



PUBLIC SERVICE CO-ORDINATING
BARGAINING COUNCIL

Positioning Advancing Influencing Changing

***ANNUAL REPORT
2010-2011***



PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Vision

A Bargaining Council positioned to advance and influence change in the labour market environment

Mission

Promoting sound labour relations through collective bargaining and dispute management both locally and internationally

Values

- Integrity
- Efficiency
- Accountability
- Good Governance

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1. Foreword: Vice- Chairpersons



Modise Letsatsi (Labour)



Erasmus Phophi (Employer)

It gives us pleasure to present to you the Foreword for the annual report of the Public Service Co-ordinating Bargaining Council (PSCBC) for the 2010/2011 reporting period.

It would be important at this point to take a moment and reflect on a single event that tended to overshadow the activities of not only the Council but also the country at large – South Africa's successful hosting of the 2010 Soccer World Cup.

Critics and pessimists were proven wrong by South Africans in ensuring that this event became one of the most successful Soccer World Cup events in history. As South Africans we united and welcomed the world to Africa. “Phillip might be gone” but the legacy, stories and memories will forever be with us.

In the reporting period we also bade farewell to Shamira Huluman as General Secretary of the Council. Her contributions will remain with the PSCBC and we take this opportunity to thank her for the work done during her 12-year tenure. We wish her all of the best in her new position as CEO of the PSETA.

We would also like to welcome Frikkie De Bruin as the new General Secretary of the Council, assuming his duties on 1 November 2010. Having been the Secretary of the General Public Service Sector Bargaining Council (GPSSBC), he brings to the Council a wealth of experience and knowledge.

It is believed that under his leadership we will embark on a transformational process in ensuring that we entrench the objectives of the Council as outlined in the Constitution. We wish him well and assure him of our full support.

The Council has evolved over the reporting period. The principles of such evolution are contained in PSCBC Resolution 3 of 2010 (referred to as the “Birchwood 2” agreement) and PSCBC Resolution 6 of 2010 (also referred to as the “Summit” agreement), signed in the reporting period.

The Council also embarked on a strategic planning session from 23-25 March 2011. Vigorous debate and engagement without fear or favour resulted in the adoption of a new vision, mission and value statement for the Council. This report contains and will further detail other achievements of the Council during the reporting period.

Understanding the environment, it is simply no longer enough for the Council to be only effective and efficient in operational matters. The Council will have to take responsibility and accountability in ensuring delivery of strategic initiatives, while maintaining effective and efficient operational functioning.

The running of the Council would not be possible without the dedicated commitment of Council members, Executive Committee members, the General Secretary and staff. We thank you for the support we received during our tenure as Vice- Chairpersons and for your dedicated commitment towards the Council.

2. Executive Summary: General Secretary



Frikkie de Bruin (General Secretary)

It gives me great pleasure to present to the 14th Annual General Meeting the 13th Annual Report, encapsulating the activities of the Public Service Co-ordinating Bargaining Council (PSCBC) for the period 1 April 2010 to 31 March 2011.

Allow me firstly to acknowledge my predecessor, Shamira Huluman, for what could be described as her “lifetime” contribution to the PSCBC (Council). During her 12-year tenure she was not only a forerunner in establishing the Council but also relentlessly contributed and fought to ensure the PSCBC became a model bargaining council within the South African labour market and in the global arena. We wish her well in her endeavours as the Chief Executive Officer of the PSETA.

The Council embarked on a strategic planning session during the reporting period from 23 March 2011 -25 March 2011. In conducting a situational analysis during the session, stakeholders agreed to collective responsibility for failures and successes in the past 13 years and recommitted themselves, collectively, to ensuring the priorities and objectives agreed upon to translate into tangible deliverables for our clients.

Parties adopted the following as vision, mission and value statement:

Vision

“A bargaining council positioned to advance and influence change in the labour market environment”

Mission

“Promoting sound labour relations through collective bargaining and dispute management both locally and internationally”

Values

We commit to the following values;

- ***Integrity***
- ***Efficiency***
- ***Accountability***
- ***Good Governance***
- ***Equity***

The following objectives were identified, determining what needs to be done in order to ensure fulfilment of the co-ordinating role, effective collective bargaining and efficient dispute management, all of which are underpinned by principles of good governance;

- to review structures and strengthen processes of collective bargaining in the public service in order to ensure improved delivery of services;
- to monitor, evaluate and ensure compliance with collective agreements;
- to develop and implement a dispute prevention strategy that will encompass capacity building of stakeholders and enhancement of the dispute resolution procedure;
- to enhance good governance with the development and implementation of a risk management strategy, effective performance management of the Council and an investment in human capital development;
- to develop and implement a research strategy within the Council and;
- to refine and enhance the liaison, marketing and communication strategy in order to develop an organisational brand nationally and internationally.

The Council has committed to work tirelessly in achieving these strategic objectives in giving effect to the vision of the Council underpinned by the mission and value statement.

The Council also engaged in various other process and activities, of which the following are reported on extensively;

- Attendance at the 6th Africa Regional ILERA Conference in Nigeria;
- 2nd Biennial Labour Relations Conference;
- Collective Agreements signed;
- Functioning of Chambers;
- Dispute Management;
- Finances;
- Human Resources; and
- Support Services

Outlook

The year ahead brings with it various challenges. The most important would be for the Council to give effect to the new vision and mission. The Executive Committee has been tasked as a priority, to develop an implementation plan for the strategic objectives as adopted.

The Council will have to focus on placing the organisation and advancing in areas where the organisation has already made gains, in influencing and changing the labour market environment.

The review of the organisational structure, governance and the funding model should also be prioritised in giving full effect to the vision.

Appreciation

My thanks to the Council, Executive Committee members and especially the Vice-Chairpersons to Council for their valuable guidance and insight provided since my appointment. Human capital is of vital importance to the success of the PSCBC and I place great importance on this crucial asset. Therefore my personal thanks to Valencia, Thandi, Natasha, Oomang, Joseph, Obakeng, Sonnyboy, Mashudu, Dineo, Montsheng, Shohana, Thabo, Johanna, Henri, Bianca, Rekha, Ruth, Philip, Deborah, Tracey, Lebogang, Busisiwe and Evelyn for your unconditional support to the Council and myself.

3. Governance Structure

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 1,3 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 other things, the collective bargaining process.

This report provides an overview of the achievements of the Council from 1 April 2010 to 31 March 2011.

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 organisational interest. The constitution also places the responsibility on the Council to promote effective communication and co-ordination between itself and the Sectoral Councils.

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 the 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 are appropriate for the sharing of skills, expertise or resources, including the following:
 - (i) providing policy and guidelines regarding the appointment, training and payment of panelists;
 - (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.

4. Leadership Structure

The constitution provides for the election/appointment of a Chairperson and Vice-Chairpersons of Council who serve for a 24 month term and the appointment of the General Secretary:

Vice Chairpersons:



Modise Letsatsi (Labour)



Erasmus Phophi (Employer)



Frikkie de Bruin (General Secretary)

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:

Member

LABOUR



K Bok (PSA)



L Ralikonyana (NEHAWU)



P Ndala (POPCRU)



K Peane (SADTU)

Alternate

M Modiselle (DENOSA)



S Pillay (SAPU)



C Marule (NEHAWU)



H Henriks (NAPTOSA)



Member

M Ntshikila (DPSA)



J Slater (DHET)



J Cornwall (DOH)



H M Magwentshu (SAPS)



Alternate

T Siko (DPSA)



S Geyer (DBE)



M Mntuyedwa (SOCDEV)



J Griesel (SAPS)



Finance Committee (FINCOM)

The Finance Committee comprises the following representatives:

Member

LABOUR

C Marule (NEHAWU)



D Madiba (SAMA)



P Ndala (POPCRU)



J Maluleke (SADTU)



Member

EMPLOYER

B Masha (ex DPSA)



H Brynard (DPSA)



F Van Vuuren (DPSA)



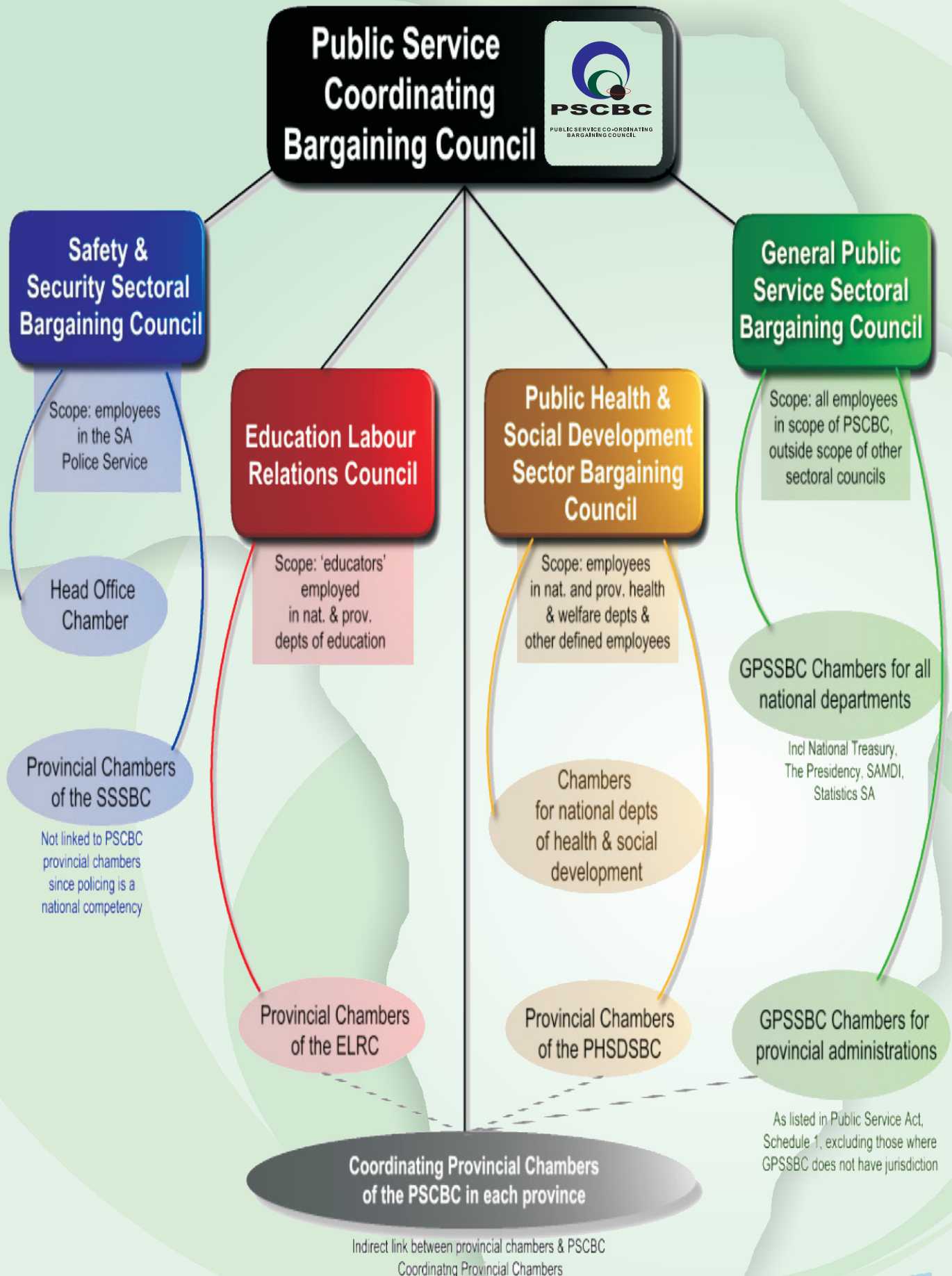
D Cornelissen (Treasury)





Positioning Advancing Influencing Changing

Collective Bargaining System for PSCBC and Sectoral Bargaining Councils:

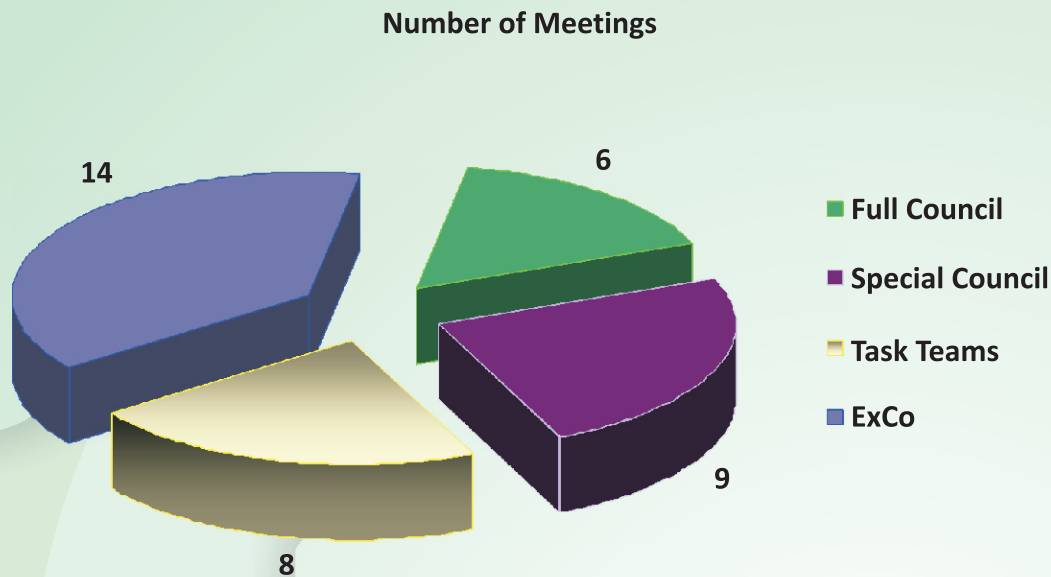


Introduction

The Negotiations Support Section offers administrative support services by arranging meetings of the Council, provincial chambers, committees and task teams established by the Council in order to achieve its Strategic Objective on effective and efficient bargaining.

The Section is also responsible for among other things, the implementation of the provisions of the PSCBC Constitution, implementing relevant sections of the Procedure Manual, and ensuring optimal administrative functioning of the various structures of the Council.

The following diagram illustrates the number of meetings held during the period under review:
1.1.



Resolutions 2010/11

The following Resolutions were concluded during the period under review:

Resolution 3 of 2010: Adoption of Declaration on the Closure of Occupational Specific Dispensation (OSD) and the process of the 2010/2011 Salary Negotiations as agreed at Birchwood Hotel

The parties to the PSCBC agreed to adopt the Declaration on closure of OSD's and processes of 2010/2011 Salary Negotiations, as agreed at the Workshop held on 15 and 16 October 2009 at Birchwood in Boksburg, as a resolution of Council.

The parties to the PSCBC met to review the progress made in respect of the Birchwood Declaration entered into on 11 June 2009. The report reflects that the PSCBC has fulfilled its mandate as agreed to in Birchwood 1. The parties have adopted the principles that guided engagements within the PSCBC.

The parties reflected on the goals achieved in the past 15 years and what was required to ensure that these gains were protected. It was agreed that in order to achieve and sustain good governance public servants need to be guided by the constitutional principles on public administration.

Resolution 4 of 2010: Agreement on improvement in salaries and other conditions of service for 2010/2011

The objectives of this agreement are to:

- provide for the annual salary adjustments for employees for 2010/2011
- provide for an increase in the housing allowance
- deal with other issues raised by parties to the Council during the salary negotiations; and
- provide for an orderly return to work.

Resolution 5 of 2010: Amendments to Resolution 5 of 2003 Levy Agreement

Since the signing of PSCBC Resolution 5 of 2003, the expenditure of the PSCBC has increased and the current levies collected have become insufficient to run its operations.

Parties agreed to the following:

With effect from 1 April 2011,

- Sectoral Bargaining Councils will take full responsibility for all their costs
- Where Sectoral Bargaining Council's request PSCBC to provide specific services these services will be provided based on the following conditions:
 - (i) A contract must be entered into between PSCBC and the Sectoral Bargaining Councils
 - (j) Sectoral Bargaining Councils are to be invoiced for actual costs and administration fees.

Resolution 6 of 2010: Adoption of Declaration on the Public Service Summit as agreed to at the Public Service Summit that was held on 11 – 13 March 2010 at Inkosi Albert Luthuli Convention Centre in Durban

The parties to the PSCBC agree to adopt the Declaration of the Public Service Summit as agreed to at Inkosi Albert Luthuli Convention Centre in Durban, on 13 March 2010.

The Parties to the Public Service Summit, held at Inkosi Albert Luthuli Convention Centre in Durban, from 11 – 13 March 2010, gathered under the theme "Positioning the Public Service towards a developmental state through effective service delivery" hereby commit to the principles, objectives and agreements set out in the declaration.

Task Teams

Task Teams were established in terms of clause 18 of the PSCBC Constitution to assist and provide support to the collective bargaining process. In this regard, task teams provides for a more informed and constructive engagement in dealing with complex and often highly technical tasks facing Council.

Some of the task teams were created to implement aspects of collective agreements of Council while others carry out specific tasks of Council.

The following Task Teams were established:

Pensions Restructuring Task Team (Resolutions 7 of 1998 & 12 of 2002)

During the year under review, the Task Team dealt with the process to recognize non-pensionable services as pensionable years of service for Public Servants affected by past discriminatory practices. National and Provincial workshops were held, whereby Provincial and National chambers were trained on the implementation of the collective agreements.

Due to inconsistencies in the initial roll out of the Pensions Redress programme in 2010, the closing date for submission of applications, originally 30 August 2010, was extended to 31 March 2012.

Task Team established in terms of Resolution 1 of 2007:

During the period under review, Council agreed that all matters emanating from Resolution 1/2007 should be elevated to the level of Council for negotiations. The following matters were elevated to Council for negotiations:

- Nightshift Allowance
- Recognition of Improved Qualifications
- Long Service Awards
- Minimum Service Level Agreement
- Housing Allowance Review

Constitutional Amendments Task Team:

During the year under review, Council took a decision to revive the Constitutional Task Team. The drafter who was appointed to assist in facilitating the process, Mr Le Grange recused himself in the process as he has been appointed as Acting Judge in the Labour Court.

Council decided to run the process without the facilitator. Legal opinions will be sought where necessary and a drafter be appointed after inputs and deliberations by parties (both Labour and Employer). The Employer submitted their inputs in 2009, this was considered by the Task Team after it was revived in November 2010. The Task Team reached consensus on certain matters and agreed to put aside other matters aside for further discussions.

The Task Team will continue with its work in the next financial year.

Provincial Co-ordinating Chambers of the PSCBC

Background

The Provincial Co-ordinating Chambers of the PSCBC were established during April-June 2004 in all nine Provinces in terms of Resolution 9/2003 as amended by Resolution 2 of 2005, which provides guidelines on the functioning of the Provincial Chambers.

The PSCBC provides Secretariat services to all provinces except the Free State and Limpopo, which are serviced by the Employer representative in the respective provinces.

The figure below illustrates the Management Committee responsible for co-ordination of chambers at provincial levels.

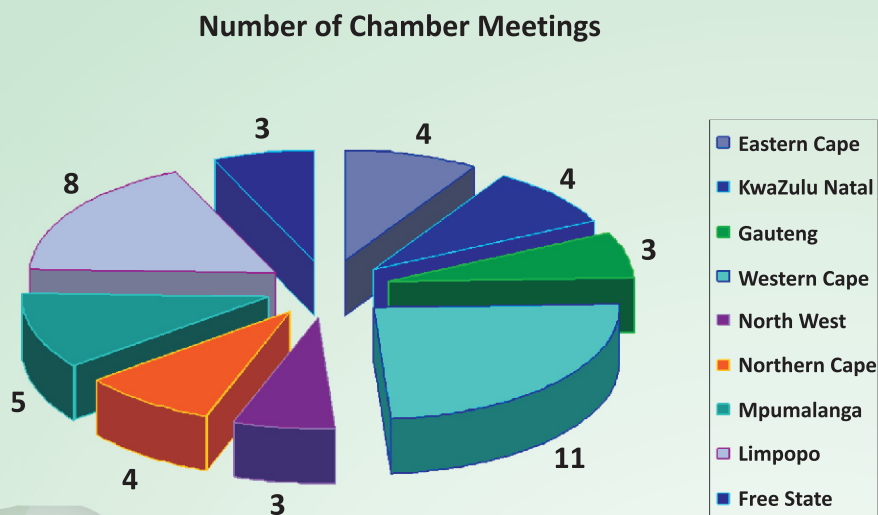
Figure A

Province	Management Committee Members
Gauteng	Chairperson: A Monyela Vice-Chairperson: S Moteme (Employer) Vice- Chairperson: (Labour) Secretary: M. Mallane (PSCBC)
North West	Chairperson: N Molemi Vice-Chairperson: L Olota (Employer) Vice- Chairperson: Vacant (Labour) Secretary: M Mallane (PSCBC)
Western Cape	Chairperson: D Jacobs Vice-Chairperson: S Faker (Employer) Vice- Chairperson: M Saaz (Labour) Secretary: M Mallane (PSCBC)
Eastern Cape	Chairperson: D Jaxa Vice-Chairperson: M Mazisiwe (Employer) Vice- Chairperson: T Koya (Labour) Secretary: M. Mallane (PSCBC)
Northern-Cape	Chairperson: F Brekelman Vice-Chairperson: T Ntsheno (Employer) Vice- Chairperson: W Olivier (Labour) Secretary: M. Mallane (PSCBC)
Kwazulu-Natal	Chairperson: A Van Schalkwyk Vice-Chairperson: Vacant (Employer) Vice- Chairperson: C Lekgoathi (Labour) Secretary: M Mallane (PSCBC)
Mpumalanga	Chairperson: M Mogoboya Vice-Chairperson: Vacant (Employer) Vice- Chairperson: M Khumalo (Labour). Secretary: M. Mallane (PSCBC)
Limpopo	Chairperson: M Chilwane Vice-Chairperson: S Ntwampe (Employer) Vice- Chairperson: J Marumo (Labour). Secretary: I Kutama (Seconded by Employer)
Free State	Chairperson: D Theron (Employer) Vice-Chairperson: M Sani (Employer) Vice- Chairperson: L Strydom (Labour). Secretary: R Thurston (Seconded by Employer)

The graph below illustrates the number of meetings held at various Provincial Chambers. The period under review has been characterized by a substantial increase in activities in comparison to the previous year, resulting in a significant increase of meetings. A total of 11 meetings were held in the Western Cape due to the Modernisation of Provincial Departments.

Some Provincial Chamber meetings declined to only three, owing to the public service strike. Parties agreed that lessons drawn from experiences were indications that a process of revival is eminent to redirect parties to the legal and Constitution mandate of the Chamber. Parties are looking forward to bring together all role players to assess, redefine and commit to the legal mandate of the Provincial Chambers.

Graph A



Agenda Matters for Provincial Chambers

The period under review covers the activities, operations and functioning of the Provincial Chambers. Notwithstanding the Public Service strike action which negatively impacted on processes, most Provincial Chambers successfully completed their Provincial Policies e.g. Kwa Zulu Natal and Western Cape Provincial Chambers.

Pensions restructuring workshops were conducted successfully in all Provincial Chambers. All Provincial Chambers have established their Task Teams and are fully operational.

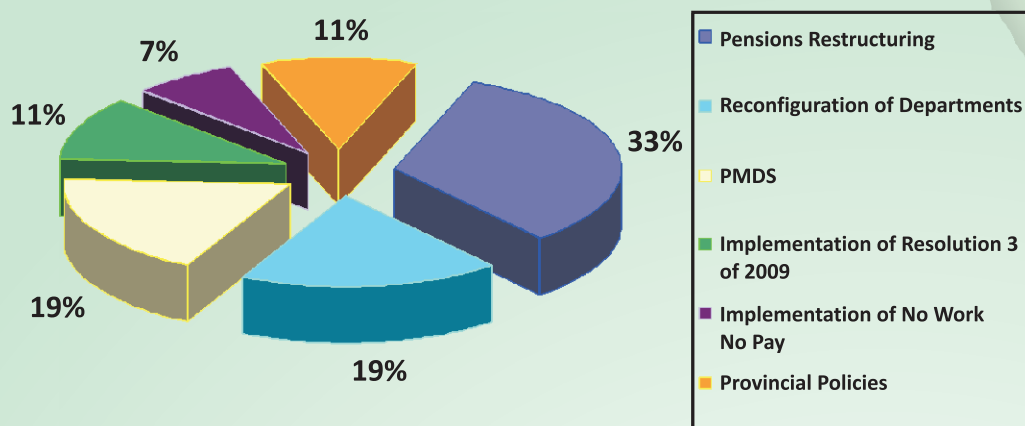
The process of reconfiguration of Government Departments is ongoing in most of the Provinces.

Provincial Chambers took cognisance of the shortcomings, challenges and even non-achievement in certain areas. The postponements and cancellation of meetings remains a challenge as most objectives are achieved beyond the target dates as expected. The parties in the Chambers remain positive that they will finalise outstanding matters in the next financial year.

The common matters considered during the period under review by the various Provincial Chambers are as follows:

Graph B

Common Agenda Items



The above agenda items were discussed by the following Chambers:

Pensions Restructuring:

- All provinces

Reconfiguration of Departments:

- Western Cape (CCPWCP)
- Gauteng Province (CCPGP)
- North West Province (CCPNWP)
- Eastern Cape Province (CCPECP)
- Limpopo Province (CCLP)

Performance Management Development System (PMDS):

- Gauteng Province (CCPGP)
- Northwest Province (CCPNWP)
- Northern Cape Province (CCPNCP)
- Mpumalanga Province (CCPMP)
- Limpopo Provinces (CCPLP)

Implementation of Resolution 3 of 2009:

- Northern Cape (CCPNCP)
- Northwest Province (CCPNWP)
- Gauteng Province (CCPGP)

Implementation of No Work, No Pay:

- Eastern Cape Province (CCPECP)
- Gauteng Province (CCPGP)

Provincial Policies:

- Kwazulu Natal (CCPKZNP)
- North West (CCPNWP)
- Northern Cape (CCPNCP)

The Year Ahead:

It is an objective of the Council in terms of the Labour Relations Act and its Constitution to negotiate and bargain collectively to reach agreement.

The Council has adopted the following Strategic Objectives in terms of Collective Bargaining:

- (1) To review structures and strengthening processes of collective bargaining in the public service as to ensure improved delivery of services.
- (2) To monitor, evaluate and ensure compliance to collective agreements

The following principles as contained in the Birchwood Resolutions, and the Public Service Summit Declaration will ensure the achievement of the above:

- Synchronizing Collective Bargaining process to government budgetary processes.
- Review of mandating processes
- Development of framework on Centralized Bargaining
- Monitoring and compliance of Collective Agreement
- Convening a Collective Bargaining Summit
- Concretization of Code of Conduct and Procedure Manual for negotiations
- Capacity Building for negotiators

There is constant decline in respect of the performance of the Chambers, due to non-sitting of meetings and no mandates from parties to the Chamber. The PSCBC and the Chambers need to address issues of commitment to Chambers and its constitutional mandate as a matter of priority. There is a need to review Resolution 2 of 2005 (Chamber Resolution).



Positioning Advancing Influencing Changing

Overview

The consolidated report provides an overview of the dispute resolution activities for the period 2010/2011, as carried out by the various Public Service Councils in compliance with the legislative mandate of performing dispute resolution functions.¹

Accreditation

The PSCBC and Sector Councils (GPSSBC, SSSBC, PHSDSBC and the ELRC) have in terms of Section 127 of the Labour Relation Act 66 of 1995 (LRA) as amended, been accredited by the Commission for Conciliation, Mediation and Arbitration (CCMA) to perform dispute resolution functions for the period of three years on condition that all performance efficiencies are monitored as is currently the practice. This was promulgated in the Government Gazette Number 33309 of 25 June 2010.

CCMA Subsidy

At the end of the financial year 2010/2011 the PSCBC recovered an amount of R85, 500.00 from the CCMA in respect of the subsidy claims paid in terms of Section 132 (5) of the LRA. The prescribed rate of R450.00 per completed case is currently under the CCMA review. It is in this context that a survey was conducted with all Bargaining Councils to supply information on the actual cost per case in relation to the Commissioner related cost, Interpreter related cost, Case administration and other costs. This information will assist in determining the average cost per case for which the CCMA should subsidise accredited Bargaining Councils.

Panel of Conciliators and Arbitrators

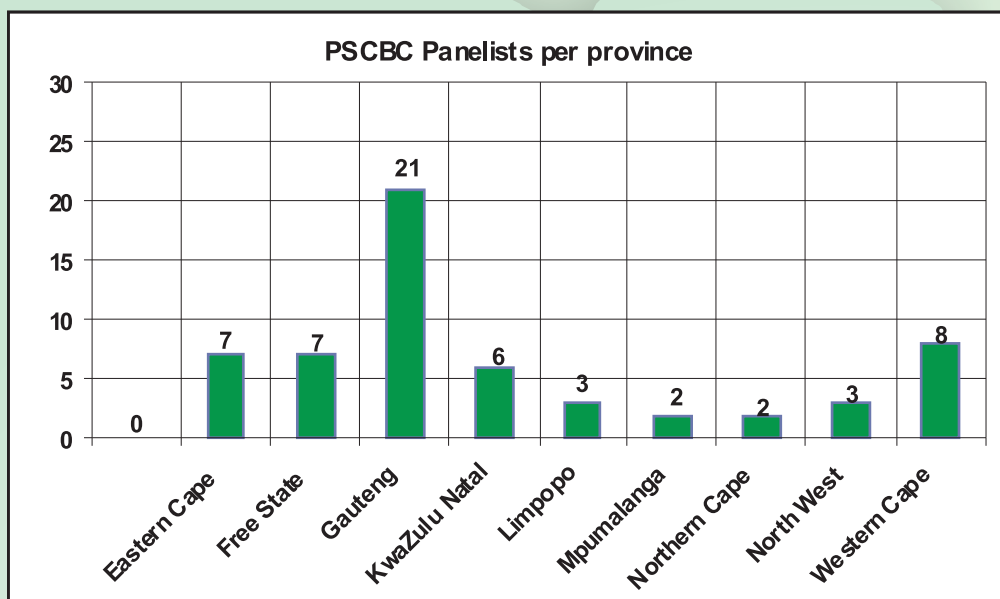
The contracts of existing panellists were extended for an indefinite period following a decision of the Council at its previous Annual General Meeting held in June 2010. Furthermore, three additional panellists were appointed to address the shortage in the Western Cape Province.

In 2009/2010 we reported that the panellist fee increase was envisaged to be implemented in the 2010/2011 financial period. However, to this effect only the SSSBC and PHSDSBC were able to achieve this goal. The PSCBC and GPSSBC will only be in a position to implement the new rates upon adoption of appointment of the new panel of conciliators and arbitrators for the period 2011/2012.

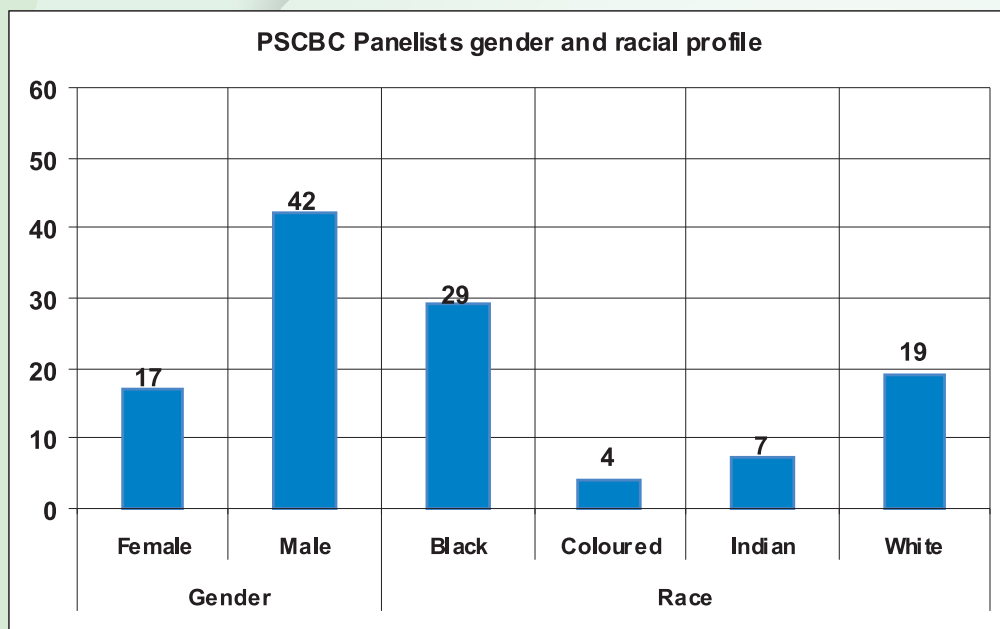
¹Section 28 (c) & (d)

The panellist profiles for the period 2010/2011 are illustrated by the graphs below:²

Graph 1:



Graph 2:

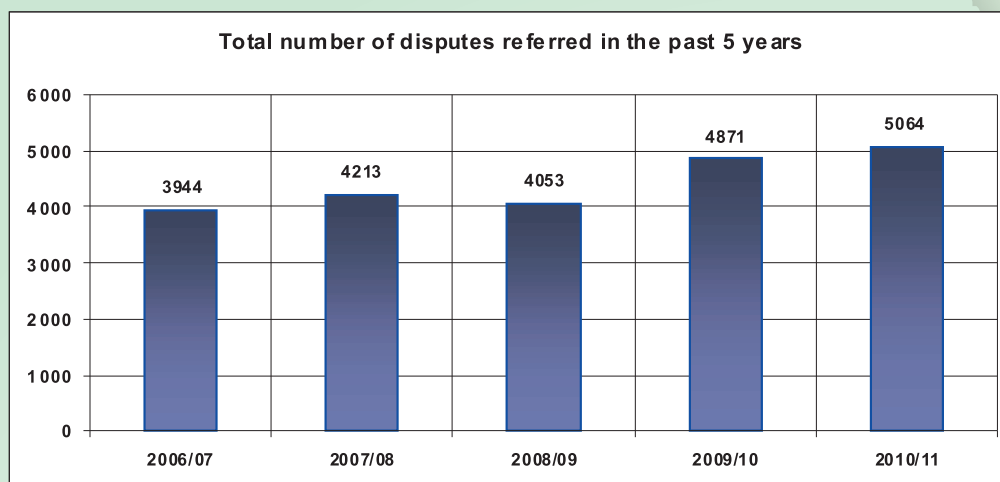


² Excludes Sector panellists

Statistics³

The overall number of disputes referred in the public service increased by 4% during the financial period 2010/2011 in comparison with the 2009/2010 period.

Graph 3:



The PSCBC and Sector Councils received a total of 5064 referrals (including not properly referred cases, cases transferred by the CCMA in terms of Section 147 (2) of the LRA and out-of-jurisdiction cases) during the period 1 April 2010 to 31 March 2011.

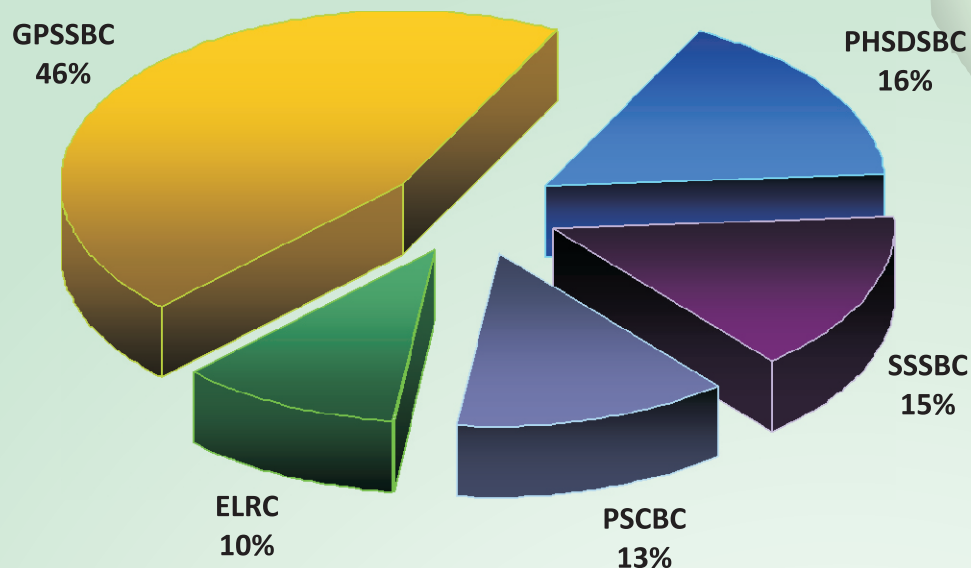
These can be broken down as follows:

Number of cases referred from 1 April 2010 to 31 March 2011 per Council			
Councils	Number of cases	Transferred by the CCMA	Out of Jurisdiction before any process
PSCBC	666	5	128
ELRC	531	8	137
GPSSBC	2282	24	165
PHSDSBC	823	13	80
SSSBC	762	10	14
Total	5064	60	524

³ Drawn from the Case Management System (CMS) report as provided by the CCMA, as well as the annual reports for the current review period as provided by the GPSSBC, ELRC and SSSBC.

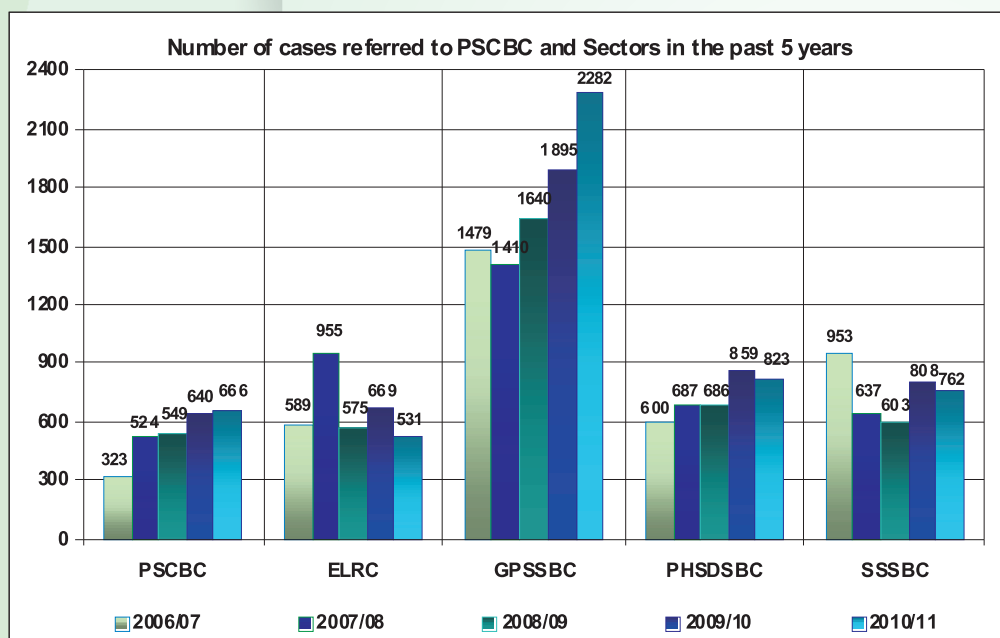
The percentages of cases received by the various Public Service Bargaining Councils in relation to the total number of cases received is illustrated below:

Graph 4:



The comparison below shows a referral rate decline of 21% in the ELRC, 4% in PHSDSBC and 6% in the SSSBC and an increase of 20% in the GPSSBC and 4% in the PSCBC in the financial period 2010/2011. The referral rate in the PSCBC continues to increase and is now almost equivalent to that of the Sector Councils with the exclusion of the GPSSBC.

Graph 5:

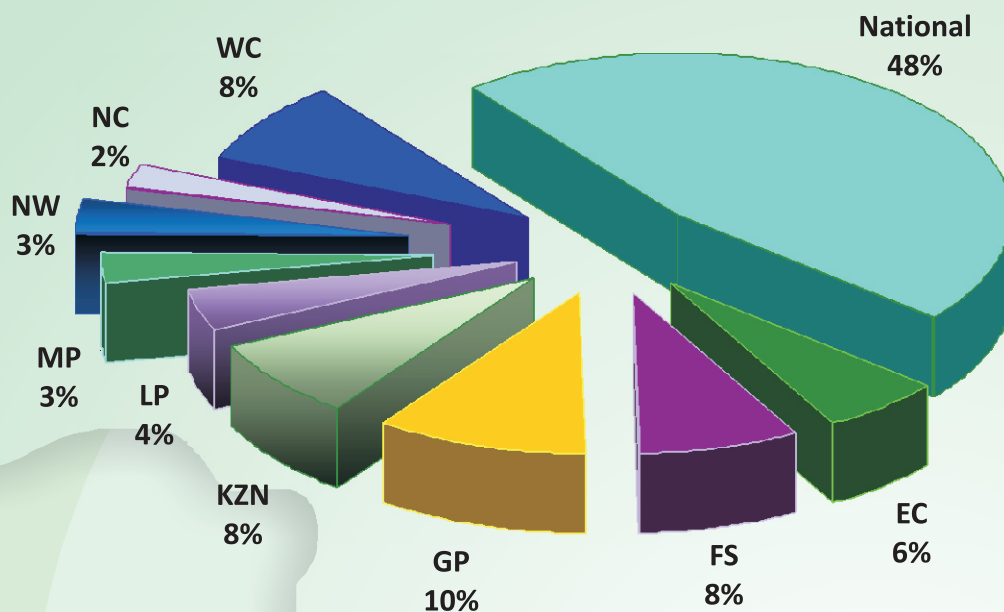


Disputes referred per national and provincial department

The total number of disputes referred against National Departments is 2349 - this signifies an increase of 23% while 2705 disputes were referred against Provincial Departments, which translates to a decrease of 9%. When looking at the referral rate per province, it shows that the North West is the least referring province whilst Gauteng is taking the lead. This however, varies from Council to Council to the effect that in the PSCBC, a bulk of the disputes emanate from the Free State Province while referral rate in Mpumalanga and Limpopo is invariably low.

Overview of disputes referred per national and provincial departments:

Graph 6:

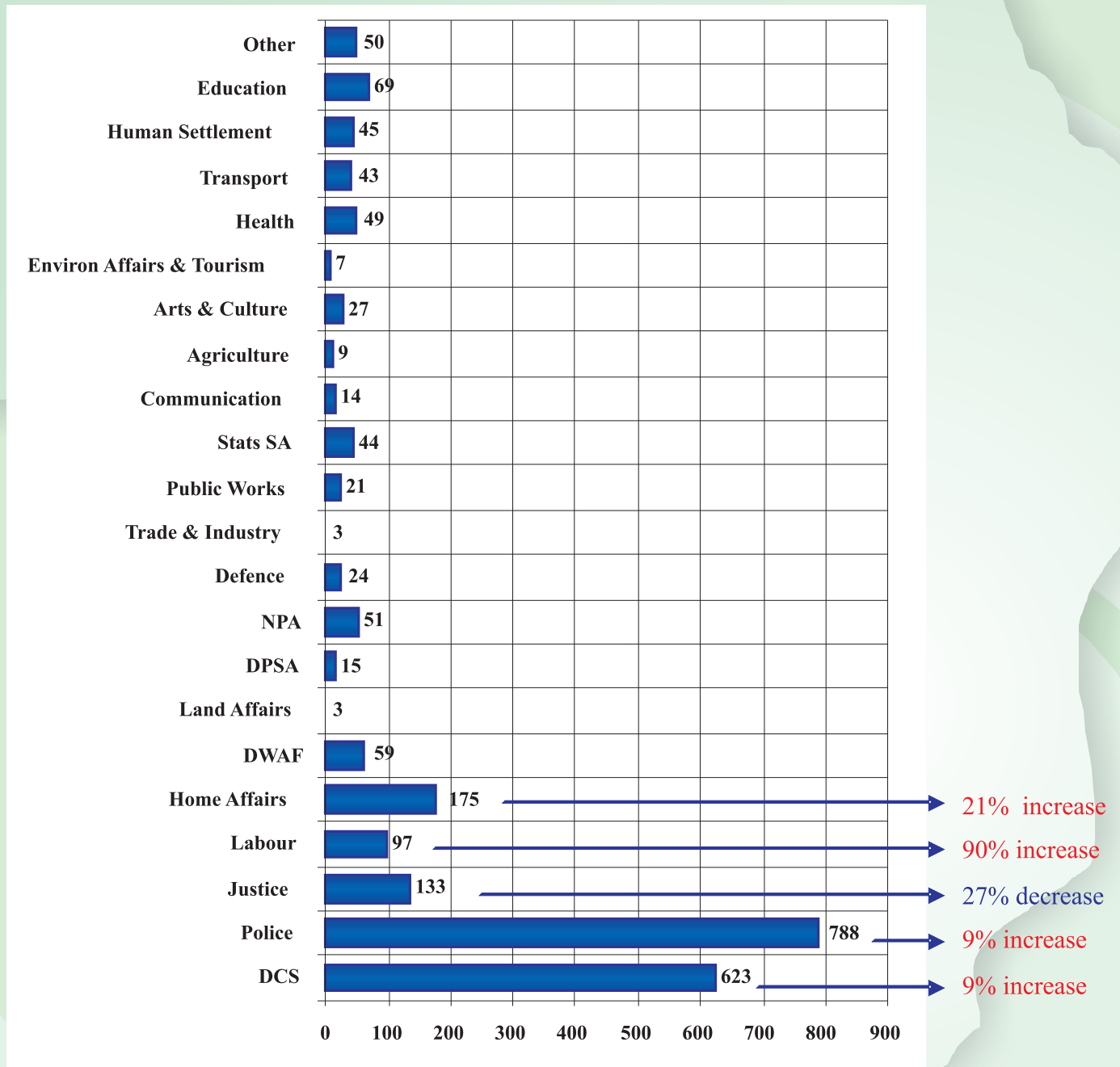


Breakdown of disputes referred against National Departments versus the number of disputes referred against Provincial Departments

A comparison with the previous financial year shows a declining referral rate in the Department of Justice and an increase in the Department of Labour, Department of Home Affairs, Department of Police and Department of Correctional Services. Only the percentage rates for National Departments with a history of high referral rate are highlighted in the following graph.

Graph 7:

Disputes referred per National Department



Disputes referred per Provincial Departments

The referral rate in the Department of Education has decreased by 31% when compared to the financial period 2009/2010. A referral rate decrease of between 2 to 34 percent was recorded in almost all the provinces except in the Northern Cape where there was an increase of 28%. A remarkable referral rate decrease of 39% was recorded in the Department of Health. The decrease ranges from 2 to 50 percent across all provinces.⁴

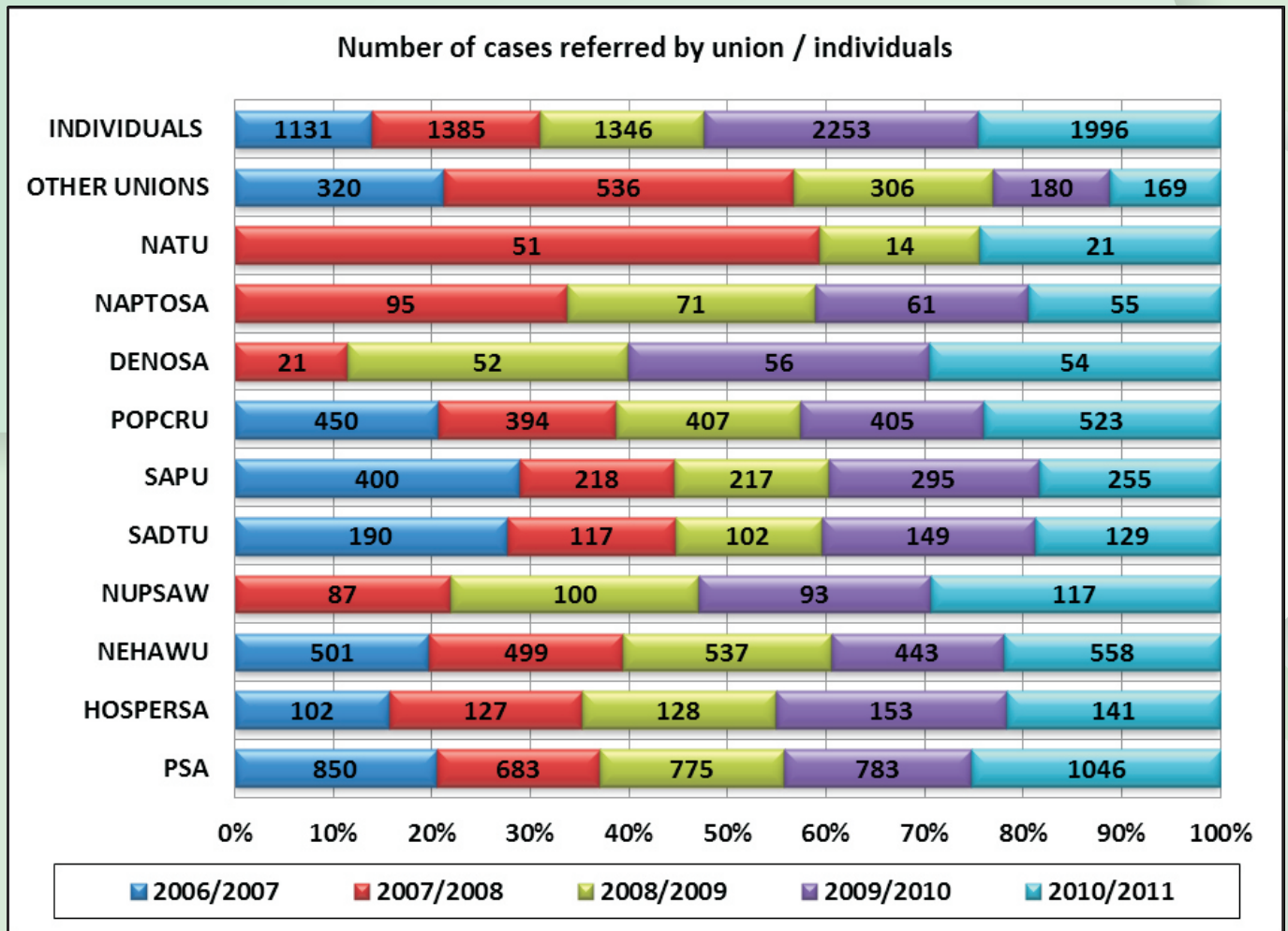
Disputes referred per Provincial Departments									
	Gauteng	KwaZulu-Natal	Free State	Mpumalanga	North West	Eastern Cape	Limpopo	Northern Cape	Western Cape
Education	176	167	142	57	51	79	47	23	139
Health	201	154	163	39	59	121	54	45	196
Social Dev	16	10	27	6	14	18	61	6	9
Agriculture	16	10	5	6	2	12	11	0	15
Economic Dev	0	2	2	6	0	10	1	0	0
Community Safety	2	0	0	0	0	0	0	0	13
Premier	0	1	1	0	5	4	1	0	11
Finance	27	0	0	1	0	0	0	0	0
Tourism	0	0	2	0	0	0	0	0	0
Cooperative Gov.	0	9	0	3	0	0	0	11	0
Human Settlement	7	0	0	0	0	0	0	0	0
Safety & Liaison	0	0	0	0	0	0	0	11	0
Public Works	0	0	18	16	11	7	9	4	0
Sports	0	0	0	0	2	7	7	4	8
Local Gov	11	3	1	1	1	1	2	2	5
Roads & Transport	13	17	12	2	5	11	16	3	12
Other	54	36	19	15	20	23	8	13	19
Total	523	409	392	152	170	293	217	122	427
	8% increase	20% decrease	11% decrease	20% decrease	10% decrease	25% decrease	16% decrease	37% increase	3% decrease

⁴ Comparison with 2009/2010 FY

Dispute referral by union and individuals

The year-by-year comparison shows the same pattern so far as the frequently referring parties are concerned. The PSA referred 21% of the disputes, most of which were referred to the PSCBC. NEHAWU 11%, mostly referred to GPSSBC. POPCRU 10%, mostly referred to the SSSBC. SAPU referred 5% mostly to the SSSBC. HOSPERSA 3%, mostly referred to the PHSDSBC similarly with SADTU who referred 3% of the disputes mainly to the ELRC. Non-admitted trade unions referred only 3% while 39% of the disputes were referred by individuals. Most notable is the decline of 11% of disputes referred by individuals in this financial year.

Graph 8:

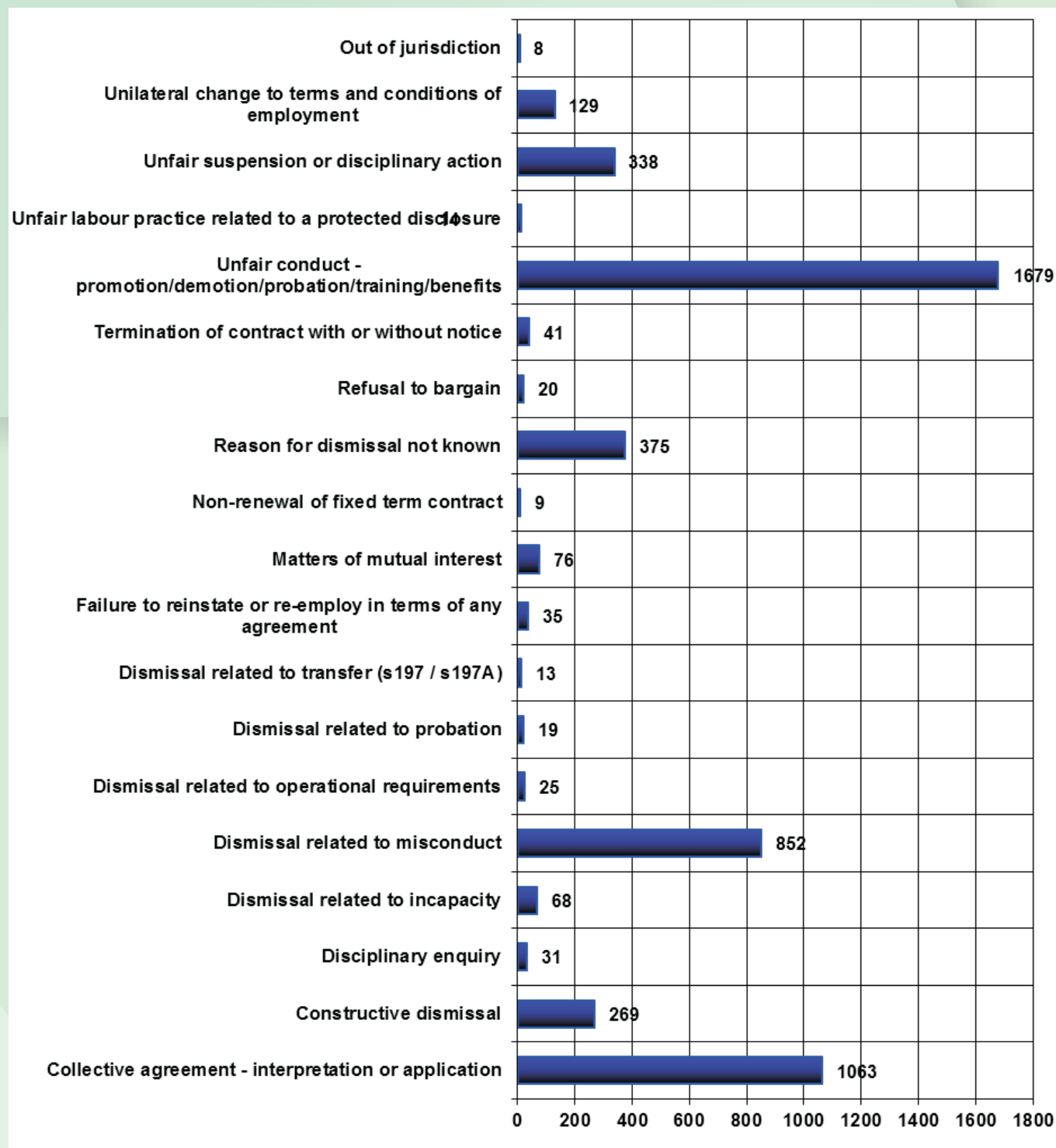


Classification of disputes

Disputes relating to unfair labour practice have increased by 0.5% so as the dismissals disputes which increased by 8%.⁵ Disputes about the interpretation or application of collective agreements have also increased by 6%. A considerable amount of these disputes are referred to the PSCBC as they relate to the interpretation or application of collective agreements concluded in the PSCBC and cover employers and employees falling within its scope (the whole of the Public Service).

Types of disputes referred:⁶

Graph 9:



⁵ Comprise all the categories of disputes as defined in Section 186 of the LRA.

⁶ Information in the above graph is based on the classification of disputes as depicted by the CMS report provided by the CCMA and as per the GPSSBC, ELRC and SSSBC reports.

Hearing processes and settlement rates per Council

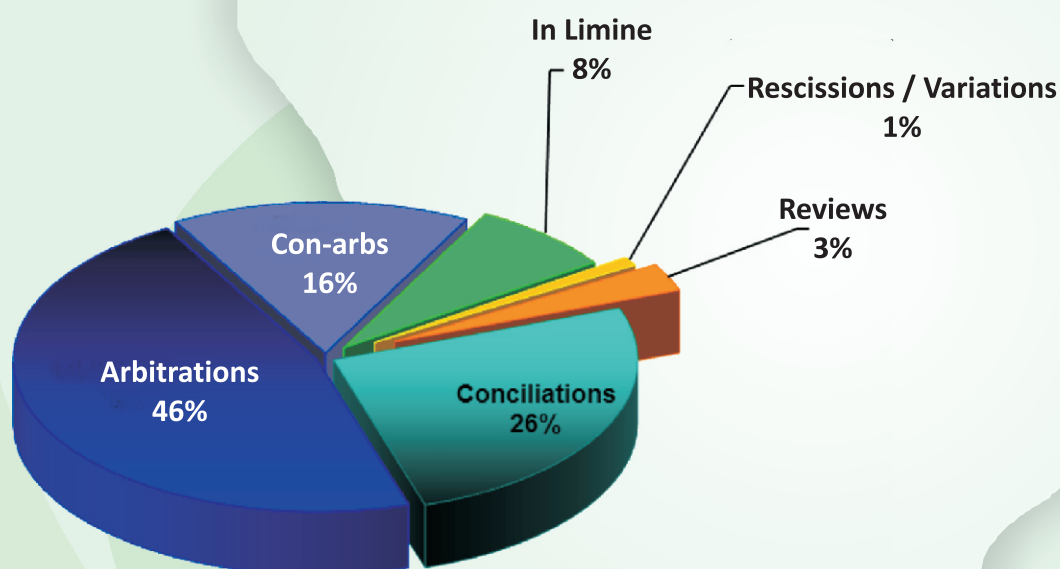
It may appear that the number of conciliations scheduled is lower when compared to the number disputes referred however, it must be taken into account that disputes which are not properly referred and/or out of jurisdiction are excluded from this process. Furthermore in certain instances cases are withdrawn prior to scheduling of a conciliation hearing.

The number of arbitration hearings scheduled is generally high in view of the lengthy turnaround time to conclude the process. Some arbitration hearings take longer than 3 days, on average, to conclude depending on the complexity of the case. It is common practise that processes such as *in limine*, rescissions and variations are dealt with on the basis of written submissions as such, no oral evidence is heard unless recommended by a panellist.

Hearings ⁷						
	Conciliations	Arbitrations ⁸	Con/Arbs	In Limine	Rescissions / Variations	Reviews ⁹
PSCBC	206	431	0	19	8	12
ELRC	328	685	0	2	0	0
GPSSBC	1086	2161	14	245	25	152
PHSDSBC	333	335	13	53	6	1
SSSBC ¹⁰	0	0	1183	221	35	63
Total	1625	3543	1538	589	74	228

The percentage of conciliations, arbitrations, con/arbs and other processes is presented graphically below:

Graph 10:



⁷ Where no figures are reflected either there was no information to record on CMS or such information was not recorded on CMS and thus not depicted by the CCMA report.

⁸ Includes arbitrations carried over from the 2009/10 period, postponements, part heards etc.

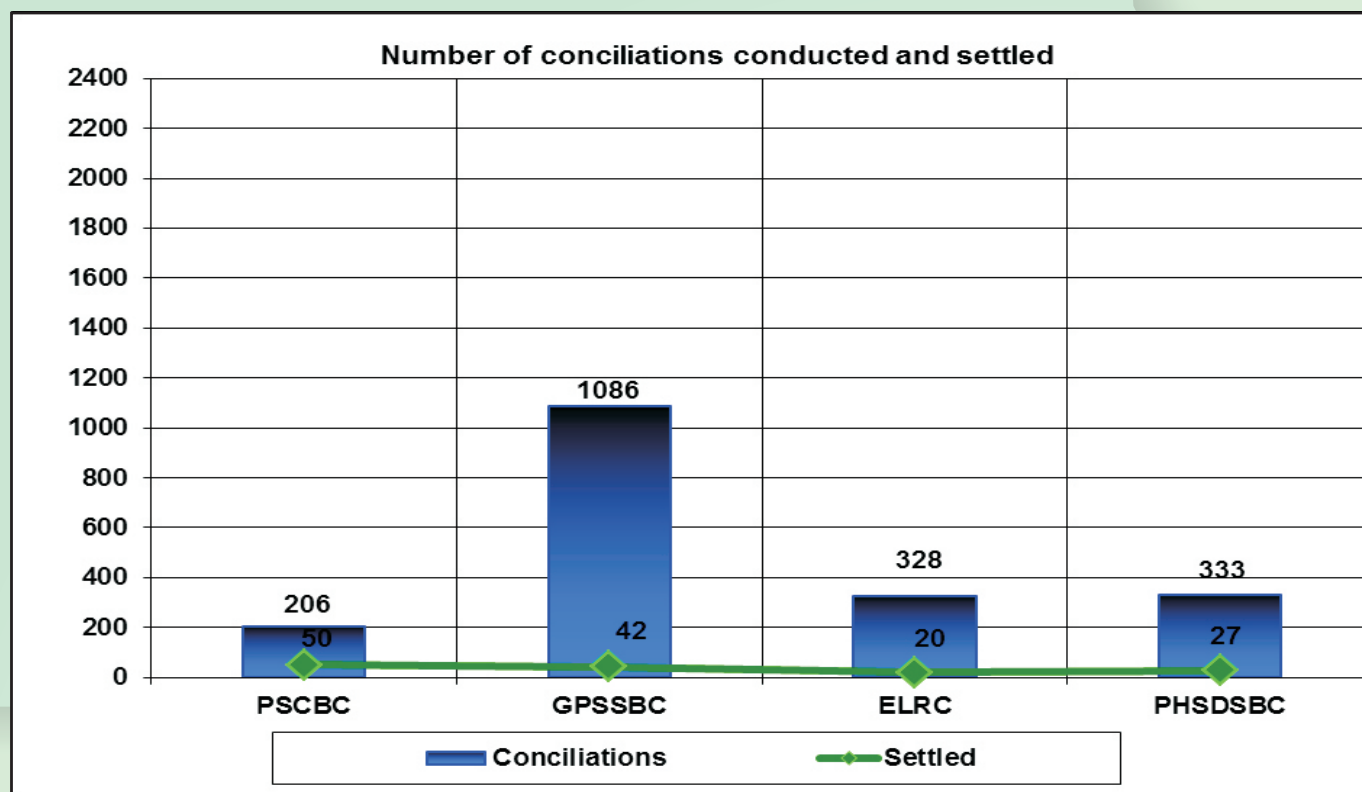
⁹ Review applications made to the Labour Court in terms of Section 145 of the LRA and scheduled on CMS.

¹⁰ Predominantly make use of con-arb process

The number of hearings conducted per Councils and cases settled:

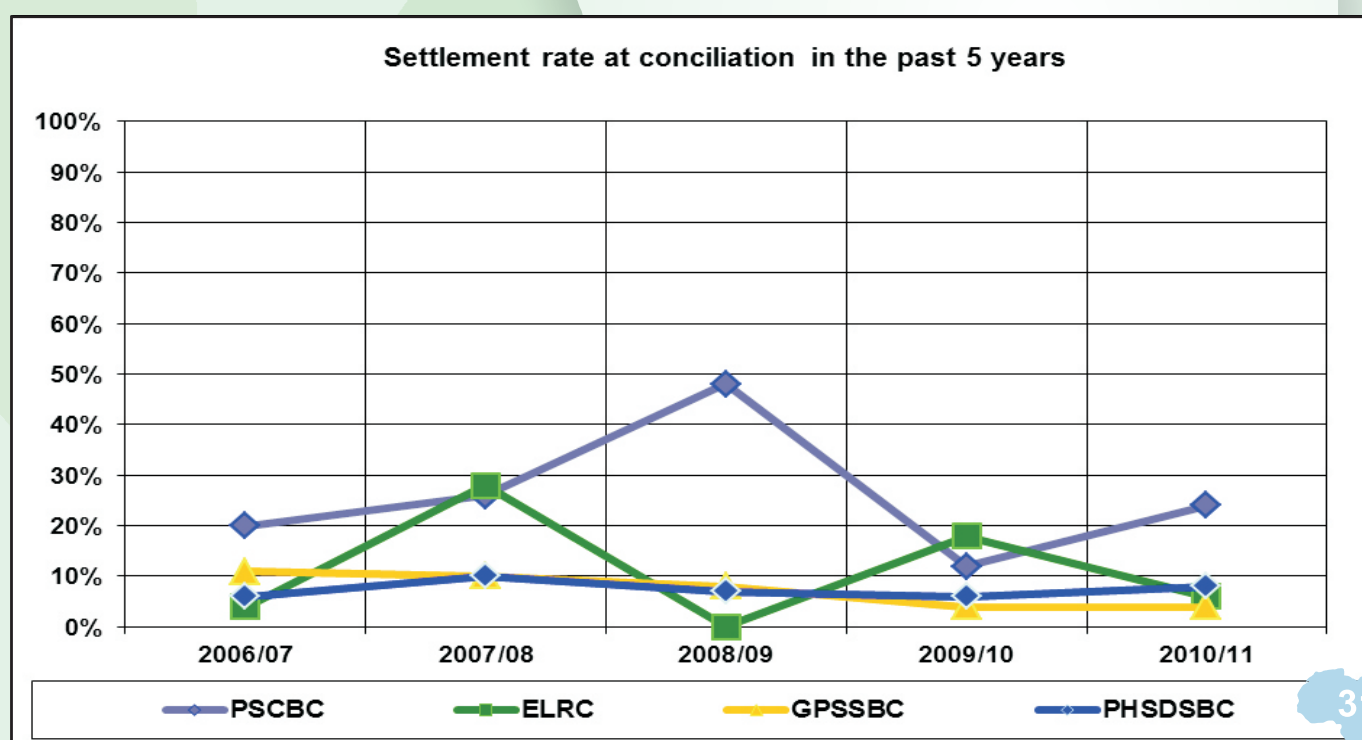
The PSCBC has consistently maintained a relatively high settlement rate at conciliation, in comparison with the settlement rate in Sectoral Councils.

Graph 11:



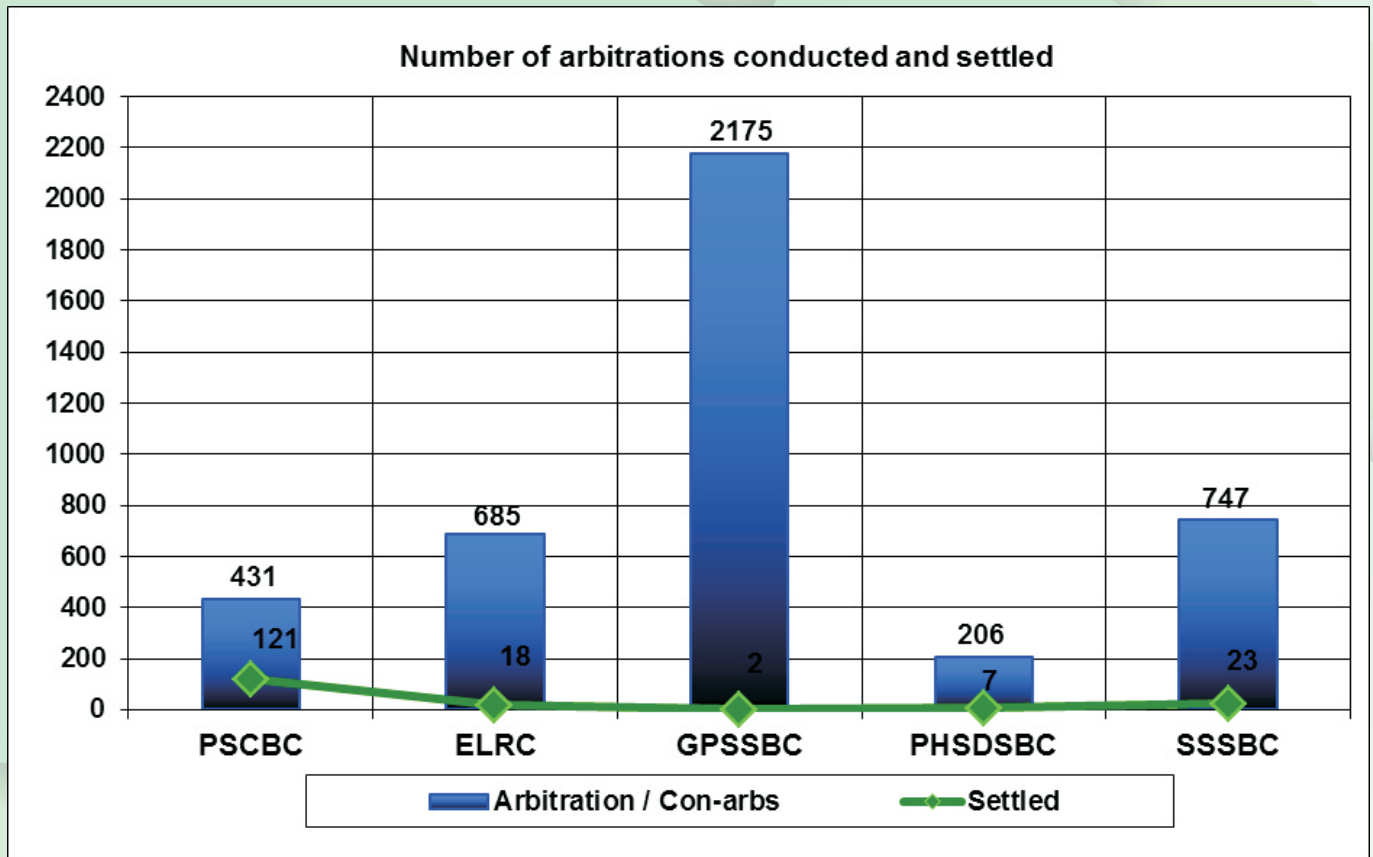
Looking at the five year period, there has been no improvement in the settlement rate at conciliation level in the GPSSBC and PHSDSBC. However the pattern is somewhat unstable in the PSCBC and the ELRC. The settlement rate at conciliation can be outlined as follows: PSCBC - 24%; PHSDSBC - 8%, ELRC 6% and GPSSBC – 4%. The overall settlement rate in the Public Service has been constantly below 10% at conciliation level.

Graph 12:



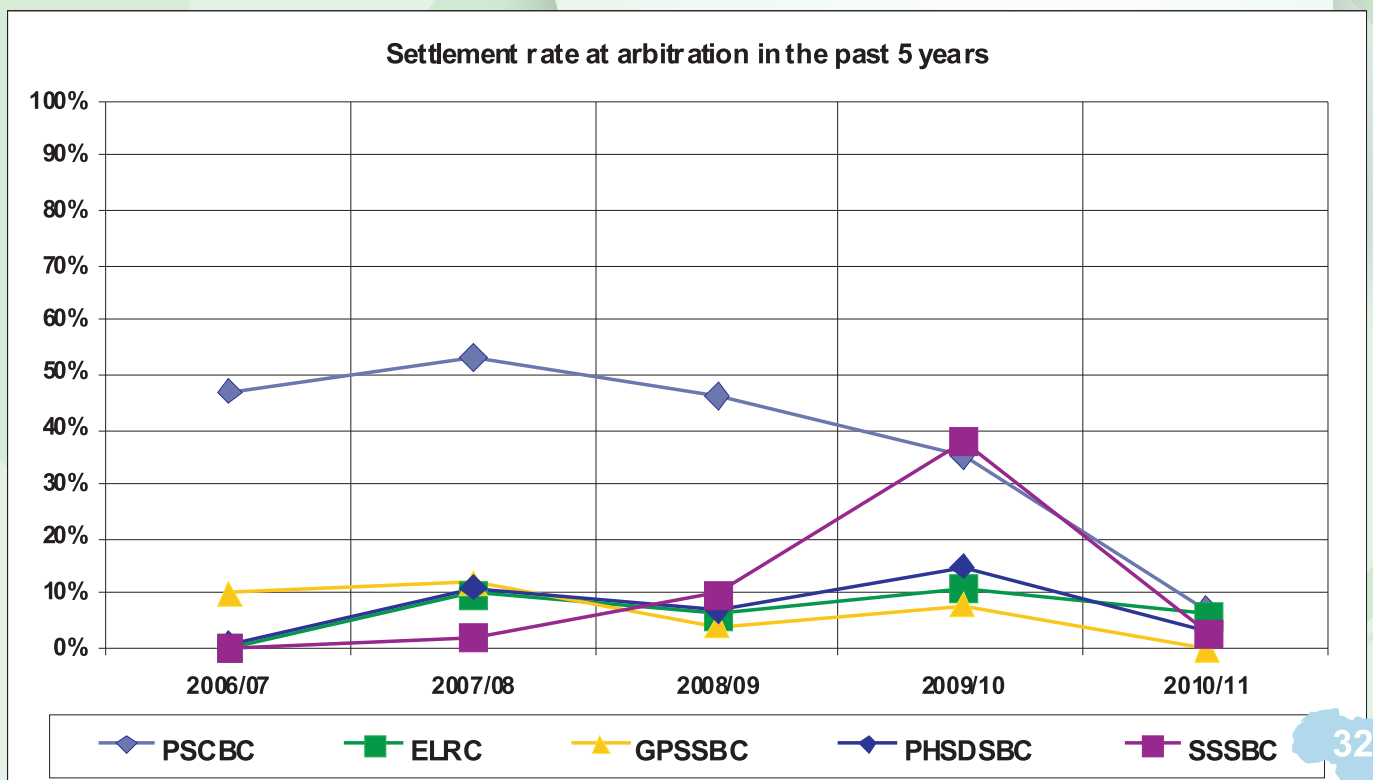
The settlement rate at arbitration and con/arb hearings is as follows: PSCBC 29%, PHSDSBC and SSSBC 3%, ELRC 2.6% and GPSSBC 0,1%.

Graph 13:



It is evident from the graph below that the settlement rate at arbitration level is fluctuating in all the Councils. What is notable is the significant drop of the settlement rate in all the Councils in the 2010/2011 financial period.

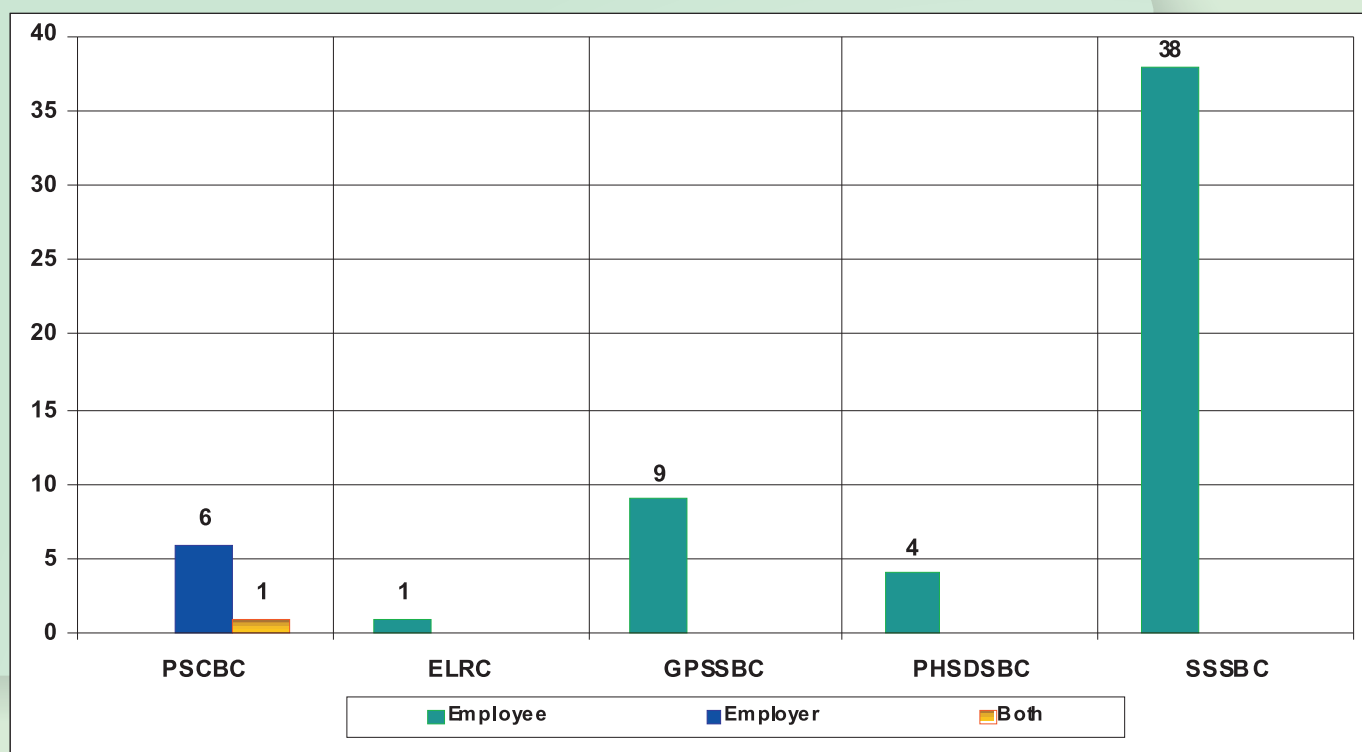
Graph 14:



Attendance at Arbitration and Con-arb Processes

The incidence of non-attendance by employees is significantly higher in the Sectoral Councils, as opposed to the PSCBC where it is mostly the employer. The SSSBC recorded a substantial number (5%) of non-attendance by employees in the period under review.

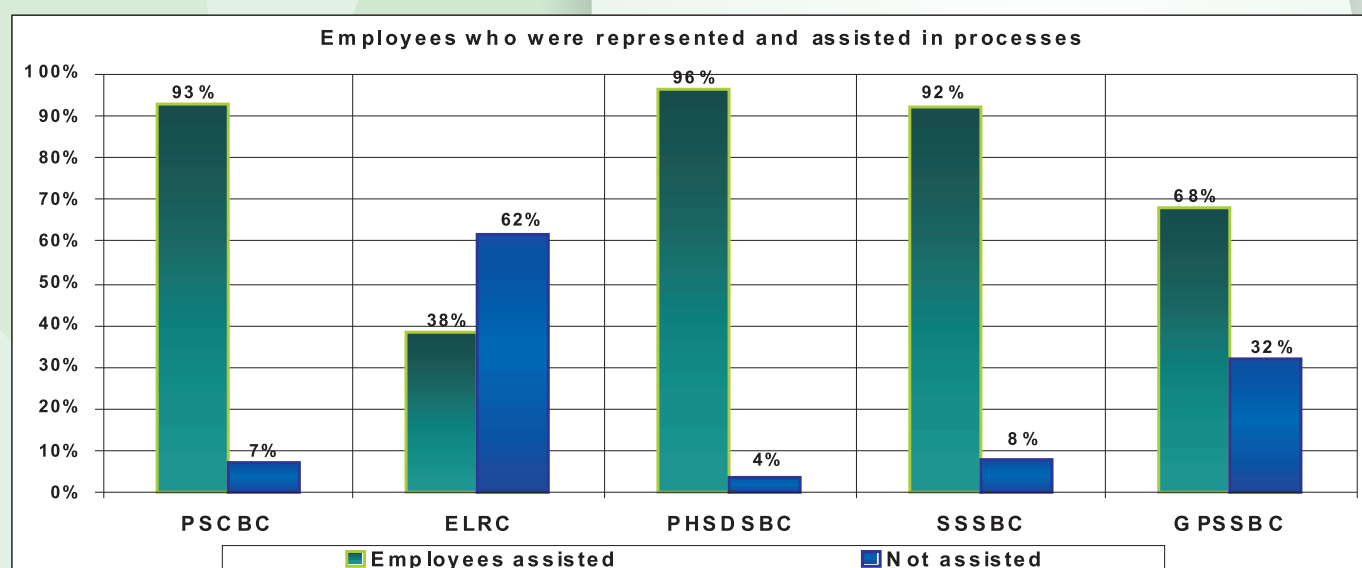
Graph 15:



Representation and assistance in processes

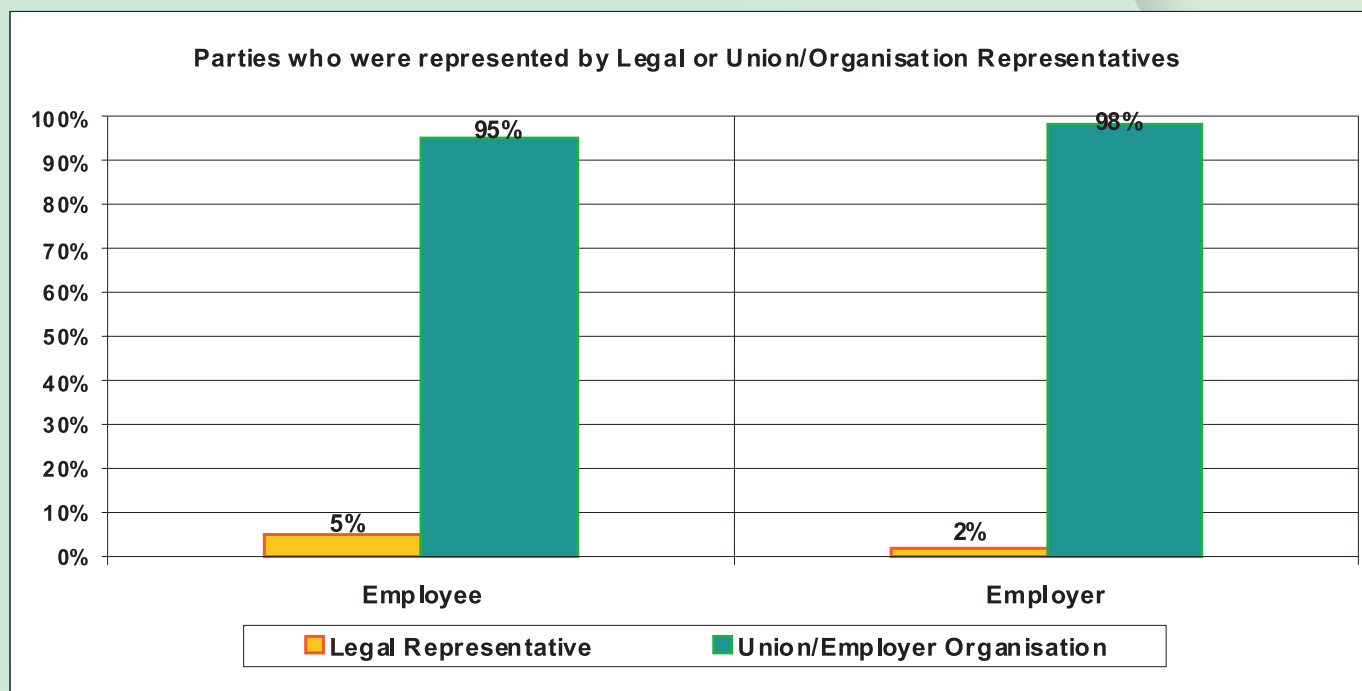
A larger percentage of employees were not represented or assisted by trade unions in the ELRC while in the rest of the Councils the majority of employees were represented and assisted by their respective trade unions in hearings. There is no clear information to establish whether these employees were assisted by legal representatives.

Graph 16:



Legal representation appears to be very minimal in all the Councils. It needs to be noted that in the PSCBC and PHSDSBC, legal representation is only allowed in arbitration proceedings whereas in the GPSSBC it is allowed in conciliation proceedings, however only in exceptional circumstances.¹¹ In the SSSBC legal representation is allowed in all processes.¹² The ELRC permits legal representation in all processes, on condition that both parties agree.¹³

Graph 17:



Outcome of processes

The following table covers a range of outcomes of different processes in the individual Councils:

Outcomes ¹⁴	PSCBC	GPSSBC	PHSDSBC	SSSBC	ELRC
Not settled and completed	14	679	57	52	6
Settled	171	44	34	23	38
Settled by parties	4	24	6	0	0
Postponements (incl. postponed sine die)	58	1100	494	348	194
Withdrawals	70	114	48	82	41
Arbitration awards rendered	49	793	116	274	49
Default awards	6	0	0	0	0
Settlement agreement made an arbitration award (Section 142A)	2	1	0	0	0
Dismissed due to non-attendance	7	31	4	38	1

¹¹ PSCBC Rule 22 (1), PHSDSBC DR procedure - paragraph 4.2 and GPSSBC Rule 22 (1)

¹² SSSBC DR procedure - paragraph 4.7

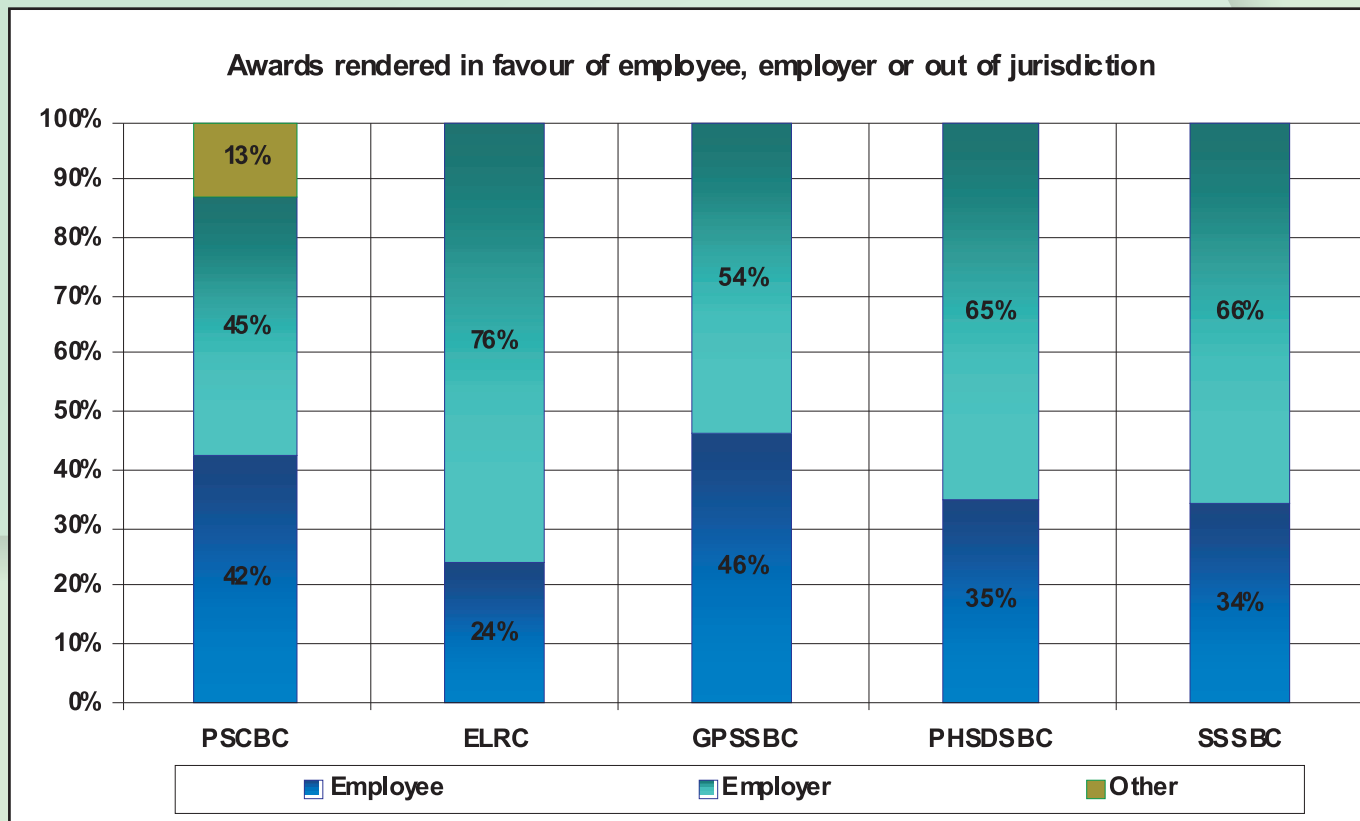
¹³ ELRC DR procedures - paragraph 24.6

¹⁴ Where no figures are reflected either there was no information to record on CMS or such information was not captured on CMS and thus not depicted by the CCMA report.

Outcome of arbitration awards rendered:

The graph shows a consistent pattern in that more than 50% of arbitration awards were issued in favour of the employer. Notable is the significant improvement from the 63% which was recorded in the GPSSBC in the previous financial period. Other cases which make up 13% in the PSCBC are those which arbitrators found to be out of jurisdiction, as well as in instances where the outcome mainly provides interpretation of a particular meaning of a word or phrase in the collective agreement.

Graph 18:



The Year Ahead

The overall case load in the public service is still invariably low at 0.003%. However, this hypothesis requires further scientific testing and research to determine its validity in view of the fact that certain disputes are referred collectively, particularly in the PSCBC in which matters referred to are predominantly transverse in nature.

There were challenges in relation to compiling and analysing the consolidated report due to various reasons including inconsistent reporting methodologies. Of major concern is inconsistency of panellists in dealing with matters in the various Councils. This is indicative of the fact that Councils are operating in silos.

There is dire need for Councils to adopt an integrated approach and develop a coordination strategy to address these challenges. In this context, this was identified as one of the key strategic objectives which underpins the areas in which the PSCBC Dispute Management Section is mandated to achieve in the year ahead in order to ensure quality Public Service dispute resolution.



Positioning Advancing Influencing Changing

Background

The Financial Year 2010/11 marks the 5th year of existence of the Media, Resource and Information Section in the PSCBC. This unit was established as a support structure of Council in line with and ensuring compliance with its constitutional objective of promoting effective communication, marketing and research strategy.

The report highlights a selection of key activities as outlined in the business plan performed by the Media, Resource and Information Centre in the Financial Year 2010/11.

Development and implementation of Strategy/ Policy for PSCBC on Communication, Image and Marketing:

During the year 2008/2009 numerous policies were developed in line with the strategic objectives of the Council. Although these policies have not been ratified they have been used as guidelines and a framework within which the Media Section plans and executes its duties.

- Marketing process for Pensions Redress Programme

On 24 May 2010 the Minister for Public Service and Administration, the Honourable Richard Baloyi, launched the implementation of the final phase of the Pensions Redress Programme.

The Media Section actively participated in the project since its initial stages. As such, it facilitated the Pensions Redress rollout campaign and attended national workshops intended to review progress made by the Provincial Task Teams (PTT) and National Departmental Task Teams (NDTT) in October and November 2010.

Preparations for the marketing and advertising campaign are still underway to ensure that the key target audience is reached and to create awareness to assist in obtaining eligible applicants from potential beneficiaries.



! Exhibition – DENOSA National Congress

As part of the marketing and communication initiatives, the PSCBC exhibited at the Denosa National Congress held in Bela Bela, Limpopo from 22 to 24 October 2010. This opportunity was used to showcase informational material such as the annual report, 10th Year Anniversary Book, study tour report, brochures, pamphlets and electronic information CDs.

Participating in events of this nature promotes visibility of the Councils to the broader Public Service and enhances awareness.

Information Management

The Library and Information Centre continued to develop and increase its resource collection. As we gradually move towards electronic publications, we recognise the importance of preserving existing printed material and acquired a collection of informational or factual books, legislative pocket books and labour law journals. In addition, we continued to subscribe to local and national newspapers and magazines as well as specific online database services that allow subscribers to retrieve industry-related information such as case law, legislation and gazettes.

While recognising the importance of regular evaluation and updating the library information to meet the changing needs of its users, a need for review of current subscriptions was identified. A comparative analysis was conducted to examine the efficiency and effectiveness of current publications and online products. In this context, a number of subscribed services of similar content were suspended and cancelled.

The number of information requests by individuals has increased over the years. As a result, a need to collect historical material such as old annual reports has been identified.

! Website

Updating and loading of information on the website has always been a challenge due to sluggish system performance which may be aggravated by poor maintenance or system clogging due to an increased number of website users. More complaints from users have also been registered regarding poor performance and slow response time to navigate the site to locate and download information.

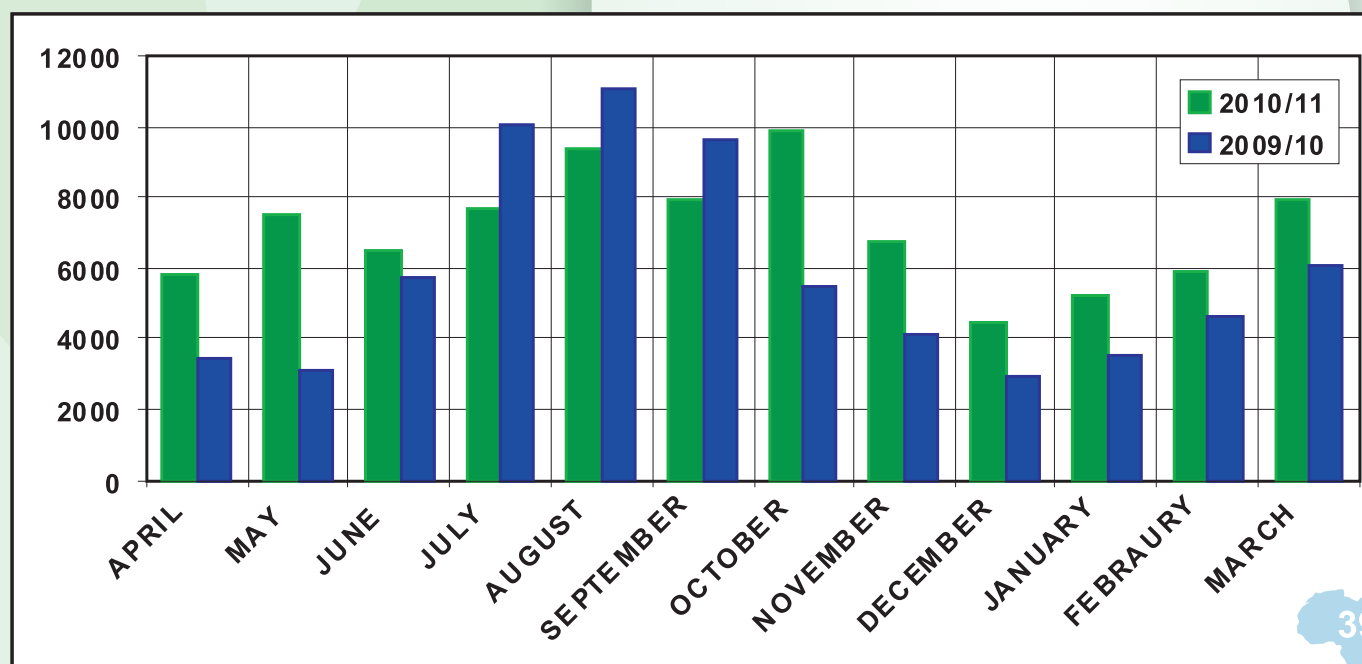
A survey will be conducted in collaboration with the Information Technology (IT) Section to diagnose the system problem and devise mechanisms to improve the website performance so as to allow easy access to information. This project will be aligned with the IT business plan for the next financial year since they will be taking over the responsibility of managing the website content, and ensure acquisition of effective website administration and management systems.

According to the Awstat report the overall website usage by individuals increased by 21.66% in the financial period under review. It appears that the increase was most prevalent during the negotiations cycle between July and October 2010.

Website Statistics				
April 2010 to March 2011	2010/11	2009/10	INC/DEC	% INC
APRIL	5790	3459	2331	67.39%
MAY	7517	3117	4400	141.16%
JUNE	6480	5738	742	12.93%
JULY	7700	10039	-2339	-23.30%
AUGUST	9390	11090	-1700	-15.33%
SEPTEMBER	7974	9678	-1704	-17.61%
OCTOBER	9850	5485	4365	79.58%
NOVEMBER	6736	4097	2639	64.41%
DECEMBER	4471	2962	1509	50.95%
JANUARY	5199	3484	1715	49.23%
FEBRAURY	5892	4609	1283	27.84%
MARCH	7971	6084	1887	31.02%
TOTAL	84970	69842	15128	21.66%

Website user profile 2009/10 and 2010/11

The graph below illustrates the number of Users for the financial years 2009/10 versus the number of Users for the financial year 2010/11.



Events

The much anticipated 2nd Biennial Labour Relations Conference finally took place on 14-16 March 2011 at Emperors Palace, Kempton Park. The conference was organised in collaboration with the Public Service Commission (PSC) under the theme ***“Sustaining dialogue on the integration and coordination of labour relations in the Public Service”*** and focused on capacity building as an advocacy mechanism to provide a suitable platform and an opportunity for interaction between Labour Relations Practitioners (both employer and labour representatives) and other stakeholders in the field of labour relation in the Public Service.

More than 500 delegates from national and provincial government departments attended the three day conference. The first day of the conference began with a series of workshops covering various topics from Human Resources to Labour Relations issues.

All preparations for this event, including administration and registration of delegates, were successfully managed by the PSCBC and PSC staff members without the assistance of external service providers. (See a detailed report [on page 72](#) of this report.)

Publications

Each year the Media Section co-ordinates and publishes consolidated annual reports and quarterly newsletters. This information is distributed to the various stakeholders and published on the website for public access.

Research

Research on case law and various aspects of labour relations has been conducted for the parties to Council, labour relations officials, legal professionals, Bargaining Council's panellists and staff. An article regarding *“The Importance of Collective Bargaining in the Public Service”* was also compiled for the PSC Newsletter publication .

Other projects

On 19 May 2010 we hosted a delegation of judges from the Nigerian Industrial Relations Court who were embarking on a study tour to learn about collective bargaining and dispute management systems in the country. Among other visits the Nigerian judges explored various arbitration processes under the auspices of the SSSBC and the GPSSBC. The delegates expressed appreciation of the time spent in the Council and indicated that they had learnt much from it.

Year Ahead

Access to information is recognised as a fundamental right and plays a key role in communication. Consequently it is the responsibility of the Media and Information Centre to ensure that pertinent information is available and accessible to its stakeholders as envisaged by the Promotion of Access to Information Act (PAIA).

In seeking to improve access to information for all, the unit will focus on the following;

- implementation of efficient and cost effective library management and information systems;
- promotion of visibility of the Council and introduction of advocacy programmes (attending Career Expos in academic institutions to encourage the youth on careers relating to the industry);
- formulation of information management and research strategy to support the Council's strategic objectives;
- redesigning of the website to make it more accessible and user friendly as well as intensifying network links to the broader stakeholders;
- redefining the scope and location of the component to support the strategic direction of the organisation;
- regular consultation with internal users, which is significant to address communication barriers and to reinforce and encourage participation and feedback.

These key objectives can be achieved with the support of key stakeholders.



Positioning Advancing Influencing Changing

Introduction

The goal of the Information Technology (IT) Section is to ensure the establishment of sound information management systems in order to achieve the organisations strategic objectives by providing efficient and effective technological support services to the Council and Sector Bargaining Councils.

The core function of the PSCBC IT Section is currently as follows:

Managing the Case Management System (CMS):

The PSCBC information technology department provides technical as well as helpdesk support for the PSCBC and the Sectors. The new web based CMS was deployed during this year. The transition from CMS to WebCMS was smooth and deployed over a weekend hence there was no down time. The servers are now housed at the CCMA, maintenance and backup on WebCMS is being done by the CCMA. The new WebCMS is stable and users experience minimal downtime.

Maintaining the PSCBC Hardware and Software Infrastructure:

Health checks are conducted on servers and related networking equipment on a daily basis. Hardware and software were well maintained. Regulatory check-ups were done in June and December. All computers hardware were physically cleaned, software was also checked in order to ensure that only licensed software was used and all software on computers were upgraded to the latest versions.

Maintaining the IT security management

A disaster recovery plan and business continuity plan was developed. The network infrastructure is pro-actively monitored for any network threats/ viruses. All virus pattern files and updates are automatically downloaded and forwarded to all PC's. Backups are done on a daily basis and also stored off site. The server room monitoring system was used to monitor the server room and any physical threats were detected. The network was always safe and secure.

Service Management

All technical call outs and troubleshooting was attended to efficiently. A web short messaging service (SMS) tool was installed to SMS council member's notices of meetings and related messages. Website links were operational and there was no downtime on the website. It is to be noted that the PSCBC website has a high volume of users as indicated in the web statistics. The IT department continues to provide high quality service to the PSCBC and Sectors.

System Information Management

IT Policies and Procedures are in place and compliance was monitored. Users are constantly urged to comply with policies to prevent any possible security breaches. Policies and new IT governance information are incorporated into all IT policies and procedures.

Summary

The above ensures that the IT infrastructure has the latest up-to-date technology, giving IT administrators and user's maximum use and functionality.



Positioning Advancing Influencing Changing

Annual Financial Statements and Auditors Report

The Financial Committee has been established as a sub Committee of the Council. The role of the Finance Committee is to scrutinise the financial activities of the Council and to make recommendations to the Executive Committee on these activities.

The Duties of the Financial Committee listed below are found in the Finance Policy and Procedure Manual

- Formulate financial policies and procedures;
- Recommend practical ways of implementing these policies;
- Review budgets and recommend to the 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).

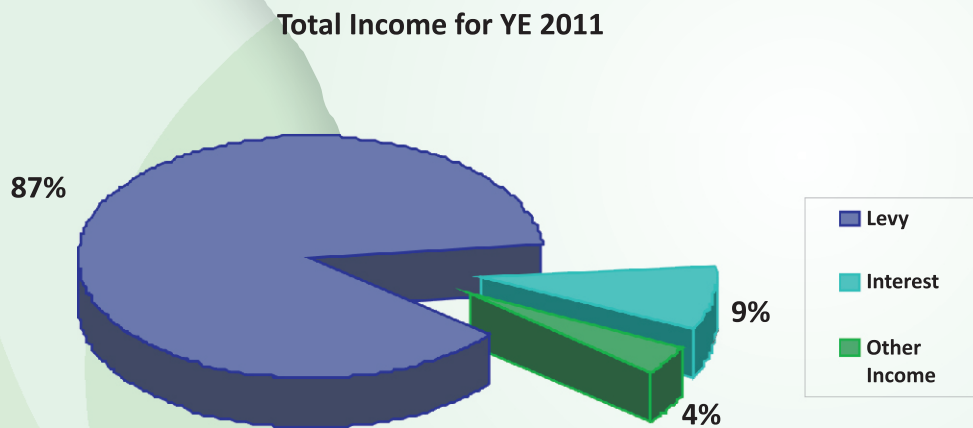
Financial analysis

Total Income – Levy Account

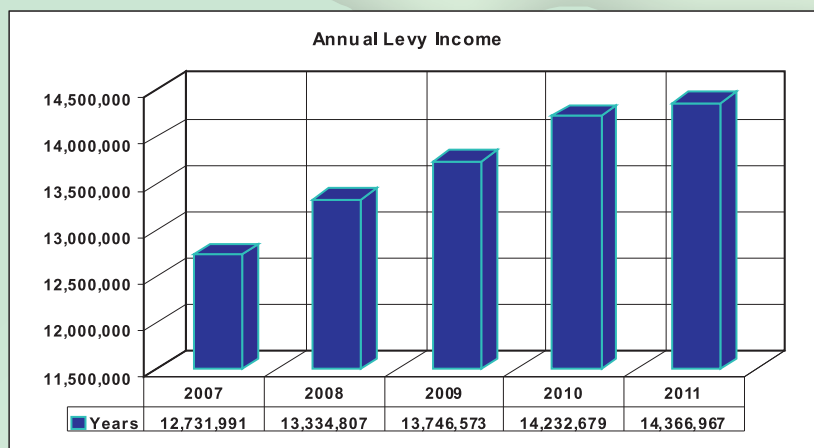
The overall income for the Council during the 2010/2011 financial year was R16,444,262 of which:

- 87% was generated out of the levies from the public service as per the PSCBC Levy Agreement (Resolution 5 of 2003),
- 9% was generated from interest earned on those levies,
- 4% was generated from other income.

The levies received of R14,366,967 were more than the projected income of R14,303,856 for the year by R63,111.



The income for the last five years has gradually increased and the income received during the 2011 financial year was more than that received during the 2010 financial year.

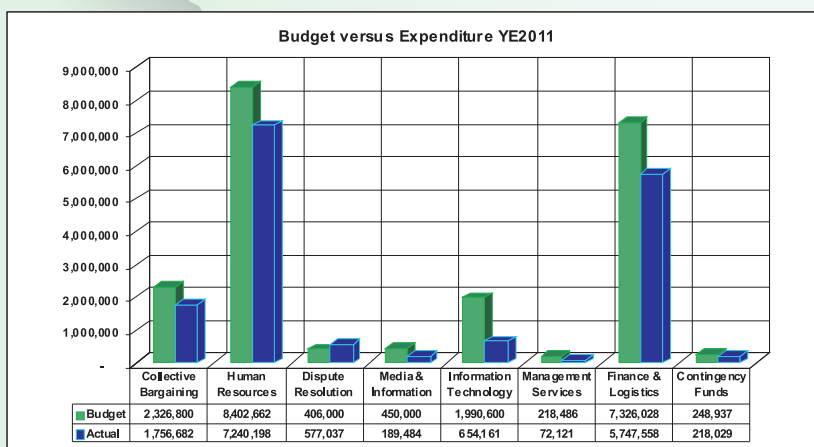


Total Expenditure – Levy Account

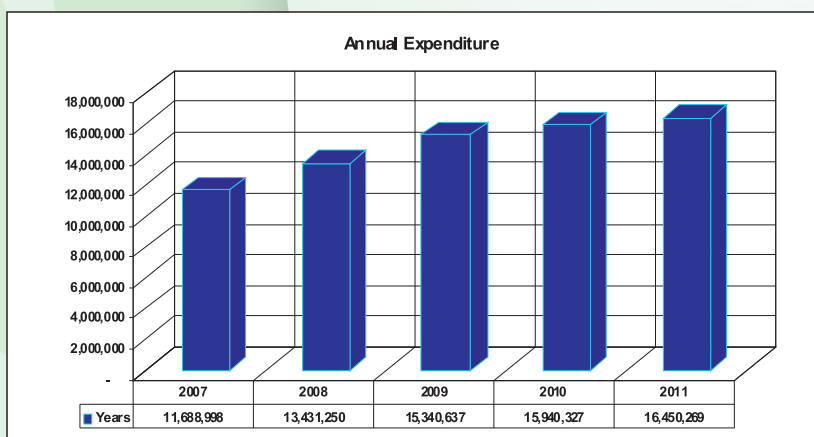
The overall expenditure for the Council during the 2010/2011 financial year amounts to R16,450,269 which was below the projected expenditure of R21,370,462.

The graph below depicts the departmental expenditures:

The Council recorded a net deficit of R750,659 for the 2010/2011 financial year.



The graph below indicates the expenditure over the last five years, which has consistently increased largely due to operational expenditure (the day to day running costs)



Special Projects Account

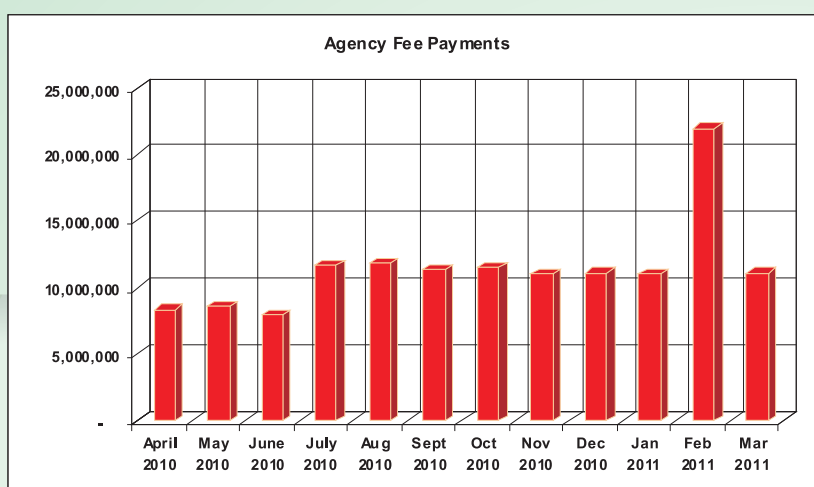
The Special Projects Account was created by the Council to provide funding for projects related to research, training and development, implementation of partnerships and international relations.

The closing balance of this account as at the end of the financial year was R420,179. An amount of R784,722 was utilised during the 2011 financial year for the Labour Relations Conference, of which R404,736 was recovered from OPSC and exhibitors stands.

Agency Shop Fee Account – Disbursements to Admitted Trade Unions

R132,210,205 was received for the 2011 financial year for distributions to the unions. The increase from last year's amount of R98,831,297 was due to the agency fee increase from R39.50 to R57.00 as per Resolution 2 of 2010.

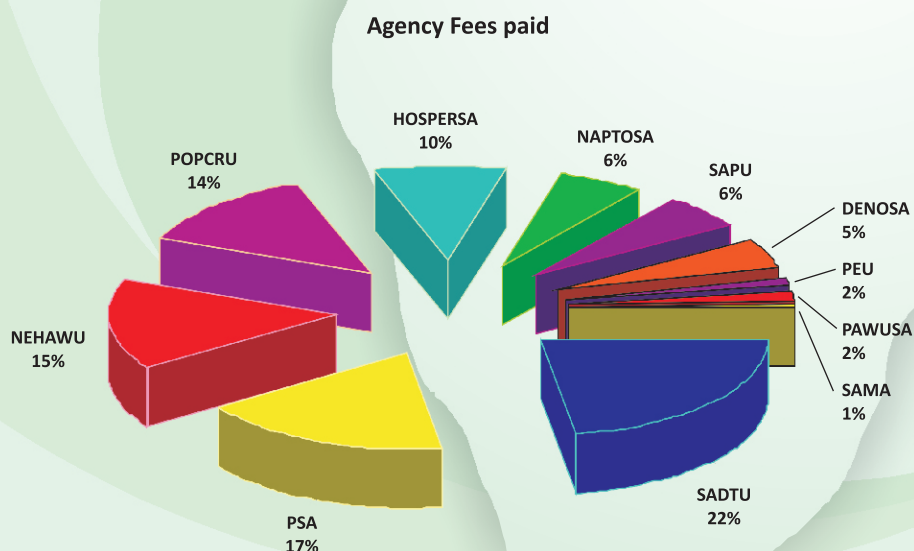
The graph below illustrates the total amount distributed to unions per month in terms of Resolution 2 of 2010:



The agency fees were distributed according to the vote weights as per the graph below.

The PSCBC requires unions to submit audited financial statements of the separate agency fee accounts by June of each year. Those unions which do not meet the deadline are entitled to request an extension until the end of September. Should unions not submit such statements, agency fee payments are withheld until such statements are submitted to the Council.

The trade unions audited financial statements are submitted to the Council's auditors. The auditors monitor usage of the funds to ensure compliance with Section 25 (3) (d) of the Labour Relations Act and PSCBC Resolution 1 of 2005.

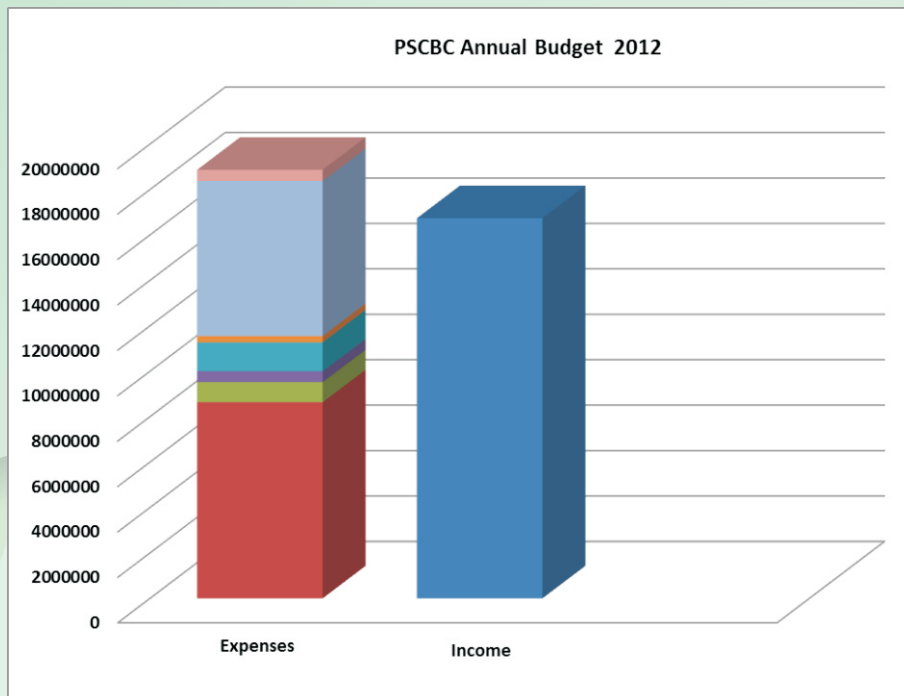


Investment Call Account

The Council has invested surplus funds into the PSCBC call account. An amount of R5,783, 835 was budgeted for in the call account to fund the deficit of the current account however, only R2 million was withdrawn during the financial year. On the the 31 March 2011 a balance of R9,973,883 million was reflected in the call account.

Year Ahead

The graph below illustrates the annual budget income and expenditure for the financial year end 2012:



The PSCBC has incurred a loss for the second consecutive year. A loss of R750, 659 for the current year and a loss of R 2, 325, 074 for the 2010 financial year. The budget for the 2012 financial year also indicates that there will be a deficit in the current account and the savings from the call account will have to be utilised to fund this deficit.

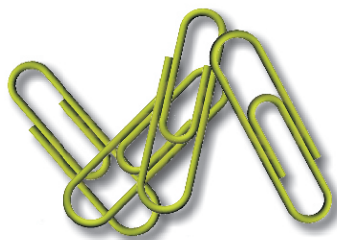
The loss for the last 2 consecutive years and a projected loss for the 2012 financial year, is an indication that the levy income is not adequate to cover expenses. It is therefore imperative that Resolution 3 of 2003 (levy agreement), which states that an equal contribution of R0.50 by the state as the employer and a R 0.50 contribution by the employee, needs to be reviewed.



Positioning Advancing Influencing Changing



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial statements
for the year ended 31 March 2011



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Index

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

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Detailed Income Statement	18 - 19

Council's Responsibility Statement

Council is required by Section 53 of the Labour Relations Act 1995, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is Council's responsibility to ensure that the financial statements fairly present the state of affairs of the PSCBC as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

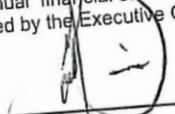
The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, Council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. Council has reviewed the PSCBC's cash flow forecast for the year to 31 March 2012 and, in light of this review and the current financial position, they are satisfied that the PSCBC has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 4 to 19, which have been prepared on the going concern basis, were approved by the Executive Committee on 21 June 2011 and were signed on its behalf by:


Frikkie de Bruin
General Secretary PSCBC


Mphariseni Erasmus Phophi
Vice Chairperson Employer


Modise Lesley Letsatsi
Vice Chairperson Labour



Independent Auditor's Report

To the Members of Public Service Co-ordinating Bargaining Council (PSCBC)

We have audited the accompanying financial statements of the Public Service Co-ordinating Bargaining Council (PSCBC), which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information, as set out on pages 4 to 17.

Council's Responsibility for the Financial Statements

Council is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by Section 53 of the Labour Relations Act, 1995 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Co-ordinating Bargaining Council as at 31 March 2011, its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Section 53 of the Labour Relations Act, 1995.

Supplementary Information

The supplementary information set out on pages 18 to 19 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Xabiso Chartered Accountants Inc.
Xabiso Chartered Accountants Inc.
Director: K Mdtshane
Registered Auditor

Woodmead
21 June 2011

Public Service Co-ordinating Bargaining Council (PSCBC)

(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Report of the Council

The Council has pleasure in presenting their annual report on the activities of the Council for the year ended 31 March 2011.

1. Review of activities

Main business and operations

The Public Service Co-ordinating Bargaining Council is registered in terms of Section 35 and Section 36 of the Labour Relations Act, 1995. It is mainly formed to enhance labour peace and promote sound relations between employer and employees in the public service and operates principally in South Africa.

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

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

2. Financial results

The council incurred a deficit of R750 659 for the financial year ended 31 March 2011 (2010: R2 325 074). The results of the council and the state of its affairs are set out in the attached financial statements and do not in our opinion require further comments.

3. Property, plant and equipment

The council acquired property, plant and equipment amounting to R28 683 for the financial year ended 31 March 2011 (2010: R271 267).



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Report of the Council

4. Council

The following people acted on the leadership structure of the Council during the year under review.

Members

Shamira Nanalal Huluman
Mpariseni Erasmus Phophi
Modise Lesley Letsatsi
Frikkie de Bruin (General secretary)

Date appointed

01 January 1999
18 July 2007
20 July 2009
01 November 2010

Changes

Resigned 15 August 2010

All Executive Committee members receive regular information about the Council in order to equip themselves to actively participate in the meetings. Members have access to management and the General secretary for any further information they require. The Executive committee meets monthly and retains full and effective control over the Council's business and monitors executive management through its structured approach to reporting and accountability. The non executive members bring independence judgement to bear on issues of strategy, performance and resources.

Country of registration

South Africa

Registered addresses:

Public Service Co-ordinating Bargaining Council
Physical address:
PSCBC Offices, Building A
260 Basden Avenue
Lytelton
Centurion, 0176

Postal address:
P O Box 3123
Lytelton South
Centurion, 0176

Xabiso Chartered Accountants Inc

Physical address:
1st Floor Building 22B
The Woodlands Office Park
20 Woodlands Drive
Woodmead, 2052

Postal address:
P O Box 74
The Woodlands
2080

5. Events subsequent to year end

There have been no facts or circumstances that have come to the attention of the council between the accounting date and the date of this report that have had an impact on the amounts in financial statements.

6. Auditors

Xabiso Chartered Accountants were the auditors for the year ended 31 March 2011.

Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Statement of Financial Position as at 31 March 2011

	Note(s)	2011	2010
Figures in Rands			
Assets			
	2	675,577	1,300,813
Non-Current Assets			
Property, plant and equipment	3	317,382	146,438
	4	261,977	232,339
Current Assets			
Operating lease asset	5	300,283	344,778
Prepayments	6	31,061,914	38,030,615
Trade and other receivables		31,941,556	38,754,170
Cash and cash equivalents		32,617,133	40,054,983
Total Assets			
Equity and Liabilities		13,076,045	13,826,704
Equity			
Retained income			
Liabilities	7	420,179	1,500,309
Non-Current Liabilities			
Special Projects	8	18,726,488	23,823,825
	9	394,421	904,144
Current Liabilities			
Trade and other payables		19,120,909	24,727,969
Provisions		19,541,088	26,228,278
		32,617,133	40,054,982
Total Liabilities			
Total Equity and Liabilities			



Public Service Co-ordinating Bargaining Council (PSCBC)
 (Registration number LR2/6/6/126)
 Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income for the year ended 31 March 2011

Figures in Rands	Note(s)	2011	2010
Levies received			
Other income			
Operating expenses	10	14,366,967	14,232,679
Operating deficit for the year		1,851,962	6,462,331
Investment income		(17,626,169)	(24,036,989)
Finance costs	11	(1,407,240)	(3,341,979)
Loss for the year	12	1,434,143	1,720,624
Other comprehensive income	13	(777,562)	(703,719)
Total comprehensive loss		(750,659)	(2,325,074)
		-	-
		(750,659)	(2,325,074)

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Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Statement of Changes in Equity

	Retained income	Total equity
Figures in Rands		
Balance at 01 April 2009	16,151,778	16,151,778
Changes in equity	(2,325,074)	(2,325,074)
Total comprehensive loss for the year	(2,325,074)	(2,325,074)
	13,826,704	13,826,704
Balance at 01 April 2010	(750,659)	(750,659)
Changes in equity	(750,659)	(750,659)
Total comprehensive loss for the year	(750,659)	(750,659)
Total changes	13,076,045	13,076,045
Balance at 31 March 2011		

Public Service Co-ordinating Bargaining Council (PSCBC)
 (Registration number LR2/6/6/126)
 Financial Statements for the year ended 31 March 2011

Statement of Cash Flows

Figures in Rands

	Note(s)	2011	2010
Cash flows from operating activities			
Cash used in operations			
Interest income			
Finance costs	14	(6,516,467)	(2,863,429)
Net cash used in operating activities		1,434,143	1,720,624
		(777,562)	(703,719)
		(5,859,886)	(1,846,524)
Cash flows from investing activities			
Purchase of property, plant and equipment			
Cash flows from financing activities	2	(28,683)	(271,267)
Decrease in special projects funds			
		(1,080,130)	(1,622,086)
Total cash movement for the year		(6,968,699)	(3,739,877)
Cash at the beginning of the year		38,030,615	41,770,493
Total cash at end of the year	6	31,061,916	38,030,616

Public Service Co-ordinating Bargaining Council (PSCBC)

(Registration number LR2/6/6/126)

Financial Statements for the year ended 31 March 2011

Accounting Policies

1. Basis of preparation

The financial statements set out on page 6 to 16 are prepared in accordance with, and in compliance with South African Statements of Generally Accepted Accounting Practice (SA GAAP) and in the manner required by the Labour Relations Act, 1995. The financial statements have been prepared in accordance with the going concern principle under the historical cost basis, except for items carried at fair value.

The preparation of financial statements in conformity with SA GAAP requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reported period based on management's knowledge of current events and actions. Actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.1 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses.

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. Depreciation rates applicable to each category of property, plant and equipment are as follows:

Item	Estimated useful life
Office furniture and equipment	5 years
Motor vehicles	7 years
Computer equipment	3 years
Computer software	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Accounting Policies

1.2 Impairment of assets

The carrying amounts of the tangible assets, which mainly consist of property, plant and equipment, are reviewed at each balance sheet date to determine whether there is any indication that those assets have been impaired. If there is any indication that an asset may be impaired, its recoverable amount is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the council estimates the recoverable amount of the cash generating unit to which the asset belongs.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the council and the revenue is reliably measured. Revenue represents levies received from the State as employer and the public service sector. Levies are measured at the fair value of the consideration received or receivable.

Telephone income-sectors

PSCBC recovers the cost of the calls made by other sectors (i.e. GPSSBC, PHSDSBC and SSSBC) as it provides them with the telecommunications system on which they can make calls.

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Accounting Policies

1.4 Financial instruments

The council classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the balance sheet at fair value when the council becomes a party to the contractual provisions of the instrument at trade date. Transaction costs are included in the initial carrying value of the financial instrument except in the case of financial instruments classified at fair value through profit and loss, in which case the transaction costs are expensed as they are incurred.

1.4.1 Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method and reduced by appropriate allowances for estimated irrecoverable amounts.

The council makes an assessment at each reporting date whether there is any objective evidence that trade and other receivables are impaired. Where objective evidence exists as a result of occurrence of one or more events subsequent to the initial recognition of the receivables, the amount of the impairment is determined by estimating the impact of these loss events on the future cash flows expected to be generated from the receivable.

1.4.2 Trade and other payables

Trade payables are subsequently measured at their amortised cost using the effective interest rate method.

1.5 Operating leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Benefits received as an incentive to sign a lease, whatever form they may take, are credited to the income statement on a straight-line basis over the lease term.

1.6 Provisions and contingent liabilities

Provisions are recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the effect of the time value of money is considered to be material, provisions are recognised at the present value of the expenditure expected to be required to settle the obligation.

Contingent liabilities are not recognised in the annual financial statements. Contingent liabilities are disclosed in the notes to the annual financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks net of bank overdrafts, all of which are available for use by the Council unless otherwise stated.

1.8 Related parties

Parties are considered to be related to the entity if the entity has the ability, directly or indirectly, to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the entity and the party are subject to common control. Related parties also include key management personnel which are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements
Figures in Rands

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	179,152	(167,207)	11,945	179,152	(155,264)	23,888
Office furniture and equipment	1,976,427	(1,726,067)	250,360	1,976,427	(1,457,970)	518,457
Computer equipment	1,740,448	(1,342,432)	398,016	1,715,901	(994,807)	721,094
Computer software	479,966	(464,710)	15,256	475,829	(438,455)	37,374
Total	4,375,993	(3,700,416)	675,577	4,347,309	(3,046,496)	1,300,813

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Motor vehicles	23,888	-	(11,943)	11,945
Office furniture and equipment	518,457	-	(268,097)	250,360
Computer equipment	721,094	24,546	(347,624)	398,016
Computer software	37,374	4,137	(26,255)	15,256
	1,300,813	28,683	(653,919)	675,577

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Motor vehicles	35,830	-	(11,942)	23,888
Office furniture and equipment	628,196	176,876	(286,615)	518,457
Computer equipment	1,107,902	68,656	(455,464)	721,094
Computer software	61,560	25,735	(49,921)	37,374
	1,833,488	271,267	(803,942)	1,300,813

3. Operating lease asset

Operating lease asset

317,382 146,438

Operating lease assets arise from straightlining of future lease payments on office buildings and office equipment.

4. Prepayments

Rental

Building and parking
Office equipment
Plants

222,190 208,481
37,718 21,906
2,069 1,952

5. Trade and other receivables

Trade receivables
Deposits

243,799 301,135
56,484 43,643
300,283 344,778



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

Figures in Rands

6. Cash and cash equivalents

	2011	2010
Cash on hand	1,000	710
Levy bank account	2,069,146	1,764,291
Levy call accounts	9,973,884	11,365,219
Project bank account	420,178	1,500,309
Agency bank account	18,597,706	23,400,085
	31,061,914	38,030,614

7. Special Projects

	1,500,309	3,122,395
Opening balance	(1,080,130)	(1,622,086)
Movement for the year	420,179	1,500,309

8. Trade and other payables

	18,597,706	23,400,085
Trade union funds	128,782	423,740
Trade payables	18,726,488	23,823,825

6.1 Trade Unions

Agency fee reserve account	18,654,753	23,522,642
Agency Fee Income (Agency)	137,078,094	98,788,388
Deferred income	404,292	920,358
SADTU	(30,996,093)	(22,758,688)
PSA	(24,630,297)	(17,991,010)
NEHAWU	(21,439,365)	(15,510,631)
POPCRU	(18,747,129)	(13,015,896)
HOSPERSA	(13,105,287)	(9,707,721)
NAPTOSA	(8,381,305)	(6,128,245)
SAPU	(8,143,518)	(5,917,620)
DENOSA	(7,082,560)	(5,030,507)
PEU	(2,151,910)	(1,626,289)
PAWUSA	(2,112,010)	(1,579,337)
SAMA	(815,468)	(565,359)
Suppliers control account	93,480	-
Other receivable (Interest)	(27,971)	-
	18,597,706	23,400,085

6.2 Trade and other payables

Accrued Expense	42,614	57,976
Provident fund control	-	6,604
Supplier Control Account	67,660	268,451
Staff Bursary	-	6,009
Medical aid control account	11,008	13,835
Workmen's Compensation fund control account	7,500	70,865
	128,782	423,740

Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

Figures in Rands

	2011	2010
--	------	------

9. Provisions

Reconciliation of provisions - 2011

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for panelist fees	88,350	-	-	(88,350)	-
Provision for bonus	138,944	173,828	(138,944)	-	173,828
Provision for leave	328,903	108,310	(216,620)	-	220,593
Provision for SARS liability (PAYE, UIF and SDL)	347,947	-	(347,947)	-	-
	904,144	282,138	(703,511)	(88,350)	394,421

Reconciliation of provisions - 2010

	Opening balance	Additions	Utilised during the year	Total
Provision for panelist fees	150,000	-	(61,650)	88,350
Provision for bonus	286,447	181,183	(328,686)	138,944
Provision for leave	278,080	124,978	(74,155)	328,903
Provision for SARS liability (PAYE, UIF and SDL)	-	347,947	-	347,947
	714,527	654,108	(464,491)	904,144

10. Revenue

Levies income

14,366,967 14,232,679

11. Operating deficit for the year

Deficit for the year is stated after accounting for the following:

Audit remuneration:

Audit fees

Other services

103,846 133,252
- 18,740

103,846 151,992

Operating lease charges

Premises

• Contractual amounts

Equipment

• Contractual amounts

2,619,465 2,514,829
202,730 192,375

2,822,195 2,707,204

Depreciation on property, plant and equipment

Employee costs

Sponsorship and donations

653,920 803,942
6,938,534 6,562,219
- 2,300,000

12. Investment income

Interest revenue

Interest received - Levy account

1,434,143 1,720,624

Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

Figures in Rands

	2011	2010
13. Finance costs	777,562	703,719
Interest paid		
14. Cash used in operations	(750,659)	(2,325,074)
Loss before taxation	653,920	803,942
Adjustments for:	(1,434,143)	(1,720,624)
Depreciation and amortisation	777,562	703,719
Interest received	(170,944)	(146,438)
Finance costs	(509,723)	189,617
Movements in operating lease assets and accruals	44,495	11,780
Movements in provisions	(29,638)	-
Changes in working capital:	(5,097,337)	(380,351)
Trade and other receivables		
Prepayments		
Trade and other payables	(6,516,467)	(2,863,429)
15. Commitments		
Operating leases – as lessee (expense)	2,852,921	2,870,354
Minimum lease payments due	237,743	3,305,854
- within one year		
- in second to fifth year inclusive	3,090,664	6,176,208

Operating lease payments represent rentals payable by the council for office properties and equipment.



Public Service Co-ordinating Bargaining Council (PSCBC)
(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements
Figures in Rands

16. Related parties

2011 2010

Relationships

State as employer is represented by Department of Public Service and Administration and admitted trade unions are considered to be related parties to PSCBC in terms of clause 6 and 19.1 to 19.4 of PSCBC's constitution. These entities exercise significant influence over PSCBC in making financial and operating decisions.

The following are the admitted trade unions: SADTU, PSA, NEHAWU, POPCRU, HOSPERSA, NAPTOSA, SAPU and DENOSA.

General secretary is considered to be a key management personnel.

Related party transactions

No transactions were carried out between PSCBC and the Department of Public Service and Administration. The following transactions were carried out with key management personnel and the trade unions.

Key senior management (General secretary)
Remuneration

	2011	2010
Agency fee amounts paid to trade unions	904,057	853,663
SADTU		
PSA		
NEHAWU	(31,811,562)	(23,324,047)
POPCRU	(24,630,297)	(17,991,010)
HOSPERSA	(23,551,375)	(17,089,968)
NAPTOSA	(18,747,129)	(13,015,896)
SAPU	(13,105,287)	(9,707,721)
DENOSA	(8,381,305)	(6,128,246)
	(10,295,428)	(7,543,909)
	(7,082,560)	(5,030,507)
	(137,604,943)	(99,831,304)

17. Risk management

Capital risk management

The Council's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The council's risk to liquidity is as a result of the funds available to cover future commitments. The council manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

18. Taxation

The Public Service Co-ordinating Bargaining Council is exempt from income tax in terms of Section 10(1)(cA)(i) of the Income Tax Act.

Public Service Co-ordinating Bargaining Council (PSCBC)

(Registration number LR2/6/6/126)
Financial Statements for the year ended 31 March 2011

Detailed Income Statement

	Note(s)	2011	2010
Figures in Rands			
		14,366,967	14,232,679
Revenue			
Levies income		8,400	7,200
		67,050	39,600
Other income		36,566	126,652
Admin fees	12	1,434,143	1,720,624
CCMA subsidy		564,046	492,218
Donations, recoveries and service seta income			
Interest received		772,692	1,012,974
Telephone income			
Agency income		33,844	132,036
- Interest received		-	2,723,899
Special project income		369,364	1,927,751
- Interest received			
- Other income: sponsorship and donations		3,286,105	8,182,954
- Deferred income			
		(17,626,169)	(24,036,990)
Expenses (Refer to page 19)	11	26,903	(1,621,357)
	13	(777,562)	(703,719)
Operating profit (loss)		(750,659)	(2,325,076)
Finance costs			
(Loss) profit for the year			

Public Service Co-ordinating Bargaining Council (PSCBC)
 (Registration number LR2/6/6/126)
 Financial Statements for the year ended 31 March 2011

Detailed Income Statement

Figures in Rands

	Note(s)	2011	2010
Operating expenses			
Advertising		(27,143)	(18,357)
Arbitration and conciliation costs		(575,327)	(904,134)
Auditors remuneration		(103,846)	(151,992)
Bank charges		(33,994)	(37,989)
Consulting and professional fees		-	(158,545)
Contingency Fund		(218,029)	-
Depreciation, amortisation and impairments		(653,920)	(803,942)
Electricity		(229,636)	(193,804)
Employee costs		(6,938,534)	(6,562,219)
Entertainment		-	(7,098)
ILERA- Nigeria		(41,376)	-
IT expenses		(654,161)	(556,544)
Insurance		(113,323)	(124,227)
Lease rentals on operating lease		(2,822,195)	(2,707,204)
Legal fees		(196,721)	(5,700)
Media and resource centre		(184,484)	(261,480)
Meetings, conferences, workshops and seminars		(1,330,367)	(935,473)
Motor vehicle expenses		(22,711)	(22,500)
Office refreshments		(106,256)	(112,754)
Other consulting and professional fees		-	(121,290)
Postage		(3,283)	(30,370)
Printing and stationery		(262,102)	(358,355)
Provincial chambers		(390,240)	(407,847)
Repairs and maintenance		(176,760)	(160,074)
Management Services (GS & chairs)		(72,121)	-
Security		(32,705)	(31,291)
Sponsorships and donations		-	(2,300,000)
Staff welfare		-	(3,624)
Suppliers database expense		-	(27,604)
TV licence and DSTV fees		(250)	(4,527)
Telephone and fax		(909,339)	(937,840)
Training		(274,521)	(242,264)
Travel - local		(76,926)	(51,281)
Agency expenses			
- Admin fee paid to levy account		(7,800)	(7,200)
- Bank charges		(4,344)	(5,087)
- Deferred income		(526,848)	(920,358)
- Interest paid		-	(80,329)
- Legal fees		(233,700)	-
Special project expenses			
- Bank charges		(688)	(651)
- Labour Relations Conference		(380,251)	-
- Regional world congress (IIRA and Australia)		-	(1,453,747)
- Partnership strategy (Botswana delegation)		-	(2,542)
- Public summit -project		(22,268)	(3,326,747)
		(17,626,169)	(24,036,990)

The supplementary information presented does not form part of the financial statements and is unaudited



Positioning Advancing Influencing Changing

6th International Labour and Employment Relations Association (ILERA) African Regional Congress, Lagos Nigeria, 24-28 January

Emerging Trends in Employment Relations in Africa: National and International Perspectives

Introduction:

The Public Service Co-ordinating Bargaining Council (PSCBC), a member of the ILERA attended the 6th African Regional Congress. A delegation of three representatives was sent to represent the Council.

About ILERA:

The ILERA, formerly known as the International Industrial Relations Association (IIRA), was established in 1966 in response to a growing need to develop and exchange knowledge in the field of industrial relations at an international level and to provide the academic and the practitioner with a forum for discussion and research. The Association has over 1 000 members worldwide, including prominent industrial relations scholars and practitioners. Subjects such as globalisation, new technology, gender, HIV/AIDS, employee involvement, occupational safety and health, industrial relations, labour law, human resources management, international labour standards, social dialogue, labour administration, informal economy, and many other topics are discussed during its congresses.

The Congress:

The tracks addressed the following issues:

1. Industrial Relations and Social Security Issues
2. Education, Training and the Changing Nature of Work
3. Public Sector Reforms and Employment Relations
4. Trade Unions and Civil Society
5. Collective Bargaining and Workplace Relations
6. Labour Migration, Regional Integration and Political Reconstruction in Africa.
7. Emerging Challenges in the Polity and Corporate Governance

The General Secretary of the PSCBC, Mr F J De Bruin, also chaired the Commission on Public Service Reforms in Developing Countries. This Commission was centred on initiatives and programmes embarked on by developing countries in addressing reforms

Conclusion

The Conference provided a much-needed platform for the African continent to engage and share on matters of Labour and Employment Relations.

It was, however, unfortunate to note that the attendance of African countries at the conference was poor. The content of the conference would have benefited many states and it would have been beneficial to hear more perspectives.

The South African delegation had great insight to offer the conference and was well received and afforded much opportunity to participate. However, much more effort needs to be made through the local body IRASA to increase participation at these events.

Nigeria Delegation:



2nd Biennial Labour Relations Conference for the Public Service

On 14 March 2011 the Public Service Co-ordinating Bargaining Council (PSCBC), together with the Office of Public Service Commission (OPSC), held a joint 2nd Biennial Labour Relations Conference. The Conference, which was held at Emperors Palace in Gauteng, was officially opened by Ms P M Tengen (Deputy Chairperson of the OPSC).

The Honourable Minister for Public Service and Administration was also in attendance and delivered the keynote address. The Minister challenged delegates to think about what should be done differently to ensure that the dialogue translates into action resulting in quality resolutions.

The theme of the conference was “sustaining dialogue on the Integration and Co-ordination of Labour Relations in the Public Service.”

The hosting of the Second Biennial Conference, as advocacy mechanism for co-hosts, has once again provided a suitable platform and an opportunity for interaction between labour relations practitioners (both employer and labour representatives) and other stakeholders in the field of labour relations in the Public Service. It also explored emerging trends and focused on sustaining continuity of debates in the labour relations discourse within the Public Service.

The three-day-long conference was attended by about 500 local and regional delegates

During the first day of the conference, Capacity Building Workshops were held. Topics included:

1. Hearings and Arbitrations (Professor Marion Fouché)
2. Negotiations (Mr Grahame Matthewson)
3. Incapacity (Professor Stella Vettori)
4. Promotion of Employees: Law, Skills and Practice (Mr Sean Molony)
5. Fairness and Efficiency in Resolving Disputes in the Public Sector (Ms Sarah Christie)

Human Resource Practices:

1. Recruitment and Selection (Mr Leon Pretorius and Ms Mantu Dlamini)
2. Grievance Procedure (Advocate Ailwei Mulaudzi)
3. Performance Management (Dr Daan Prinsloo)
4. Disciplinary Procedure (Advocate Rathaga Ramaweile)

The second and third day of the conference had about 30 different speakers and 25 papers were presented.

Topics included:

1. Consolidation of Labour Peace: Mr Ivan Israelstam
2. Dispute Referral Trends and Dispute Preventions in the Public Service: Mr Frikkie de Bruin
3. Dealing with Enforcement of Collective Agreements in the Public Service: Advocate Luvuyo Bono
4. Does Collective Bargaining Create Disputes? : Ms Sarah Christie
5. The Right of Employees to Legal Representation in Accordance with Case Law: Ms Kate Savage
6. Towards a Culture of Mutual gain: Professor Barney Jordaan
7. Decent Work or Delivery or Both? The Role of Mutual Gain Negotiations in the Public Service: Mr John Brand
8. Jurisprudence in Dispute Prevention: Ms Urmilla Patel
9. Dispute Prevention and Resolution Systems in the Public Sector: An International Perspective: Ms Tanya Venter
10. The Prevention of Disputes: Ms Mapalo Tsatsimpe
11. The Role of the Forensic Auditor/Investigator in Labour Disputes: Mr Peter Goss & Ms Lily Moruri

12. Dispute Resolution in the Public Service: Professor Marion Fouché
13. In Search of Labour Peace – The Resolution of Collective Bargaining Disputes in the Public Service: Mr Chris Todd
14. Does Disciplinary Action and the Dismissal of a Public Sector Employee Constitute an Administrative Action Reviewable under PAJA? : Advocate Rathaga Ramaweale
15. Impact of Socio-Economic Factors on Labour Relations in the Public Service: Professor Andrew Levy
16. Socio-Economic Factors and Labour Relations in the Public Service a Perspective by Labour: Mr Danny Adonis
17. Excellence and Innovation in the Public Service Labour Relations System: Managing Change as Key Success Factor: Dr Patrick Sokhela
18. The Perceived Impact of the Increased Cost of Living on Labour Disputes in the Public Service: Ms Pearl Mbekwa
19. Employment in the Public Service: Mr Ebrahim Khalil Hassen
20. The Economics of Employment in a Developmental State: Mr Thihe Mothloe
21. Human Resources in the Public Service – Dr Vusumuzi S Dlamini
22. Tackling the Human Resources Crisis in the Public Health Sector: Mr Masale Godfrey Selematsela
23. When Common Sense Is Not So Common in Labour Relations: What Is the Future? Ms Nkhabele Marumo
24. Implication of the Proposed Amendments to Labour Legislation if It Becomes Law for the Public Service: Advocate Empie van Schoor
25. The Decent Work Agenda in the World of Employment: Mr Joni Musabayana

All material relating to the conference was distributed to attendees.

The material can also be downloaded from the PSCBC website www.pscbc.org.za.



Chairperson of the PSCBC, Mr Mphahlele Phophi, Minister Richard Baloyi and Deputy Chairperson of the PSC, Ms Phelele Tengeneni at the 2nd Biennial Labour Relations Conference



Minister Richard Baloyi giving his keynote address at the 2nd Biennial Labour Relations Conference



Positioning Advancing Influencing Changing

Introduction

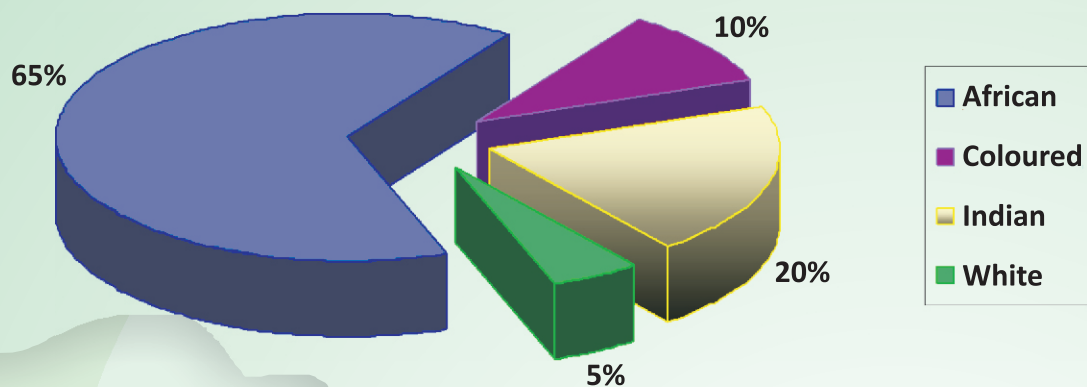
This report summarise the human resources activities including profiles of the PSCBC for the year under review.

The following has been reported:

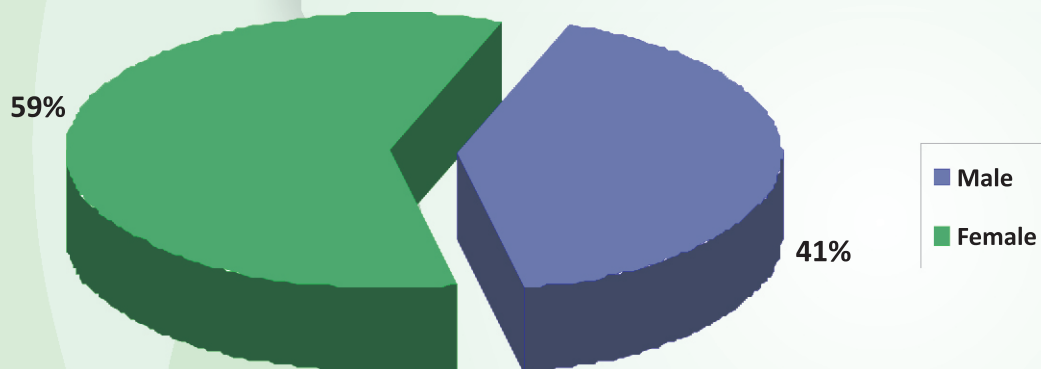
- Representativity profile
- Staff movement
- Busaries awarded
- Team building

Representivity Profiles

This graph illustrates the race demographics of the PSCBC secretariat:



This graph illustrates that gender representativity of the PSCBC secretariat:



Staff movement

Resignations

During the review period the PSCBC experienced a high staff turnover. The following employees resigned:

	Position:	Name of employee:
1.	The General Secretary	Ms Shamira Huluman
2.	Personal Assistant to the General Secretary	Ms Yasmine Kherekar
3.	Section Head: Media and Information	Ms Madeleine Theron
4.	Media and Information Officer	Ms Pearl Buthelezi
5.	Senior Officer: Human Resources	Mr Andries Baloyi
6.	Negotiations Support Services Officer	Mr David Rambau

Vacant Positions

The following posts became vacant during the period under review and have not been filled:

- Section Head: Media and Information
- Media and Information Officer
- Senior Officer: Human Resource
- Personal Assistant to the General Secretary
- Negotiations Support Officer

Appointments

The following post was filled during the period under review:

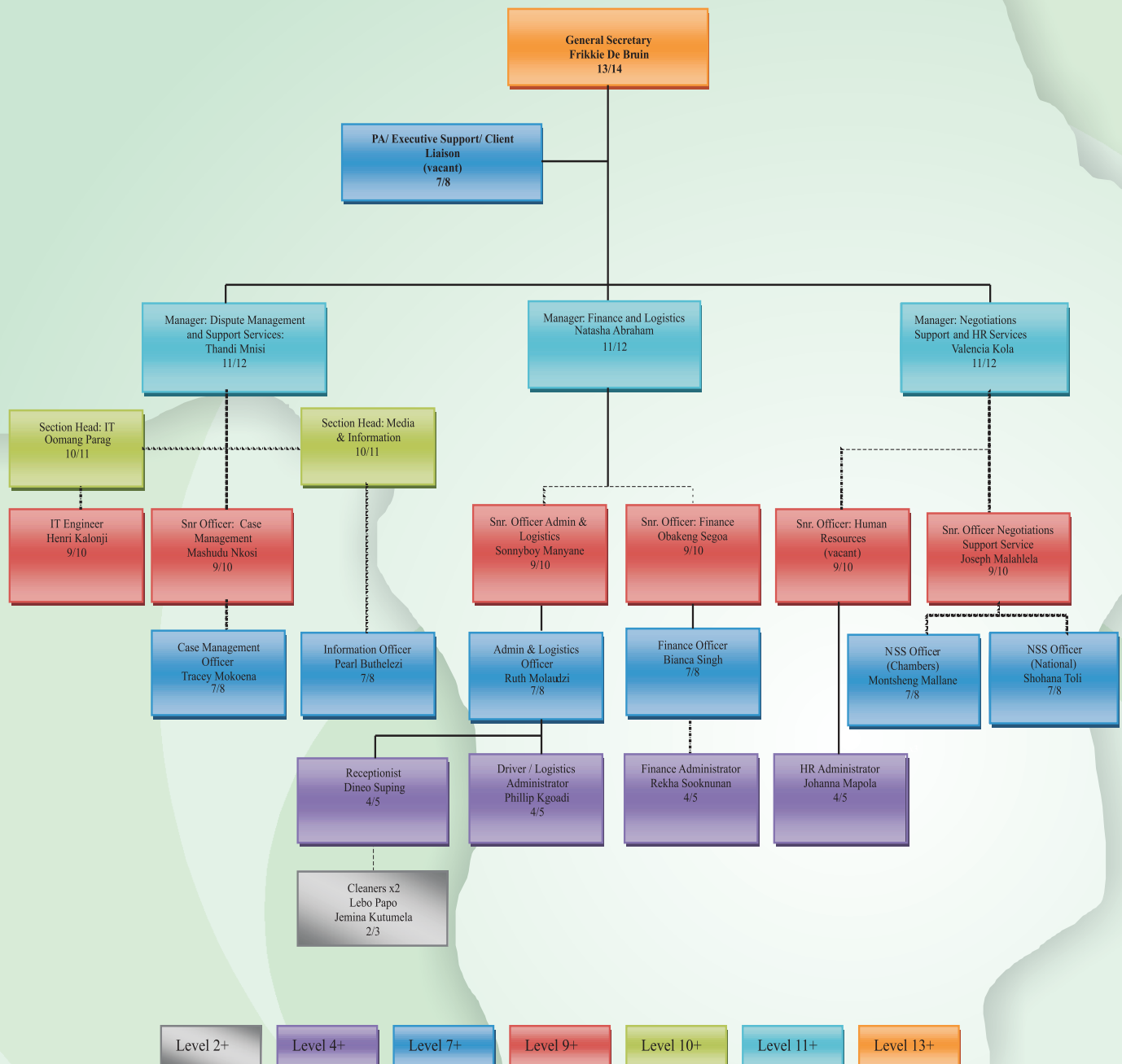
Position	Name of employee	Date of appointment
General Secretary to Council	Mr Frikkie De Bruin	1 November 2010

Bursaries awarded

The PSCBC realises the importance of training and development of staff as required by the Skills Development Act as a result bursaries and study loans are used as a mechanism for skills development and career pathing. Staff members who need to further their studies may apply for a bursary or study loan. Career pathing and job relevancy is taken into consideration when awarding bursaries and study loans. Bursaries were awarded to the following staff members during the period under review:

Bursaries awarded		Employee
Cisco Certified Network Associate (CCNA)		Henri Kalonji
Advanced Programme in Human Resource		Johanna Mapola
Bachelor of Law (LLB)		Tracey Mokoena
Bachelor of Technology: Business Administration		Obakeng Segoa

PSCBC Organogram: – 01 April 2010 to 31 March 2011





Positioning Advancing Influencing Changing

13. SECRETARIAT EVENTS



Soccer World Cup 2010 Celebrations

Winning the bid to host the World Cup in 2002 ushered in tremendous euphoria and hope for South Africans.

There was much jubilation at the PSCBC and Sectors as we celebrated the 2010 FIFA World Cup kick off.

The PSCBC and GPSSBC also hosted a sports day where each sector represented a team of their choice. The PSCBC was our own Bafana Bafana and needless to say won the cup.

We at the PSCBC were 100% behind Bafana Bafana and showed support by wearing our Bafana gear every Friday, learning the diskidance, soccer tackles and many other activities.

We are proud of the efforts our national team made at the 2010 World Cup.

Councils staff Celebrating the 2010 Soccer World Cup



Breast Cancer Awareness Month

Breast cancer is a leading cancer faced by South African women with one in 29 women diagnosed each year with the disease. The PSCBC contributed to raising awareness of this dreaded medical condition, by disseminating information for the duration of breast cancer awareness month, highlighting issues such as regular breast examinations, treatment and prevention, support initiatives, etc.

All of the aforementioned culminated in an event held on 29 October 2010, where staff honoured the brave people who overcame the disease, prayed for those fighting it, and remembered those who had succumbed to it. As we sported our pink ribbons and lit candles that day, the message was clear that awareness was key in ensuring early detection, making a full recovery more possible.



World AIDS Day celebrations

On the 1 December 2010 the PSCBC jointly with the sector council's staff gathered to commemorate World AIDS day and shared valuable information relating to HIV/AIDS. The PSCBC staff members joined together in placing their red hand prints on a canvas to be used as a wall hanging to show commitment to the cause and to serve as a reminder of those affected by the pandemic of HIV/AIDS.

The day ended appropriately with a visit to Abba House, an orphanage which offers intermediate care to abandoned babies, many of whom are infected and affected by HIV/AIDS. The staff's philanthropic spirit soared to greater heights, as they donated food, clothing, nappies, medicines, cash, and so much more to the innocent and well-deserving babies.



Team building for PSCBC staff

Team building comes in many shapes and sizes and sometimes gets dismissed as cliché but the fact remains it delivers real benefits in terms of staff motivation, performance and retention and also improves staff morale, minimises staff turnover, improves efficiency and lowers absenteeism.

On the 14 December 2010 PSCBC, on a cold and rainy morning staff gathered at Eben Swemmer Laerskool for a Team Building exercise. All employees of the PSCBC participated in the event. The aim of the team building was to enhance relations between staff and create better team spirit.

The whole exercise proved that **“Individually we are a drop; together we are an ocean”**.

The PSCBC Staff during the teambuilding session:





Positioning Advancing Influencing Changing

Congress of SA Trade Unions (COSATU) 25th Year Anniversary

It is indeed a special privilege for us to congratulate COSATU on reaching 25 years, marking a sterling history of notable contributions to the struggle of workers and the broader South African society. The PSCBC has experienced first-hand COSATU's dedication to advancing the interests of workers, automatically positioning it as the benchmark trade union federation.

As the PSCBC applauds COSATU's noteworthy strides within the trade union movement to date, we want to offer support as they forge ahead with their vision for promoting the working class and poor of our society.



Police and Prisons Civil Rights Union (POPCRU) 21st Anniversary

Whilst events have overtaken us and 5 November 2010 which marked the 21st Anniversary of POPCRU has passed, the Public Service Co-ordinating Bargaining Council (PSCBC) cannot let such an occasion go by without praising your achievements. We commend POPCRU on being unrelenting in adhering to the principles which are characterised by their proud legacy. As a trade union movement in South Africa, POPCRU has soared to new heights since inception during the height of the liberation struggle, and now 21 years on, it continues to tirelessly champion the cause of not only their members in the justice cluster, but also call for the unity of the entire working class.

Notwithstanding the challenges POPCRU have no doubt had to endure, their valuable role at the level of collective bargaining has not gone unnoticed. To that end, it can be assured of the PSCBC's continued support in pursuit of justice and fairness for all, as they wage their struggle for labour rights alongside the struggle for human rights in South Africa.



Public Servants Association (PSA) 90th Anniversary

It gives the Public Service Co-ordinating Bargaining Council (PSCBC) great pleasure to pay tribute to PSA and share a few thoughts on the occasion of their 90th Anniversary.

We salute the PSA on how its profile as a politically non-aligned trade union has impressively stood the test of time and emerged victorious, 90 years on. With a membership of over 211 000, it is indeed heart-warming, when a trade union goes that extra mile to assist those less fortunate by attending to their disputes free of charge.



Rest assured, your sterling efforts and strides in taking up the struggles of the workers, have not gone unnoticed. The PSCBC has been fortunate to partner with the PSA at the level of collective bargaining, through major changes in the labour field, and look forward to continuing that meaningful relationship



Democratic Nursing Organisation of SA (DENOSA) 6th National Congress

There were a number of events that took place within DENOSA, that aim to unite nurses, transform the nursing profession and influence health policies in the country.

A National Special Meeting was held in early 2010 to revamp and adopt a new constitution for the organisation that will be a guideline for the coming years. After robust debates from delegates the constitution was revamped and adopted.

The 6th DENOSA National Congress was held late in 2010 to discuss and resolve health issues affecting the country and to elect new leadership.

In 2010 the revamped DENOSA Professional Institute, in collaboration with the International Council of Nurses, launched the Leadership for Change Programme that aims to empower Nurse Leaders and Managers in the country.

DENOSA has established and launched a gender desk, including the DENOSA Professional Institute (DPI).

The first South African Nurses Conference, which was organised by DENOSA for nurses in the country to debate how they can better their profession, was held.

DENOSA also held a strategic workshop to define strategies that will guide the organisation for the next five years.



Health and Other Service Personnel Trade Union of SA(HOSPERSA) National Lekgotla

The past year has been one in which HOSPERSA has built internal capacity around its various forums, while also enhancing its external profile.

Late last year, HOSPERSA successfully hosted a three-day National Lekgotla, which brought together representatives from HOSPERSA's various forums into one gathering for the first time. This allowed for dialogue between representatives from HOSPERSA's HIV/AIDS Forum, Gender Forum, Young Workers' Forum, Health and Safety Forum and Nurses' Forum. Resolutions were made to overcome common challenges and to take advantage of opportunities.

HOSPERSA participated in many sector-related gatherings in the past few months including showcasing at exhibitions, via speakers at the PSCBC's 2nd Biennial Labour Relations Conference for the Public Service, the National Nursing Summit and the World Health and Safety Day Conference.

HOSPERSA also recently hosted an event to mark International Nurses' Day at Klerksdorp's City Ballroom Hall. "Affirming professionalism – Rebuilding trust in Nursing" was the central theme of the celebration, which was well attended. While HOSPERSA was proud to salute the substantial contribution nurses make to society, the occasion also provided a valuable platform for nurses to interact and share their challenges.



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