further need for research still to be assessed.
3. To research dispute resolution / prevention systems in other countries	Not Achieved

PART 3



COLLECTIVE BARGAINING

Bargaining for a better future

3. Collective Bargaining and Consultative Processes

3.1 Introduction

This part of the report provides an overview of the activities of the Negotiations Support and Committee Work Section (NSCWS) of the Council for the financial year 2005/2006.

The NSCWS offers administration support services by arranging meetings of the Council, provincial chambers, committees and task teams established by Council. The section is also responsible for, among others, the implementation of the provisions of the constitution, the implementation of relevant sections of the Procedure Manual, and to ensure optimal functioning of the various structures of Council. The role of the NSWCS is to provide administrative support to the Council, Provincial Chambers, sub-committees and Task Teams of the Council.

3.2 Vision of NSCWS

The NSWCS has, as its vision, provision and high quality administration support and the negotiations consultative process of the PSCBC.

3.3 Strategic Objective of Council

The improvement of bargaining and consultative processes has been assessed not only against the resolutions and agreements concluded, but also against Council and task team meetings. The table below records the number of meetings held during the 2005/2006 financial year:

Type of meeting	No of meetings held
Full Council Meetings	10
Special Council Meetings	2
Task Team/Committee Meetings	30
Workshops	1

With regard to Collective Bargaining, the Council engaged on the following matters:

- Payment of annual leave accrued before 1 July 2000 (Capped leave);
- Government Employee Pension Fund (GEPF): Funeral benefit for still-born babies;
- Removal/uplifting of the moratorium on ex-public service employees who exited the service through agreement 3 of 1996;
- Medical Aid restructuring; and
- Intermittent use of normal sick leave: Introduction of the eight-week rule.

The following resolutions were concluded during the period under review:

- **Resolution 6/2005:** The appointment of a Panel of Conciliators and Arbitrators (2005/2006)

Summary: *With regard to resolution 6 of 2005, a panel of Conciliators and Arbitrators was appointed to provide dispute resolution services for the Council, and each of the 40 (forty) panellists was required to sign an agreement including the Code of Good Conduct for Conciliators and Arbitrators.*

- **Resolution 7/2005:** Pension Restructuring: Orphan's Pension and Funeral Benefit.

Summary: *The purpose of the Pension Restructuring resolution was to effect amendments to the Rules of the GEPF and provide the following:*

- a. Revision of the formula for the calculation of the value of the orphan's pension, as contained in Rule 14.5.4 and 14.6.3 of the GEPF;*
- b. Extension of the funeral benefit in respect of still-borns, as contained in Rule 14.9 of the GEPF; and*
- c. The insertion of the definition of "disabled" in respect of the definition of "eligible child", as contained in Rule 1 of the GEPF.*

Most of the macro benefits emanating from Resolution 2 of 2004 were also finalised during the period under review.

3.4 Task Teams and Committees

The task teams which were established in terms of clause 18 of the Council constitution were intended to assist and provide support to the collective bargaining process. In this regard, task teams provide better-informed and more constructive engagement in dealing with complex and often highly technical tasks facing Council. Some task teams were created to implement aspects of the agreements of Council (e.g. Resolution 2 of 2004), others carry out specific tasks for Council.

Four task teams were active during the period under review and their tasks are set out below:

3.4.1 Review of Leave Provisions Task Team

This task team, which was established in terms of Resolution 7 of 2000, dealt with issues relating to the review of leave provisions. Its task was not completed and accordingly, its work will continue during the next financial year. During the period under review, the task team met on two occasions where it received submissions from labour, which are still to be deliberated upon. It is envisaged that the work of the task team will continue in the next financial year.

3.4.2 Review of Allowances Task Team

The review of allowances in Resolution 3 of 1999 Task Team was established consequent to Resolution 2 of 2004 (Multi-term Wage Agreement). The task team is required to undertake a joint review of all allowances provided for in the Council (Resolution 3 of 1999). The task team will submit a report to Council for negotiations. Labour has already submitted a list of issues that need attention. The employer undertook to consider the consolidated list of labour inputs as part of Personnel Expenditure review process. Once the review is completed, the recommendations will be submitted to Council for consideration and negotiations.

3.4.3 Housing Allowances Task Team

The duty of the housing allowance task team is to develop and present a mechanism to encourage and promote home ownership among employees, including:

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

Consequent to the recommendation of the task team, council appointed **ESKOM Finance Company (the EFC)** to develop and present mechanisms to encourage and promote home ownership among public employees.

After concluding a new housing allowance of R139.00 for all Public Service employees, a need was identified to create awareness to encourage Public Service employees to apply for the allowance. To this end, a circular was sent by the employer to all provinces and departments to encourage employees to apply for the allowance.

The EFC was required to focus on data relating to levels of awareness and access programmes in the market. After a preliminary review of the work of the EFC, the task team found the work not to have addressed the identified needs and recommended to the consultancy to re-evaluate its work. This matter will be finalized in the next financial year.

3.4.4 Pensions Restructuring Task Team

During the year under review, the task team dealt with the following matters:

- Action Plan for the verification of information regarding the Venda Pension Fund Issue: The judgment on the position of employees affected by the dissolution of the former Venda Pension Fund in 1992 was passed in favor of the GEPF. The case has been referred to the Constitutional Court. Parties are awaiting the outcome of the judgment from the Constitutional Court.
- Introduction of Mechanisms for resolving the problems causing delays in the payment of pensions. The GEPF took responsibility in resolving these problems and since then, the report reflects an improvement. This matter was finalized.
- Clause 8 of Resolution 12 of 2002: Past Discriminatory Practices: list of past discriminatory practices regarding pension benefits was developed. The document was referred to Council for further deliberations and the matter was finalized.
- Facilitation of the nomination and appointment of board of trustees to the Government Employee Pension Fund (GEPF). This task was completed with the appointment of the members of the board of Trustees by the Department of Treasury.
- Distribution of the Procedure to adopt children: The Guideline of the Procedure to adopt children was submitted to the task team and forwarded to Council. GEPF indicated that the matter will be dealt with in their newsletter.

- Reduction in employer contribution levels: The employer contribution to the GEPF has been reduced from 15% to 13% for public servants, and 16% for service employees with effect from 1 April 2005.
- Implementation of Resolution 12 of 2002: Provincial Task Teams: The provinces that experienced problems with regard to the implementation of Resolution 12 of 2002 were visited by the sub-committee that was elected by the task team to intervene.
- The cut-off date for the first cohort of beneficiaries: The task team agreed that applications received by the cut-off date should be costed. The costing by the actuaries is still pending. The GEPF representative reported that over 2000 applications were received after the first cut-off date, and that the 48 000 applications received after 31 October 2005 will be dealt with in the next batch. Of the 270 000 verified applications, only 7500 qualified.
- Deceased beneficiaries whose families are laying claims to pensions as part of the Estates: It was agreed that the GEPF will make available to the social partners relevant information on the database to assist in communicating to affected members.
- The beneficiaries who have relocated to other provinces after termination of service due to retirement: The issue of beneficiaries who are unable to receive their pensions after retirement because they have relocated to other provinces received attention. The GEPF provided the names of Corrie Van Sittert and Mario Lindeque as persons responsible to assist.
- Communication Strategy to inform prospective recipients of pensions benefits: The task team has commenced with a process of identifying and prioritising other categories of employees. The proposed procedure in dealing with this matter is as follows:
 - o Prioritize the groups and report back to the task team;
 - o Ensure an effective communication strategy to provinces; and
 - o Provincial task teams to assist in the prioritization.

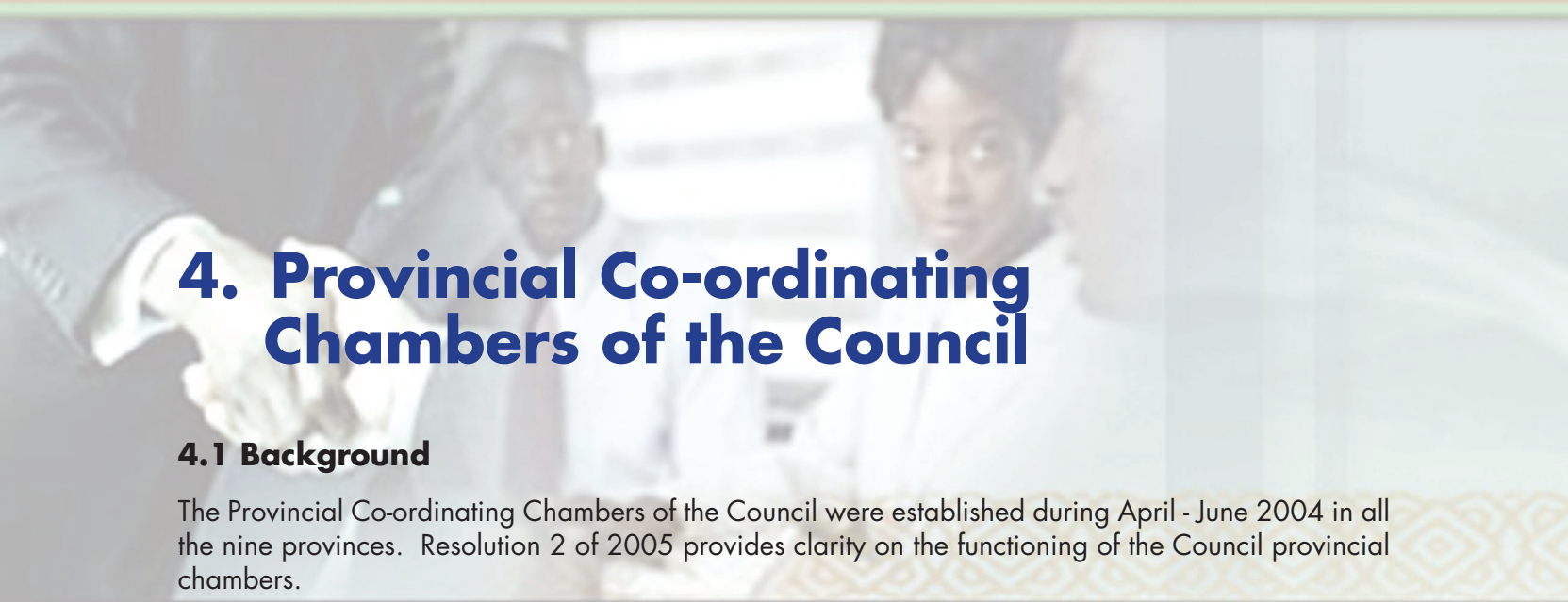
Concerning the communication strategy, the task team proposed that the following mechanism for communication be utilized: pamphlets; local newspapers and community radio.

PART 4



PROVINCIAL CO-ORDINATING CHAMBERS

Bargaining for a better future



4. Provincial Co-ordinating Chambers of the Council

4.1 Background

The Provincial Co-ordinating Chambers of the Council were established during April - June 2004 in all the nine provinces. Resolution 2 of 2005 provides clarity on the functioning of the Council provincial chambers.

During the period under review, while the Council provided secretariat services to five provincial chambers, the secretariat services for the other four provincial chambers were offered by the employer. The Council provided secretariat services to the following provinces: Gauteng, North West, Northern Cape, Kwazulu-Natal, and Eastern Cape.

The Employer provided secretariat services to the following provinces: Western Cape, Free State, Mpumalanga, and Limpopo.

4.2 Capacity building

4.2.1 *Negotiation training*

Three provincial chambers attended a three-day training course, paid for by Council, under the auspices of the International Negotiations Academy. At the end of the course, each participant received a certificate. The other six (6) provincial chambers will undergo the training in the next financial year.

4.2.2 *Operational planning sessions*

As part of ensuring accountability and efficient operation of the provincial chambers, it was resolved that all provincial chambers should undertake both operational planning and Relationship Building By Objectives (RBO) exercises. The provincial chambers that undertook these sessions are: Western Cape, North West, Northern Cape, Mpumalanga, and KwaZulu-Natal.

4.3 Office-Bearers of the Provincial Chambers

The office-bearers of the Provincial Chambers who are responsible for co-ordination at the provincial levels are:

Province	Management Committee Members
Gauteng	Chairperson: Vacant Vice-Chairperson: M Mabuse (Employer) Vice-Chairperson: E Zondo (Labour) Secretary: PSCBC
North West	Chairperson: K Peane Vice-Chairperson: M Molefe (Employer) Vice-Chairperson: G Mooka (Labour) Secretary: PSCBC
Eastern Cape	Chairperson: N Baart Vice-Chairperson: B Pityi (Employer) Vice-Chairperson: T Koya (Labour) Secretary: PSCBC
Northern Cape	Chairperson: E Snyders Vice-Chairperson: G Zenani (Employer) Vice-Chairperson: C Marx (Labour). Secretary: PSCBC
KwaZulu-Natal	Chairperson: P Mngoma Vice-Chairperson: B Ntuli (Employer) Vice-Chairperson: R Lil-Rathan (Labour) Secretary: PSCBC
Mpumalanga	Chairperson: Z Mahlabegoane Vice-Chairperson: T Makhubu (Employer) Vice-Chairperson: G Mahlangu (Labour) Secretary: PSCBC
Limpopo	Chairperson: M Chilwane Vice-Chairperson: P Ntwampe (Employer) Vice-Chairperson: M Machaka (Labour) Secretary: I Kutama (Seconded by employer)
Free State	Chairperson: P Ntuli Vice-Chairperson: S Daikos (Employer) Vice-Chairperson: A Rudman (Labour) Secretary: R Thurston (Seconded by employer)
Western Cape	Chairperson: D Jacobs Vice-Chairperson: S Faker (Employer) Vice-Chairperson: B Lose (Labour) Secretary: H Ward (Seconded by employer)

4.4 Issues for Bargaining / Consultation

The issues considered during the period under review by the various provincial chambers appear in the table below:

Name of Province	Issues
Gauteng	☐ Performance Management & Development System, ☐ Organizational rights, Pension task Team, ☐ Rewards and recognitions system, Delay of Pension payouts, ☐ Cross Border Boundary transfers, Identification of Transversal Policies, ☐ Trade Union cancellations, ☐ Settlements agreements, ☐ Completion of the migration process, and restructuring of the treasury department.
North West	☐ Performance Management & Development System, ☐ Rewards and Recognitions system; Delay of Pension payouts; ☐ Housing allowance; ☐ Cross Border Boundary transfers; and Leave/ Time off for Shop Stewards;
Eastern Cape	☐ PMDS Cash bonus; ☐ HROPT/Judge White report; ☐ Performance recognition and appreciation policy; ☐ Special leave policy; ☐ Recruitment, Selection & Promotion policies; Knowledge, Attitude, Behavior, HIV/AIDS project (KABP); ☐ HRD guideline policies; ☐ Recognition of Pensionable Service/General Assistants; ☐ Cross Border Boundary transfers; ☐ Review of Remunerations package; Scarce Skills; ☐ Sales of Government Houses Policy; Revival of Transformation committees; ☐ Role of Labour Relations Officers; ☐ Role of Trade Unions in the Restructuring Processes; ☐ Negotiations Skills Training; and ☐ Backlogs & Pay progression.
Northern Cape	☐ Performance Management & Development System; ☐ Employment Equity Policy; ☐ Implementation of Housing allowances; ☐ Non-compliance with PSCBC Resolution 2/1999 as amended by Resolution 1/2003; ☐ Non-compliance with PSCBC Resolution 8/1996: Payment of danger allowances; and Pay Progression.
Kwazulu-Natal	☐ Performance Management & Development System; and ☐ Cross Border Boundary transfers.

Name of Province	Issues
Mpumalanga	☐ Performance Management & Development System; ☐ Cross Border Boundary transfers; ☐ Application for Promotional Posts, PSCBC Res. 7/1998; ☐ Pension discrimination; Skills Audit; Non-functioning of PHW Sector in Mpumalanga Province; ☐ Translation of Educators in Public Service; and Draft Policy on Parking.
Limpopo	☐ Performance Management & Development System; ☐ Policy on Provincial Suspension; Employment Equity; ☐ Provincial Labour Relations Policy; Policy on Overtime; and ☐ Cross border boundary.
Free State	☐ Performance Management & Development System; ☐ Pensions restructuring (PSCBC Res.12/2002); ☐ Revised Vote Weights; ☐ Proposal on resourcing of the Chamber; ☐ Procedure Manual for the Provincial Chambers; ☐ Previous collective agreements; ☐ Scarce skills allowances; ☐ Appointment of administrative support staff to the offices of executing authorities; ☐ Policy on payment of private telephone calls; ☐ Implementation of salary level 7 to all secretaries of Directors; ☐ Housing allowance.
Western Cape	☐ Performance Management & Development System; ☐ Transversal policy on HIV/AIDS/STIS and workplace programmes; ☐ Transversal Management Framework for Employee Assistance Programmes; ☐ Policy on retention of Management of attendance and absenteeism; ☐ Policy on retention of employee who reaches the Compulsory Retirement Age; Job Evaluation; ☐ Framework on Recruitment and Selection; ☐ Scarce Skills Allowance; ☐ Review of Remuneration for identified employees; ☐ Amendments to Special leave policy; Clothing for work; and ☐ Special leave for Examinations.

4.5 Meeting procedures

A Procedure Manual, which serves as a guideline on the functioning of meetings of Provincial Chambers, was finalized during the period under review. The copy of the procedure manual is available on the Council website (www.pscbc.org.za).

It is envisaged that this guideline will streamline and make meetings of provincial chambers efficient and effective. The procedure manual, among other things, deals with procedure prior to meetings, during meetings, after the meetings, postponement of meetings and code of good practice for bargaining.



PART 5



DISPUTE RESOLUTION

Bargaining for a better future

5. Dispute Resolution in the Public Service

5.1 Overview

The mandate of Council is to manage disputes that arise between parties, whether admitted to Council or not, who fall within its scope. In line with section 36 of the Labour Relations Act of 1995, Resolution 11 of 2002 confirms the scope of the PSCBC, namely to perform all the functions of a Bargaining Council in respect of those matters that:

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

Contrary to the above, the bulk of disputes that the Council received during the period under review are not collective disputes that affect two or more sectors, but disputes referred by individuals regarding the interpretation and/or application of PSCBC resolutions. Generally, most rights disputes (e.g. dismissal or unfair labour practice disputes) do not affect more than one sector and are handled by the relevant Sectoral Council.

5.2 Dispute Resolution Procedure and Rules for the Conduct of Proceedings

Disputes at the PSCBC are dealt with in terms of the PSCBC dispute resolution procedure that was initially adopted in 1998 (Resolution number 3 of 1998), but which was amended by Resolution 11 of 2002. It was later again substantially amended by Resolution 5 of 2005.

Resolution 5 of 2005 was signed in response to the need to comprehensively amend the dispute resolution procedure to align it with new circumstances and changes to the legislative framework.

5.2.1 Dispute Resolution Procedure: specific amendments

It is a challenge to reflect on all the amendments, as the whole document was revised and in essence, rewritten. The main amendments can however be summarized as follows:

- Mutual Interest disputes: The procedures to follow for the various types of mutual interest disputes were integrated into one for easier reference and a simplified procedure.
- Unilateral Change and Refusal to Bargain disputes: The old procedure did not explicitly refer to these particular disputes, but the relevant procedure is now clearly spelled out.
- Only Council disputes: The old procedure still contained references to dismissal disputes and these were deleted as dismissal disputes are dealt with by the sectors and are irrelevant for PSCBC dispute resolution purposes.

- Conciliation: On receipt of the referral, the secretary appoints the conciliator and the conciliation happens within 30 days. The parties are now entitled to request a certificate 5 (five) days before the conciliation. The conciliator will issue the certificate on completion of the conciliation process. A diagram depicting the procedure can be accessed from the PSCBC website (www.pscbc.org.za).
- Arbitration: A number of changes were made and the procedure now provides for a compulsory pre-arbitration meeting. If the parties do not hold a pre-arbitration meeting, they may be held liable for costs if a hearing is postponed due to an issue that should have been dealt with at a pre-arbitration meeting. The procedure also requires that jurisdictional points be raised prior to the actual arbitration hearing, and a jurisdictional ruling should be made on the basis of written arguments prior to the arbitration hearing.
- Another change is the new timeframes in which awards must be handed to the parties to the dispute. Previously, the arbitrator had the statutory 14 days in which to render the award, and it was then immediately sent out to the parties. The procedure now provides for an additional 7 days in which the Council has the opportunity to do quality checking before it is served on the parties. The diagram depicting the arbitration procedure in the PSCBC can be accessed from the PSCBC website (www.pscbc.org.za).
- Costs: This is probably the area in which the most drastic amendments were made. The old procedures only provided for cost awards if the referral was made vexatiously or without reasonable cause and on application at the conclusion of the arbitration.
- The current position is that cost awards can now be made on application or of a panelist's own accord. The cost award can also be made at any time during the proceedings, implying that cost awards can be made during the conciliation stage as well.
- Grounds for Costs Awards: The grounds on which cost awards can be made have substantially been extended to include the following:
 - If the referral was made *or defended* vexatiously or without reasonable cause.
 - If a party has caused unreasonable delays.
 - If a party or representative acted in a manner seriously compromising the proceeding.
 - If a proceeding is adjourned or dismissed because of non-attendance.
 - Any other grounds specified in the PSCBC Rules for the Conduct of Proceedings (there is none at the moment).
 - If a party withdraws the dispute within 5 working days before hearing (unless settled).
- The procedures pertaining to time periods, condonation, postponements and the joinder of disputes were deleted and now refer to the PSCBC Rules for the Conduct of Proceedings for further detail.

5.2.2 PSCBC Rules for the Conduct of Proceedings

Over and above the aforementioned amendments of the dispute resolution procedure, Resolution 4 of 2005 was signed (Rules for the Conduct of Proceedings before the Council). The rules are supplementary to the dispute resolution procedures and aim to render the procedures more flexible to suit the ever-changing nature of dispute resolution in the Public Service. (It is more flexible than the dispute resolution procedures as it can be amended by way of a collective agreement, whilst amendments to the dispute resolution procedure must be registered by the Department of Labour because it forms part of the PSCBC Constitution).

The rules are however only supplementary to the dispute resolution procedure, and if there is conflict between the dispute resolution procedure and the rules, the dispute resolution procedure will take precedence.

It must be noted that even though the rules were based on the CCMA rules, there are some differences that cater for Council specific needs. Some areas that brought a change to the practice and administration of PSCBC disputes can be highlighted as follows:

- **Serving & Filing Documents:** A document that must be served on the employer must be served on the employer at the workplace and on the Chief Negotiator of the State.
- **Notice of hearings:** There was no specific timeframe in which parties had to be notified of hearing dates. The position has now been brought in line with the CCMA rules, i.e. 14 days for a conciliation hearing and 21 days for an arbitration hearing.
- The Council rules do not make provision for any Con-Arb procedures as dismissal and unfair labour practice disputes are dealt with by the sectoral councils.
- The rules also contain an interesting variation to the usual procedure to join a party to a dispute. In terms of the rules, the Secretary to Council must invite a party with a substantial interest in a matter to join as a party to the dispute.
- The rules do make provision for postponements, but an automatic cost order applies if a hearing is dismissed or adjourned due to non-attendance.
- Another variation from the CCMA rules can be found in the procedure for the taxation of a Bill of Cost. A table setting out fixed rates is annexed to the rules and state clearly how much can be charged for a particular activity.

The Council procedures and rules are there to give effect to parties' needs and are dynamic, alive and ever-changing. For this reason, constant feedback and suggestions are required to ensure that it continues to support the aim of optimal effectiveness and efficiency of dispute resolution in the Public Service.

5.3 Panellist Fee Policy

A number of amendments were suggested and the redrafted document was referred to the various EXCO's for input. If the suggested amendments are adopted, they will form part of the 2006 panellists' contracts.

5.4 CCMA Subsidy

CCMA confirmed that the Public Service Bargaining Councils' application for a CCMA subsidy was granted with effect from 1 October 2005.

The CCMA approved the application for subsidization of the Public Service Co-ordinating Bargaining Council as of 1 October 2005. This entails R450-00 per case for all cases that were settled with the intervention of a panellist or where awards were rendered. Each council claims separately and the subsidies are paid directly into the respective Councils' bank accounts.

5.5 CCMA Accreditation

The CCMA Governing body has approved the Public Service Bargaining Councils' application for the renewal of dispute resolution functions for conciliation and arbitration for the period 1 February 2006 to 31 January 2008 on the existing terms and conditions of accreditation. As only CCMA accredited panellists qualify for the subsidy, most bargaining councils are motivated to only allow accredited panellists on their panel.

5.6 Case Management System (CMS)

The CMS server was bought in 1997 to cater for the dispute resolution needs. It was initially housed at the CCMA offices in Johannesburg, but was later moved to the PSCBC offices to enhance the speed and performance of the connections to the server. All sectoral bargaining councils were linked via wireless connections to the server for the administration of their dispute resolution data.

As the server eventually became obsolete when compared to current technology, it was replaced with a new server that is able to cope with the ever-increasing data and functionality demands of the Dispute Resolution Departments.

In line with the aim to increase the overall performance of the CMS and providing efficient IT support for the Dispute Resolution Departments, the wireless links were replaced with optic fiber cables which enhanced the overall effectiveness of the system. The CCMA still has direct access to the server for statistical and updating purposes.



5.7 Training

5.7.1 *Negotiation Skills training for parties to Council*

Negotiation Skills training was arranged for parties to Council. The training was scheduled for two sessions of 28 people each (14 from labour and 14 from the employer) and took place over a period of 4 days.

The feedback from the trainer indicates that the training was interactive and delegates participated with enthusiasm.

The feedback from the delegates was also very positive indeed and they indicated that they believe that the training will meaningfully contribute towards the negotiation competencies and general effectiveness of Council members.

On the basis of this, the same training was arranged for the PSCBC Provincial Chambers.

5.7.2 *CCMA Commissioner training for parties to Council*

CCMA training was arranged for parties to Council, which stretched over a period of 10 months. The training course consisted of various models and the delegates and their organizations must be commended for the commitment displayed in the good attendance and dedication shown throughout the course.

5.7.3 *Workshops / Conferences*

In addition to the above, the Council staff and various Council members attended numerous workshops and conferences to keep abreast of the latest trends and developments in the Labour Relations field.

One of the most successful workshops this year was the PSCBC Panellist Workshop – 2005. The aim of the workshop was to inform and update all panellists on the rules, procedures, fee policy and contracts regarding dispute resolution of the Council, as well as the Sectoral Bargaining Councils. A CD was compiled and handed out to all delegates which contained reported public service cases, all public service bargaining council constitutions and rules, public service specific legislation, collective agreements and information sheets that can be used as an easy reference.

While the workshop was compulsory for Council panelists, the Sectoral Bargaining Councils were invited to attend on a voluntary basis. The purpose of this was to bring into the training the experiential and information sharing on generic knowledge that applies to the various councils. The presentations covered areas on the background of the Council and Sectoral Councils, a comparative analysis of dispute resolution aspects between the various councils, the amended dispute resolution procedure and rules document, as well as administrative issues pertaining to dispute resolution. A presentation was also done on information sharing and the vision and function of the newly established Media, Resource and Information Centre.

A questionnaire was also handed out to obtain panelist feedback and the response was overwhelmingly positive. This was supported by numerous e-mails and telephone calls received from panelists indicating their appreciation for the work done and value it had for them. It was clear that the panelist workshops were a tremendous success and definitely added enormous value to the panelists' understanding of the Council and sectoral structures, specific legalistic aspects, as well as their roles as conciliators and arbitrators. The value of the workshops was further underlined by the fact that the panelists were unanimously of the opinion that an annual panelist workshop is crucial to ensure quality services rendered.

Various interesting and noteworthy discussions emanated from the workshops, some of which may require a second look at the current rules and procedures of the respective councils.

Numerous jurisdictional aspects were raised and it was clear that there is a dire need for greater consistency between the councils' dispute resolution processes, rules etc. as it currently creates unnecessary confusion and debilitates parties and panelists. It must be noted that the reaction of most of the panelists when realizing the extent of the discrepancies between the Councils was one of shock and surprise.

Another burning issue was the fact that the daily fee has not been adjusted for years and is currently well below the current CCMA fee structure.

The specific issues raised, together with a possible way forward, forms part of current discussions between the Council and Sectoral Council structures.



5.8 Dispute Resolution Survey

Since the establishment of the Council and the Sectoral Bargaining Councils, many amendments have been made, new structures and positions created, and new procedures adopted to cater for the specific needs of the various Councils.

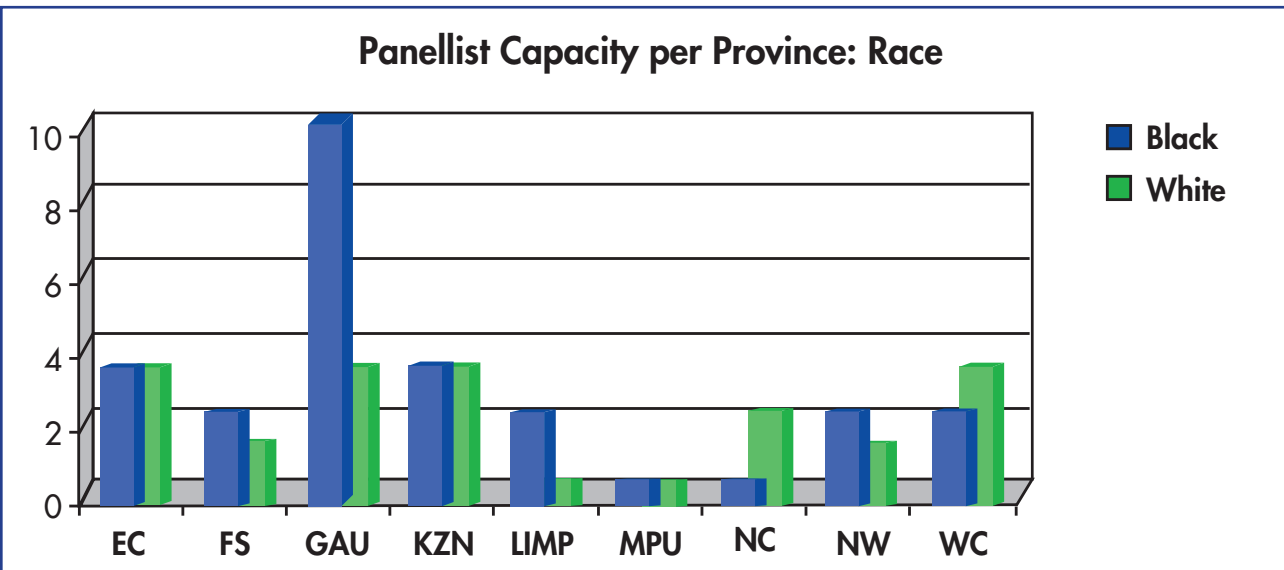
A dispute resolution survey was distributed to all Councils to ascertain the current status of the various Dispute Resolution Sections and the processes used. The information obtained was discussed at a Secretaries meeting and will further assist in the updating of a database to ensure that the information that is provided to the public, panelists and parties is correct and up-to-date.

5.9 Operational Report

5.9.1 PSCBC Panel of Conciliators and Arbitrators

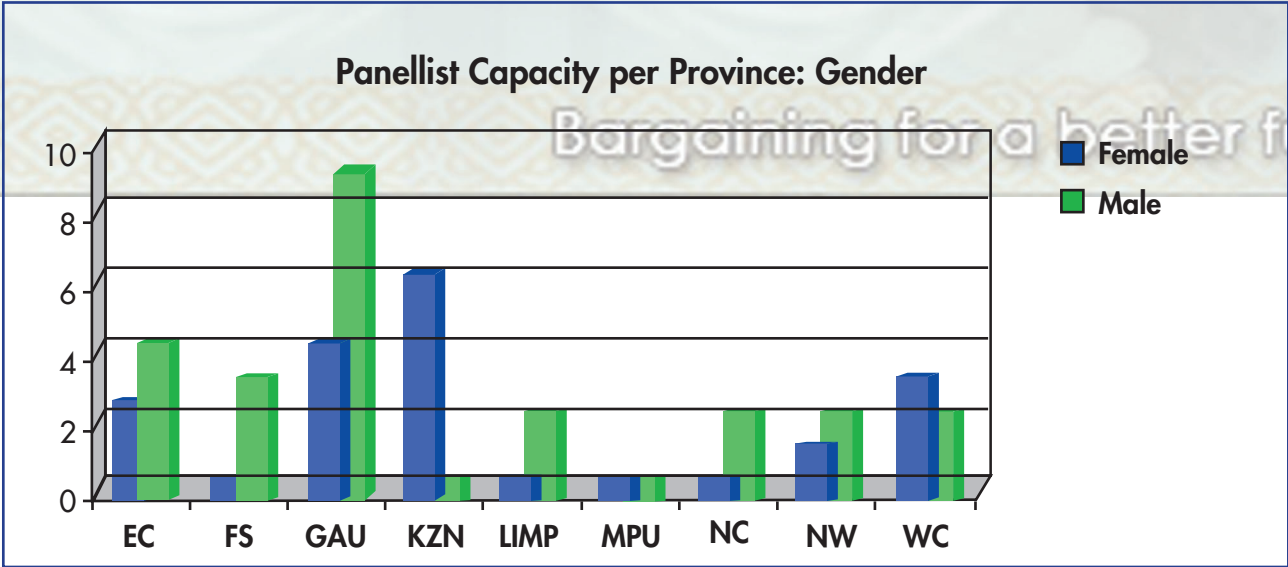
The new list of panelists will be adopted by PSCBC at the annual general meeting of this financial year (2005/2006).

The diagram below illustrates the breakdown of panelists per province for the period 2005/2006:



The total PSCBC panel consists of 60% black (including Indian and Coloured) panelists and 40% white panelists, and the situation per province is reflected by the graphic below.

The ratio per gender can be depicted as follows:

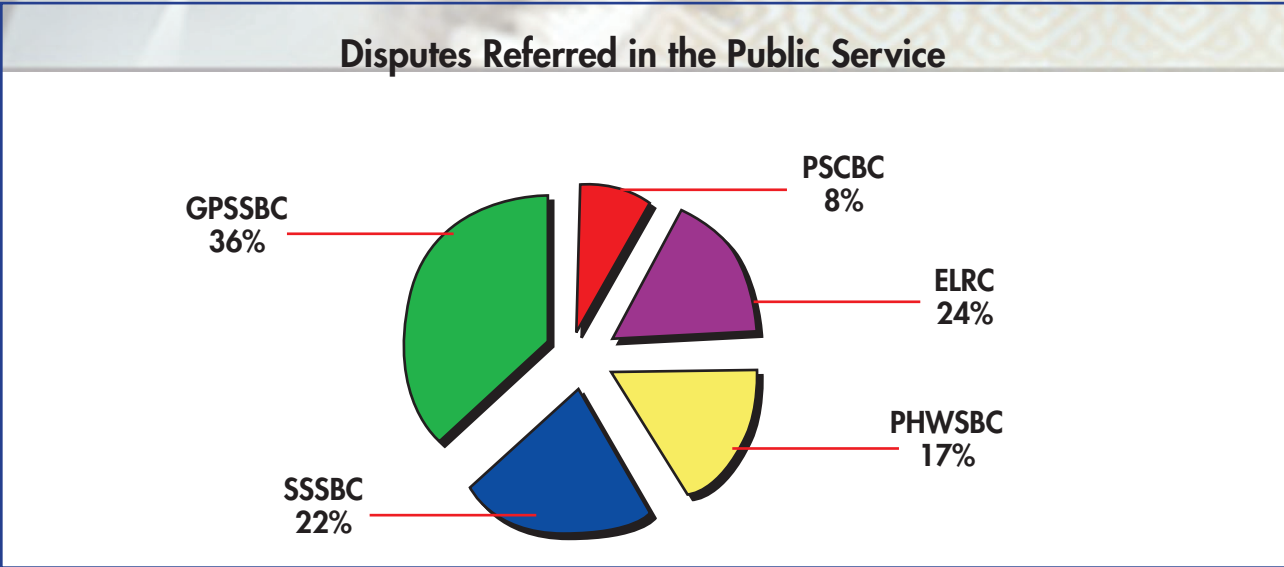


Of the total PSCBC panel, 40% are female, while 60% are male. This is a huge improvement as the panel only contained 26% female panelists in the previous year.

5.9.2 Case Load

(Note: All statistics used in this report reflect the position as per the Case Management System for the period under review)

The PSCBC and Sectoral Bargaining Councils received a total of 4089 referrals for the period 1 April 2005 to 31 March 2006. The number of disputes referred during the same period in the 2004/2005 financial year is 3780. (Of the 3780 cases, 2722 were properly referred). There was thus an increase of 309 cases, i.e. 8%.

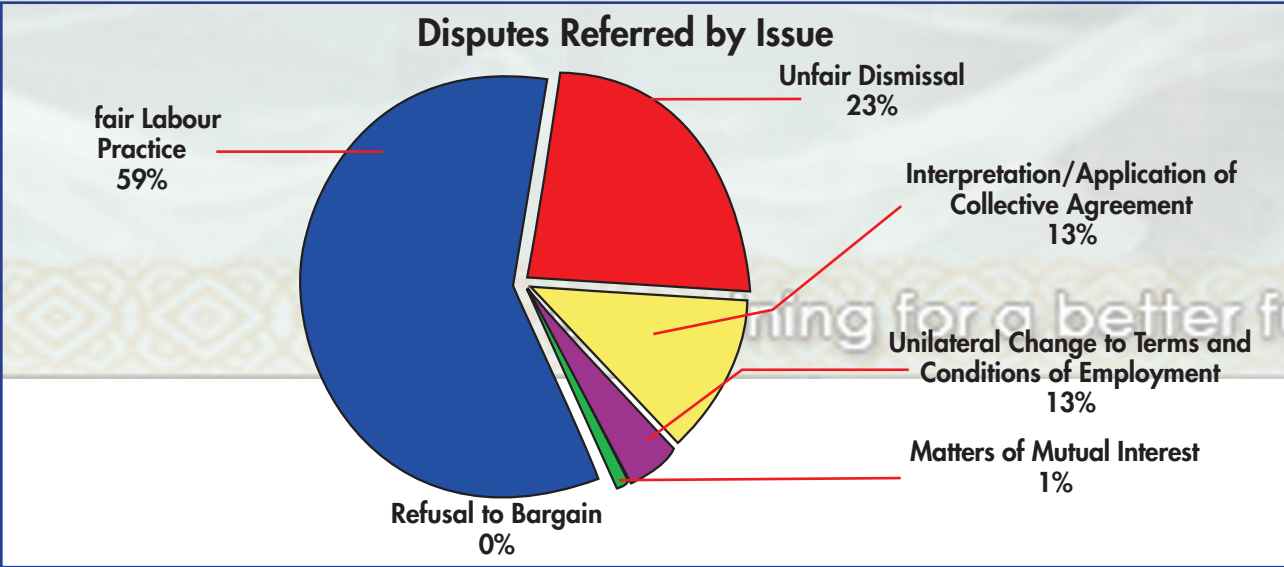


The number of cases received by the various Public Service Bargaining Councils and the sectoral case load in relation to the total number of cases received by all the Councils is depicted above.

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, it has steadily shown an increase and is currently standing at 8%.

The main reason for the increase in the Council caseload is the increasing 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 various ways are being explored to resolve these disputes prior to a conciliation hearing.

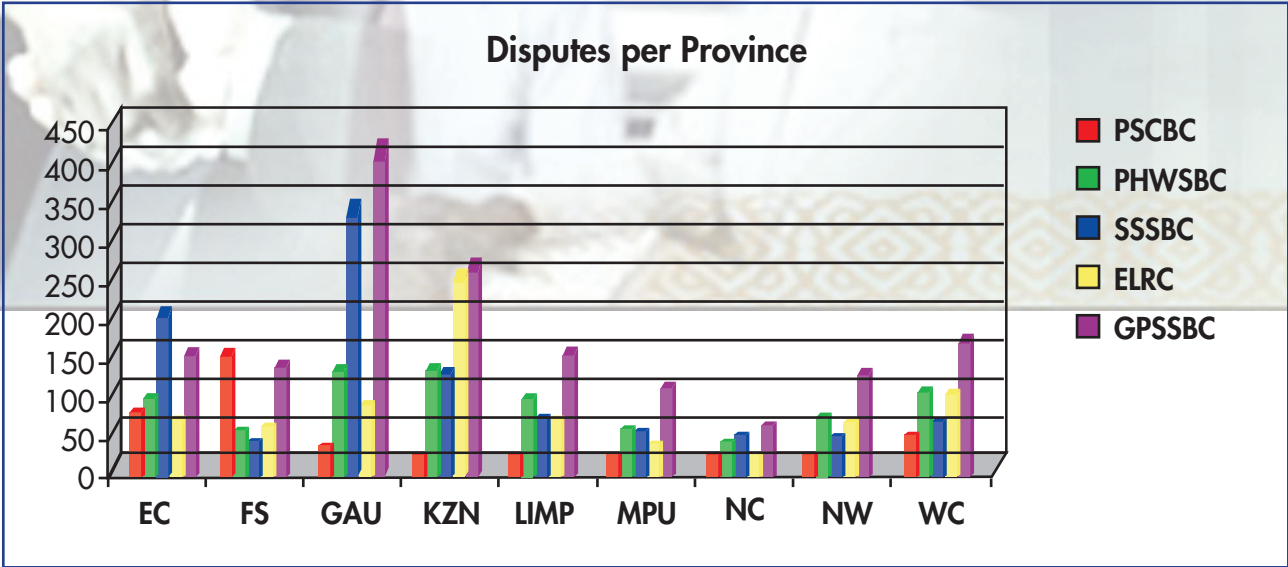


Of the total number of disputes referred, 59% pertained to unfair labour practice disputes (a decrease of 1% in comparison to the previous financial year). Unfair labour practice disputes include disputes about promotions, demotions, training, benefits, suspension or other disciplinary matters short of dismissal, as well as the failure to reinstate in terms of an agreement and probation disputes.

Unilateral Change to Terms and Conditions of Employment and Unfair Dismissal disputes remained the same at 4% and 23% respectively, while Interpretation and Application of Collective Agreement disputes increased by 5%.

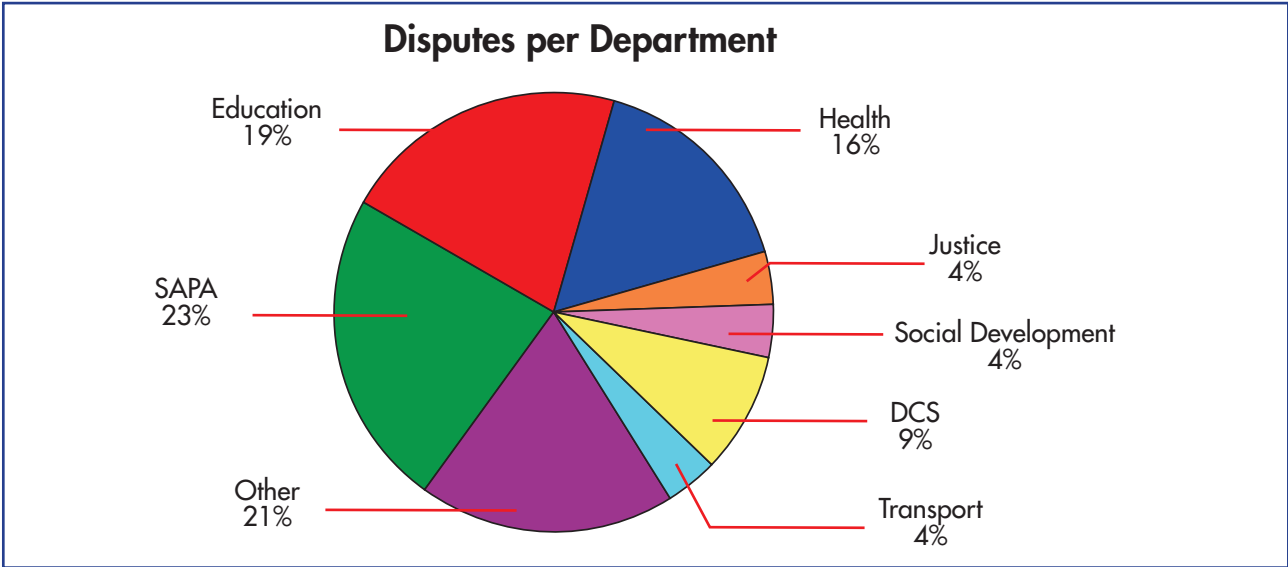
The increase in the number of Interpretation and Application of Collective Agreement disputes correlates with the increase in the number of disputes referred to the PSCBC, as 89% of all disputes referred to the PSCBC pertained to the interpretation or application of a PSCBC resolution.

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

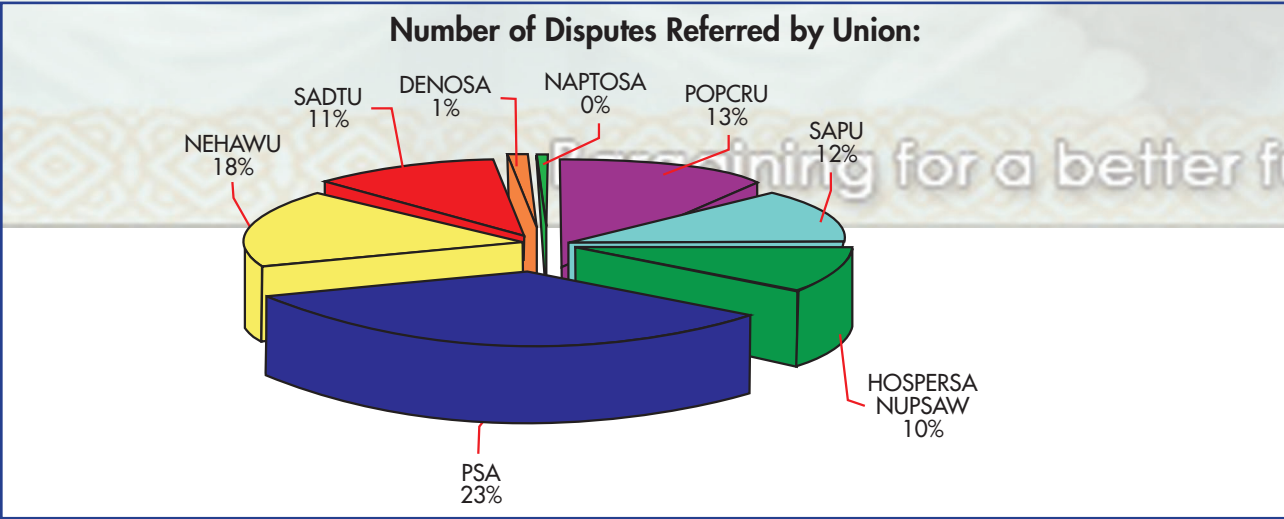


The above correlates with the figures of 2004 with regard to the provinces where the most disputes arose. Most of the disputes arose in Gauteng, KZN and Eastern Cape. It is further interesting to note that the different Sectoral Bargaining Councils received the bulk of their referrals from different provinces. GPSSBC and SSSBC, for instance, received most of their disputes from Gauteng, while the bulk of PHWSBC and the ELRC's disputes arose in KZN. The bulk of the PSCBC disputes arose in Free State which mainly pertained to disputes regarding Resolution 14 of 2000 (non-adherence by the employer of the 30 day period specified in the Grievance Procedure). Most of the disputes in the Eastern Cape pertained to Resolution 7 of 2000 disputes (disability leave) that arose in the SAPS.

The number of disputes that arose per Department is shown in the following graph:



The most referred disputes arose in SAPS, followed by the Department of Education and the Department of Health. The number of disputes that arose in the Department of Correctional Services (DCS) is also alarmingly high in relation to the size of the Department.



PSA referred the most disputes in the Public Service, followed by NEHAWU, POPCRU and SAPU. If one considers the sectors in which these unions are mostly active, it corresponds with the previous graph showing the specific Departments where the most disputes arose.

5.9.3 Hearings

Conciliation Hearings				
Sector	Hearings Conducted	Settled/ withdrawn	Hearings within 30 days	Hearings outside 30 days
PSCBC	247	84	210	22
GPSSBC	1071	101	934	37
PHWSBC	569	11	303	158
SSSBC	593	54	266	128
ELRC	354	29	350	4

In total, 2834 conciliation hearings were conducted.

From the above table, it is clear that very few disputes are settled at conciliation hearings. Possible ways to increase the settlement rate at the conciliation stage should be explored as it will increase the overall efficiency of dispute resolution functions and decrease costs for all parties involved.

Another area of concern is the high number of cases scheduled outside of the statutory 30 day period. The PHWSBC seem to have an exceptionally high number of disputes that fall within this category.

Arbitration Hearings				
Sector	Hearings Conducted	Awards rendered	Settled at arbitration	Rescissions conducted
PSCBC	174	26	84	1
GPSSBC	1584	273	207	17
PHWSBC	400	18	6	6
SSSBC	502	188	2	14
ELRC	216	31	105	0

In total 2876 arbitration hearings were conducted. The GPSSBC scheduled the most arbitration hearings, almost three times as many as any other council. The SSSBC also scheduled a high number of arbitration hearings, which can once again be explained by the fact that they do not distinguish between the conciliation and arbitration hearings.

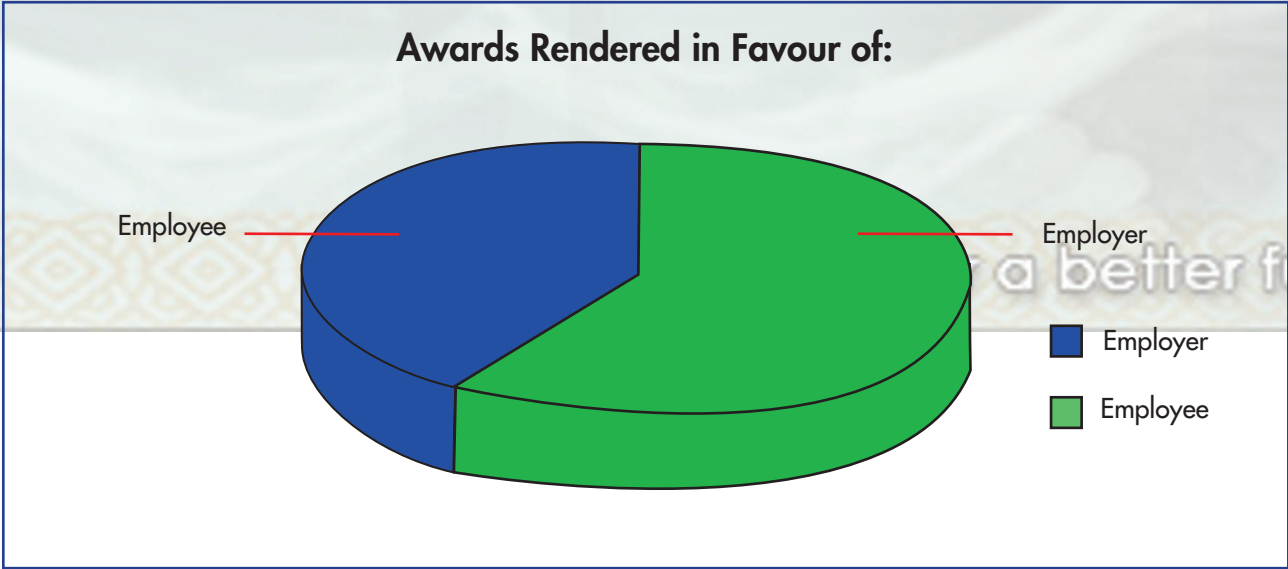
The number of awards received is invariably less than the number of hearings scheduled. This can be attributed to various factors, such as postponements, outstanding awards from arbitrators, and the fact that the 14-day period to submit awards for some of the hearings that were held in this period have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

The low number of awards rendered in the PSCBC and the ELRC correlates with the high number of disputes settled at arbitration. This however begs the question as to why these disputes could not be settled at conciliation.

The low number of awards received by the PHWSBC as reflected by the Case Management System however does not correlate with the few cases settled at arbitration, which indicates that arbitrations may be taking extremely long to be finalized.

With regard to the awards rendered, it is interesting to note that the bulk of the awards in the PHWSBC and the SSSBC are in favour of the employer, while the bulk of awards in the ELRC are in favour of the employees.

The overall position can be depicted as follows:



5.9.4 Jurisprudence

A number of interesting awards and judgments pertaining to the Public Service were rendered. Here follows a short summary of a few reported cases.

NEHAWU and Department of Health Northern Cape Provincial Administration (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement (Resolution 1 of 2003). The question was as to whether the respondent is at liberty to appoint a non-employee to chair a disciplinary hearing involving employees of the respondent, since Resolution 1 of 2003 is currently in force and binding on the parties to this dispute. The arbitrator interpreted the resolution as follows: there may be circumstances in which the employer would be entitled to deviate from the disciplinary code; the appointment by the respondent of non-employees to chair disciplinary enquiries has to be adjudicated and answered in each individual case, with due regard to the circumstances of the particular case. It was thus found that to interpret the collective agreement to the effect that the respondent, in the normal course of things, would be entitled to appoint non-employees to chair disciplinary hearings would be incorrect.

PSA obo Schnetler and Department of Social Development (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement. The parties were called upon to submit written representations as to whether or not the PSCBC had the requisite jurisdiction to conciliate and arbitrate this matter. The principle that the dispute resolution mechanisms created by the act are for the use of employers and employees only was confirmed, and it was found that because the applicant was no longer an employee at the time of referring his dispute, the PSCBC lacks jurisdiction to entertain this matter. The fact that the applicant was still an employee at the time of lodging a grievance does not alter this position. The fact is that when he "declared" a dispute and referred it to the council, he was not an employee and the PSCBC was found to lack the requisite jurisdiction to conciliate and arbitrate this matter.

C Heunis and South African Police Service (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement (Resolution 7 of 2000). The issue to be decided was whether the respondent failed to adhere to the provisions of resolution 7 of 2000. The applicant applied for temporary incapacity leave and was served with a notice of suspension without remuneration. She was advised that her medical certificates did not constitute sufficient grounds for her failure to take up her post and render services. It was held that an arbitrator should not step into the shoes of the actual decision maker simply because the actual decision maker has failed or neglected to make a decision. It was found that the proper way of handling this matter would be to direct the respondent to consider the applicant's applications and make decisions within a reasonable time.

NEHAWU and Department of Social Services and Population Development (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement (Resolution 3 of 1999). The issue in dispute pertained to the payment of a danger allowance by the respondent pertaining to employees employed at places of safety. Reference was made to section 213 of the LRA that defines collective agreements. It was held that if the parties intended that only certain categories of employees are to qualify for a danger allowance, one would have expected the parties to mention same in their agreement. The arbitrator did not agree with the respondent's submission that the category of employees who qualify for the danger allowance has not been determined by the two collective agreements in question, and the applicant's interpretation of the collective agreements in question was therefore found to be correct.

NEHAWU obo Korasie and Department of Health (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement (Resolution 3 of 1999). The issue in dispute pertained to the payment of acting allowance. After acting in the position of his superior for about two years, the applicant claimed that he was entitled to an acting allowance in terms of a collective agreement binding on the respondent. The respondent denied that the applicant was entitled to an allowance as he had never been formally appointed to act in the post. The commissioner noted that the collective agreement provided that employees are entitled to an acting allowance if they are appointed in writing to act in a vacant funded higher post, and if they accept the appointment in writing. The applicant had not satisfied these requirements in two respects: firstly, the post concerned was not at all stages vacant and funded; secondly, he had neither been appointed nor accepted the acting post in writing. While it was certainly unfair of the respondent to permit the applicant to do the additional work attached to the higher post without additional remuneration, this was not a matter to be decided in a dispute concerning the alleged breach of a collective agreement. The fact was that the respondent had not breached the collective agreement. The application was dismissed.

PSA obo Jacobs & others and Department of Sport, Recreation, Arts & Culture (In the PSCBC)

Issue in dispute: Interpretation and application of a collective agreement (Resolution 14 of 2002). The applicant union lodged a grievance concerning an alleged unfair labour practice in terms of the applicable grievance procedure. The respondent refused to consider the grievance because it claimed that the grievance form was unsigned and, being collective in nature, the grievants were required to cite a "designated person" to deal with the matter. The union claimed that the respondent was well aware of the nature of the grievance, and that a designated person had not been cited because it was unaware of the identity of such person. The commissioner held that the requirement that a grievance be filed with a designated person was not mandatory. Nor was there any requirement that a grievance form be signed by grievant parties or their representatives. The respondent was ordered to process and attend to the grievance.

Mathabathe & another and Department of Justice & Constitutional Development (In the SSSBC)

Issue in dispute: grievance/ (residual) unfair labour practices (failure to appoint, promote, reinstate or re-employ. There was no policy indicating that existing permanent employees should be excluded from applying for new posts and may be absorbed only into posts they occupy. The applicant had the necessary experience and qualification to be appointed and failure of respondent to applicant to participate in process constitutes an unfair labour practice. The applicants were entitled to compensation equivalent to the sums they had lost by not being promoted.



5.10 General

In the past year, the various Public Service Bargaining Councils faced many challenges, but there is no doubt that these challenges contributed to growth in all the dispute resolution departments. There are many exciting projects that lie ahead and it is with a renewed vigour and enthusiasm that we stride forward to another year.

PART 6



MEDIA, RESOURCE AND INFORMATION

Bargaining for a better future

6. Media, Resource and Information

6.1 Establishment of a new Media, Resource and Information Centre

In line with and ensuring compliance with its constitutional objective of promoting effective communication, Council established the Media, Resource and Information centre, effective from 1 August 2005.

6.2 Vision

The vision of the Media, Resource and Information Centre is to provide effective and efficient media, research and information services to Council, in order to achieve the organization's strategic objectives.

The above vision underlines the power and duty of Council to provide operational services to Sectoral Councils insofar as it contributes to efficiency or administrative convenience, and is appropriate for the sharing of skills, expertise or resources. The aforesaid includes the provision to the public, the parties and the Sectoral Councils of information services relevant to the functions of the Council.

6.3 Objectives of the Media, Resource and Information Centre:

The main objectives of the Media, Resource and Information Centre are to:

- Develop and implement specific strategy documents and policies for the Council, including a marketing and communication strategy and a research policy;
- Project a professional image of the Council to its stakeholders, including Quarterly e-newsletters (to be published on the Council's website);
- Manage information systems, including the development/updating of the PSCBC website, as well as the websites of the PHWSBC and the GPSSBC;
- Organize and co-ordinate events in accordance with the departmental business plan;
- Measure customer/client satisfaction;
- Establish and maintain an appropriate resource and information centre/ labour law library that will meet the information needs of the Secretariat and parties to Council; and
- Provide accessible, accurate and up-to-date information on all issues relating to the Public Service Bargaining Councils.

6.4 Year under review

Since its establishment on 1 August 2005, the Media, Resource and Information Centre assisted the Dispute Resolution Department with the successful planning, execution and presentation of seven (7) national PSCBC Panelist workshops to all Public Service Bargaining Council panelists. This first-ever convened event assisted in projecting a professional image of the council.

Workshops were conducted in Bloemfontein, Durban, Port Elizabeth, Cape Town, Witbank, Potchefstroom and Midrand during the period November to December 2005.

Panelists were extremely grateful for the information (on CD Rom) handed to them containing awards from all bargaining councils, reported cases, bargaining council constitutions, dispute resolution procedures and rules of all bargaining councils, collective agreements and information sheets.

A full reaction level survey and needs analysis of panelists attending these workshops were conducted and a comprehensive feedback report was forwarded to EXCO.

The overall reaction of Panelists regarding the workshops was very positive, and 98.3% of them indicated that these workshops should become an annual event. This underlined the huge need for updated information and training from PSCBC and to share experiences with fellow panelists within the field of labour law.

Upgrading of the new revised Council website is currently in progress. For the first time, information gathered in the passed seven (7) years has been captured electronically and a new search facility on the Council's website is created in order for users to have access to this information immediately.

The website will further allow panelists to access a private forum where burning issues can be discussed and ideas swapped, and will hopefully encourage networking between panelists of all sectors.

The Media, Resource and Information Centre looks forward to the opening of a new labour law library during the next financial year, and a large number of interesting new books and electronic services have already been procured to assist in Council's information needs.

Although much work still needs to be done, and while numerous challenges lie ahead for this section in the next year, the parties to Council, and all other interest groups or individuals are invited to contact us to assist with their research or other related information needs.



PART 7



INFORMATION TECHNOLOGY

Bargaining for a better future

7. Information Technology

7.1 Overview

While the administration of Information Technology was previously the responsibility of the Finance Department, the maintenance was undertaken by Kunene Service and Solutions. However, as the systems became more sophisticated, and as the number of staff increased, a need was identified to establish a specific Department to fulfill this function. Consequently, the Council Information Technology Department was established in June 2005.

Key Objectives of the Council Information Technology Department:

- Maintain the CMS Server and ensure that links are operational at all times;
- Operate the computer hardware and software network infrastructure and ensure maximum uptime. Provide hardware and software support. All links, both internal and external, need to be operational at all times;
- Maintain the Information Technology security management System. The server and the network environment have to be secure at all times against viruses, spy-ware and potential hackers;
- Ensure that the Website link is operational at all times;
- Provide a secure data/disaster recovery solution;
- Manage the Information Technology site infrastructure;
- Provide end-user support;
- Administer configuration management; and
- Develop Information Technology policies and procedures.

The Council provides all the above-mentioned services for itself and the Sectors. Although the ELRC maintains its own systems, it has a diginet link to the Council's Case Management System (CMS) Server.

7.2 Network Infrastructure of the PSCBC

The GPSSBC, SSSBC, PHWSBC and the Council Conference Building all operate independent networks that link to the PSCBC Server. The links were all wireless and have recently been converted to fibre optic links. However, the wireless backbone infrastructure is still in position to act as a backup link.

There are diginet links to the:

- The CCMA which provides a link to administer the (CMS).
- All internet links are conducted at UUNET, who are the PSCBC Internet Service Provider (ISP).
- The diginet link between the Council and the ELRC ensures that the ELRC has access to the CMS Server, which stores data at the server based at the Council premises on the PSCBC Server.
- The Council Website is stored at MWEB.

Bargaining for a better future

7.3 Servers

There are 4 File Servers Hosted at the Council that are responsible for data file sharing, mail, case management, and PABX management purposes respectively.

7.4 Training

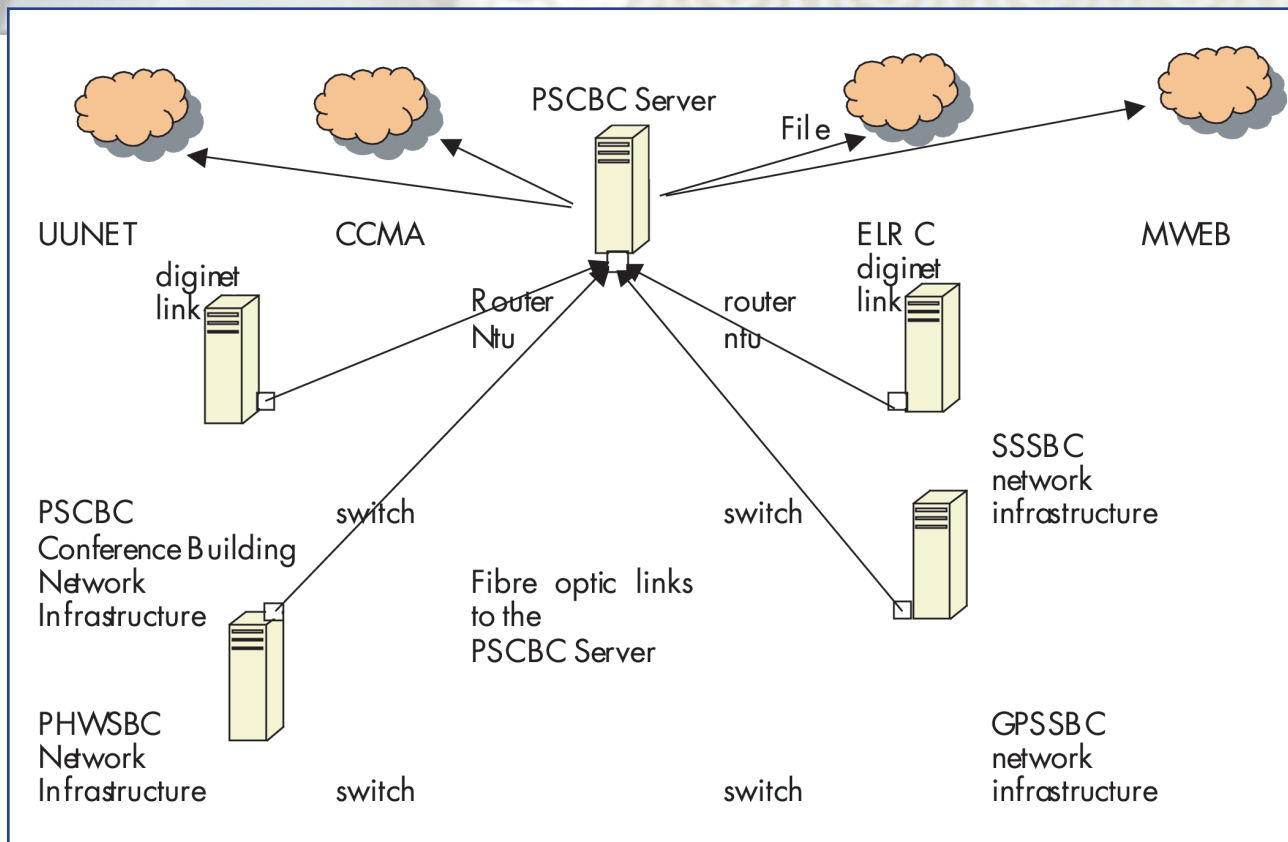
The Information Technology Engineer, Oomang Parag, is a fully Trained MCSE Engineer, has achieved Microsoft certified professional status and is also furthering his studies in the field.

7.5 Progress

- The server room has been refurbished and all cabling has been rewired to be safer and more secure. Additional security gates have been installed to protect the equipment.
- Problems were experienced with the Wireless Network. There was down time due to lightening and bad weather conditions, resulting in the network being slow. To alleviate this, a Fibre Optic Network has been installed to replace the previous Wireless Network. The Fibre Optic Network has made the network 200% faster and more secure and stable. The Fibre network has had no downtime since its installation.
- Regular housekeeping is conducted on all PC's for the Council and the sectors. The PC's are continually scanned for viruses and spy-ware. Drives are optimised and compacted for greater efficiency. Memory and Hard Drive space are also monitored. The RAM for all PC's were upgraded and are operational in terms of their specifications.
- Virus definition files are updated on a daily basis.
- A new, Uninterruptible Power Supply (UPS) was installed and re-cabled. This will ensure that even in the event of a power failure, the servers will run off the UPS, thus providing adequate time to properly shut down the server, or to perform a backup of required information.
- The Digital tape Drive (DAT) was replaced to ensure that backups are secure. A Backup Policy has been put in place.
- The telephone monitoring PC is a new instrument used to monitor telephone calls.

- The new Council Conference room will have a highly technologically advanced audio-visual system, and much effort has been put into this project. A WinScribe system was installed to allow for meetings to be recorded directly to a hard drive and later transferred to either a CD or DVD. A new IT network infrastructure was also developed for the new Conference Building.
- An Information Policy and Procedure Manual are in the process of being developed.

7.6 Network Infrastructure of the Council



7.7 Conclusion

Although the newly-established Council Information Technology department has several innovative and exciting challenges, it will endeavour to provide both the PSCBC and the Sectors with excellent service and new technological advancements.

PART 8



CONFERENCES & SEMINARS

Bargaining for a better future

8. Attendance: Conferences & Seminars

During the period under review, the Council sent delegates to the following events:

1.1 The 6th Global Forum on Re-inventing Government – Seoul, Korea

The Council sent its Executive Members to attend the 6th Global Forum on Re-inventing Government during May 2005 in Seoul, Korea. The Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, was one of the speakers at the conference, as well as other non-governmental organization representatives from South Africa.

At its conclusion, the conference adopted the declaration, which covered the following headings:

- Outcomes of the Forum
- Government Innovations and Social Integration
- Market Economies and Corporate Governance
- Civil Society

(A detailed report on the conference is available at the PSCBC).

8.2 IRASA Annual Conference – Stellenbosch – 4-6 October 2005

The Council, an institutional member of both IRASA and IIRA as part of its partnership strategy, has agreed to support the events of the associations both locally and internationally. With this mandate, the PSCBC and Sector Councils attended the 4th Annual Conference of the Industrial Relations Association of Southern Africa (IRASA) in Stellenbosch from 4 to 6 October 2005.

The conference had the formative agenda of initiating a dialogue and discussion between Private and Public Sector Stakeholders, Trade Unions, Academics and Individuals on the changing face of industrial relations. The theme of the conference was "Employment Relations: Building the Future, with emphasis on a positive approach to developing a solid future for the Country in terms of Labour matters".

The conference presentations covered the following topics:

- Involvement of People living with HIV/AIDS;
- Evaluating an HIV/AIDS Workplace Peer Education Programme;
- Regional Social Security;
- Apartheid Workplace Regime : Official Data on Race and Gender in the Workplace;
- Is the SA Trade Union functioning effectively under the onslaught of Globalisation;

- Section 197 : Legal and people-related business issues;
- The Constitution: Impact on Employment Relations;
- Skills Development: The performance of the Educational and Skills Training Institutions in the new South Africa;
- Central Bargaining and Labour Market Flexibility;
- The Complexity of Employee Benefits; and
- Employee Participation: The Rand Water Case.

Bargaining for a better future

The Secretary of Council has developed an extensive and detailed report on the deliberations of the conference, which is available on the PSCBC website (www.pscbc.org.za).

8.3 Council Involvement in IRASA

At the IRASA 2006 AGM, our own Chairperson, Mr. Edwin Molahlehi, has been elected as the new IRASA President.

The PSCBC Secretary, Shamira Huluman, has been elected to serve bargaining council interests on the IRASA Executive Committee.

8.4 4th African Regional IIRA Congress - Mauritius 28 – 30 November 2005

The Secretary of Council was delegated to represent PSCBC and present a paper at the IIRA 4th African Regional Conference. The Paper, **Social Dialogue in the Public Service – the South African Experience**, is available on the PSCBC website (www.pscbc.org.za).





PART 9



SECTORAL BARGAINING COUNCILS

Bargaining for a better future

9. Reports of Sectoral Bargaining Councils

9.1 Education Labour Relations Council (ELRC)

The Education Labour Relations Council (ELRC) derives its mandate from the Labour Relations Act (LRA) as amended and is registered as a public entity, and is therefore required to comply with the Public Finance Management Act (PFMA) of 1999 and the Treasury Regulations. This report covers the period 1 April 2005 to 31 March 2006.

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

A detailed report on the work of the ELRC is available on the ELRC website (www.elrc.co.za).

9.1.2 Vision

To strive towards the continuous maintenance and promotion of labour peace, accomplished in the spirit of parties to the Council working together and contributing towards the transformation and development of a quality South African Public Education sector.

9.1.3 Mission

To be the leading provider of quality, effective, efficient and non-partisan administration and facilitative mechanisms for Labour Peace and for the development of a quality South African Public Education sector.

9.1.4 Parties to Council

The Council consists of:

Employer: Representing the state as an employer is the collective, made up of the Provincial Departments of Education, coordinated by the National Department of Education.

Trade Unions:

- South African Democratic Teachers Union (SADTU)
- National Professional Teachers Organisation of South Africa (NAPTOSA)
- Suid-Afrikaanse Onderwyserunie (SAOU)
- National Teachers Union (NATU)

9.1.5 Collective Bargaining

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 2006 on the ELRC Constitution;
- Collective agreement 2 of 2006 on the Vote Weights for the Trade Unions that are Parties to the Council;
- Collective agreement 3 of 2006 on School Grading Norms;
- Collective agreement 4 of 2006 on Full-Time Shop stewards in Education; and
- Collective agreement 5 of 2006 on Improved Career Pathing for Qualified Post Level 1 Educators and Accelerated Progression for all Educators on applicable salary scales.

Projects	Outcome
Factors Determining the Educator Supply and Demand in SA Public Schools	• The study set out to explore the phenomenon of educator attrition and to understand various reasons why educators may be leaving the profession. In addition, the study sought to understand the system's demand for educators and the number of educators needed to meet this demand. • A series of seven reports were completed and the final report, which integrates these reports, has been published. The aim of the report is to integrate all these findings and provide a more comprehensive picture of the determinants of supply and demand for educators in public schools.
The research studies on Maximum Workload for Educators and the Post Provisioning Model.	This project which started in the previous financial year, were completed. These have assisted the council in shaping negotiations around educator-learner ratios.

9.1.6 Dispute Prevention & Resolution Services Department

9.1.6.1 Total Number of Disputes and Settlement Rate

During the period under review, a total of 651 disputes were referred to the Council. Of these, 546 were successfully dealt with through conciliation/arbitration. Cases that are still in progress amount to 116, and the rest were withdrawn, not proceeded with, or removed due to lack of jurisdiction or non-attendance by the referring parties.

9.1.6.2 Expedited Joint Conciliation and Arbitration Process in Kwa-ZuluNatal

This process was aimed at dealing with disputes referred to the ELRC, and which arose from the promotions and appointments process emanating from the implementation of HRM circulars.

A total number of 149 disputes were referred to this process. Of this total, 95 were settled at conciliation (64% settlement rate at conciliation) and 54 were successfully dealt with at arbitration.

9.1.6.3 Conciliation Process: Dispute of Mutual Interest

The general secretary of the ELRC intervened in the Eastern Cape and facilitated a conciliation meeting between SADTU and the Eastern Cape Department of Education.

9.1.6.4 Financial overview

The actual levies received amounted to R13.7m, an increase of 1% compared with the previous financial year.

An amount of R7.3m was transferred from the reserves to supplement the income from levies in order to cover the shortfall. The concern is the continuous use of reserves since this cannot sustain the organization for much longer, hence the urgency to reach agreement on the increase in the levies per educators.

The Accounting Officer has endeavoured to implement sound financial measures to comply with the requirements of the PFMA and Treasury Regulations. A Risk Management System, as well as a Supply Management System, are in place.

9.1.6.5 Conclusion

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

M Govender
General Secretary

9.2 General Public service Sectoral Bargaining Council (GPSSBC)

9.2.1 Overview

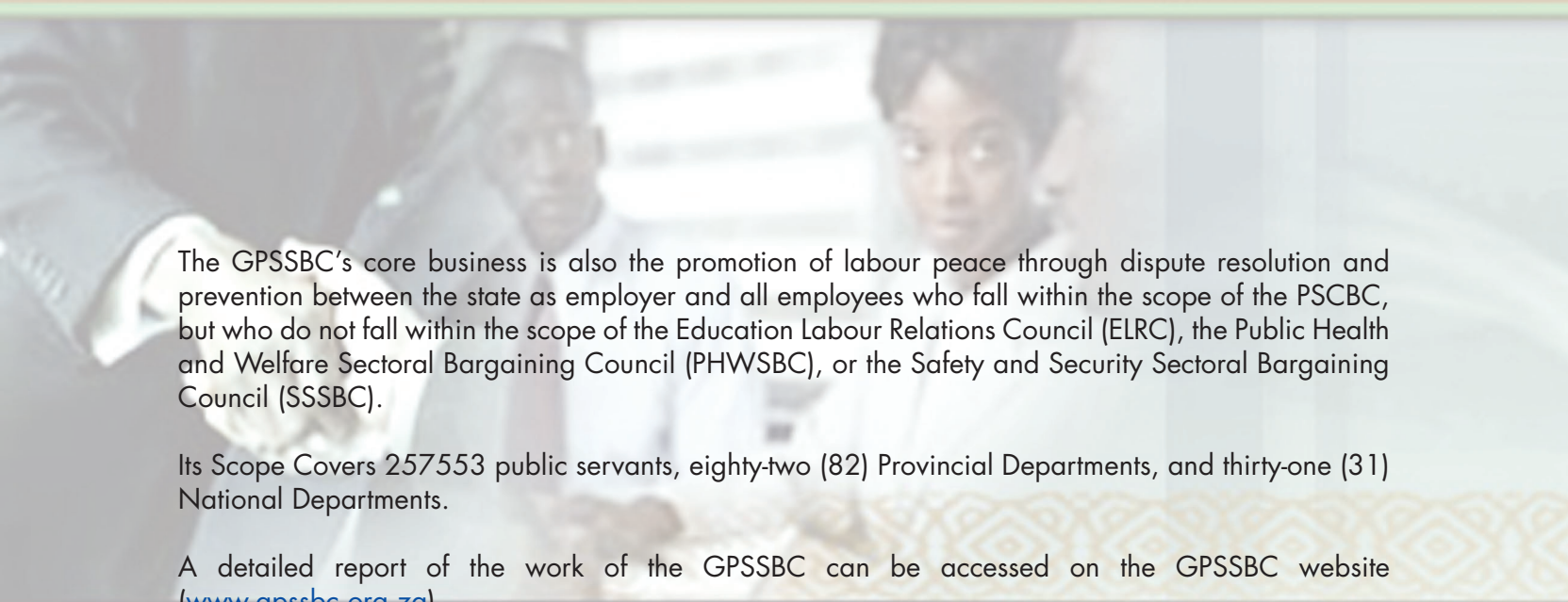
The General Public Service Sectoral Bargaining Council (GPSSBC) was designated in terms of the PSCBC Resolution 10 of 1999.

Subsequent to its designation by the PSCBC in 1999, the General Public Service Bargaining Council (GPSSBC) was registered with the registrar of Labour Resolutions at the Department of Labour. The registration is effective from 28 July 1999. The GPSSBC was inaugurated on 7 September 1999. It was accredited to do dispute resolution from 1 June 2000.

The GPSSBC has as its core objectives the following:

- To promote an enabling environment for collective bargaining;
- To create and maintain effective and efficient administration;
- To promote effective and expeditious dispute management;
- To improve the governance model by inculcating best practice in all aspects of our work; and
- To develop an effective communication strategy.





The GPSSBC's core business is also the promotion of labour peace through dispute resolution and prevention between 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).

Its Scope Covers 257553 public servants, eighty-two (82) Provincial Departments, and thirty-one (31) National Departments.

A detailed report of the work of the GPSSBC can be accessed on the GPSSBC website (www.gpssbc.org.za).

9.2.2 Parties to Council

The scope of the GPSSBC includes 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 NEHAWU, POPCRU and PSA.

As per the provision of the Constitution, registered Trade Union parties may enter into working-together arrangements. In the 2005/2006 reporting period, the following working-together arrangements were applicable in Council:

- NEHAWU, PAWUSA;
- POPCRU, SASAWU; and
- PSA, UNIPSA, NPSWU

Vote weights of Parties to Council for 2005/2006

TRADE UNIONS	AUDITED MEMBERSHIP FIGURES	VOTE WEIGHTS	NUMBER OF REPRESENTATIVES
PSA	109412		
UNIPSA	1901		
NPSWU	1335		
TOTAL	112,648	48.86%	5
NEHAWU	73565		
PAWUSA	11,376		
TOTAL	84941	36.84%	5
POPCRU	24412		
SASAWU	8560		
TOTAL	32 972	14.30%	3
GRAND TOTAL	230561	100.00%	

9.2.3 Collective Bargaining:

For the period under review, the GPSSBC was instrumental in facilitating the signing of the following collective agreements:

Resolution 1 of 2005 – Administrative Agreement;
 Resolution 2 of 2005 – Governance Rules for Chambers; and
 Resolution 3 of 2005 – Administrative Agreement.

9.2.4 Dispute Resolution:

The Dispute Resolution Core Team

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

- Monthly report on statistics of disputes received and managed;
- The recruitment of panelists;
- The conduct of panelists;
- Amendments to referrals;
- General problems experienced in the administration of disputes and the unit; and
- Review of the Constitution of Council.

Dispute Resolution Rules Workshop

Resolution 4 of 2004 The Rules for the Conduct of Proceedings was workshopped with panelists and Chambers of the GPSSBC. This workshop was well received and the impact was far-reaching in terms of panelists, parties and individuals understanding the rules of the Council and putting them into practice, thereby enhancing the processes of Dispute Resolution.

9.2.5 Projects

a. Negotiations Training

The General Public Service Sectoral Bargaining Council (GPSSBC) resolved to implement a three-day skills development programme on Negotiation Skills for nominated managers and shop stewards in all 9 Provinces and National Departments. The overarching goals of the training were geared at:

- Reducing the number of labour disputes in the workplace;
- Promoting a healthy working relationship between labour and employer; and
- Improving negotiation skills of nominated delegates.

The training was conducted by Sithole Human Capital. The training has been well received, and judging from the participation of the learners during the workshops, coupled with the feedback from their evaluation forms, it is evident that the training was a great success.

b. Business Diagnosis

Council retained NIA Consulting to conduct a business diagnosis of the processes of Council. The findings of the exercise have been profound and the recommendations endeavour to ensure that the Council will take service delivery to the next level.

A comprehensive report has been interrogated by Council and the initial feelings are that the implementation of the outcomes of the processes will change the face of the GPSSBC to accommodate greater understanding of the purpose of the Council to ensure that it evolves as its milieu changes.

Council's Business Diagnosis Report is the first for a Public Service Bargaining Council and is viewed as a trend setter.

While change is inevitable, the overall principles and values, which are the foundation of the GPSSBC, will remain unchanged and will serve as a platform for the dawn of the new era.

9.3 Public Health and Welfare Sectoral Bargaining Council (PHWSBC)

9.3.1 Scope

The Scope of the PHWSBC covers:

- The state as employers, and employees employed in: the Department of Health in the national sphere of Government;
- the nine Departments of Health in the provincial sphere of Government;
- the Department of Social Welfare in the national sphere of Government;
- the nine departments of social welfare in the provincial sphere of Government;
- all other employees who are employed in health and welfare facilities under the Public Service Act and the Correctional Services Act and their employers; and
- other health and welfare workers as defined in schedule 1 of the PHWSBC's Constitution and employed under the Public Service Act and their employers.

9.3.2 Core objectives

- promotion of labour peace in the public health and social welfare sector;
- promote and maintain sound relationships between the employer and its employees;
- promote collective bargaining in the public health and social welfare sector;
- promote the effective and expeditious resolution of disputes in the public health and social welfare sector;
- promotion of the effective delivery of service to the community; and
- promotion of effective communication between the employer, its employees and the trade unions in the public health and welfare sector.

The Council's (PHWSBC) broad mandate:

- 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 labour disputes between: trade unions admitted to the Council; or its employees;
- administer funds to be used for resolving disputes, collective bargaining, and the general administration of the Council;
- raise, borrow, lend, levy and invest funds;
- develop policy proposals that may affect the sector;
- promote and establish training and education schemes; and
- exercise any other power or perform any other function that may be necessary or desirable to achieve the objectives of the Council.

9.3.3 The Council

The Council (PHWSBC) is the highest decision-making structure and is constituted by the following:

The employer in:

- The Department of Health in the national sphere of Government;
- The nine Departments of Health in the provincial spheres of Government;
- The Department of Social Development in the national sphere of Government;
- The nine Departments of Social Welfare in the provincial sphere of Government; and

Labour:

- DENOSA;
- HOSPERSA;
- NEHAWU;
- PSA; and
- NUPSAW.

In terms of representation, the employer delegation is made up of 22 representatives drawn from the provincial and national spheres of health and welfare government departments. Conversely, Labour’s representation was determined on the basis of membership figures as at December 2004, and was as follows:

Union	Number of members as at 31 December 2004	Vote weight as at 31 December 2004	Number of representatives
DENOSA	76 819	30.0%	5
HOSPERSA	39867	15.6%	4
NEHAWU	82 885	32.4%	5
PSA	46 058	18.0%	4
NUPSAW	10338	4.0%	3

9.3.4 Collective Bargaining and consultative processes

- The context within which to construe the work performed by the collective bargaining component is located within its strategic objective as encapsulated in the Constitution and enhanced by the strategic plan, namely: the promotion of negotiation and collective bargaining to conclude collective agreements on matters of mutual interest to the employer and employees falling within the scope of the Council.
- Pursuant to this, the component coordinated not less than five Council and seven Special Council meetings, which culminated in the signing of the following watershed resolutions:

Name of Resolution	Purpose
Resolution 1 of 2005: Uniform Allowance	The strategic objective of this resolution was to provide for an allowance for professional nurses, staff Nurses and Nursing Assistants who are required to wear uniforms in the execution of their duties. Provide uniforms and protective clothing to all other employees who are required to wear uniforms or protective clothing in the execution of their duties via the Government tender process. To achieve equity in the amount being paid to professional Nurses, Staff Nurses and Nursing Assistants as allowance for uniforms.
Resolution 2 of 2005: Agreement in administering disciplinary hearings in terms of Resolution 1/2003 of the PSCBC.	The objective of the agreement was to develop a fee structure for the administration of the disciplinary hearings in terms of the PSCBC's Resolution 1/2003.
Resolution 1 of 2006: Agreement on the transfer of employees from the Department of Social Development to the South African Social Security Agency	The purpose of the agreement was to ensure the transfer of employees from the Department to the Agency in terms of section 22 of the Agency Act, read with section 197 of the LRA, without disruption to the management, administration and payment of social assistance, and to ensure adequate protection for the rights of the transferred employees.
Resolution 2 of 2006: on Constitutional Amendments	The objective of this resolution was to effect changes to the Constitution.
Resolution 3 of 2006: Adoption of the rules for the conduct of proceedings before the Public Health and Social Development Sector Bargaining Council	The objective of this agreement was to effect rules for the conduct in the dispute proceedings of the PHWSBC.

Notwithstanding the aforementioned milestones, the Collective Bargaining component encountered challenges in the following areas:

9.3.4.1 Uniform Allowance Task Team

In terms of Resolution 1 of 2005 a Uniform Allowance task team was established. The terms of reference are to be developed.

9.3.4.2 Increase of Social Workers' Salaries

This issue is in dispute. During the conciliation phase parties entered into an agreement in which they agreed to investigate the re-grading of social workers with the aim to apply the exercise uniformly and to confirm the principle of equal pay for work of equal value.

9.3.4.3 Minimum Service Agreement

This item has been on the agenda of Council since its inception. Council has not agreed on categories of workers who are eligible to go on strike. In terms of law, parties are expected to enter into a collective agreement that will regulate the minimum services that will have to be rendered during industrial action. Currently, all services that are designated as essential services are not allowed to go on strike.

Labour declared a dispute that was conciliated on 20 June 2005. Parties entered into a process agreement and agreed that a process of soliciting service providers to conduct research in this regard should be initiated. Subsequent to the presentations by different service providers, Council resolved that parties reserved their rights in law.

9.3.4.4 Developing of Career Pathing Framework for Sector

Labour parties were of the view that Council should revive its undertaking to commission a research project on the aforementioned. The Employer was of the view that a proper mandate should be solicited from their principals regarding the research.

9.3.4.5 NELOMA Project – “Nurses doing other work out of their scope”

The PHWSBC commissioned NELOMA to conduct a survey in the Health Sector on “Nurses doing other work out of their scope”. The findings of the research project and recommendations thereof were forwarded to the Department of Health.

9.3.4.6 Appointment of Panellists

Council is currently working on a resolution that would revise the appointment of panellists. In the interim, the contract for current panellists has been extended until December 2006 to allow the process of developing the aforementioned resolution and criteria to be finalised.

9.3.4.7 Upgrading of Administration Clerks and other Occupational Classes

Council was requested to upgrade the levels of Administration Clerks from salary levels 2 and 3 to level 4 in the first round. In the second round, i.e. 2005/2006 they should move to the next notch. The Administration Clerks in the different provinces were on different levels. Labour parties requested that the salaries be aligned. Labour further indicated that they would declare a dispute if they were not involved in the process of job evaluation.

9.3.4.8 Danger Allowance

The Council agreed that this matter should be removed from its agenda and tabled at the level of the PSCBC.

9.3.4.9 Acting Allowance

Labour proposed that Resolution 1 of 2001 should be reviewed by Council.

9.3.4.10 Committees and Task Teams

Dispute Resolution Committee

The Committee hosted two (2) successive workshops in October 2005 to discuss and draft the Rules for proceedings in the PHWSBC and the Dispute Resolution procedure.

The Committee facilitated the signing of Resolution 2 of 2005, Resolution 3 of 2005 and Resolution 3 of 2006. The Committee further recommended that the PHWSBC referral form in future should serve as a guideline to applicants when referring a dispute to PHWSBC.

Fincom facilitated the accomplishment of the following:

~ Levy Fee Project

Council commissioned a project to identify misallocated levies. Phase 1 of the project identified an amount of R3 765 448 to have been misallocated to the GPSSBC, and R2 000 to the ELRC.

~ Capacity Building for Fincom Members

Fincom members underwent a capacity building programme at Wits University where they attended training on Finance for non-financial Managers.

Transformation Committee

Council identified programmes to be undertaken by this Committee.

Research Committee

The following research projects were discussed by Council:

- Career pathing for the Health Sector
- Minimum Services Level Agreements

Staffing Committee

The Committee successfully facilitated the review of HR Policies, PMDS and the policy on Sexual Harassment. This assisted Council to evaluate all staff and appoint three (3) new employees.

Skills Development Committee

The Committee was preoccupied with the review of the Proposal/Resolution on the Skills Plan. A presentation by Dr Govender of the HWSETA on aforementioned resolutions suggested that the Committee no longer had a role to play. Council needs to redefine its role or dissolve the Committee.

Provincial/ Departmental Chambers

The PHWSBC has established Provincial Chambers for the Sector in all nine provinces. The Council acknowledges the functioning of the different Chambers and the important role of the various Chairpersons.



9.4 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.

9.4.1 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.

9.4.2 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 trade unions admitted to Council and 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.

9.4.3 Vision

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

9.4.4 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.

9.4.5 Parties to Council

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

Admission Threshold: Thirty Thousand (30 000)

9.4.6 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.

Bargaining for a better future

9.4.7 Agreements concluded in the 2005/2006 financial year

Agreements	Contents
Agreement 2 of 2005	Review and Consolidation of agreements entered into at the National Negotiation Forum and Safety and Security Sectoral Bargaining Council during the period 1994 to 2004.
Agreement 3 of 2005	Employment Relations Manual
Agreement 4 of 2005	Utilization of funds set aside for Transformatory Measures in terms of PSCBC resolution 7/1998
Agreement 1 of 2006	Disciplinary Regulations
Agreement 2 of 2006	New Salary Structure for SAPS

9.4.8 Provincial Chambers

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

9.4.9 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.

9.4.10 Provincial visits and workshops

The Council embarked on provincial visits to chambers in order to observe the meetings of the chambers and to engage in dialogue with parties on chamber issues. The provincial visits assisted Council in assessing the functioning of the chambers and in providing the necessary assistance.

Assistance was in the form of workshops in order to assist provincial chambers to function as required. In the workshops, all parties had to identify the challenges facing chambers, as well as factors that were inhibiting the proper functioning of the chamber. At the end of the workshops, parties signed a memorandum of agreement committing themselves to jointly improve the functioning of chambers.

9.4.11 Capacity Building

In an effort to enhance capacity at provincial chambers, parties to chambers, Chairpersons and Secretaries attended the following:

- The Annual Labour Law Conference (LexisNexis); and
- Annual Labour Law Seminar (Juta).

The Council further identified the need to provide training to provincial chambers on negotiations skills, an overview of the legal framework regulating SAPS, the SSSBC and its functions, and labour relations issues.

PART 10



TRADE UNION MEMBERSHIP TO COUNCIL

Bargaining for a better future

10. Trade Union Membership to Council

10.1 Clause 7.1 & 7.2 of PSCBC Constitution

"7.1 Any single trade union party may apply for admission to the Council if it –

(a) meets the threshold requirement of 50 000 members; and

(b) is admitted to a Sectoral Council.

7.2 Any two or more trade unions acting together as a single party (referred to as a combined trade union party), may apply for admission to the Council if –

(a) their combined membership meets the threshold requirement of 50 000 members; and

(b) each constituent party of the combined trade union party, on its own or acting together (as a single party), is admitted to a Sectoral Council."

10.2 Admitted Unions to Council

10.2.1 Admitted trade union parties

In terms of the annual review of membership conducted, the following trade unions were admitted to Council, in terms of Clause 7 and 8 of PSCBC Constitution for the period June 2005 to June 2006:

- DENOSA acting together with SAMA, as DENOSA
- HOSPERSA, NUPSAW and NATU acting together as HOSPERSA/NUPSAW/NATU
- APEK, ITUSA, NUE, OFSATA, PEU, SAOU, SAUVSE and USAPE acting together as NAPTOSA.
- NEHAWU acting together with PAWUSA, as NEHAWU
- POPCRU acting together with SASAWU and SADNU, as POPCRU
- PSA acting together UNIPSA and NPSWU, as PSA.
- SADTU acting together with CTPA, as SADTU.
- SAPU

10.2.2 Verification Process:

In terms of Clause 10.1 of the PSCBC Constitution and the adopted guidelines for the submission of audited/ verified membership figures, Council conducted a verification process by comparing audited membership figures with a download from Persal.

Council at its meeting on 13 October 2005 accepted the explanations on variances from the respective auditors and agreed to the recommendations of Council's auditors as set out in (i) of their letter. The auditors report can be obtained from the Office of the Secretary.

The determination of vote weights below is therefore based on the recommendations of Council's auditors.

10.3 Vote Weights and Membership

During the period July 2005 to June 2006, the following trade unions were admitted to the PSCBC:

UNION	VOTE WEIGHT	MEMBERSHIP
DENOSA acting together with SAMA	5.855%	57 950
HOSPERSA/NUPSAW/ NATU acting together	10.551%	104 426
APEK, ITUSA, NUE, OFSATA, PEU, SAOU, SAUVSE, USAPE, acting together as NAPTOSA	8.606%	85 177
NEHAWU acting together with PAWUSA	16.491%	163 217
POPCRU acting together with SASAWU and SADNU	10.797%	106 864
PSA acting together with UNIPSA and NPSWU	18.022%	178 367
SADTU acting together with CTPA	23.137%	228 986
SAPU	6.540%	64 727



PART 11



FINANCIAL REPORT

Bargaining for a better future



11. Financial Report

11.1 Annual Financial Statements and Auditors Report

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 2006

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 2006

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	2
Balance Sheet	2
Income Statement	2
Statement of Changes in Funds	2
Cash Flow Statement	2
Notes to the Financial Statements	2
Detailed Income Statement	2
Report of the independent auditors	2

Approval

The financial statements which appear on pages 3 to 14 were approved by the Executive Committee on 23 June 2006, 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 2006. These financial statements are the responsibility of the organisation's Executive Committee. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with International Standards on Auditing. 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. An audit also includes 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.

In our opinion, the financial statements fairly present, in all material respects, the financial position of the organisation at 31 March 2006 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the bargaining council's constitution.

The supplementary schedules set out on page 14 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.



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

**Centurion
23 June 2006**

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
REPORT OF THE COUNCIL
for the year ended 31 March 2006

The Council presents their report for the year ended 31 March 2006. 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. Statement 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 constitution.

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 2006**

	Notes	2006 R	2005 R
Assets			
Non-current assets			
Property, plant and equipment	2	696,143	536,582
Current assets		44,222,558	33,287,855
Accounts receivable	3	228,930	389,107
Cash and cash equivalents		43,993,628	32,898,748
Total assets		<u>44,918,701</u>	<u>33,824,437</u>
Funds and liabilities			
Capital and reserves			
Accumulated funds		10,701,865	6,995,698
Non-current liabilities			
Special projects	4	10,877,616	10,850,865
Current liabilities		23,339,220	15,977,874
Accounts payable	5	99,185	348,210
Trade unions funds	6	23,240,035	15,629,664
Total funds and liabilities		<u>44,918,701</u>	<u>33,824,437</u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
INCOME STATEMENT
for the year ended 31 March 2006

	Note	2006 R	2005 R
Levies received	7	12,595,421	12,018,636
Other income		4,800	350,000
Operating costs		<u>9,316,896</u>	<u>7,125,916</u>
Operating surplus	8	3,283,325	5,242,720
Investment income		490,842	312,357
Finance costs		<u>(68,000)</u>	<u>(112,000)</u>
Surplus		<u><u>3,706,167</u></u>	<u><u>5,443,077</u></u>

**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
STATEMENT OF CHANGES IN FUNDS
for the year ended 31 March 2006**

	Accumulated funds R
Balance at 01 April 2004	1,552,621
Net surplus for the year	<u>5,443,077</u>
Balance at 01 April 2005	6,995,698
Net surplus for the year	<u>3,706,167</u>
Balance at 31 March 2006	<u><u>10,701,865</u></u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
CASH FLOW STATEMENT
for the year ended 31 March 2006

	Notes	2006 R	2005 R
Cash flows from operating activities		11,640,486	6,236,874
Cash receipts		12,600,221	12,368,636
Cash paid to suppliers and employees		(1,382,577)	(6,332,119)
Cash generated by operating activities	11.1	11,217,644	6,036,517
Interest received		490,842	312,357
Interest paid		(68,000)	(112,000)
Cash flows from investing activities			
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(572,357)	(286,307)
Cash flows from financing activities			
Movement in Special Projects		26,751	303,828
Increase in cash and cash equivalents		11,094,880	6,254,395
Cash and cash equivalents at beginning of the year	11.2	32,898,748	26,644,353
Cash and cash equivalents at end of the year	11.2	43,993,628	32,898,748

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

1 Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting practice. The financial statements are prepared under 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 and any impairment in value.

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:

- Motor vehicles	5 years
- Furniture and fittings	5 years
- Computer equipment	3 years
- Computer software	2 years

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus.

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.

Employment 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.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

1.5 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, payables, receivables and trade union funds.

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and favourable current bank accounts.

Trade and other receivables

Trade and other receivables is recognised as assets when the entity becomes a party to the contract and as a consequence has a legal right to receive cash. Trade and other receivables originated are carried at original amount less an estimate made for impairment losses based on a review of all outstanding amounts at year-end.

Financial liabilities

Financial liabilities is recognised as liabilities when the entity become a party to the contract and as a consequence has a legal obligation to pay cash. Financial liabilities are recognised at amortised cost, which is original debt less principal payments and amortisation's

Gains and losses on subsequent measurement

Gains and losses arising from change in fair value of all financial instruments are recognised in net surplus or deficit for the period in which the change arises.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

2. Property, plant and equipment

	2006			2005		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Motor vehicles	179,152	35,830	143,322	179,152	-	179,152
Furniture and fittings	634,395	440,776	193,619	486,888	349,126	137,762
Computer equipment	836,498	670,995	165,503	667,245	482,942	184,303
Computer software	723,788	530,089	193,699	468,191	432,826	35,365
	<u>2,373,833</u>	<u>1,677,690</u>	<u>696,143</u>	<u>1,801,476</u>	<u>1,264,894</u>	<u>536,582</u>

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

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
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>(340,106)</u>	<u>536,582</u>
2006				
<i>Owned assets</i>				
Motor vehicles	179,152	-	(35,830)	143,322
Furniture and fittings	137,762	147,507	(91,650)	193,619
Computer equipment	184,303	169,253	(188,053)	165,503
Computer software	35,365	255,597	(97,263)	193,699
	<u>536,582</u>	<u>572,357</u>	<u>(412,796)</u>	<u>696,143</u>
		2006	2005	
		R	R	

3. Accounts receivable

Accounts receivable is made up of the following:

Sectors	31,411	214,807
Study loans and bursaries	51,735	9,886
Deposits	48,643	48,643
Accrued interest	97,141	66,985
Sundry debtors	-	48,786
Total	<u>228,930</u>	<u>389,107</u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

	2006 R	2005 R
4. Special Projects		
General funds		
Opening balance	10,850,865	-
Transferred from Development of Training Plan	-	1,129,735
Transferred from Transformation and Restructuring Fund	-	9,417,302
Interest received	441,904	569,726
Bank charges	(1,027)	(811)
Restructuring costs	-	(73,351)
Arbitration fees	-	(191,736)
Conference expenses	(414,126)	-
Balance at year end	<u>10,877,616</u>	<u>10,850,865</u>

5. Accounts payable

Accounts payable is made up of the following:

Sectors	-	191,735
Accrued expenses	36,414	85,857
Leave pay provision	62,771	70,618
Total	<u>99,185</u>	<u>348,210</u>

6. Trade unions funds

	Allocations 2006 R	Distributions 2006 R	Amount due 2006 R	Allocations 2005 R	Distributions 2005 R	Amount due 2005 R
DENOSA	4,197,882	(2,649,554)	2,673,032	5,392,548	(5,138,930)	1,124,704
HOSPERSA	7,153,967	(7,591,666)	480,029	7,881,096	(7,584,365)	917,728
NAPTOSA	5,920,162	(5,333,279)	2,746,854	6,906,686	(6,706,909)	2,159,971
NUPSAW	-	-	-	-	(24,776)	-
NEHAWU	11,289,764	(6,525,800)	7,487,591	13,212,952	(12,728,220)	2,723,627
PAWUSA	-	-	-	-	(292,615)	-
POPCRU	7,171,313	(6,479,165)	2,239,286	7,420,230	(7,182,295)	1,547,138
PSA	12,180,552	(12,047,972)	2,945,831	13,646,106	(13,416,206)	2,813,251
SADTU	15,354,480	(15,067,313)	3,609,984	16,133,261	(15,810,072)	3,322,817
SAPU	4,435,235	(4,398,235)	1,057,428	4,934,544	(4,796,301)	1,020,428
SAOU	-	-	-	-	(26,059)	-
SAMA	-	-	-	-	(54,264)	-
	<u>67,703,355</u>	<u>(60,092,984)</u>	<u>23,240,035</u>	<u>75,527,423</u>	<u>(73,761,012)</u>	<u>15,629,664</u>

7. Levies received

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

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

	2006 R	2005 R
8. Operating surplus		
Operating surplus is stated after:		
Expenditure		
Auditors' remuneration		
- Audit fee	58,140	39,900
Depreciation		
- Property, plant and equipment	412,796	340,106
Lease rentals	2,054,881	1,053,883
- Premises	1,658,922	1,053,883
- Equipment	395,959	-
	<u>10,583,740</u>	<u>1,563,083</u>
9. Commitments		
Operating lease commitments		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	1,371,732	150,516
Later than 1 year and not later than 5 years	7,002,822	848,719
Later than 5 years	2,209,186	563,848
	<u>10,583,740</u>	<u>1,563,083</u>

10. Financial instruments

10.1 Fair values

The carrying amounts of financial instruments 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.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2006

11. Notes to the cash flow statement

	2006 R	2005 R
11.1 Cash generated by operating activities		
Net surplus	3,706,167	5,443,077
Adjustments for:		
Depreciation	412,796	340,106
Investment income	(490,842)	(312,357)
Finance costs	68,000	112,000
	<u>3,696,121</u>	<u>5,582,826</u>
Movements in working capital		
Decrease/(increase) in accounts receivable	160,177	(239,263)
Increase in accounts payable	7,361,346	692,954
	<u><u>11,217,644</u></u>	<u><u>6,036,517</u></u>
11.2 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u><u>43,993,628</u></u>	<u><u>32,898,748</u></u>

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
DETAILED INCOME STATEMENT
for the year ended 31 March 2006

	2006 R	2005 R
Gross revenue		
Levies	12,595,421	12,018,636
Other income	495,642	662,357
Interest received	490,842	312,357
Sundry income	4,800	350,000
Total income	13,091,063	12,680,993
Expenditure	9,384,897	7,237,916
Advertising and recruitment	80,232	18,602
Arbitration and conciliation costs	463,944	314,506
Auditors' remuneration	58,140	39,900
Bank charges	24,743	27,474
Case management fees	14,275	343,710
Cleaning	70,948	-
Computer expenses	214,747	202,718
Consulting fees	66,982	126,706
Consumables	1,675	460
Depreciation	412,796	340,106
Insurance	56,831	45,982
Interest	68,000	112,000
Lease rentals	2,054,881	1,053,883
Legal fees	35,270	309,061
Media and resource centre	65,686	-
Meetings, conferences and seminars	1,491,105	1,156,712
Motor vehicle expenses	20,673	-
Postages	20,490	5,400
Printing and stationery	179,243	200,261
Provincial Chambers	374,342	124,319
RSC Levies	6,517	8,511
Refreshments	14,842	6,603
Repairs and maintenance	28,697	85,890
Salaries	2,746,704	2,003,717
Security	15,379	12,196
Telephone and fax	459,560	377,273
Training	83,515	55,868
Travel - secretariat	27,005	14,174
Workshops	227,675	251,884
Surplus	<u><u>3,706,166</u></u>	<u><u>5,443,077</u></u>

11.2 Departmental Report

11.2.1 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).

11.2.2 PSCBC Financial Committee members-2005/6

R Mahlake	Labour Representative
L Grobler	Labour Representative
T Matsane	Labour Representative
S Pardesi	Labour Representative
D Van Wyk	Labour Representative
G Mackenzie	Employer Representative
S G Padayachee	Employer Representative
J Griesel	Employer Representative

11.2.3 Financial performance

a. Total income

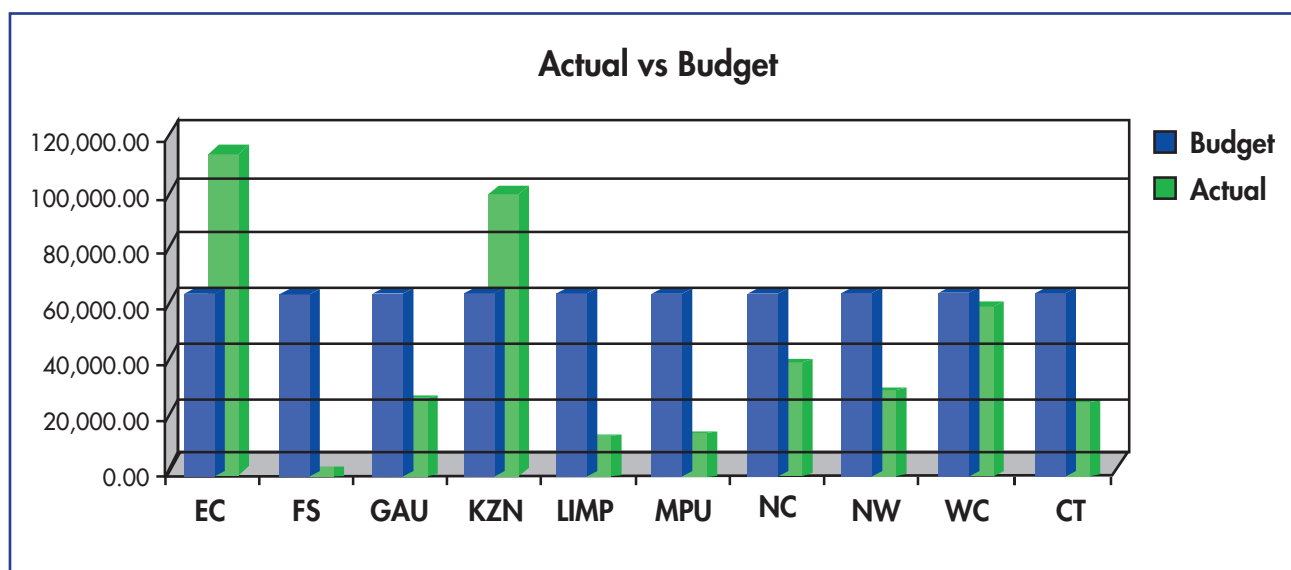
Council is fully funded (96.2%) by the levies from Public Service in terms of the PSCBC Levy Agreement (Resolution 5 of 2003), and the remaining 3.8% is generated from the interest received on those levies and the administration fees, totaling R13 091 063. The amount varies from year to year, depending on the number of employees in the Public Service during that specific year.

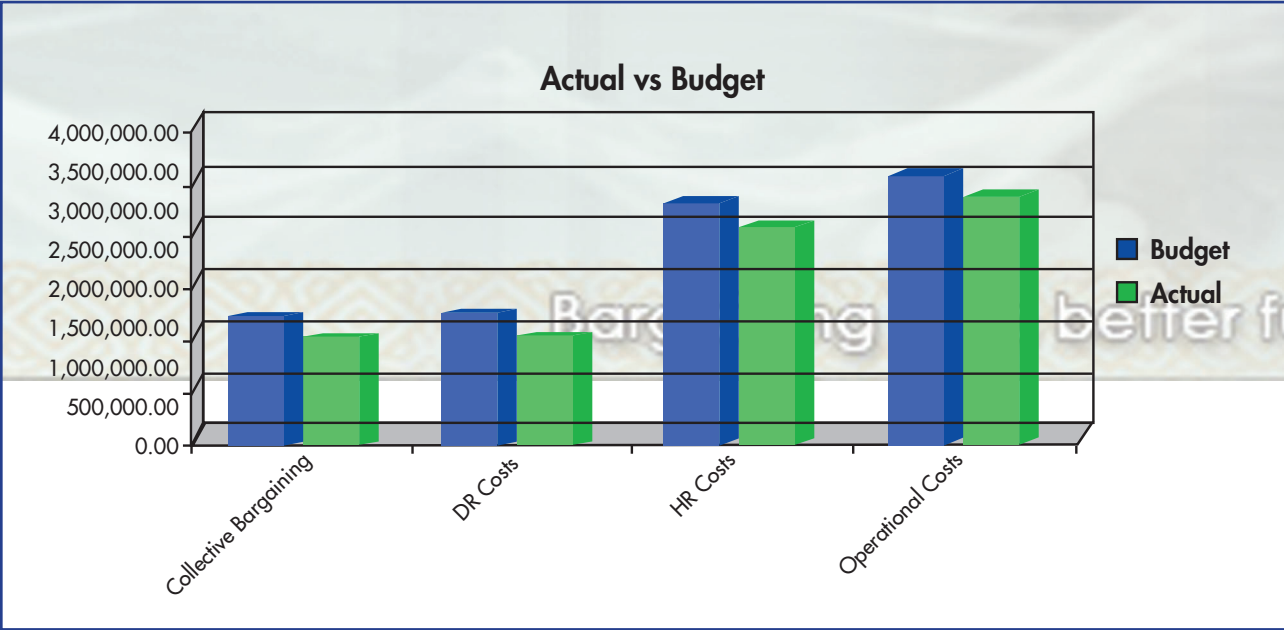
b. Total expenditure

The total expenditure for the Council has increased by 29% (from the period 2004/2005 to 2005/2006 Financial year) to R9 384 897 due to the following reasons:

- i. Increase in number of cases by 326 (2005/2006 Financial Year).
- ii. Increase in the lease expense in line with the organizations needs i.e. the Premises and equipment.
- iii. Increase in administration costs as a result of the growth of the organization e.g. Salaries, telephone, faxes and other admin related expenses.
- iv. Increase in the payments to Provincial Chambers due to the large number of workshops that were conducted by our CB-Negotiation Support Services Department throughout the country.
- v. Increase in the number of workshops and conferences.

These changes directly influenced the organization's overall surplus and reduced it by 32% in 2005/2006 financial year as compared to the previous financial year. This is a good sign in terms of delivery. The expenditure for the organization was within the approved budget and was closely monitored throughout the Financial Year.





c. Trade Unions Funds- Agency Shop Fees

The total amount due to be paid to Trade Unions is R23 240 035 as a result of non-submission of audited financial statements of agency fee accounts by some unions.

d. Interest Received

Total interest received from Cash Management System for the period under review amounted to R 490,842.00. This amount forms part of the total income for the organization.

e. Special Projects Account

The Special Projects Account is allocated funds for purposes of research, skills development, study tours, transformation and restructuring initiatives and other Special Projects identified by Council.

The Special Projects account has accumulated interest income amounting to R441, 904 and currently, as at year end, is R10, 877.616.

The attendance of an Executive Committee delegation to the 6th Global Forum on Re-inventing Government in Korea was the only special project that was implemented during the period under review.

f. Multi-term Budget

There is a crucial need for the budget to be reviewed on an annual basis to allow the Departmental budgets to suit the needs in a prioritized sequence of that specific Department within the organization. The managers for the relevant Departments are obliged to submit their reviewed budgets to the Finance and Admin Manager for the coming financial year according to the department prioritized needs before the end of the current financial year.

g. Post-Balance sheet contracts

The amount of lease rentals for the premises has increased drastically by 100% from year 2005 to the year 2006. The recommendation is that the Council should look at the option of buying the property from the landlord as we are also busy with renovations to suit the needs of the organization. The PSCBC signed a seven-year office space lease contract with Lyttelton Property Developers, and that's going to cost us +- R13 000 000. Also, the computer equipment has reached the stage where they have to be replaced (full lifespan) after 31 March 2005.

4.4.4 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.

Sipho Dladla
Acting Finance and Administration Manager

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12



SECRETARIAT PROFILE

Bargaining for a better future

12. Secretariat Profile 2005/2006

12.1 Secretariat

Position	Incumbent
Secretary to Council	Shamira Huluman
PA to Secretary	Shimonay April
Section Head: Collective Bargaining	Valencia Kola
Negotiations and Committee Officer	David Rambau
Negotiations and Committee Officer	Phumeza Maposa
Negotiations and Committee Officer	Nnete Monyamane
Dispute Resolution Manager	Yolanda le Roux
Senior Dispute Resolution Officer	Thandi Mnisi
Finance and Administration Manager	Sindi Moolman
Senior Finance Officer	Sipho Dladla
Finance Officer	Mamokali Makoli
Driver	Phillip Kgoadi
Receptionist	Ruth Molaudzi
Section Head: Media, Resource and Information Centre	Madeleine Theron
Information Technology	Oomang Parag

12.2 Staff movement

12.2.1 Employees exited

The Finance and Administration Manager, Sindi Moolman, was appointed as Director Finance Management in the National Department of Land Affairs, and left PSCBC in November 2005.

The Negotiations Support and Committee Officer, Nnete Monyamane was appointed as Collective Bargaining Officer at PHWSBC and left PSCBC in July 2005.

12.2.2 Transfers

The following employees were transferred internally:

Oomang Parag transferred from Finance and Administration Department to the newly established Information Technology Section.

Phumeza Maposa transferred from PA to the Secretary to Collective Bargaining Department as Negotiations Support and Committee Officer.

12.2.3 Vacancies

The following approved vacancies exist in PSCBC:

Information Officer

HR Officer

Finance and Administration Manager

The above positions are to be filled in the coming financial year.

The following vacancies were filled in this financial year:

Section Head: Media, Resource and Information Centre:
Madeleine Theron appointed on 1 August 2005.

Senior Finance Officer:
Sipho Dladla appointed on 1 September 2005.

PA to Secretary to Council:
Shimonay April appointed on 3 October 2005



12.2.4 Representivity Profiles

Race

Race	%
African	67%
Coloured	7%
Indian	13%
White	13%

Gender

Gender	%
Male	25%
Female	75%

Senior Management

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

Race

Race	%
Indian	(01) 100%

Gender

Gender	%
Female	(01) 100%

Middle Management

There are two (2) Heads of Department, i.e. Dispute Resolution Manager and Finance and Administration Manager.

Race

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

Gender

Race	%
Female	(02) 100%

Other Staff

This group of employees consists mainly of administrative support staff, the Negotiations Support and Committee Work section, Senior Dispute Resolution officer, Media, Resource and Information section, Information Technology section, Finance & Admin section, PA to the Secretary, Receptionist and Driver.

Race

Race	%
African	76%
Coloured	8%
Indian	8%
White	8%

Gender

Race	%
Male	33%
Female	67%

Employees with disabilities

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

12.2.5 Skills Profile

During the 2005/2006 financial year, the following bursaries and study loans were awarded:

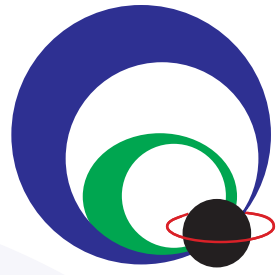
Bursary/study loan/awarded	Employee
LLB	Yolanda le Roux
Post Graduate Diploma in Labour Law	Valencia Kola
MCSE	
BA (Health & Social Services)	Nnete Monyamane
Certificate: Theory of Accounting (CTA)	Sindi Moolman
N Dip: Human Resources Management	Thandi Minisi
Dev Programme: Labour Relations (DPLR)	David Rambau
B Compt	Mamokali Makoli
N Dip: Human Resource Management	Phillip Kgoadi





Bargaining for a better future

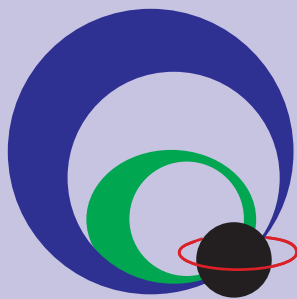




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