PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

ANNUAL REPORT 2013 - 2014

"I have fought against
black domination
and I have fought against
white domination.
I have cherished
the ideal of a democratic
and free society
in which all persons
live together in harmony
and with equal
opportunities.
It is an ideal
which I hope to live
for and to achieve,
but if need be,
it is an ideal
for which I am
prepared to die."

Contents

1. Foreword: Chairperson

Advocate Luvuyo Bono

It is both an honour and a privilege to present to you the PSCBC Annual Report for the financial period 1 April 2013 – 31 March 2014. As we celebrate 20 years of democracy, the PSCBC has taken the challenges as well as the positives of the reporting period in its stride, and made every effort to uphold its vision, mission and values in striving for better service delivery to its stakeholders.

I am indeed pleased to be leading a Council which through its impressive handling of strategic imperatives, lives up to the ideal of being not only the largest bargaining council in Africa but also one which is a model to compete in the global arena.

In this reporting period, through various well-strategized operational sessions of Council the executive have committed to refine and re-define its policies, governance and operations to ensure the improvement of, and to enhance the effectiveness of collective bargaining for the South African public service.

The last year has made me proud to be a part of the evolution that the Council is undergoing, a process which is being brought to life through the conscientiousness and commitment of parties as they work towards positioning the PSCBC to reach greater heights.

This annual report will further detail the breadth and quality of the work done by the PSCBC. Special commendation goes out to the Council members, the General Secretary and the staff of the PSCBC for their dedication to the various projects and initiatives that were undertaken during the period under review.

Let us look forward to sustaining the vitality in 2014/2015. With the public service charter paving the way for a professional public service, the road has been paved for the PSCBC to take its rightful place of leading collective bargaining and setting trends in collective labour law.

I am proud to be part of this landmark organization, which has a bright future and which has the potential and energy to shape collective bargaining, and labour peace in the public service. I want to encourage all parties to commit to and conscientiously give effect to decisions taken by Council for the betterment of the PSCBC operations.

2.

Executive Summary: General Secretary

Frikkie De Bruin

As the reporting period drew to a close, we were vigorously engaging and debating ventures that lay ahead of us, preparing ourselves to go to our fifth general election under a new democracy, celebrating 20 years of freedom.

We also sadly remember the passing away of our biggest icon and leader of all times, Nelson R Mandela, who gave us the opportunity to be free.

Remembering that our former President Nelson Mandela, who shortly after he cast his vote for the first time at the age of 75, visited the grave site of the founding President of the ANC, and proclaimed simply but very profoundly: "Mr President, I have come to report to you that South Africa is free today".

Indeed a freedom that has brought and ensured workers' rights such as fair labour practices; the right to form and join trade unions, strike and picket; the right to conclude agency shop agreements; and most importantly, the right to collective bargaining. As the PSCBC we have the responsibility as an institution to defend this freedom and the rights acquired through the struggle of workers.

In the reporting period we have again achieved a 100% majority on two Agreements, an achievement which is commendable.

The first of the two agreements dealt with the signing of the Service Charter. The charter emanated from the wage negotiations agreement. The charter aims to bring about a professional working ethos within the Public Service, calling on Public Servants and the Government to deliver professional services to the community and to engage with one another in a professional manner. This report will elaborate on the charter signed and the implementation thus far as to create awareness amongst our clients.

The second agreement, equally important dealt with the funding level of the PSCBC. Allowing for an increase to the levy fund of Council after 16 years without adjustment. The increase was important to ensure the continuous independent functioning of the Council, placing it in a position to enhance the strategic fulfillment of its vision to be *a bargaining council positioned to advance and influence change within the labour market environment.*

In the report we will also comment on the progress made in concluding a minimum service agreement for the Public Service. Parties undertook a benchmarking exercise at the end of 2013, engaging intensively with the International Labour Organization (ILO). The findings of the report will be published as an addendum in this report.

The annual report will also comment on events such as Council's hosting of the Botswana Public Service Bargaining Council, attendance of the POPCRU Africa Symposium in Zambia, attendance of the 11th European ILERA Congress in Amsterdam and hosting of the 3rd Biennial Labour Relations Conference.

Operationally we also report extensively on the dispute management process in Council and give a broad overview of dispute resolution in the broader public service.

In the ensuing period we can't ignore the challenge being posed by concluding on a new round of wage negotiations. Negotiators will have to show maturity, professionalism, commitment and most importantly a will to engage and conclude an agreement within the boardroom and not on the streets.

Allow me in closing off this executive summary, to then acknowledge the Chairperson of Council, Vice Chairpersons, Executive Committee and Council for their guidance, advice and support.

A special word of thanks to my staff for their relentless commitment and limitless support in the various organizational programs they were involved in. The Organization is indebted to its staff that have sometimes under extreme pressure and with a limited budget managed to excel in performance. I really appreciate and value every one of them.

3. Governance Structure

Overview

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

In performing its functions, 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;

(b) apply to terms and conditions that apply to two or more sectors; and

(c) are assigned to the State as employer in respect of the Public Service and that are not assigned to the State as employer in any other sector.

In establishing the Council, the LRA sought to provide a platform for 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.

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:

Luvuyo Bono (Chairperson)

Erasmus Phophi (Vice-Chairperson-Employer)

Jones Galorale (Vice Chairperson -Labour)

Frikkie de Bruin (General Secretary)

5.

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:

Labour

Member: B Shandu
Organisation: SADTU

Member: Mavuso
Organisation: NEHAWU

Member: Ndala
Organisation: POPCRU

Member: Sodidi
Organisation: DENOSA

Alternates

Alternate: H Hendricks
Organisation: NAPTOSA

Alternate: Makape
Organisation: NEHAWU

Alternate: Mahlangu
Organisation: POPCRU

Alternate: Madiba
Organisation: SAMA

Employer

Member: M Ntshikila
Organisation: DPSA

Member: J Slater
Organisation: DHET

Member: M Ngake
Organisation: DOH

Member: L Machakela
Organisation: SAPS

Alternates

Alternate: T Siko
Organisation: DPSA

Alternate: S Geyer
Organisation: DBE

Alternate: M Mntuyedwa
Organisation: DSD

Alternate: J Griesel
Organisation: SAPS

Finance Committee (FINCOM)

The Finance Committee comprises the following representatives:

Labour

Member: C Marule
Organisation: NEHAWU

Member: D Madiba
Organisation: SAMA

Member: S Mahlangu
Organisation: POPCRU

Member: L Motshwane
Organisation: SADTU

Employer

Member: M Phophi
Organisation: Vice Chair Person

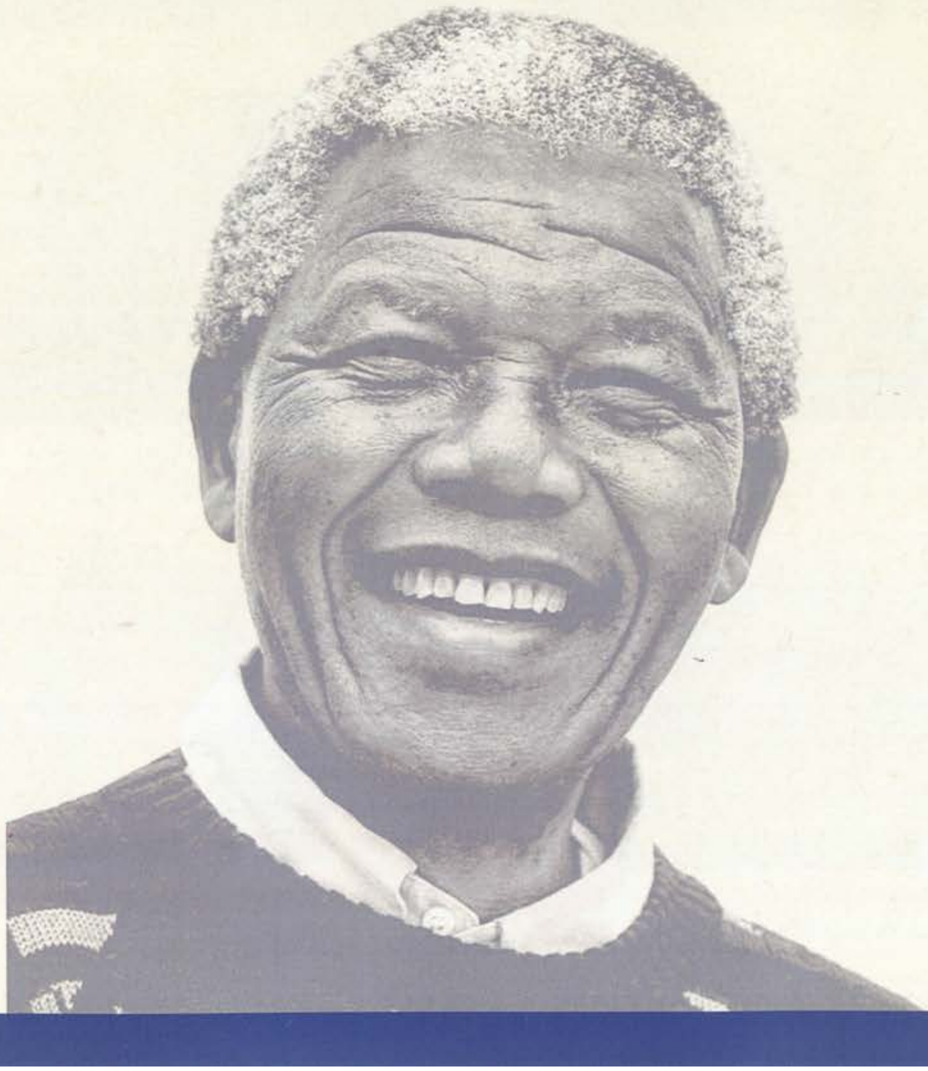
Member: D Cornelissen
Organisation: DPSA

Member: H Brynard
Organisation: DPSA

Member: F Van Vuuren
Organisation: DPSA

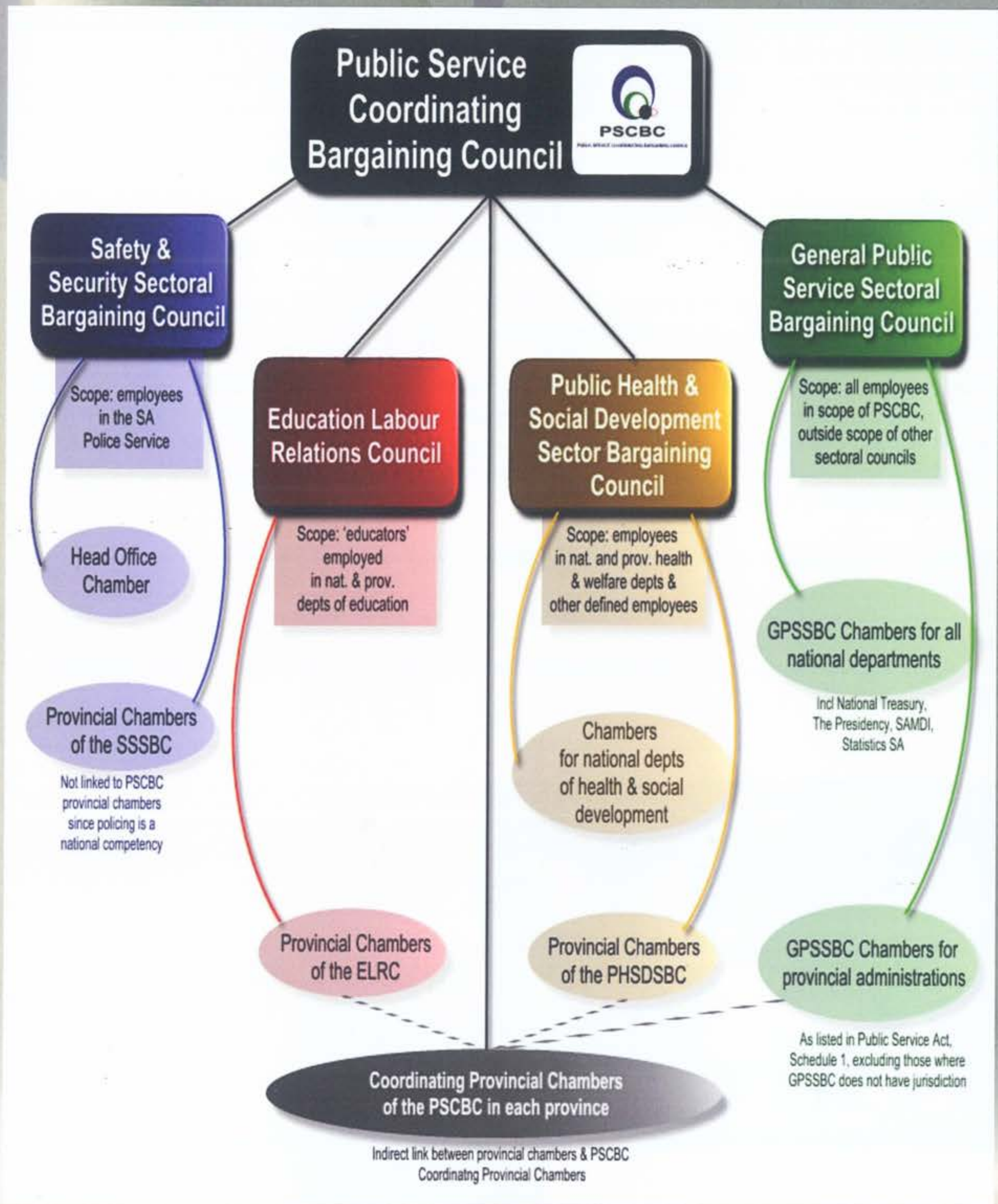
Programme 1:

COLLECTIVE BARGAINING



6. Performance Results

Collective Bargaining System for PSCBC and Sectoral Bargaining Councils:



Overview

The negotiations support unit offers administrative support services in terms of Collective Bargaining processes to Council and its structures by arranging meetings and providing support to council and its structures like - EXCO, committees/task teams, provincial chambers established - in order to achieve Council's strategic objectives.

One of the functions and powers of Council is to 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.
The Execitive Committee amongst others, needs to exercise and perform the powers, functions and duties of the Council relating to the supervision and control of the day-to-day management and administration of the Council.
The Council may from time to time establish Committees in terms of Section 55 of *the Act* subject to such conditions as it may determine, and may delegate any of its functions to any such Committee.
The key strategic objective for Collective Bargaining as a core function of the Council for the reporting period, is to review structures and strengthening processes of collective bargaining in the Public Service as to ensure improved delivery of services. In fulfilling its main strategic objective, Council established Task Teams/Committees to research matters emanating from Council, report findings and present recommendations.

This component is also responsible for amongst others; the implementation of the provisions of the PSCBC Constitution, relevant sections of the Procedure Manual, and the provisions as contained in Council Resolutions.

During the period under review two progressive Collective Agreements were signed, i.e. The Service Charter (Resolution 1 of 2013), and Increase in Levies (Resolution 2 of 2013).

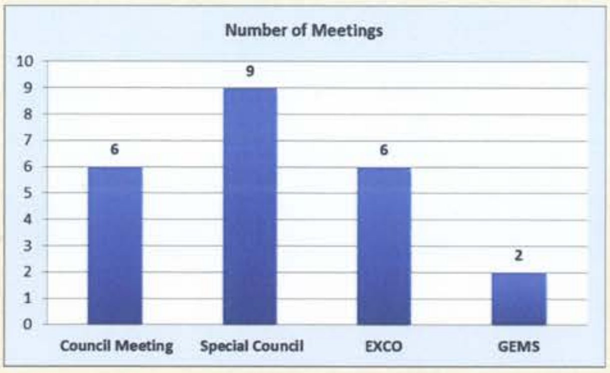
The greatest challenge during the reporting period was the frequent staff turnover in the Unit, coupled with having to implement the Pensions Redress Programme. The programme required considerable commitment, patience and strength of character to interact with the public, and give effect to Resolutions 7 of 1998 and 12 of 2002 in a meaningful way, whilst also trying to deal with a staff shortage. Despite this, the Secretariat endeavoured to become service driven in fulfilling Council's mandate.

This report further highlights the work done by the Negotiations Support Unit for the period under review.

Meetings
Council must meet once every month, unless it decides otherwise. One such meeting must be the Annual General Meeting.

Figure 1 below illustrates the number of meetings held during the period under review:

Figure1:



Resolutions 2013/14

The following Resolutions were concluded during the period under review:

<u>Resolution 1 of 2013</u>: *Service Charter*.

The Service Charter is a social contract, commitment and agreement between the state and Public Servants. It is a written and signed document which sets out the partners' roles and responsibilities to improve performance, enhance and fast track the delivery of services to improve the lives of our people. It is a document that enables service beneficiaries to understand what they can expect from the State and will form the basis of engagement between Government and citizens or organs of Civil Society.
The objectives of this Agreement are: (i) to improve service delivery programmes, (ii) reinforce the partners' commitment to service delivery improvement for the benefit of all citizens, (iii) clarify the rights and obligations of each and every party, (iv) acknowledge and reward excellent performance, (v) professionalise and encourage excellence in the Public Service, (vi) enhance performance, (vii) facilitate a process to define service standards in various Sectors, (viii) strenghten processes and initiatives that prevent and combat corruption, (ix) facilitate social dialogue among partners, (x) help Government Departments rise to the challenge of treating citizens with dignity and respect and meeting their demands equitably and fairly, (xi) ensure an efficient, effective and responsive Public Service.

The Service Charter was launched on 29 August 2013, at the Gallagher Estate in Midrand. The event was broadcasted live on SABC 2, the Morning Live breakfast show, sponsored by The New Age, presented and directed by Peter Ndoro from Morning Live.

The 8 Trade Unions confirmed their commitment to the charter. Trade Unions together with the State as Employer undertook to uphold the constitutional responsibility of the State clearly articulated in the Bill of Rights to respect, protect, promote and fulfil these rights and to deliver services to the citizenry.

The Service Charter will serve as a guiding tool for good governance, democracy and sound working relations between the State, Public Servants, Sectors in the Civil Society and the General Citizenry. It outlines the services offered by the State and the service standards that underpin those services.

Resolution 2 of 2013: *Increase in Levies.*

The Council agreed that the levy contribution of R1.00 per Public Servant can no longer sustain the strategic objectives and the operational functions of the Council as required by its Constitution. The Council then resolved that to ensure that the levy fund maintains the functions of collective bargaining, dispute prevention and the operations of the PSCBC, the levy contribution be increased to R2.00 per Public Servant with effect from 1 April 2013 and from thereon on 1st April of every year with the same percentage as projected by the CPI announced by National Treasury.

The objectives of this Agreement are: (i) to ensure that the Levy Fund can maintain the functions of collective bargaining, dispute prevention and the operations of the Public Service Co-ordinating Bargaining Council, (ii) to agree to the increase in the levy contribution of public servants as was recorded in PSCBC Resolution 2 of 1998.

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 / Technical Working Committees were established:

Technical Working Committee on Minimum Services

Minimum Services emanated from Resolution 1 of 2007, whereby parties agreed on developing a framework for minimum services within those departments declared as essential services in the public service. The process was escalated to Principals of parties in the 2010 wage agreement and the time frame to conclude on the framework was extended in PSCBC Resolution 1 of 2012. The Resolution required Principals to perform specific operational functions. Council agreed that the operational functions should be distinguished from the strategic input that such matters would require from Principals.

In finalizing the matter it was agreed to form a Technical Working Committee (TWC) to conduct research, compile a report and draft an Agreement for consideration by Council.

The TWC members are representatives from Sectors that are mostly affected by Essential Services.

Council adopted the following as Terms of Reference for the TWC:

- Definition of Essential Services Nationally and Internationally,
- International and National Best Practices,
- Possible different minimum service levels for the different Sectors,
- Balancing of rights and responsibilities,
- Constitutional responsibilities of Government with regard to service delivery,
- Dispute resolution measures, as well as
- Any other matter that impacts the Essential Services.

It was agreed that benchmarking should be concluded on a National and International basis.

The following benchmarking programme was agreed to:

- Sourcing of raw information on both a National and an International basis
- Hosting National benchmarking Workshops in collaboration with the International Labour Organisation (ILO) and the Essential Services Committee (ESC)
- Technical Committee to analyse information on National benchmarking
- Conducting of International benchmarking through visiting the ILO and identified Countries
- Technical Committee to analyse information on international benchmarking
- Analyse and collaborate in terms of the information gathered
- Drafting of papers to table for negotiations

In conducting International benchmarking, Council agreed to visit the following countries:

- Germany
- India
- China
- ILO in Geneva

The Technical Committee could only visit the ILO and Germany as India and China did not respond positively to the request for engagement.

The benchmarking was conducted under the following themes:

- Collective bargaining in the Public Sector: comparative practices
- Consideration of the definition of Essential Services Internationally
- International and National best practices
- Different modalities and minimum service levels for the different Sectors
- Balancing of rights and responsibilities
- Constitutional responsibilities of Government with regard to service delivery,
- Dispute resolution
- Any other matter that impacts on Collective Bargaining in the Public Sector and on Essential Services

The benchmarking exercise was overall a huge success. Geneva has a similar labour relations model and standards to that of South Africa, while Germany proved to be a total contrast.

It is believed that the knowledge gained will be filtered adequately to allow the Council to make conclusive decisions regarding the Minimum Services Agreement.

The Executive Summary is attached as Addendum 1

Review of Resolution 3 of 2009 Task Team

Council entered into an Agreement on a revised salary structure for employees on salary levels 1-12 not covered by an Occupational Specific Dispensation, Resolution 3 of 2009, on the 24th July 2009.

The Agreement gave effect to clause 5 of Resolution 1 of 2007 by introducing the revised salary structure.
The Agreement provides for the reduction in the number of notches per Salary Level from 16 to 12 notches for salary levels 2-12 and 5 notches for salary level 1. It also allowed for a fixed percentage increment of 1, 5% between the notches. The Agreement also provided for a career pathing and grade progression methodology.

The Agreement in Clause 4.2 also allows for a review process by Parties in 2011. The review had not taken place at the time of this Report going in publication.
Clause 18 of Resolution 1 of 2012, provides for the amendment of Clause 3.6.3.2 of Resolution 3 of 2009 and also for the PSCBC to commence a process of review of the current provisions of Resolution 3 of 2009.

Council agreed to the establishment of a Task Team to consider the review process. It may also be important to note that the Agreement (3 of 2009) deals in the main with issues of remuneration. Council also agreed in Resolution 1 of 2012 (clause 21) to the review of the Remuneration Policy and Government also established the Presidential Public Service Remuneration Commission (PSRRC) headed by retired Chief Justice Sandile Ngcobo.

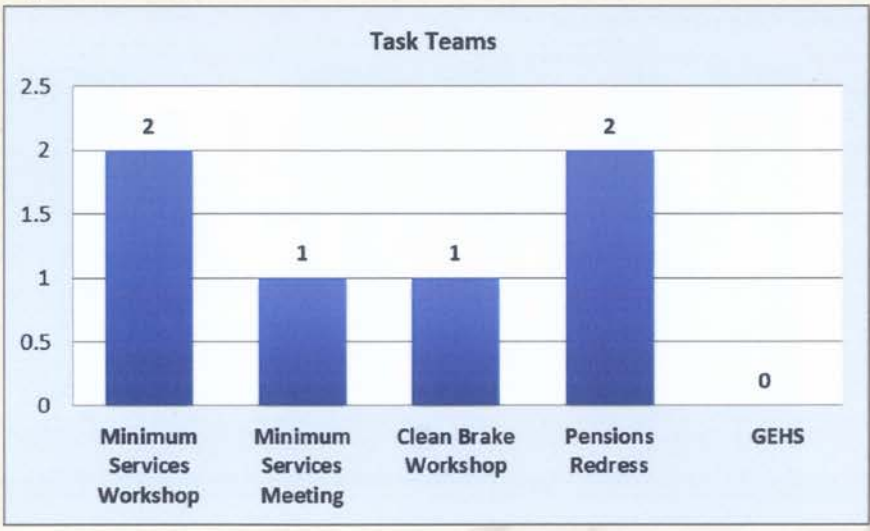
The Task Team will continue with its mandate in the following financial year.

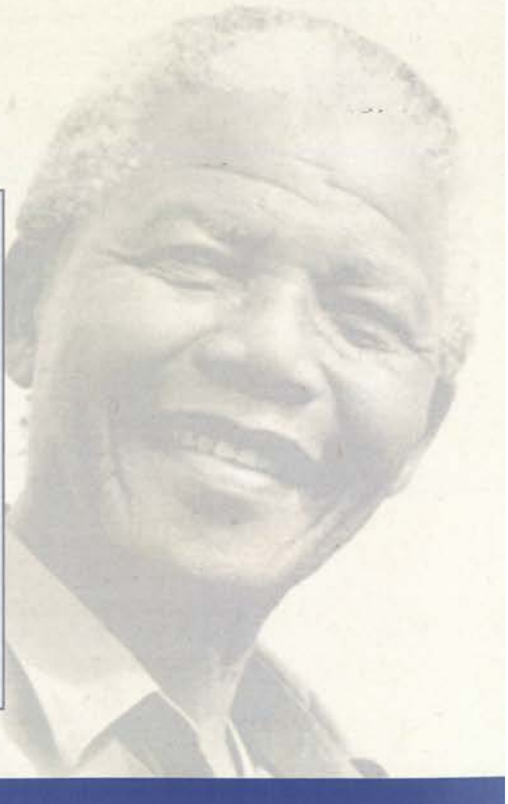
The following Task Teams were established and will meet in the next financial year.

- Constitutional amendments Task Team
- Task Team on Birchwood 3/PSCBC Bargaining conference
- Task Team on revisiting the scope of the PSCBC
- Task Team to consider the provisions on outsourcing
- Task Team on compliance with Occupational Health and Safety
- Task Team on Decent Work
- Task Team on re-arrangement of working time
- Task Team on danger allowance
- Skills development Task Team

Figure 2 below illustrate the number of Task Team meetings held:

Figure 2:





Hosting – Study Visit by Botswana Public Service Bargaining Council

As part of implementing one of the strategic objectives of Council (partnership strategy), Council agreed to the ILO's request to host the delegation from Botswana PSBC (BPSBC) from 27 to 28 May 2013.
The PSCBC had played a vital role during the Botswana delegation's previous study visits in terms of advising and guiding both their Labour and Employer counterparts respectively, in setting up their Collective Bargaining structure. They established and registered the Botswana Public Service Bargaining Council (BPSBC) in terms of their countries legislation (section 50 of the Botswana's Public Service Act No. 30 of 2008) on 16 August 2011 and launched on 12 June 2012. The main objective of this visit was to assist the BPSBC to progress to the next level.

In fulfilling its role as a co-ordinating Bargaining Council, the PSCBC invited Sector Councils to participate by presenting on different topics. Parties to Council (Employer and Labour) were also invited to do presentations. The ILO was also given a platform to present.

The PSCBC agreed to a continuous twinning program with the Botswana Public Service Bargaining Council in offering support on enhancement of negotiations skills through training initiatives; sharing of strategic information; policy documents and processes of Council; support in the development of governance structures and introducing other strategic partners.

The purpose of the study tour was to share with the Botswana PSBC our labour relations model on collective bargaining, and also to share lessons and challenges in terms of the PSCBC experience. The BPSBC also shared their challenges and experiences.

The following topics were discussed:

- The legislative framework regulating Public Service Collective Bargaining structures in each country, and whether such a framework has been aligned to the ILO standards and labour relations best practices.

- Model of effective collective bargaining structures and the linkage between the Bargaining Council and subordinate structures, where applicable.

- Procedures governing collective bargaining/negotiations, including roles and conduct of Parties during the process.

- Types of mandates normally obtained and whether such mandates were flexible enough to facilitate parties to reach Agreements in the Public Service.

- Dispute settlement procedures for dealing with deadlocks or disputes that arise during the Public Service Collective Bargaining processes.

- The relationship between the workplace Consultative Structures and the Collective Bargaining Structures

POPCRU Africa Symposium on Police – Zambia

Council's Executive Committee was invited by POPCRU to attend and participate in the fourth [4th] International Symposium on Police Labour Relations. The symposium was held from the 27th -30th April 2013 at the Mulungushi International Conference Centre, Lusaka, Zambia.

The purpose of the symposium was to allow for interaction on police governance and aimed to reinforce the improvement of police democratisation encompassing the improvement of both service delivery and service conditions.

The objectives of the symposium were as follows:

- To present the current state of police labour relations in Southern African Countries;

- To share the latest research into police labour relations;

- To share experience on police labour relations; and

- To set the agenda for greater institutionalisation for police bargaining in Southern African Countries.

11th European ILERA Congress Amsterdam

The PSCBC as member of ILERA agreed to attend the ILERA Regional Congress in Amsterdam from 20-22 June 2013. The purpose of attending the Congress was to market the upcoming World Congress that will be held in South Africa in 2015.

The general theme for the regional congress was: **'Imagining new employment relations and new solidarities'**.

The theme allowed for a discussion on the important changes employment and labour relations have undergone over the last two decades in Europe. Manufacturing employment is decreasing and various types of service employment are increasing, together with female participation levels.

The programme was organized around the following five (5) track themes: Track 1: Industrial relations actors in a changing labour market Track 2: Europeanisation of social and employment policies Track 3: Public sector restructuring: consequences for employment relations and Public Services Track 4: New forms of regulation and governance Track 5: HRM and Social Innovation

Notwithstanding the aforementioned milestones, the Negotiations Support Services (NSS) unit encountered challenges in the following areas:

Government Employees Housing Scheme (GEHS)

Parties agreed in terms of Resolution 2 of 2011 (Wage Settlement for 2011/12 financial year) to develop and present a comprehensive Government Employees Housing Scheme (GEHS) to ensure home ownership for all levels of Public

Service employees. A Technical Working Committee was established. In 2012 Parties agreed in terms of Resolution 1 of 2012 that the Technical Working Committee (TWC) shall continue to work towards the establishment of the GEHS and a new housing despensation will be negotiated in the PSCBC.

Labour presented their position papers separately on GEHS to Council, it was agreed that both COSATU and ILC inputs would be sonsolidated and presented to Council. The Employer presented their proposal to Council and indicated that the intention was to establish a Project Management Office to administer the Government Employees Housing Scheme.

Labour will present their consolidated position paper in the next financial year.

Draft Amendments to the Labour Relations Act (LRA)

Council considered the draft Labour Relations Amendment Bill that was passed by the National Assembly and referred to the National Council of Provinces (NCOP) for consensus.
Council was not happy with the following amendments:

- Clause 2: the proposed amendments to Section 21 of the Act.
  Council is of the opinion that consideration may have to be given to exclude the Public Service from the amendments or have a further definition of a workplace for the Public Service

- Clause 10-15: the proposed amendments to Section 70-74 of the Act.
  Council is of the opinion that the prominent role of the CCMA in the Essential Services Committee may bring into question the independence of the Committee.

- Clause 24: substitution of Section 50 of the Act

  Council's concern is that this amendment was not part of the first draft circulated for public debate. The environment for collective bargaining in the Public Service substantially differs from that of the private sector. Collective bargaining in the Public Service is regulated and has specific provisions that need to be complied to.

  The Council has raised its concerns with both the Minister for Public Service and Administration and Minister of Department of Labour.

  Council will continue to raise concerns and it will implement the amendments when approved.

Provincial Co-ordinating Chambers of the PSCBC

Background

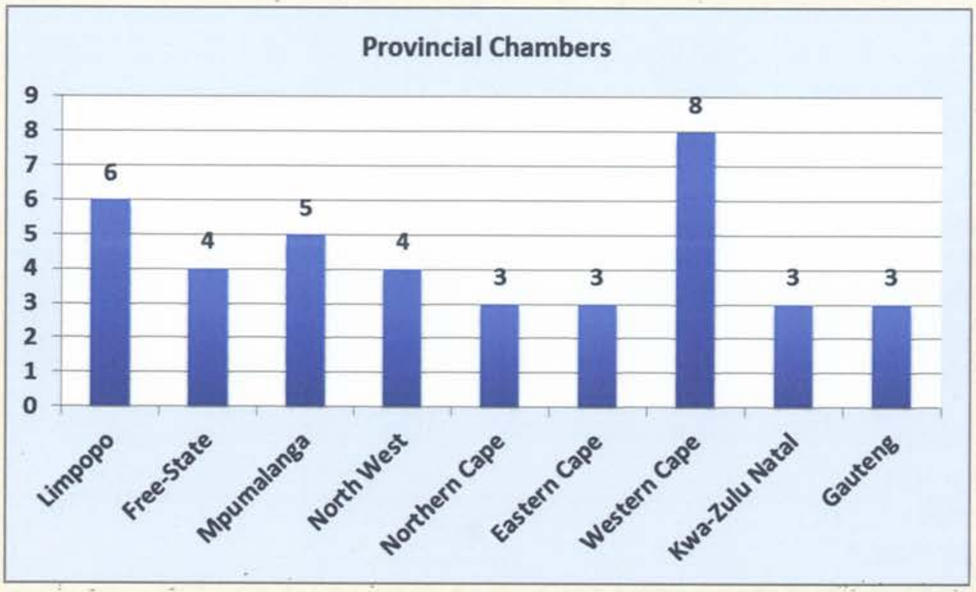
The Provincial Co-ordinating Chambers of the PSCBC were established during April-June 2004 in all nine Provinces in terms of Resolution 9/2003 as amended by Resolution 2 of 2005, which provides guidelines on the functioning of the Provincial Chambers.

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 table below illustrates the Management Committee responsible for co-ordination of Chambers at provincial levels.

Province	Management Committee Members
Gauteng	Chairperson: Maki Daku (Labour) Vice-Chairperson: S Masekela (Employer) Vice- Chairperson: (Labour) Secretary: M. Mallane(PSCBC)
North West	Chairperson: M Mayinganya Vice-Chairperson: W Gaelisiwe (Employer) Vice- Chairperson: vacant (Labour) Secretary: M Mallane (PSCBC)
Western Cape	Chairperson: D Jacobs Vice-Chairperson: S Faker (Employer) Vice- Chairperson: vacant (Labour) Secretary: M Mallane (PSCBC)
Eastern Cape	Chairperson: D Jaxa (Employer) Vice-Chairperson: vacant (Employer) Vice- Chairperson: T Koya (Labour) Secretary: M. Mallan (PSCBC)
Northern-Cape	Chairperson: K Motebe Vice-Chairperson: T Ntsheno (Employer) Vice- Chairperson: W Koopman (Labour) Secretary: M. Mallane (PSCBC)
Kwazulu-Natal	Chairperson: A Van Schalkwyk (Labour) Vice-Chairperson: vacant (Employer) Vice- Chairperson: C Lekgoathi (Labour) Secretary: M Mallane (PSCBC)
Mpumalanga	Chairperson: S Monareng 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: A Matiwane (Employer) Vice-Chairperson: M Sani (Employer) Vice- Chairperson: L Strydom (Labour). Secretary: R Thurston (Seconded by Employer)

The figure below illustrates the number of meetings held at various Provincial Chambers.



Agenda Matters under discussion in Provincial Chambers

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

Pensions Restructuring:
- All provinces

Implementation of Resolution 1 of 2012
- Eastern Cape Province (CCPECP)
- Western Cape Province (CCPWCP)
- Free-State Province (CCPFSP)

Reconfiguration of Departments:
- Western Cape (CCPWCP)
- North West Province (CCPNWP)
- Mpumalanga Province (CCPMP)
- Kwazulu Natal Province (CCPKZNP)
- Gauteng Province (CCPGP)

CAPACITY BUILDING WORKSHOP:
- Kwa – Zulu Natal Province (CCPKZNP)
- Limpopo Province (**CCPLP)**
- North West Province (CCPNWP)

Performance Management Development System (PMDS) :
- Kwa – Zulu Natal Province (CCPKZNP)
- Mpumalanga Province (CCPMP)
- Free –State Province (CCPFSP)
- Eastern Cape Province (CCPECP)

Implementation of Resolution 3 of 2009:
- Eastern Cape Province (CCPECP)
- Gauteng Province (CCPGP)
- Northern Cape (CCPNCP)
- Free – State Province (CCPFSP)
- Western Cape Province (CCPWCP)

Conditions of government buildings
- Eastern Cape Province (CCPECP)
-Gauteng Province (CCPGP)
- Free- State Province (CCPFSP)

Upgrading of Clerks
- Limpopo Province (CCPLP)
- Western Cape Province (CCPWCP)
- Northern Cape Province (CCPNCP)
- Mpumalanga Province (CCPMP)
- Kwa – Zulu Natal Province (CCPKZNP)
- Eastern Cape Province (CCPECP)

Provincial Policies:
-Kwazulu Natal Province (CCPKZNP)
- Mpumalanga Province (CCPMP)
-North West Province (CCPNWP)
-Western Cape Province (CCPWCP)
-Gauteng Province (CCPGP)
- Limpopo Province (CCPLP)
-Free State (CCPFSP)
-Northern Cape Province (CCPNCP)

A Workshop on capacity building for Chambers will be conducted in the next financial year

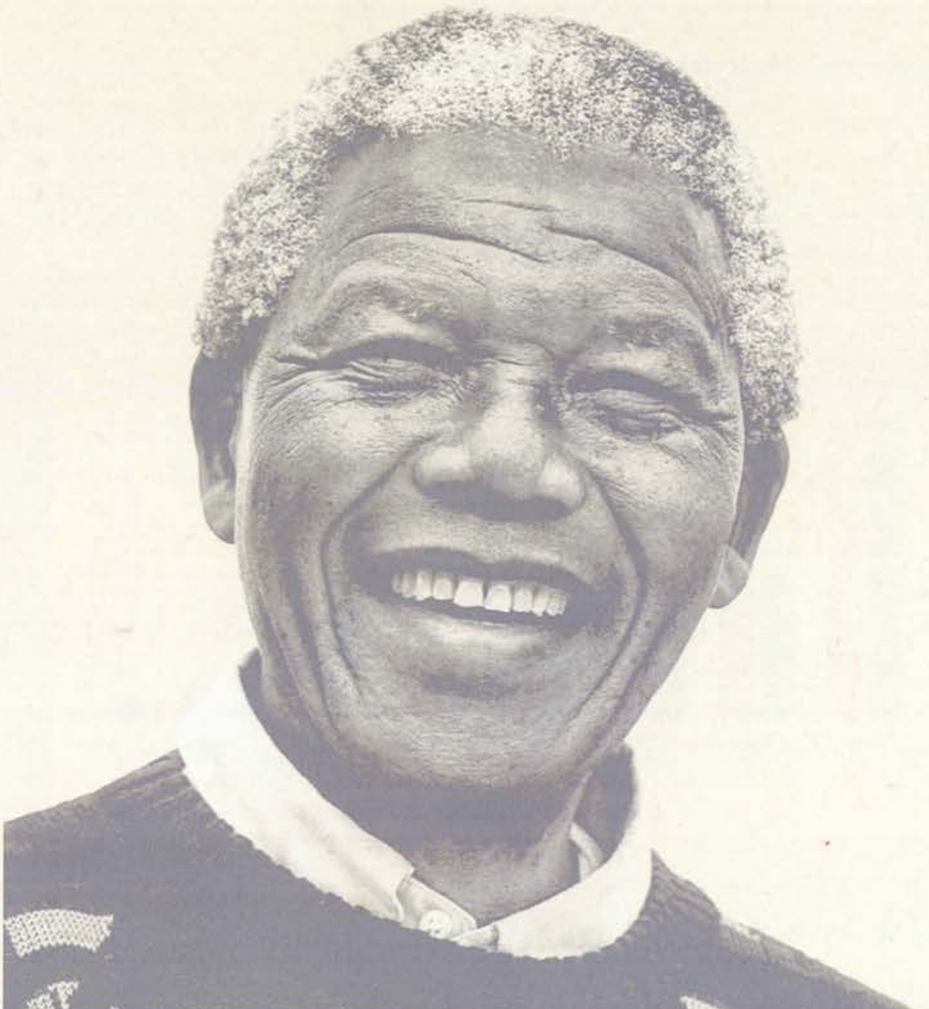
The Year Ahead

With the increase in levies, it is envisaged that the PSCBC in the new financial year will yield more positive results in terms of ensuring the maintenance of collective bargaining imperatives in the Public Service. The aforementioned critical Task Teams will meet in the next financial year to complete their work.
It would be prudent for Council to introduce Research as a component with expertise that will provide support to Task Teams and Council in terms of matters that need research.

A component in Research will ensure that the organization is *"A bargaining council positioned to advance and influence change in the labour market environment"*. Achieving this by *"Promoting sound labour relations through collective bargaining and dispute management both locally and internationally"*.

Programme 2:

DISPUTE RESOLUTION MANAGEMENT



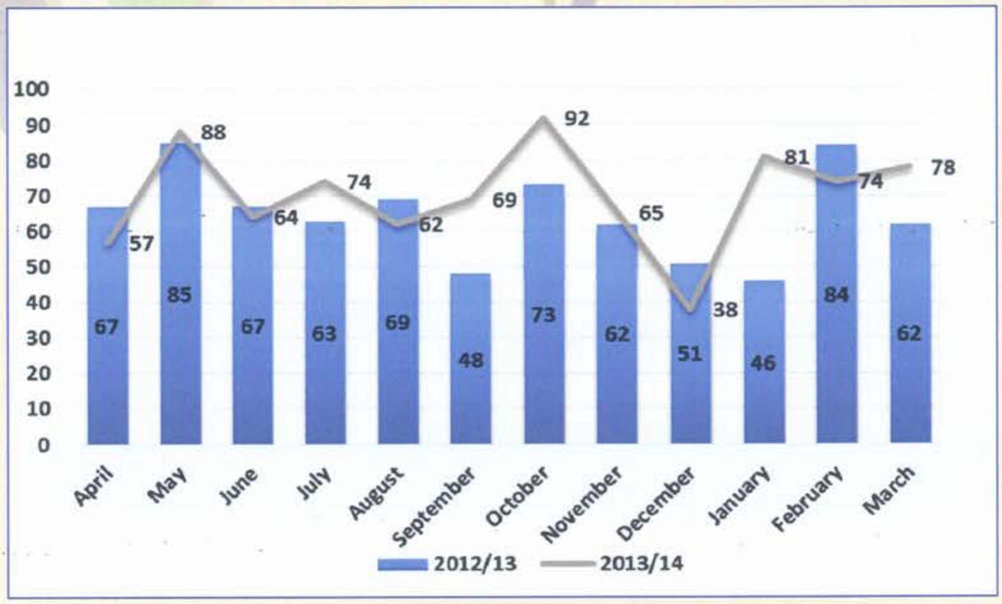
Overview

The report provides an overview of dispute resolution processes from the initial referral stage to the conclusion of arbitration awards within the Public Service Co-ordinating Bargaining Council (PSCBC) during the 2013/2014 Financial Year in compliance with the legislative mandate of performing dispute resolution functions. A comparison is also made with the 2013/2014 Financial Year.

Statistics[1]

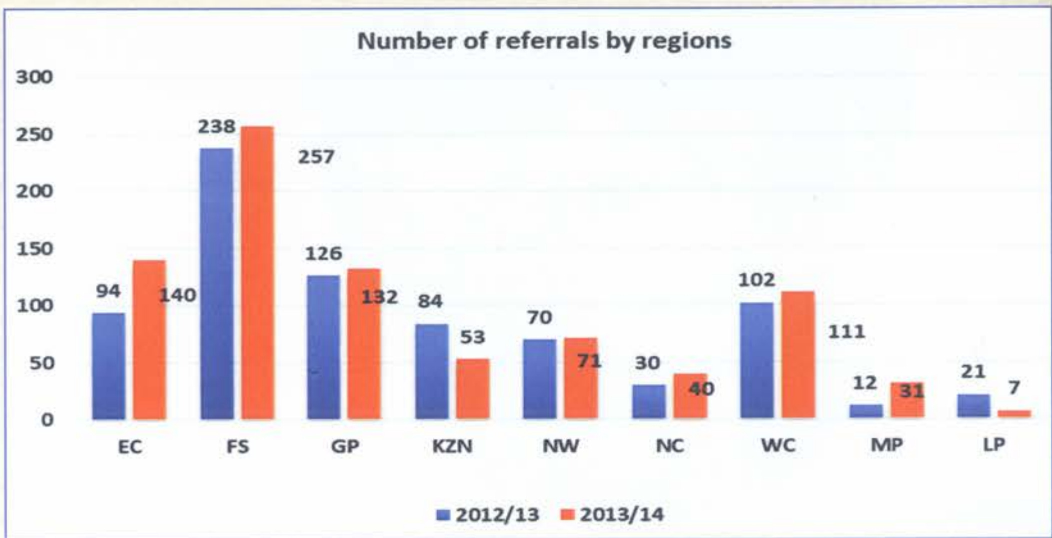
1. Number of referrals received

There has been an increase of 8% in the caseload when compared to the previous Financial Year 2012/2013. A total number of 842 referrals were received in the current Financial Year (2013/14) when compared to a total number of 777 referrals in the previous year (2012/13).



1.1 A breakdown of cases referred by Provinces/Regions

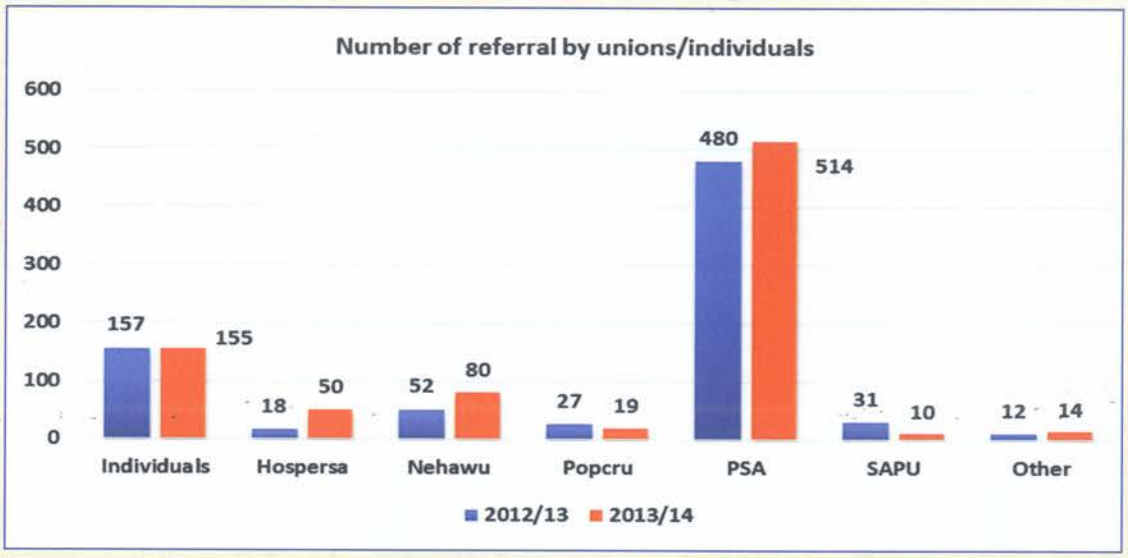
The Free State Province accounts for the highest number of referrals (257), followed by Eastern Cape Province with 140. A similar pattern is reflected for both periods in terms of the referral rate per Province. The Mpumalanga, Limpopo and the Northern Cape remain the least referring Provinces. The graph shows a significant referral rate increase in the Mpumalanga and the Eastern Cape Provinces and a decrease in the Limpopo and Kwa-Zulu Natal Provinces.



[1] The stats drawn from the Case Management System (CMS) report as provided by the CCMA

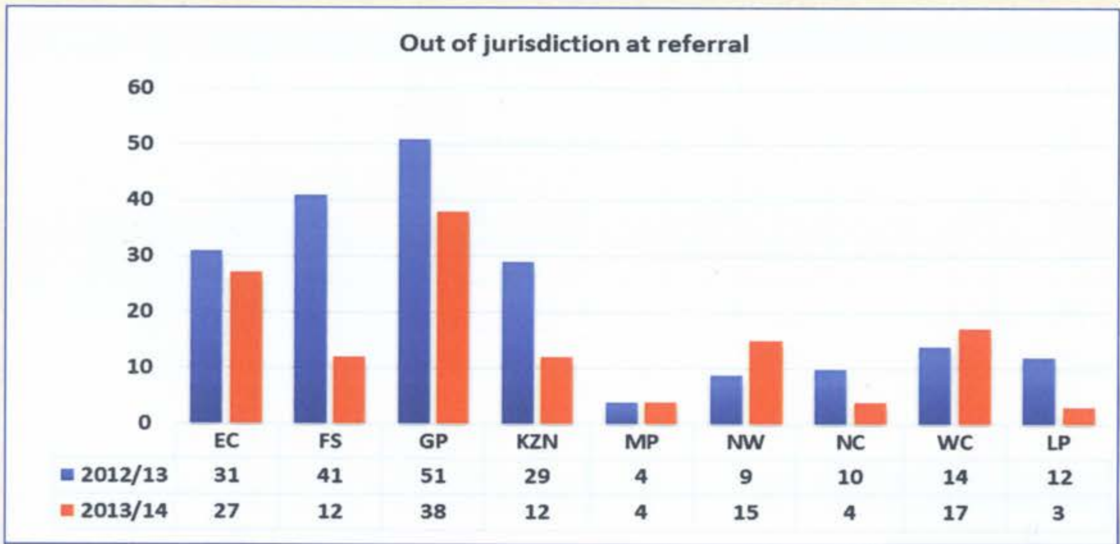
1.2 Referrals by Trade Unions/Parties to the Council and others

The PSA referred 61% of the disputes of the total number of the referrals received. The disputes referred by individuals are still featured second. There is a significant referral rate increase in the number of referrals by Hospersa and Nehawu and a rate decrease in the number of referrals by POPCRU and SAPU when compared with the previous year



1.3 Out of jurisdiction referred cases[2]

Out of the 842 referrals received, 16% of the referred cases were screened out of jurisdiction prior to any process compared to 25% cases in the previous year. It is worth mentioning that the Case Management System (CMS) has been configured to classify disputes that are not properly referred as out of jurisdiction. Two cases were transferred by the CCMA.

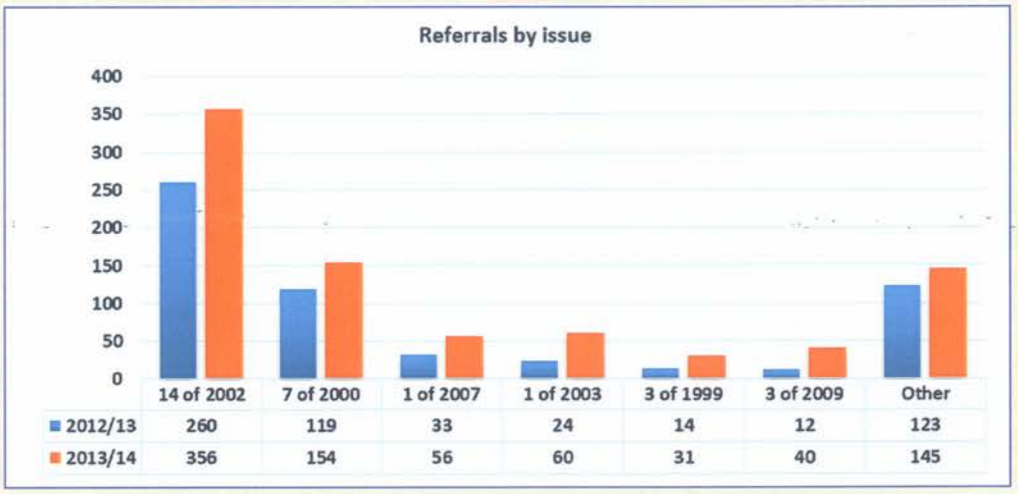


[2] Disputes relating to unfair labour practice, unfair dismissals, unilateral change to terms and conditions of employment, Sector resolutions etc.

1.4 Disputes referred to conciliation by issue

The disputes referred in terms of Resolution 14 of 2002 constituted 42% of the caseload4 in comparison to 34% in the previous year. The disputes relating to Resolution 7 of 2000 read with Resolution 5 of 2001 accounted for 18% against 22% in the previous period.[4] The disputes relating to remuneration and benefits in terms of Resolution 3 of 1999 account for 3% of the caseload as to 5% in the same period in the previous year of the caseload.[5] The disputes relating to Resolution 1 of 2007 read with Resolution 2 of 2004 accounted for 6% and 8% when compared with the same period in the previous year.[6] The disputes relating to Resolution 1 of 2003 account for 7% while it was 5% in the same period of 2012/13.[7] The disputes relating to Resolution 3 of 2009 accounted for 4% in both periods.[8]

Other various disputes emanating from Resolution 9 of 2001, 4 of 2010, 1 of 2012 and pre dismissal arbitration were also referred.



1.5 Issues referred by Province

The disputes relating to Resolution 14 of 2002 are predominantly referred in the Free State, followed by Gauteng and the North West provinces respectively. The disputes relating to Resolution 7 of 2000 are predominantly referred by Western Cape and Eastern Cape provinces.

Region	14 of 2002	7 of 2000	1 of 2007	1 of 2003	3 of 1999	3 of 2009	Other
EC	26	49	7	12	5	9	32
FS	184	11	26	18	9	2	7
GP	45	12	4	17	4	8	42
KZN	12	15	3	1	5	3	14
MP	19	0	1	4	0	4	3
NW	35	4	4	6	2	8	12
NC	26	2	1	1	0	2	8
WC	7	61	9	1	5	4	24
LP	2	0	1	0	1	0	3
Total	356	154	56	60	31	40	145

[3] In terms of the LRA, a party who refers a dispute must satisfy the Council that a copy of the referral has been served on all parties to the dispute; the PSCBC DR procedures also require that internal procedures be exhausted prior to referral of a dispute.

[4] Leave provisions

[5] Various issues including job evaluation, overtime, resettlement allowance, qualification bonus, housing allowance

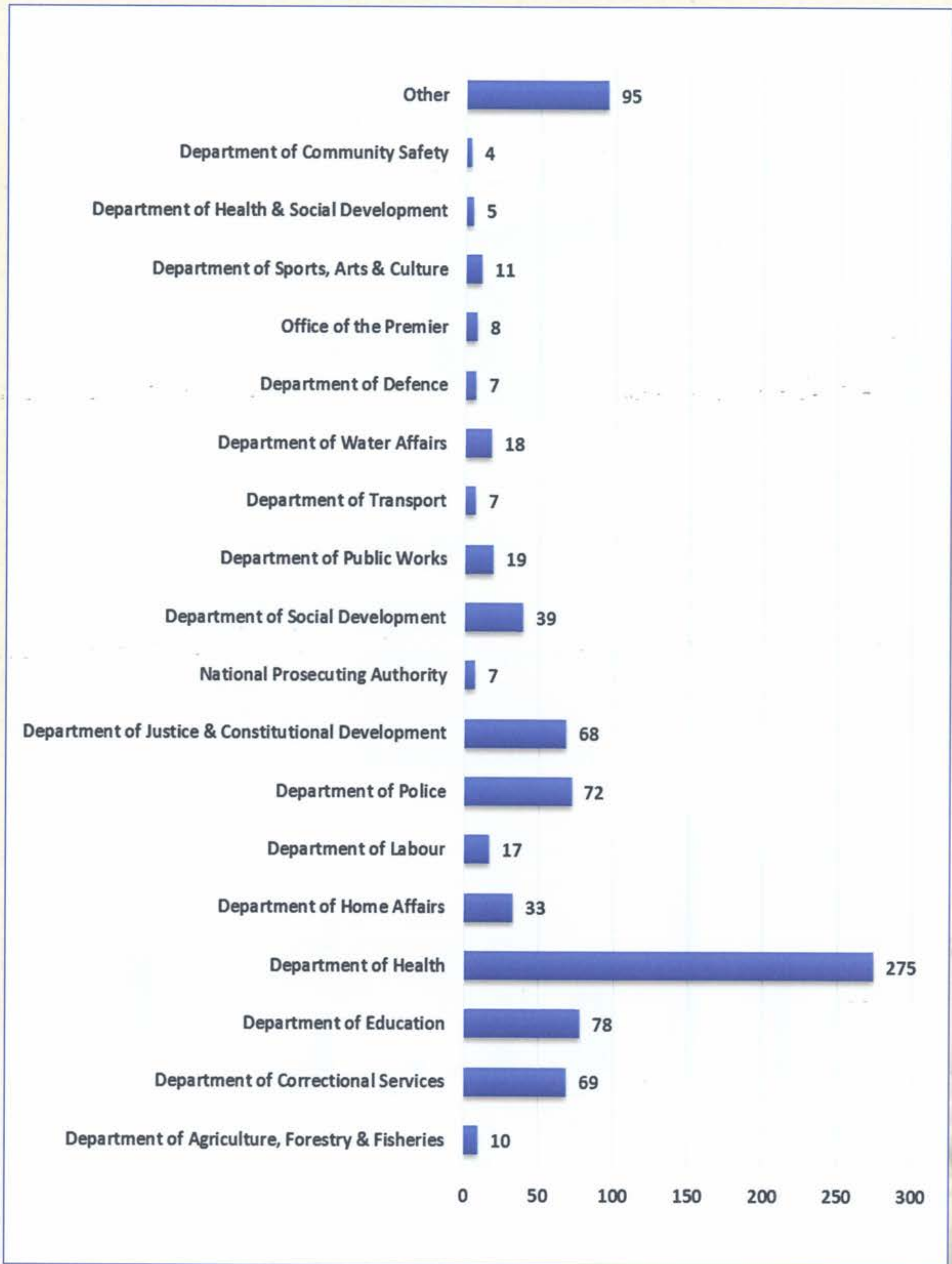
[6] Provision on overtime and benefits for contract workers

[7] Non-adherence to the disciplinary code and procedure

[8] Disputes relating salary level structure

1.6 Referrals against the Departments

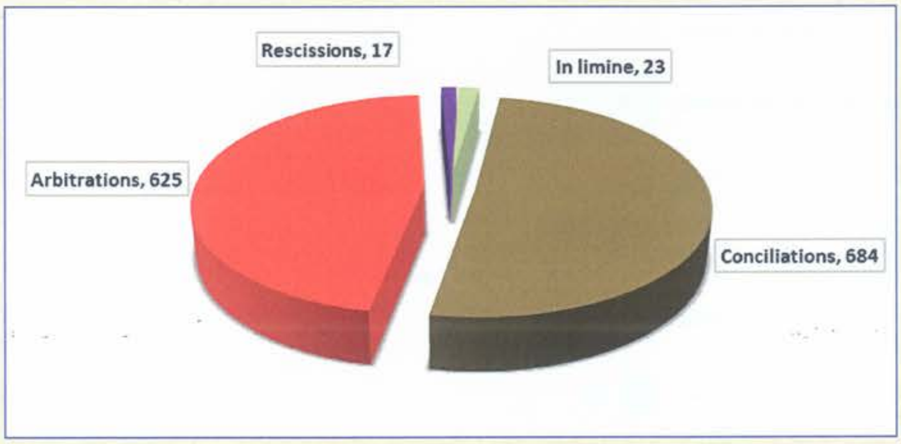
Below is a breakdown of referrals received against Departments:-



2. Processes conducted/scheduled

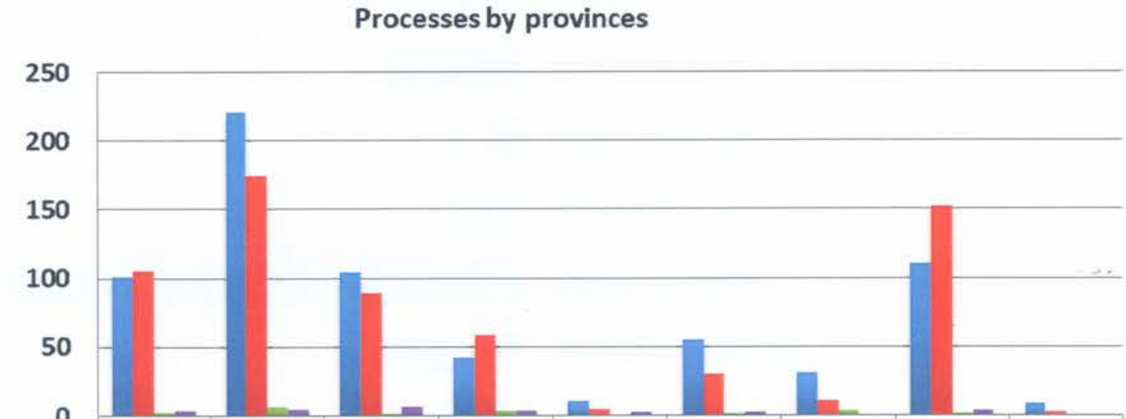
A total number of 1349 processes were scheduled/conducted in this period consisting of 23 in limine, 17 rescissions, 684 conciliations and 625 arbitrations.

There has been an increase rate of 24% in the number of conciliations conducted in this period when compared with the previous year where 514 conciliations were conducted. The arbitrations conducted indicate decreased rate of 18% in comparison with the previous financial period where a total of 766 arbitrations were conducted.



2.1 Number of processes conducted/scheduled by provinces

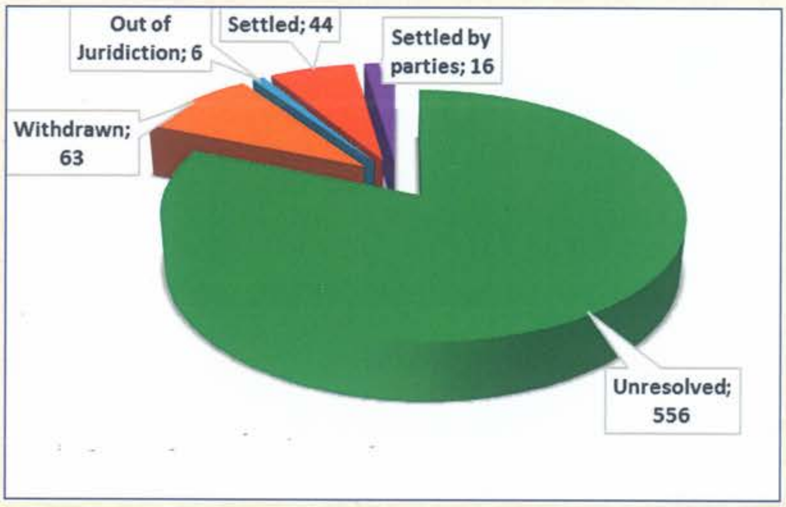
The number of conciliations conducted/scheduled is slightly higher than the number of arbitrations in most of the provinces with an exception of the Kwa-Zulu Natal and the Western Cape provinces. The trend could be as a result of a number of part-heard/postponed arbitrations in the provinces.



	EC	FS	GP	KZN	MP	NW	NC	WC	LP
Conciliations	101	221	104	42	11	55	31	110	9
Arbitrations	105	174	89	58	4	30	11	152	2
Rescissions	2	6	1	3	0	1	3	1	0
In limines	3	4	6	3	2	2	0	3	0

3. Conciliation outcomes

The previous reports including the current have indicated that the number of withdrawals during hearings is higher than the number of withdrawals prior to any process. In this period 9% of the cases were withdrawn at conciliation, 6% settled, 2% settled by parties and 81% unresolved and closed pending the request to arbitration.



3.1 A breakdown of conciliation outcomes by Provinces

Overall the stats indicate that there is a relatively low rate of less than 50% rate of settlement at conciliation in all provinces.

Region	Unresolved	Settled	Settled by parties	Out of jurisdiction	Withdrawn	Total
EC	84	5	4	2	6	101
FS	183	9	0	0	29	221
GP	86	9	1	2	6	104
KZN	38	2	0	0	2	42
MP	6	2	1	0	2	11
NW	35	6	7	1	6	55
NC	11	11	2	1	6	31
WC	104	1	1	0	4	110
LP	8	0	0	0	1	9
Total	555	45	16	6	62	684 685?

4. Arbitration outcomes

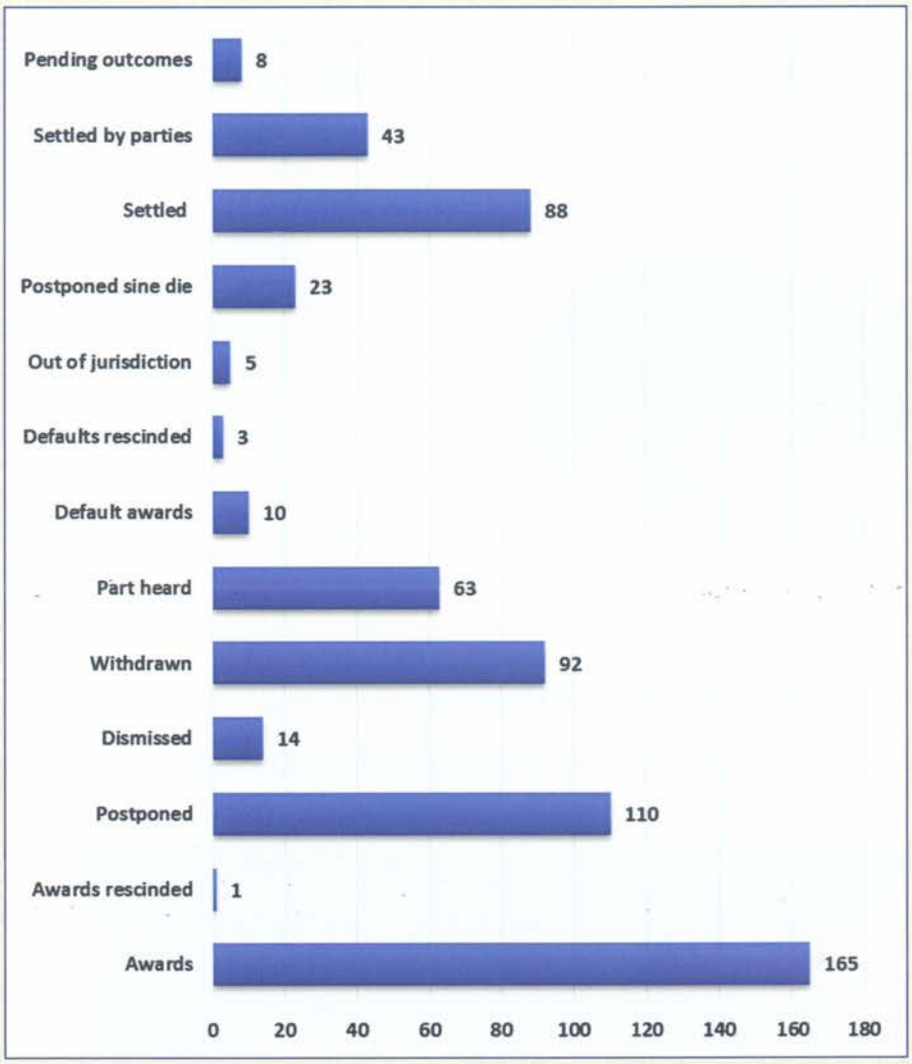
Out of 625 arbitrations conducted/scheduled in this period 393 were finalized and closed. 165 awards were rendered, 43 settled by parties, 88 settled, 92 withdrawn and 5 out of jurisdiction. It is to be noted that 14% of the disputes were withdrawn at arbitration level. The stats indicate a 17% rate of postponement. The reasons for postponements occasioned by Parties and Panelists range from the following:

- Postponed sine die pending further submissions of documents and investigation
- By agreement between the parties – no reasons advanced.
- Parties to attempt settlement
- Postponed pending discussions between the parties.

The pre-arbitration process as envisaged in the DR Procedure is barely used by the parties.[9] A very low usage of less than 1% has been recorded.

[9] Clause 5.4 of the PSCBC DR Procedure

4.1 The graph below illustrates the outcomes of the arbitrations scheduled/conducted

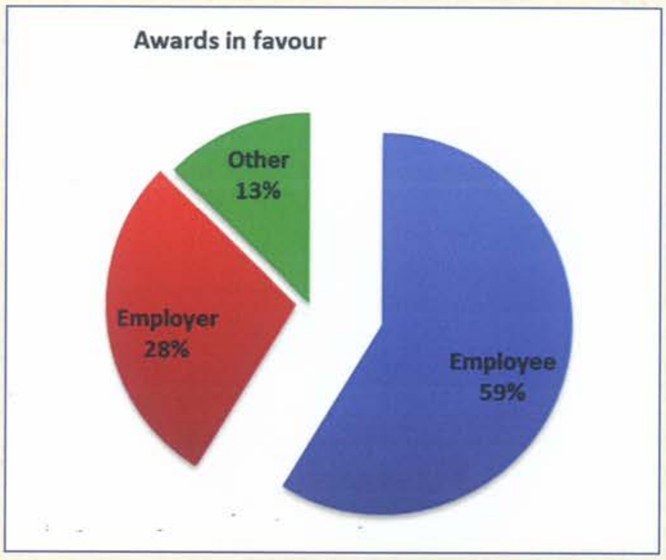


4.2 The table below indicates the arbitration outcomes by region

OUTCOMES	EC	FS	GP	KZN	MP	NW	NC	LP	WC
Awards	31	35	20	16	1	6	2	1	53
Award Rescinded	0	0	0	1	0	0	0	0	0
Postponed	24	6	26	8	1	4	0	0	41
Dismissed	4	1	2	3	0	0	1	0	3
Part heard	14	6	12	9	1	0	0	1	21
Withdrawn	7	50	11	4	1	7	2	0	10
Settled	13	45	6	5	0	7	1	0	11
Settled by Parties	3	23	4	3	0	2	1	0	7
Out of Jurisdiction	1	2	0	0	0	0	0	0	1
Default Award	0	5	1	0	0	1	3	0	0
Default Rescinded	0	1	1	0	0	0	0	0	1
Postponed sine die	6	0	5	6	0	3	0	0	3
Pending Outcome	2	0	1	3	0	0	0	0	1

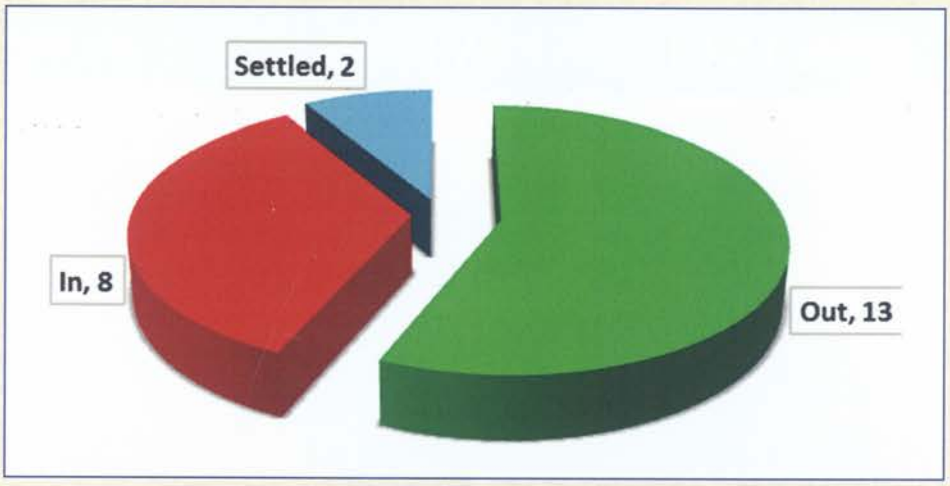
4.3 Awards in favour of employee, employer and other

The graph below indicates that 59% of the arbitration awards rendered is in favour of the employee; 28% in favour of the employer and 13% of which were ruled out of jurisdiction or other.



5. Outcomes of in limine processes

Out of 23 in limine processes conducted 2 were settled, 8 ruled in jurisdiction and 13 ruled out of jurisdiction



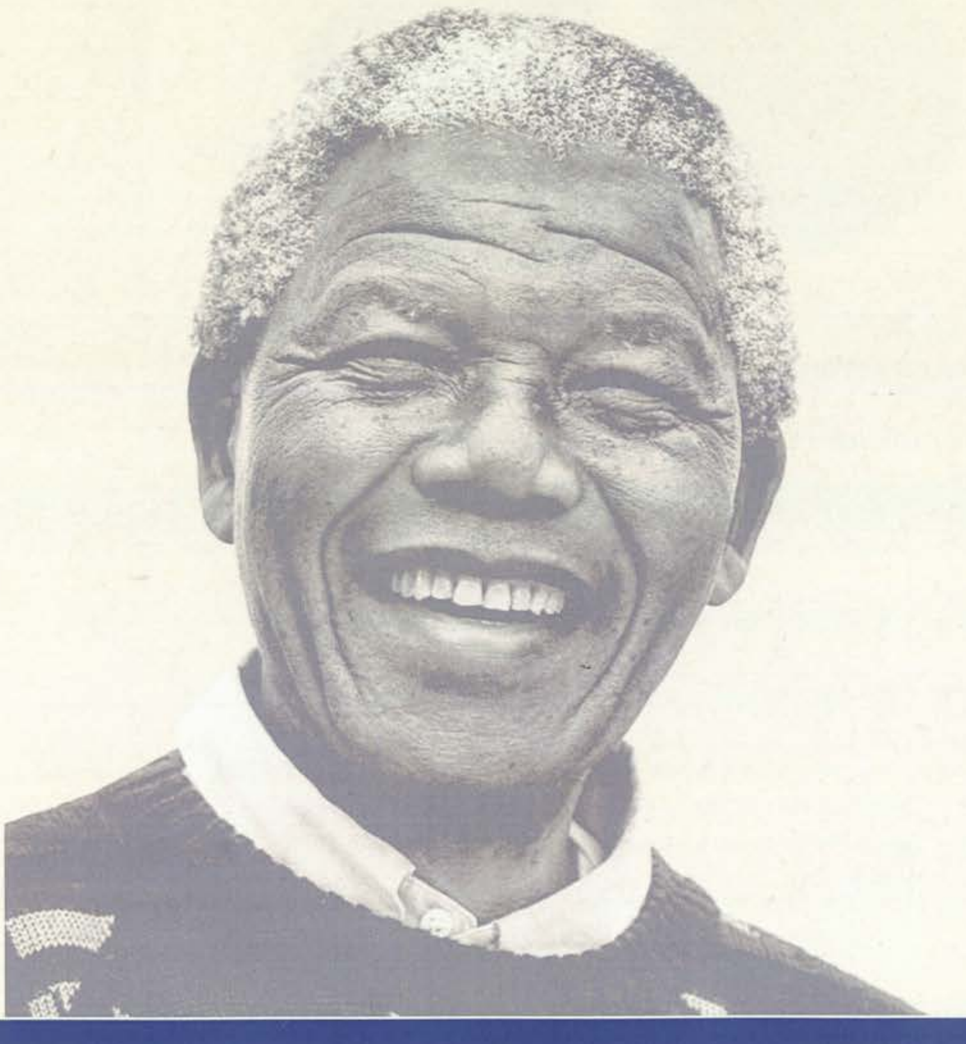
6. Cases on review

A total of 5 cases have been taken on review in this period.

Case	Employer	Employee	Commissioner	Region
PSCB196-13/14	Department of Police, Roads & Transport	PSA obo Members- in Fleet Management (Res 3 of 1999)	MartinusV	Free State
PSCB650-12/13	Department of Public Works	PSA obo Selemela, MJ (Res 3 of 1999)	SamM	Limpopo
PSCB284-12/13	Department of Social Development	PSA obo Dikobe, ME (Res 3 of 1999)	KobusE	North West
PSCB129-13/14	Department of Public Service & Administration - National	PSA obo Davids, I (Res 3 of 1999)	MbileniN	Gauteng
PSCB227-13/14	Department of Roads & Transport - Eastern Cape	Scheepers (Res 7 of 2000)	JohnR	Eastern Cape

Programme 3:

FINANCIAL SERVICES



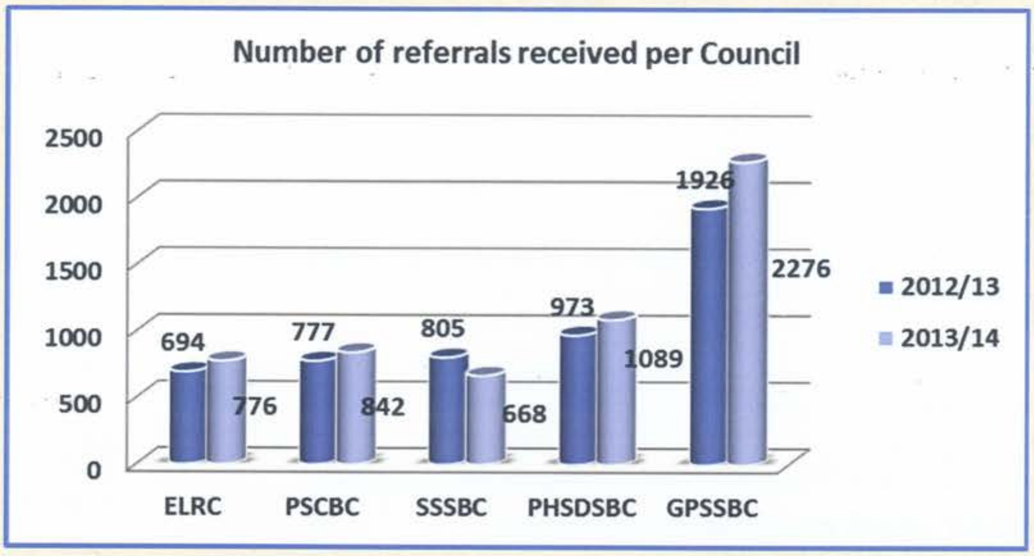
A SUMMARY BY SECTORAL COUNCILS

1. Overview

The report provides an overview of the dispute resolution activities for the period under review as carried out by various Public Service Councils in compliance with the legislative mandate of performing dispute resolution functions.

2. Statistics

A total number of 5651 referrals were received by various Public Service Bargaining Councils (PSCBC, GPSSBC, SSSBC, PHSDSBC and the ELRC) – an increase of 8% in comparison with the 2012/2013 Financial Year. However, there is a decrease in the number of referrals at the SSSBC of 17% when compare with the previous year.



3. A breakdown of referrals per Council – In versus Out of Jurisdiction

PSCBC

Out of the 842 referrals received, 132 of the referred cases were screened out of jurisdiction prior to any process.

ELRC

For the period under review, the ELRC received a total of 776 disputes. Of these, 506 disputes were deemed to be "In Jurisdiction", 249 disputes were found to be "Out of Jurisdiction" and 21 disputes had to be determined through condonation.

SSSBC

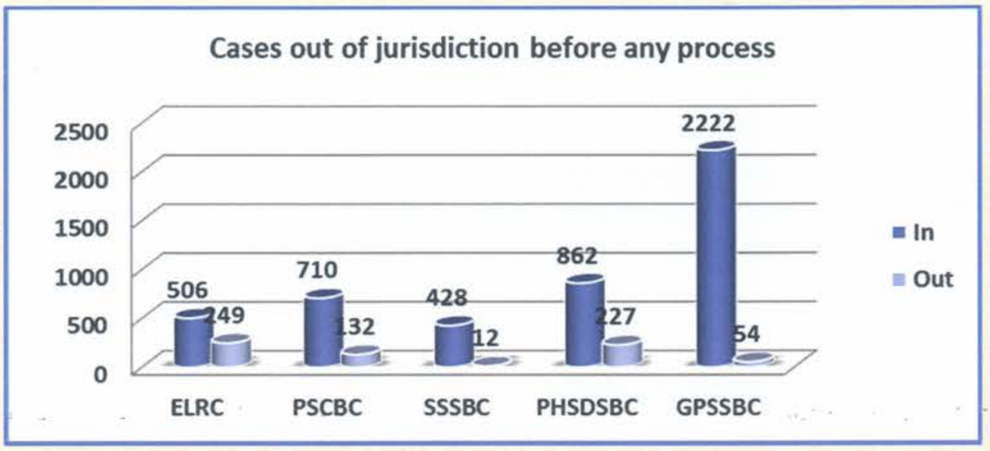
Out of the 668 cases referred, 428 were properly referred, 192 were not properly referred, 12 were out of jurisdiction and 36 were condonation applications.

PHSDSBC

Out of 1089 disputes referred to the Council for the 2013/2014 financial year, 227 disputes were out of jurisdiction.

GPSSBC

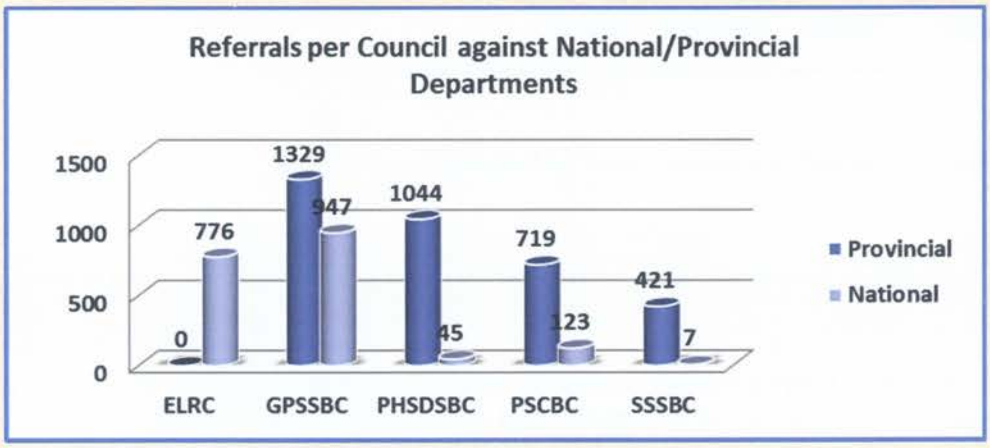
Out of 2276 disputes referred to the Council for the 2013/2014 financial year, 54 disputes were out of jurisdiction.



4. A breakdown of cases referred against National and Provincial Departments

The disputes referred against the National Departments constitute of 1898 and disputes referred against the Provincial Department constitutes of 3513.

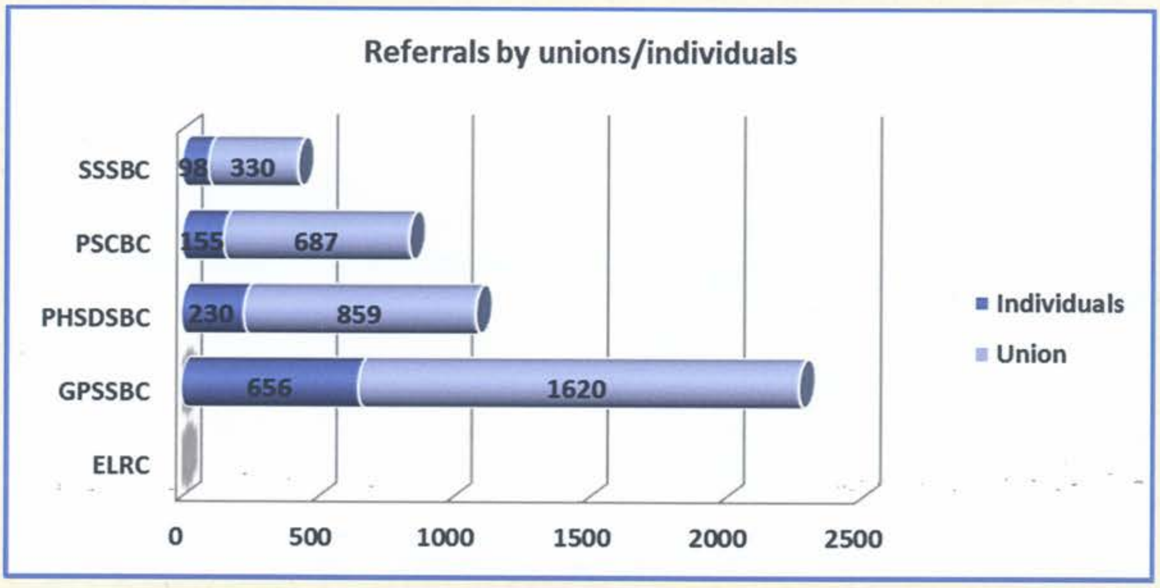
It must be noted that it was not possible to breakdown the information according to the department due to the format of the information presented by each Sectoral Council annual reports.



5. Referrals referred by parties to Council and others

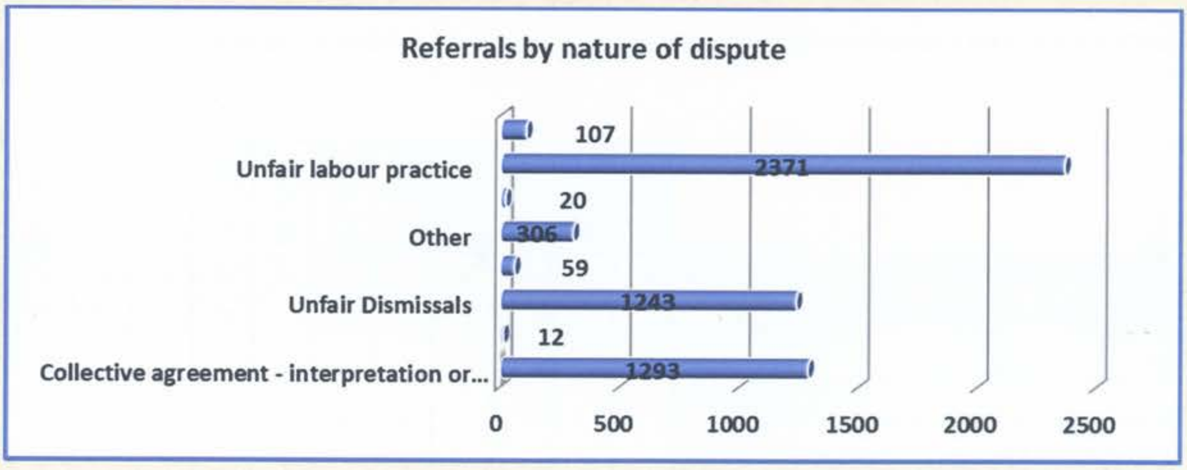
Below is a breakdown in terms of referrals by trade unions/individuals indicates approximately 24% of the total number of the dispute referred by individual employees. The referrals by the Public Service Association (PSA) have, over the years has been excessively above those referred by other trade unions.

It should be noted that the stats information below excludes the statistical information by the ELRC which was not part of their annual report and it only includes the number of referrals in jurisdiction at SSSBS of 428 referrals.



6. Classification of disputes

Throughout the existence of the Councils, unfair labour practice disputes (ULP) consistently accounts for the largest percentage of the disputes referred each year which constitute approximately 43% (2371) of the referrals, unfair dismissals (UD) constitute 22%. The Disputes regarding the Interpretation or application of Collective Agreements, predominately referred to the PSCBC, represents 23% (1293).



7. Hearing processes per Council

Conciliations scheduled exclude the disputes that are not properly referred and/or out of jurisdiction. A high number of arbitrations hearings were scheduled in this period with an exception of the PSCBC which may be as a result of cases withdrawn at arbitration or cases which remain unresolved at conciliation period.

Other processes which were conducted by the Councils include 104 pre-dismissal arbitrations and 134 disciplinary hearing by the GPSSBC. The SSSBC reported 74 cases referred on Review at the Labour Court.

Overview

The Constitution of the Public Service Co-ordinating Bargaining Council provides for the functions and powers of the Council in relation to the finances, which are as follows:

- Establish and administer a fund to be utilized for resolving disputes, collective bargaining and general administration of the Council.
- Raise, borrow, lend, levy and invest funds

Financial Committee

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).

During the reporting period, the Financial Committee successfully held workshops in reviewing and updating the organisations financial, procurement and anti-fraud and corruption policies. These policies were subsequently adopted by Council during the reporting period.

Meetings

The Financial Committee held eleven meetings during the financial year, with attendance as follows:

	08 May	17 May	05 June	11 June	15 July	07 Aug	08 Oct	11 Oct	21 Nov	04 Dec	22 Jan
Adv L. Bono (Chairperson)	✓		✓	✓		✓	✓	✓	✓	✓	✓
Mr M. Phophi (Vice-Chairperson Employer)				✓		✓		✓	✓	✓	✓
Mr L. Ralikonyana (Vice-Chairperson Labour)	✓	✓	✓	✓							
Mr M. Galorale (Vice-Chairperson Labour)					✓	✓			✓		
Mr C. Marule/Mr T. Moralo (NEHAWU)		✓	✓	✓	✓		✓		✓		✓
Ms S. Mahlangu/Ms J. Kungwane (POPCRU)			✓		✓	✓	✓			✓	✓
Ms L. Motshwane (SADTU)	✓	✓	✓	✓		✓	✓		✓	✓	✓
Mr. D. Madiba (SAMA)		✓									✓
Ms. F. Van Vuuren (DPSA)				✓	✓	✓		✓	✓		✓
Mr. H. Brynard (DPSA)	✓	✓	✓		✓	✓	✓			✓	
Mr. D. Cornelissen (DPSA)	✓				✓					✓	✓

Mr L . Ralikonyana resigned as Vice-Chairperson in June 2013
Mr M. Galorale was appointed as Vice-Chairperson in June 2013

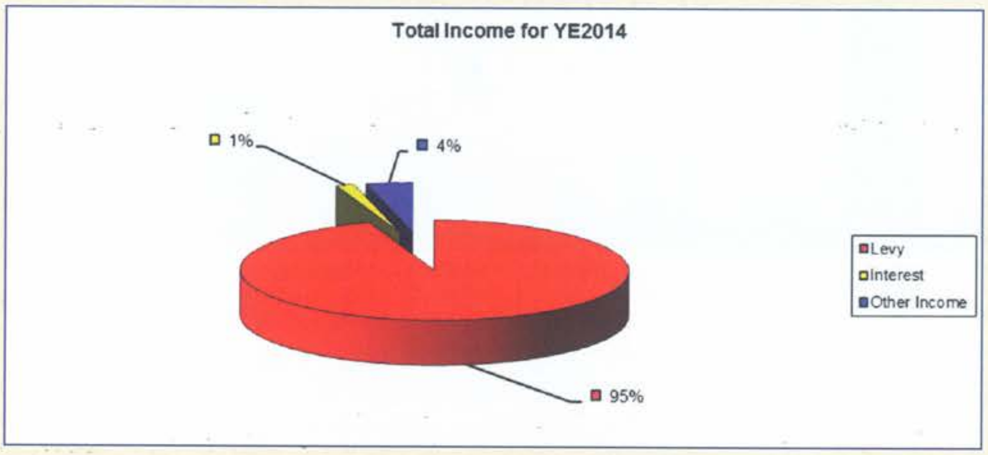
Financial analysis

Total Income – Levy Account

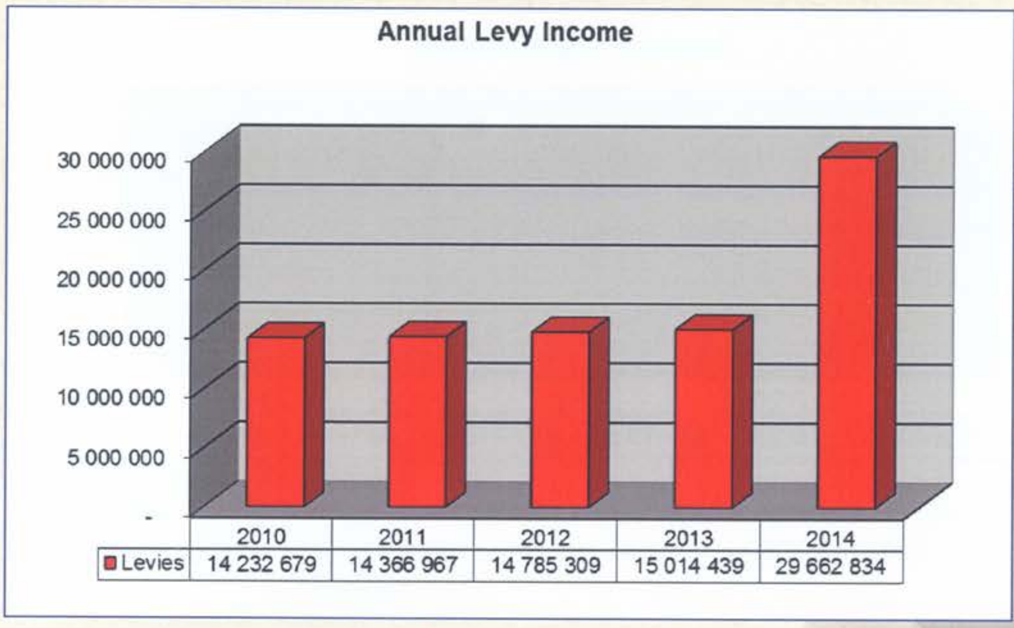
The overall income for the Council during the 2013/2014 financial year was R31, 358,374 of which:

- 95% was generated out of the levies from the Public Service as per the PSCBC Levy Agreement (Resolution 2 of 2013),
- 4% was generated from other income.
- 1% was generated from interest earned on these levies,

The levies received of R29,662,834 were more than the projected income of R14,975,652. This high variance is due to a Levy Increase Agreement (Resolution 2 of 2013) that was agreed to by the parties to Council at the June 2013 AGM, with an effective date 01 April 2013.



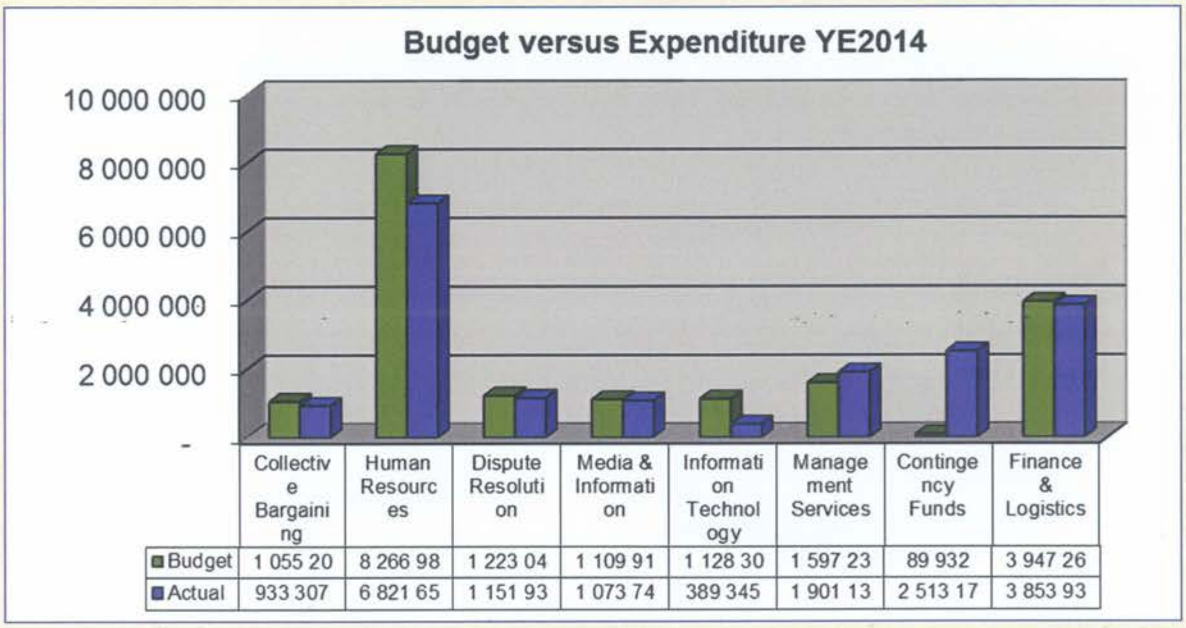
The graph below illustrates the significance of Resolution 2 of 2013, in comparison to prior years annual levy income.



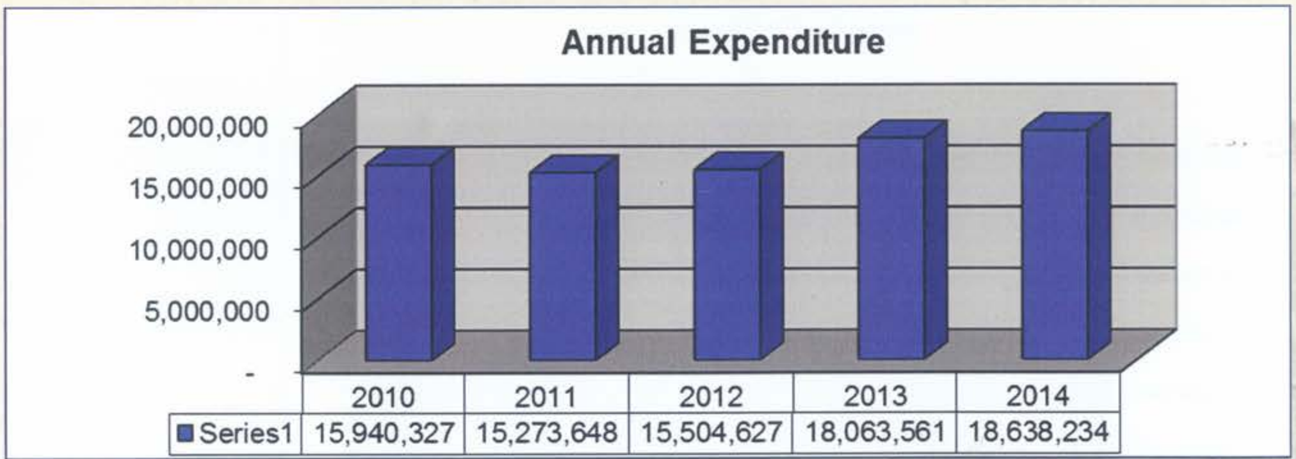
Total Expenditure – Levy Account

The overall expenditure for the Council during the 2013/2014 financial year amounts to R18,436,839 which was slightly higher than the projected expenditure of R 17,967,865.

The graph below depicts the departmental expenditures:
Actual expenses per department were lower than budget, except for the contingency expense which was higher then budget due to the Essential Service benchmaking exercise that was undertaken in the current year - a program approved by Council.

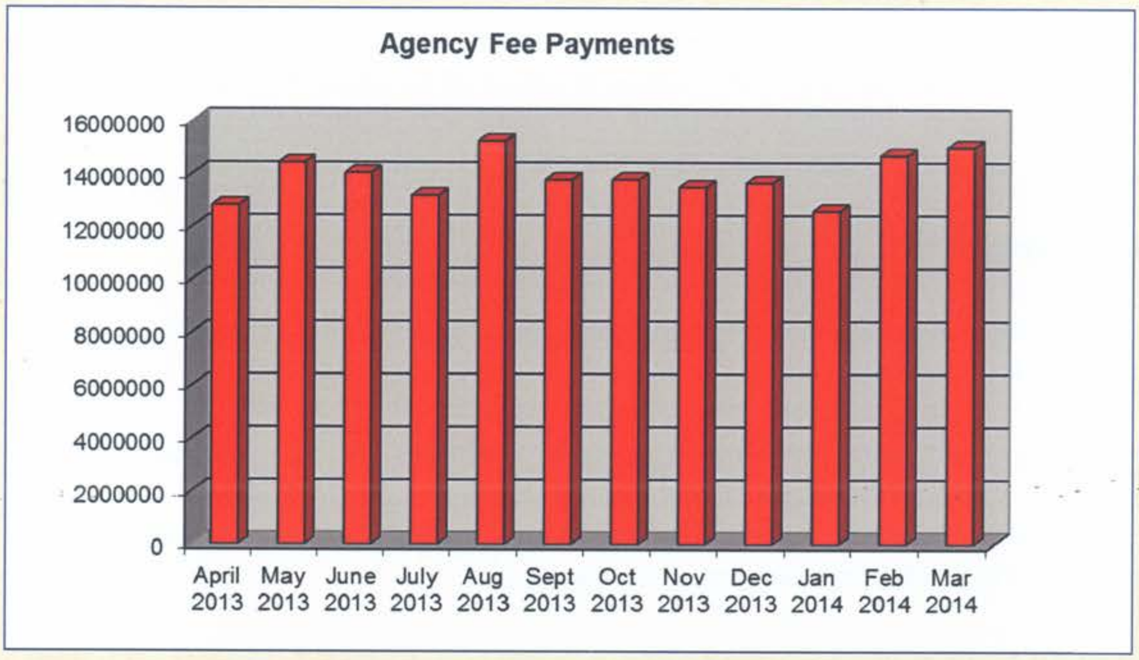


The graph below indicates the expenditure over the last five years. The graph shows that expenditures have remained consistent against inflation largely due to the unavailability of funds, expenditure increased by 2% as compared to the previous year. We can expect the below graph to increase in future, levy income has increased therefore allowing Council to implement its strategic objectives which were previously unbudgeted due to insufficient funding.

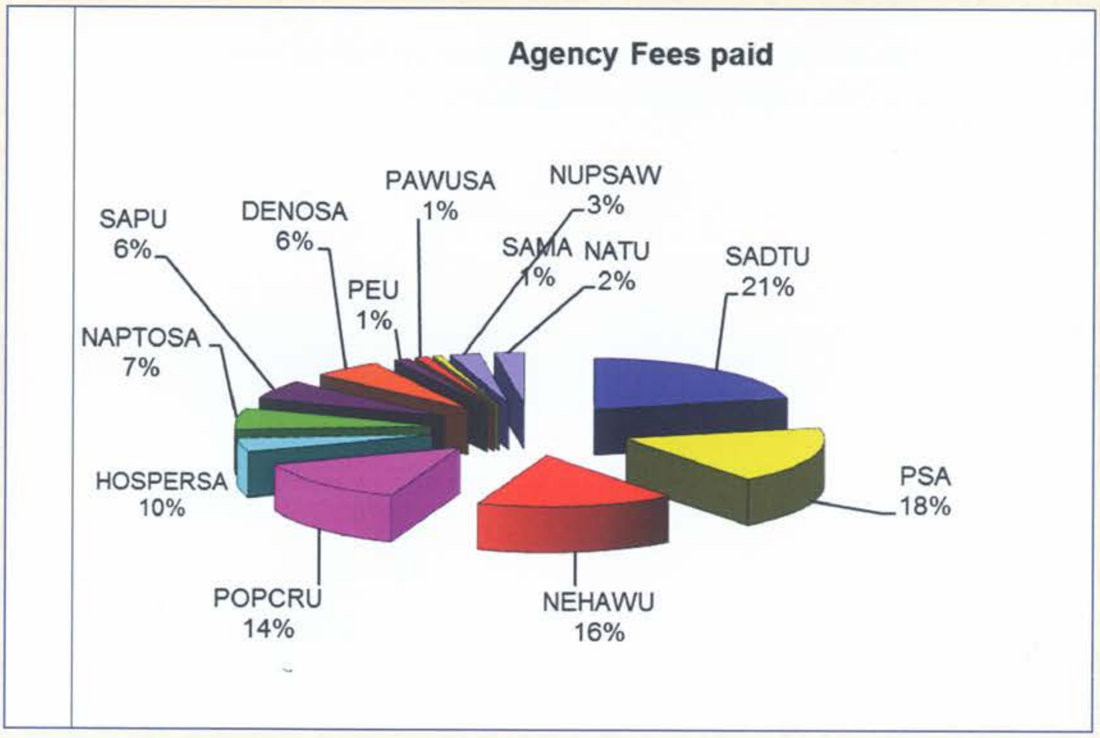


Agency Shop Fee Account – Disbursements to Admitted Trade Unions

R166,875,054 was received for the 2014 financial year for distributions to the Unions.
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 Trade 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 forfeited 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, on the 31 March 2014 a balance of R15,530,702 million was reflected in the call account.

During the current year Council approved the acquisition of 3 office buildings situated at Lyttelton Office Park, portion 60 (a portion of 59) of Farm Highlands 359. The properties transfered on the 20th September 2014, at a cost of approximately R14,364,000 financed by a mortgage bond in the amount of R8,820,000 and the remaining balance funded by a withdrawal of R5,544,000 from the investment call account.

The Year Ahead

The PSCBC recorded a net surplus of R12,416,782 for the 2013/2014 financial year. The budget for the 2015 financial year indicates that there will be surplus funds, which will be trasfered to the investment account.

The conclusion of the Levy Agreement, demonstrates that Council remains committed to all existing and f u t u r e obligations. Most importantly, Council will continue operating as a going concern.

PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Annual Audited Financial Statements

For the year ended 31 March 2014

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Enhance labour peace and promote sound relations between employer and employees in the public service
Registered office	Public Service Bargaining Centre Building A and B 260 Basden Avenue Lyttelton Centurion 0176
Postal address	P O Box 3123 Lyttelton South Centurion 0176
Auditors	PricewaterhouseCoopers Inc. Registered Auditor
Physical address	32 Ida street Menlo Park Pretoria 0201
Postal address	PO Box 35296 Menlo Park Pretoria 0102
Registration number	LR2/6/6/126
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of section 53 of the Labour Relations Act, Act No 66 of 1995
Preparer	The annual financial statements were independently compiled under supervision of: CJ Hertzog CA (SA)
Published	30 May 2014

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
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Financial statements for the year ended 31 March 2014

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

Council's Responsibilities and Approval

The Council of the Public Service Co-ordinating Bargaining Council (PSCBC) is required in terms of Section 53 of the Labour Relations Act, 1995 to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledge 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, the Council members sets 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 PSCBC and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the PSCBC is on identifying, assessing, managing and monitoring all known forms of risk across the PSCBC. While operating risk cannot be fully eliminated, the PSCBC endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has reviewed the PSCBC's cash flow forecast for the year to 31 March 2015 and, in light of this review and the current financial position, they are satisfied that the PSCBC has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the PSCBC's annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on page 4.

The annual financial statements and additional schedules set out on pages 6 to 25, which have been prepared on the going concern basis, were approved by the Council on 2014-06-26 and were signed on its behalf by:

F de Bruin **General Secretary**	**L Bono** **Chairperson of Council**
MJ Galorale **Vice Chairperson Labour**	**ME Phophi** **Vice Chairperson Employer**

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

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Independent Auditor's Report

To the members of the Public Service Co-ordinating Bargaining Council

Report on the Financial Statements

We have audited the financial statements of the Public Service Co-ordinating Bargaining Council set out on pages 6 to 23, which comprise the statement of financial position as at 31 March 2014 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the members determine 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 about 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 management, 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 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The supplementary information set out on pages 24 to 25 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

Report on Other Legal and Regulatory Requirements

We are also required by the Labour Relations Act, 1995 (Act Nr. 66 of 1995) to assess whether the entity has complied with those provisions of its Constitution relating to financial matters and we have no significant exceptions to report.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: F Grove
Registered Auditor
Pretoria

17 July 2014

PricewaterhouseCoopers Inc., 32 Ida Street, Menlo Park 0081, P O Box 35296, Menlo Park 0102, South Africa
T: +27 (12) 429 0000, F: +27 (12) 429 0100, www.pwc.co.za

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

Council's Report

The Council submit their report for the year ended 31 March 2014.

1. Review of activities

Main business and operations

The Public Service Co-ordinating Bargaining Council (PSCBC) 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 PSCBC, 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 Labour Relations Act and the constitution, negotiate and bargain collectively to reach agreement on matters of mutual interest to the employer and employees represented by admitted trade unions;
(d) provide mechanisms for the prevention and resolution of disputes between -
(i) the employer and trade unions admitted to the PSCBC;
(ii) the employer and trade unions not admitted to the PSCBC; 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 Labour Relations Act and its constitution;
(g) consider and deal with such other matters as may affect the interest of the parties to the PSCBC; and
(h) promote effective communication and co-ordination between the PSCBC and sectors.

Registered office	Public Service Bargaining Centre Building A and B 260 Basden Avenue Lyttelton Centurion 0176
Postal address	P O Box 3123 Lyttelton South Centurion 0176

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Review of results

The financial results and state of affairs of the PSCBC are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net surplus was R 12 421 374 (2013: deficit R 2 454 752).

4. Events after the reporting period

The Council is not aware of any matter or circumstance arising since the end of the financial year.

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

Statement of Financial Position as at 31 March 2014

	Notes	2014 R	2013 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	16 237 281	6 419 504
Investment property	5	4 249 399	-
		20 486 680	**6 419 504**
Current Assets			
Trade and other receivables	6	723 375	812 698
Agency fees held in trust	7	14 470 636	13 925 173
Cash and cash equivalents	8	19 888 245	13 569 633
		35 082 256	**28 307 504**
Total Assets		**55 568 936**	**34 727 008**
Funds and Liabilities			
Funds			
Special project reserve		7 758 843	7 711 216
Retained income		22 994 211	10 620 464
		30 753 054	**18 331 680**
Liabilities			
Non-Current Liabilities			
Finance lease liability	9	296 953	504 089
Borrowings	10	7 897 694	-
		8 194 647	**504 089**
Current Liabilities			
Finance lease liability	9	207 133	182 358
Borrowings	10	669 575	-
Agency fees held in trust	11	14 980 185	13 925 173
Trade and other payables	12	764 342	1 783 708
		16 621 235	**15 891 239**
Total Liabilities		**24 815 882**	**16 395 328**
Total Funds and Liabilities		**55 568 936**	**34 727 008**

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

Statement of Comprehensive Income

	Notes	2014 R	2013 R
Revenue	14	29 662 834	15 014 439
Other income		1 445 755	200 213
Operating expenses		(18 659 229)	(18 063 561)
Operating surplus/(deficit)	15	**12 449 360**	**(2 848 909)**
Investment revenue	16	472 173	465 602
Finance costs	17	(500 159)	(71 445)
Surplus/(Deficit) for the year		**12 421 374**	**(2 454 752)**
Special project income	19	-	7 483 389
Surplus for the year		**12 421 374**	**5 028 637**
Other comprehensive income		-	-
Total comprehensive income for the year		**12 421 374**	**5 028 637**

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
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Financial statements for the year ended 31 March 2014

Statement of Changes in Funds

	Special project reserve	Retained income	Total funds
	R	R	R
Balance at 01 April 2012	**851 704**	**12 451 339**	**13 303 043**
Surplus for the year	-	5 028 637	5 028 637
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**5 028 637**	**5 028 637**
Transfer to special project reserve (note 19)	6 859 512	(6 859 512)	-
Total transfers	**6 859 512**	**(6 859 512)**	**-**
Balance at 01 April 2013	**7 711 216**	**10 620 464**	**18 331 680**
Surplus for the year	-	12 421 374	12 421 374
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**12 421 374**	**12 421 374**
Transfer to special project reserve (note 19)	47 627	(47 627)	-
Total transfers	**47 627**	**(47 627)**	**-**
Balance at 31 March 2014	**7 758 843**	**22 994 211**	**30 753 054**

Notes

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Financial statements for the year ended 31 March 2014

Statement of Cash Flows

	Notes	2014 R	2013 R
Cash flows from operating activities			
Cash generated from operations	18	12 757 212	5 602 339
Interest income		472 173	465 602
Finance costs		(500 159)	(71 445)
Net cash flows from operating activities		**12 729 226**	**5 996 496**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(10 484 719)	(5 558 706)
Sale of property, plant and equipment	4	10 620	77 000
Purchase of investment property	5	(4 321 423)	-
Net cash flows from investing activities		**(14 795 522)**	**(5 481 706)**
Cash flows from financing activities			
Increase in borrowings		8 567 269	-
Finance lease payments		(182 361)	(212 841)
Net cash flows from financing activities		**8 384 908**	**(212 841)**
Total cash movement for the year		**6 318 612**	**301 949**
Cash and cash equivalents at the beginning of the year		13 569 633	13 267 684
Total cash at end of the year	8	**19 888 245**	**13 569 633**

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Summary of significant accounting policies

1. Accounting policies

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for items carried at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 24 First-time adoption of International Financial Reporting Standards.

1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the PSCBC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which it is incurred.

Land is not depreciated. Property, plant and equipment is depreciated on the straight line basis over it's expected useful lives to the estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	30 years
Motor vehicles	7 years
Office furniture and equipment	5 years
IT equipment	3 years
Computer software	2 years

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, 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 depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

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 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.

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Summary of significant accounting policies

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property.

1.4 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Leases of equipment where the PSCBC has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the current value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of the finance balance outstanding. The corresponding rental obligations, net of finance charges are included in other long-term liabilities. The finance cost element is charged to the statement of comprehensive income over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual receipts are recognised as an operating lease asset. This asset is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.5 Trade and other receivables

Trade receivables consist of amounts due from members. Collection is expected in one year or less and is therefore classified as current assets. Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified. The carrying amount of the asset is reduced through the use of a provision for impairment account, and the amount of the loss is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the provision for impairment account. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Summary of significant accounting policies

1.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

1.7 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

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.

1.9 Financial instruments

Classification

Financial instruments carried on the statement of financial position include cash and bank balances, receivables and payables. The fair value of receivables and payables approximate the cost thereof, due to the short term nature thereof.

The PSCBC classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets are recognised on the trade date. These are included in current assets. The PSCBC's loans and receivables comprise receivables and cash and cash equivalents in the statement of financial position. The fair value of receivables approximate the cost thereof, due to the short term nature thereof.

Recognition and measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

1.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Summary of significant accounting policies

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

1.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business. Levies received are recorded on the date of receipt and on the accrual basis. Rental income is recorded on the accrual basis.

Operating expenditure invoiced to and recovered from sectoral councils are credited to the applicable expenditure accounts in the statement of comprehensive income.

1.13 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During each financial year, management reviews the assets within property, plant and equipment to assess whether the useful lives and residual values applicable to each asset are appropriate.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end.

1.14 Contingent liabilities

Contingent liabilities are disclosed when the PSCBC has a possible obligation that arose from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PSCBC.

1.15 Investment income

Interest income is accrued on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable. Interest income is accounted for as it accrues, unless collectability is in doubt. Interest income excludes that portion which relates to agency fees held in trust.

1.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which it is incurred.

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective in the current year

The following standards and interpretations are effective for the current financial year but are either not relevant to its operations or the effect is not material:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 10 Consolidated Financial Statements	01 January 2013	None
• IAS 27 Separate Financial Statements	01 January 2013	None
• IFRS 11 Joint Arrangements	01 January 2013	None
• IFRS 12 Disclosure of Interests in Other Entities	01 January 2013	None
• IFRS 13 Fair Value Measurement	01 January 2013	Not material
• IAS 1 Presentation of Financial Statements	01 July 2012	Not material
• IAS 19 Employee Benefits Revised	01 January 2013	None
• Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	01 January 2013	Not material
• Government Loans (Amendment to IFRS 1)	01 January 2013	None
• IFRS 1 – Annual Improvements for 2009 – 2011 cycle	01 January 2013	Not material
• IAS 1 – Annual Improvements for 2009 – 2011 cycle	01 January 2013	Not material
• IAS 16 – Annual Improvements for 2009 – 2011 cycle	01 January 2013	Not material
• IAS 32 – Annual Improvements for 2009 – 2011 cycle	01 January 2013	Not material
• IAS 34 – Annual Improvements for 2009 – 2011 cycle	01 January 2013	Not material
• Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance.	01 January 2013	None
• IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.	01 January 2013	None

2.2 Standards and interpretations not yet effective

The PSCBC has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for accounting periods beginning on or after 01 April 2014 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2015	Not material
• Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	01 January 2014	Not material

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

	2014	2013
	R	R

3. Risk management (continued)

Credit risk management

Financial assets which potentially subject the PSCBC to concentrations of credit risk consist principally of cash and cash equivalents and debtors. Concentrations of credit risk with respect to trade receivables are limited due to the profile and number of debtors. Funds are only deposited with reputable financial institutions.

4. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	5 262 879	-	5 262 879	5 262 879	-	5 262 879
Buildings	10 138 722	(183 706)	9 955 016	-	-	-
Leased office equipment	866 340	(411 181)	455 159	866 340	(210 356)	655 984
Office furniture and equipment	2 117 666	(1 841 417)	276 249	1 876 720	(1 759 178)	117 542
Motor vehicles	247 999	(99 199)	148 800	247 999	(49 600)	198 399
Computer equipment	1 973 511	(1 835 978)	137 533	1 895 285	(1 728 591)	166 694
Computer software	234 810	(233 165)	1 645	238 006	(220 000)	18 006
Total	**20 841 927**	**(4 604 646)**	**16 237 281**	**10 387 229**	**(3 967 725)**	**6 419 504**

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Land	5 262 879	-	-	-	5 262 879
Buildings	-	10 138 722	-	(183 706)	9 955 016
Leased office equipment	655 984	-	-	(200 825)	455 159
Office furniture and equipment	117 542	242 944	-	(84 237)	276 249
Motor vehicles	198 399	-	-	(49 599)	148 800
Computer equipment	166 694	101 067	(1 676)	(128 552)	137 533
Computer software	18 006	1 986	-	(18 347)	1 645
	6 419 504	**10 484 719**	**(1 676)**	**(665 266)**	**16 237 281**

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

3. Risk management

Capital risk management

The PSCBC's's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for stakeholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the capital structure, the entity may draw down on available banking facilities and funds.

Financial risk management

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

The PSCBC's overall risk management program focuses on minimising potential adverse effects on the PSCBC's financial performance. The Council approves and monitor risk management policies.

Liquidity risk

The table below analyses PSCBC's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	1 349 340	1 349 340	4 048 020	1 736 891
Trade and other payables	1 007 314	-	-	-

At 31 March 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	-	-	-	-
Trade and other payables	1 477 004	-	-	-

Interest rate risk

The PSCBC's interest rate risk arises from long-term borrowings. Borrowings at variable rates expose the PSCBC to cash flow interest rate risk which is partially offset by cash held at variable rates. At the reporting date the interest rate profile of the entity's interest bearing financial instruments was as follows:

	2014 R	2013 R
Variable rate instruments		
Cash and cash equivalents	19 887 877	13 568 672
Borrowings	(8 567 269)	-

An increase or decrease in one percentage in interest rates at the reporting date would have increased and decreased the surplus/ (deficit) by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2014.

	2014	2013
Increase of one percentage	123 723	135 532
Decrease of one percentage	(123 723)	(135 532)
	-	-

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

	2014 R	2013 R

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Land	-	5 262 879	-	5 262 879
Leased office equipment	615 684	206 679	(166 379)	655 984
Office furniture and equipment	160 418	21 131	(64 007)	117 542
Motor vehicles	-	247 999	(49 600)	198 399
Computer equipment	272 192	25 998	(131 496)	166 694
Computer software	78 558	699	(61 251)	18 006
	1 126 852	**5 765 385**	**(472 733)**	**6 419 504**

Leased assets consist of office equipment and are encumbered by finance lease liabilities in the amount of R 504 086 (2013: R 686 447) (note 9).

Borrowings are secured on land and buildings to the value of R19.4 million.

5. Investment property

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	4 321 423	(72 024)	4 249 399	-	-	-

Reconciliation of investment property - 2014

	Opening balance	Additions	Depreciation	Total
Investment property	-	4 321 423	(72 024)	4 249 399

The fair value approximate the book value of the property.

Rental income in the statement of comprehensive income amounts to R 696 608 for the year under review.

The property can not be disposed of without the prior approval of Council.

6. Trade and other receivables

	2014	2013
Trade receivables	581 699	372 646
Impairment on trade receivables	-	-
	581 699	372 646
Prepaid expenditure	15 776	276 139
Deposits	90 000	67 043
Other receivables	35 900	96 870
	723 375	**812 698**

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Notes to the Annual Financial Statements

	2014 R	2013 R

6. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

	2014 R	2013 R
Not past due	388 976	245 094
2 months past due	130 926	9 064
3 months past due	61 797	118 488
	581 699	**372 646**

7. Agency fees held in trust

This relates to agency fees administered by the PSCBC in terms of an Agency shop agreement (Resolution 1 of 1998) and section 25 of the Labour Relations Act.

	2014 R	2013 R
Total	14 470 636	13 925 173

8. Cash and cash equivalents

For the purpose of the statement of cash flows, cash, cash equivalents and bank overdrafts include total cash assets less bank overdrafts:

	2014 R	2013 R
Cash on hand	368	961
Short term bank deposits	15 622 770	12 594 793
Bank balances		
- Special projects	-	157
- Levy income and credit cards	4 265 107	973 722
	19 888 245	**13 569 633**

9. Finance lease liability

Office equipment is leased under a non-cancellable lease agreement for a term of 5 years.

As the lease terms transfer substantially all the risks and rewards of ownership, the lease is classified as a finance lease.

Leased assets in the amount of R 455 159 serve as security for the liabilities.

The future aggregate minimum lease payments under non-cancellable finance leases are as follows:

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

	2014 R	2013 R
9. Finance lease liability (continued)		
Minimum lease payments due		
- no later than one year	255 019	255 019
- later than one year and no later than five years	322 110	577 129
	577 129	832 148
less: future finance charges	(73 043)	(145 701)
Present value of minimum lease payments	**504 086**	**686 447**
Present value of minimum lease payments due		
- no later than one year	207 133	182 358
- later than one year and no later than five years	296 953	504 089
	504 086	**686 447**
Non-current liabilities	296 953	504 089
Current liabilities	207 133	182 358
	504 086	**686 447**

10. Borrowings

	2014 R	2013 R
Held at amortised cost		
Standard Bank Bond	8 567 269	-
Non-current liabilities		
At amortised cost	7 897 694	-
Current liabilities		
At amortised cost	669 575	-
	8 567 269	**-**

The maximum capital amount is R8 820 000 ("the Loan Limit").

The fair value equal the carrying amount.

Interest
All amounts outstanding on the Loan Facility, including capitalised interest and all and any costs or fees payable in terms of this Facility Letter shall bear interest:
- at the Prime Linked Rate (which in the Prime Lending Rate plus 0.65%);
- calculated on a daily basis (365 days in a year)

Interest on the Loan Facility shall be payable on a monthly basis in arrears until the Final Repayment Date.

Repayments
- The Loan Facility is repayable by the Final Repayment Date in instalments of capital and interest in the sum of R112 445 per month.

Borrowings are secured on land and buildings to the value of R19.4 million (refer to note 4 and 5). Lease agreements are also ceded to the bank.

Refer to table included under Risk management (note 3) that discloses the remaining period at the statement of financial position date to the contractual maturity date of Borrowings.

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

	2014 R	2013 R

11. Agency fees held in trust

This relates to agency fees administered by the PSCBC in terms of Agency shop agreement (Resolution 1 of 1998) and section 25 of the Labour Relations Act.

	2014 R	2013 R
Agency fees held in trust	14 980 185	13 925 173

Breakdown of agency fees held in trust:

	2014 R	2013 R
Opening balance	13 925 173	19 057 245
Interest received	62	270 242
Less: Expenditure incurred	(223 495)	(14 189)
Agency fees received	167 384 604	168 768 228
Less: Transfer to special project reserve	-	(7 483 389)
Agency fees paid	(166 143 072)	(166 672 964)
Legal fees to be recovered from trade unions	36 913	-
	14 980 185	**13 925 173**

12. Trade and other payables

	2014 R	2013 R
Trade payables	119 917	649 140
Accrued leave pay	266 578	306 704
Accrued bonus	174 699	188 661
Accrued expense	167 070	285 236
Other payables	36 078	353 967
	764 342	**1 783 708**

13. Post retirement benefits

The PSCBC has no obligation to provide post retirement benefits to employees.

14. Revenue

	2014 R	2013 R
Levies income	29 662 834	15 014 439

15. Operating surplus/(deficit)

Operating surplus for the year is stated after accounting for the following:

	2014 R	2013 R
Auditors remuneration	389 929	349 570

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

	2014 R	2013 R
15. Operating surplus/(deficit) (continued)		
Conference and seminars	704 025	2 426 526
Depreciation on property, plant and equipment	737 290	472 733
Employee costs	6 676 998	7 023 604
Lease rentals on operating lease	926 880	1 481 184
Profit on disposal of property, plant and equipment	8 944	77 000
Repairs and maintenance	67 308	91 294
	9 121 445	**11 572 341**

16. Investment revenue

Levy accounts	424 546	377 817
Agency income - Interest received	47 627	87 785
	472 173	**465 602**

17. Finance costs

Interest paid - borrowings	427 356	17
Finance cost on lease liability	72 803	71 428
	500 159	**71 445**

18. Cash generated from operations

Surplus/(Deficit) for the year	12 421 374	(2 454 752)
Adjustments for:		
Depreciation	737 290	472 733
Profit on disposal of assets	(8 944)	(77 000)
Interest received	(472 173)	(465 602)
Finance costs	500 159	71 445
Special project income	-	7 483 389
Changes in working capital:		
Trade and other receivables	89 323	392 739
Trade and other payables	(509 817)	179 387
	12 757 212	**5 602 339**

19. Special project income

The surplus receipts of R 7 483 389 was transferred from the Agency fees held in trust account to the Special project reserve account in the 2013 financial year in terms of a Council resolution. The transfer on the statement of changes in funds consists of the following transactions:

Special project income	-	7 483 389
Interest received	47 627	87 785
Conferences and seminars	-	(710 011)
Bank charges	-	(1 649)
Interest paid	-	(2)
	47 627	**6 859 512**

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

20. Taxation

The PSCBC is exempt from normal income tax in terms of Section 10(1)(cA)(i) of the South African Income Tax Act, 1962 (Act No. 58 of 1962).

21. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Loans and receivables	Total
Trade and other receivables	723 375	723 375
Cash and cash equivalents	19 888 245	19 888 245
Agency fees held in trust	14 470 636	14 470 636
	35 082 256	**35 082 256**

2013

	Loans and receivables	Total
Trade and other receivables	812 698	812 698
Cash and cash equivalents	13 569 633	13 569 633
Agency fees held in trust	13 925 173	13 925 173
	28 307 504	**28 307 504**

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Financial liabilities at amortised cost	Total
Borrowings	8 567 269	8 567 269
Trade and other payables	764 342	764 342
Agency fees held in trust	14 980 185	14 980 185
	24 311 796	**24 311 796**

2013

	Financial liabilities at amortised cost	Total
Trade and other payables	1 783 708	1 783 708
Agency fees held in trust	13 925 173	13 925 173
	15 708 881	**15 708 881**

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PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Notes to the Annual Financial Statements

23. Related parties

Related party	Relationship	Nature of transaction	2014 R	2013 R
Senior Management	Key Senior Management	Remuneration	2 175 231	3 512 633
Chairperson of Council	Council member	Attendance of meetings and reimbursement of cost	687 797	198 409
Council	Council members	Attendance of meetings	-	-

24. First-time adoption of International Financial Reporting Standards

The PSCBC has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied retrospectively.

Basis of presentation

The policies set out below have been consistently applied to all the years presented. The financial statements until 31 March 2013 had been prepared in accordance with Generally Accepted Accounting Principles in South Africa ('SA GAAP'). SA GAAP differs in certain respects from IFRS. When preparing the financial statements, management have not amended any of the accounting or valuation methods applied in the SA GAAP financial statements as they did not differ from IFRS. Therefor, no Statement of Financial Position has been prepared on 1 April 2013.

The conversion of the financial results from SA GAAP to IFRS did not result in any adjustments to the previously reported financial position, financial performance or cash flows. As such no reconciliations are presented.

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Detailed Income Statement

	Note(s)	2014 R	2013 R
Revenue			
Levy income		29 662 834	15 014 439
Other income			
Rent income		696 608	-
Subsidy received		211 640	40 040
Donations, recoveries and service seta income		296 573	59 542
Agency fee revenue		222 390	14 231
Administration fees		9 600	9 400
Investment revenue	16	472 173	465 602
Profit on disposal of assets		8 944	77 000
		1 917 928	**665 815**
Expenses (Refer to page 25)		**(18 659 229)**	**(18 063 561)**
Operating surplus/(deficit)	15	**12 921 533**	**(2 383 307)**
Finance costs	17	(500 159)	(71 445)
Surplus/(Deficit) for the year		**12 421 374**	**(2 454 752)**
Special project income		-	7 483 389
Surplus for the year		**12 421 374**	**5 028 637**
Other comprehensive income		-	-
Total comprehensive income for the year		**12 421 374**	**5 028 637**

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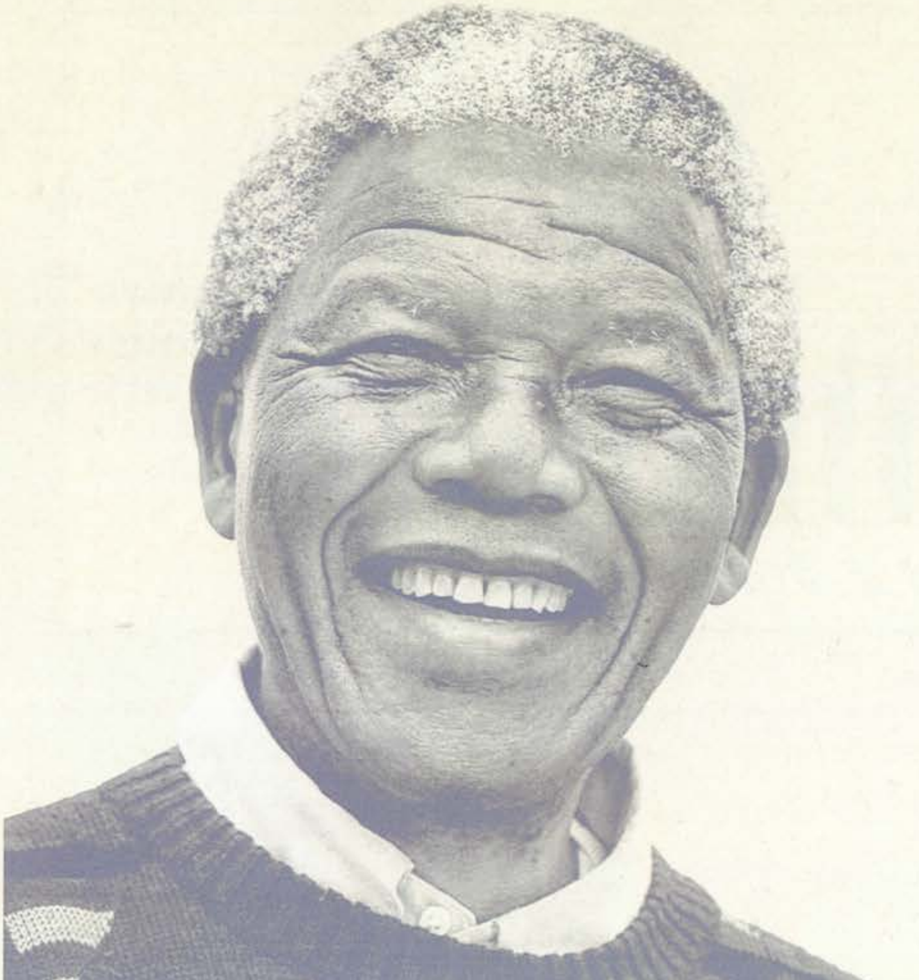
Detailed Income Statement

	Note(s)	2014 R	2013 R
Operating expenses			
Accommodation Project		-	(10 141)
Agency expenses		(222 390)	(14 230)
Arbitration and conciliation		(1 147 835)	(1 336 604)
Auditors remuneration		(389 929)	(349 570)
Bank charges		(35 899)	(39 609)
Books & Subscriptions		(9 073)	(26 627)
Case Management System and reports		(86 285)	(145 600)
Conferences and seminars		(704 025)	(2 426 526)
Contingency Fund		(2 513 176)	(690 521)
Depreciation		(737 290)	(472 733)
Electricity		(673 758)	(333 824)
Employee costs		(6 676 998)	(7 023 604)
Information technology		(343 893)	(273 147)
Insurance		(131 937)	(176 135)
Lease rentals on operating lease		(926 880)	(1 481 184)
Legal fees		(641 434)	(14 820)
Licences		(8 367)	(8 063)
Management services		(904 645)	(348 570)
Marketing and communications		(360 643)	(272 161)
Meetings and conferences		(594 483)	(706 780)
Motor vehicle expenses		(19 770)	(22 687)
Office cleaning		(109 902)	(99 515)
Office refreshments		(27 402)	(25 778)
Pensions restructuring project		(28 422)	(228 580)
Postage		(1 556)	(2 772)
Printing and stationery		(211 665)	(229 842)
Provincial Chamber costs		(333 146)	(346 238)
Repairs and maintenance		(67 308)	(91 294)
Risk assessment		-	(18 293)
Security		(18 214)	(17 077)
Special project expenses		(1 033)	(1 649)
Strategic Partnerships		(247 679)	(6 150)
Telephone and fax		(232 160)	(233 353)
Training		(109 703)	(324 693)
Travel - local		(142 329)	(265 191)
		(18 659 229)	**(18 063 561)**

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Programme 4:

MANAGEMENT



Overview

Marketing and Communication:

The key strategic objective of the Media, Resource and Information Unit, as a support structure of the Council, is to refine and enhance the liaison, marketing and communication strategy as to develop an Organisational brand nationally and internationally. This strategic objective was operationalized and cascaded into the unit's business plan.

The report highlights the key performance areas for the Financial Year 2013/2014 as developed in the Media and Information business plan.

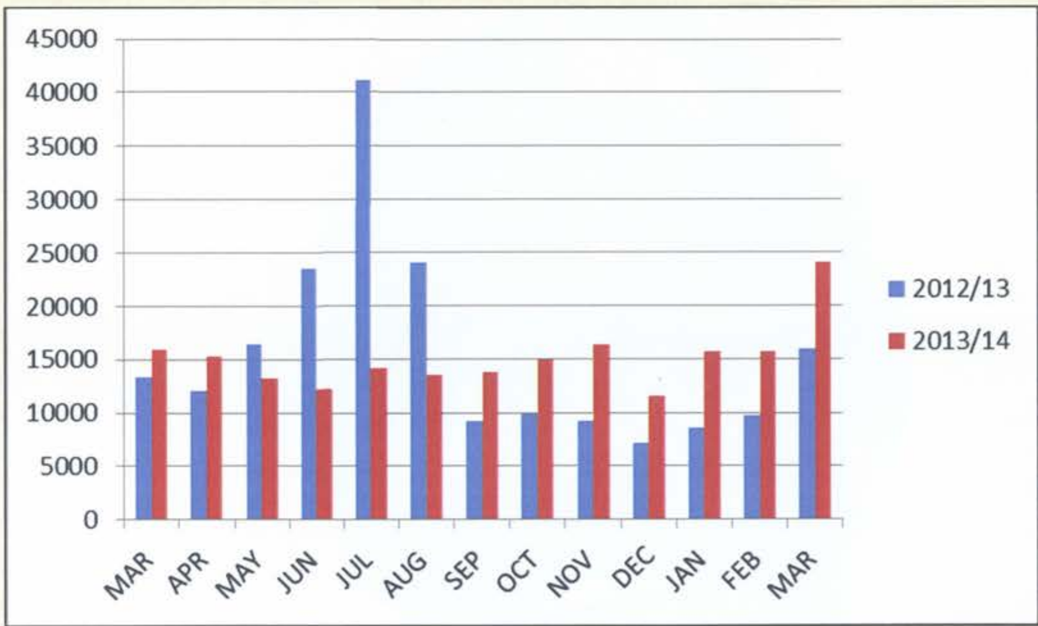
The Media Section is guided by a number of marketing and media policies and procedures in executing its duties and responsibilities. These Policies and Procedures have been consolidated into a single policy: Integrated Marketing and Communication Strategy and re-aligned with the strategic objective of the Council.

Website

The graph below illustrates the number of website users per month for the financial years 2012/13 and 2013/14. There is a 2 % decrease in the number of visitors during the current reporting period. This can be attributed to the large number of users that accessed the website during the pensions redress administrative process in 2013/14.

The PSCBC website was revamped in July 2013, the new website has a new fresh look and feel and is abreast with latest technology. The new site makes it much easier for users to access documents. The website also has an interface to PSCBC social media sites.

Graph 1:



Social Media

Due to the changing world of technology, social media is bringing in a new dimension to the way in which media is communicated. As seen with cases such as the Oscar Pistorius trial users of social media are able to stay updated with news almost instantaneously.
The PSCBC therefore embraces the transition towards turning to social media as an effective method of communication and as a marketing tool. The PSCBC can be found on both www.facebook.com and www.twitter.com (PSCBC news on twitter). Using these effective tools allow easy access to information for the public to track PSCBC activities.

The number of facebook users has grown over the past year and the number of friends stands at 4150 as at end May 2013. The number of users has increased by 22% since last year.

Facebook is proving to be an excellent communication tool and we receive lots of feedback from users of this social media technology.

Media and Information Centre

The Media and Information Centre is used by the Parties of the Council, staff of the PSCBC, Sectoral bargaining councils and the public. New books are being procured in order to have the latest information on labour matters.

The Media Centre also has a variety of electronic resources in order to provide adequate information on Collective Bargaining, Dispute Management and Labour Law matters.

The PSCBC has continued with marketing the organisation by exhibiting at Stakeholder Conferences, staff wellness programs continue and corporate social responsibility programs as indicated below:

BATHO PELE EXCELLENCE AWARDS

The Minister for Public Service & Administration hosted the 1st Annual Batho Pele awards ceremony on the 14 November 2013 at the Gallagher Estate in Midrand.

The National Batho Pele Excellence Awards will henceforth be held on an annual basis for the entire Public Service. It will be held during the month of September and members of the public will be invited to nominate public servants deserving of recognition for excellent service.

The main focus of these awards is to recognize excellence in the public service, acknowledge and encourage it and ensure great heights of service delivery.

There were 14 categories for nomination. A panel of adjudicators ensured a transparent process of nominations and awarding of employees.

TRACKER MEN IN THE MAKING

The Tracker Men in the Making initiative which is supported by the Department of Basic Education was held on the 27 March 2014. Metro FM was the media partner in this initiative and participated actively, communicated and promoted the project to the broader public.

The Men in the Making concept was derived from the realisation that the boy-child in South Africa is calling out for attention, help, recognition and acknowledgement as he struggles with the challenges of life and the suppression that he sometimes experiences as more focus and glamour seems to be placed on girl children.

The PSCBC together with the Sectoral Bargaining Councils hosted ten Grade 12 school boys from the Olievenhoudt Bosch Secondary School. The day long programme included a presentation from each departmental manager regarding the career opportunities within the various fields. The boys were also given practical examples of the world of work as they visited each office and had an opportunity to engage employees. The General Secretaries of the various Bargaining Councils had an opportunity to address and engage the boys on many aspects and provide them with information.

The boys were energetic, full of enthusiasm, had many questions to ask about the "working world" and soaked up as much information as possible. Judging from the evaluation forms, the boys had a fun filled day and learned a lot from their visit to the Bargaining Councils.

The PSCBC and Sectoral Bargaining Councils were pleased to have an opportunity to educate and positively impact on the lives of boy-children so that they grow to be responsible citizens and future leaders of our beautiful country.

CELL C: TAKE A GIRL CHILD TO WORK

On the 30 May 2013 the PSCBC together with the Sectoral Bargaining Councils participated in a very successful Cell C "Take a Girl Child to Work" event by hosting eleven grade 11 girls from Lyttelton Manor High School in, Pretoria.

The objectives of the campaign was to; expose girl children to the "world of work", positive role models and the opportunity to make informed career decisions based on real work experiences, address the aspiration of girl children by inspiring and motivating them to pursue their goals and ambitions, and to reach their full potential and provide a platform for dialogue around the needs of girl children and their role in the country's socio-economic development.

The theme was to empower the young women and girls around South Africa to believe in themselves, to open their eyes to the roles that they can play to make a difference in our nation. It provides an opportunity for girl children to "stop, think and evaluate" the choices that they will make with the information gathered on the day.
The General Sectrtary of the PSCBC opened the programme, departmental managers addressed the girls on the career opportunities within the various fields and each Sectoral bargaining Council presented an overview of what each Council is responsible for.

The PSCBC and Sectoral Bargaining Councils were pleased to have an opportunity to host the girls and assist them to further their studies and focus on their careers.

MANDELA DAY: OLIEVENHOUDT BOSCH DISABILITY CENTER

Olievenhoudt Bosch Disability Centre is a preschool for children who are physically challenged. The Centre relies on donations for its daily running costs.

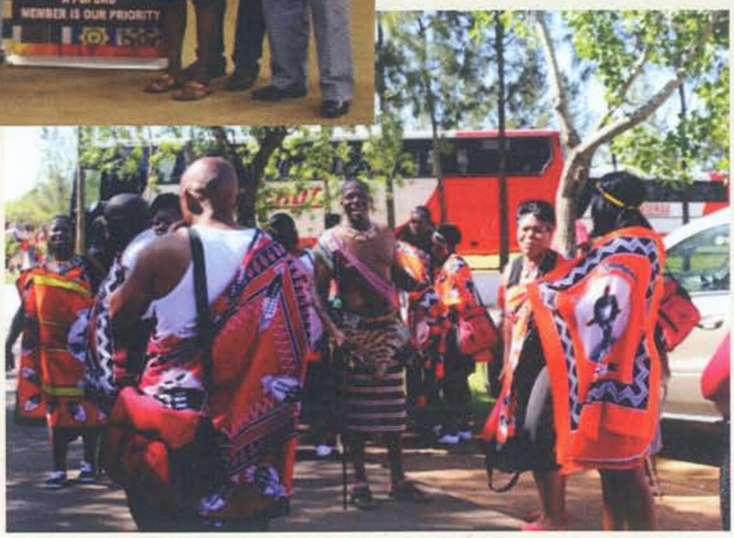
The PSCBC Staff observed Mandela Day at the Olievenhoudt Bosch Disability Centre. The PSCBC ladies cooked the meals for the day and the gents painted the container that is to be used as a sewing room. After the painting was completed and the food was prepared, the PSCBC partook in a programme. The programme consisted of song, dance and prayer. The children enjoyed the fun filled day, the hearty meal that was prepared for them and the gift packs that contained toys and sweets.

HOSPERSA NATIONAL CONGRESS

HOSPERSA held its National Congress in November 2013 at the Glenburn Lodge in Gauteng, The Congress was attended by delegates from all of the 9 Provinces. The guest of honour was the Minister of Health, Dr. Aaron Motsoaledi. Congress delegates agreed on common challenges as follows; shortage of staff in most healthcare institutions, poor management and Occupational Health and Safety. The PSCBC was proud to exhibit at the Congress and would also like to wish the new Executive that was elected at the congress all of the very best.

POPCRU CENTRAL EXECUTIVE COMMITTEE MEETING

POPCRU held its Central Executive Committee Meeting from the 3rd - 5th November 2013 at the St Georges Hotel – Irene (Centurion). 700 delegates from all nine provinces attended the conference in order to debate and discuss the state of the organisation and institutions where they organize. Some of the issues on the agenda included a Political Assessment of POPCRU and the Alliance as well as Transformation of the Judiciary. Speakers at the 3 day CEC Included; ANC Elections Chairperson, Malusi Gigaba – COSATU President: Sidumo Dlamini – Police Minister: Nathi Mthethwa – National Police Commissioner: Riah Phiyega; and Correctional Services Minister: Sbu Ndebele. The PSCBC was proud to exhibit at the Congress and would like to thank POPCRU for providing us with the opportunity.



STAKEHOLDER RELATIONS:

The PSCBC was invited to and attended the following events:

1. NAPTOSA - PDI LAUNCH

This event was held on the 18 October 2013 at Freedom Park in Pretoria. The Professional Development Institute (PDI) was launched to improve the quality of teaching and developing productive classrooms. The National Professional Teachers' Organisation of South Africa (NAPTOSA) launched the PDI to assist teachers with mastering the curriculum required to be taught in schools. The main speakers at the event were the Minister of Basic Education – Minister Angie Motshekga and the President of NAPTOSA, Mr Basil Manuel. The PSCBC wishes NAPTOSA well with their PDI.

2. SAPU - BIRTHDAY CELEBRATIONS

SAPU held its 20 Anniversary celebrations in November 2013 at St Georges Hotel in Pretoria. The union has continued to be a professional home for those workers in the Safety and Security Sector as well as the public sector who sought representation from a professional and independent union. The President of SAPU, Mr Mpho Kwinika, Deputy President, Mr. Tumi Mogodiseng and General Secretary, Mr. Oscar Skommere were the key speakers and delivered their messages of support and celebratory remarks. **Mr. Frikkie De Bruin the General Secretary of the PSCBC delivered a celebratory message at the event and expressed the PSCBC's support for SAPU over the years.**

3. PEU 107th ANNUAL CONFERENCE

Professional Educators Union (PEU) held its 107th Annual Conference in Pretoria in October 2013. Ms. Valencia Kola, Manager Negotiations Support addressed the conference. She expressed the following; that the PSCBC is honoured and proud to be part of the PEU 107 Annual Conference and that the PSCBC acknowledges the support, continued commitment and enthusiasm that have been displayed by PEU, the representation of the PEU at the PSCBC alludes to its tenacity and spirit in upholding its status, we are proud to partner with you as you spearhead transformation to improve and re-invent the education landscape for educators and ultimately the future generation and we salute your achievements, both past and future and look forward to maintaining the relationship we have always shared as you forge ahead with your sterling work.

4. GEMS MEDICAL SCHEME - AGM

GEMS held its 7th AGM on 31 July 2013 at the Cape Town International Convention Centre. The AGM was well attended. The PSCBC wishes GEMS well for the years ahead.

5. WORLD TEACHERS DAY CELEBRATIONS

The Deputy Minister of Basic Education, Enver Surty delivered an address at the World Teachers Day celebrations which was held from 04 - 05 October 2013 in Durban, Kwazulu-Natal. The 2013 World Teachers Day celebrations was held in collaboration with other stakeholders in Education, the Education Labour Relations Council (ELRC), South African Council for Educators (SACE) and KZN Department of Education (KZNDoE). The theme for 2013 World Teachers' Day was: "A Call for Teachers".

World Teachers Day is celebrated in many countries to make teachers feel valued. Some of the prominent speakers at this year's event included the DBE, SACE, a guest speaker, the Vice President of Education International Mrs. Irene Duncan Adanusa who was invited to deliver the keynote address on 5th October 2013.
The PSCBC salutes the teachers of South Africa, you contribution towards the development of our leaners and Country at large is valued.

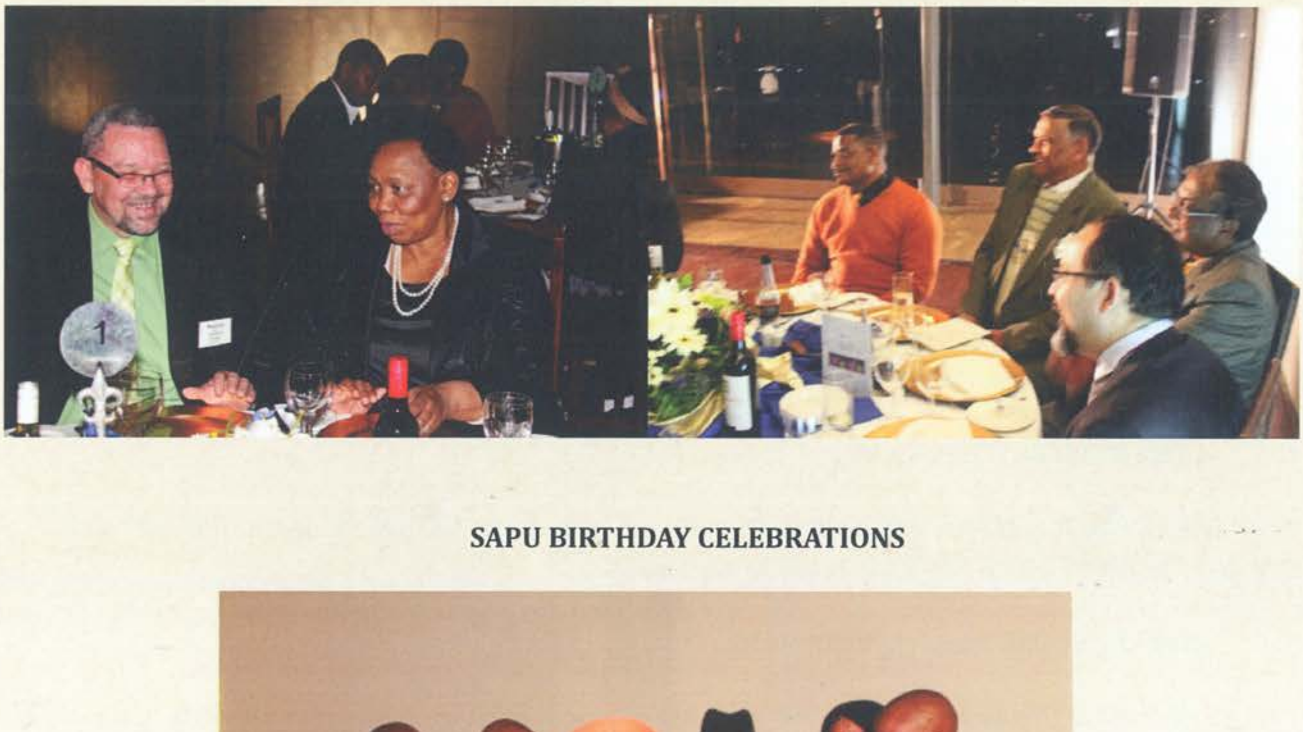
6. SADTU NATIONAL GENERAL COUNCIL (NGC)

South African Democratic Teachers Union (SADTU) held its National General Council (NGC) from the 25 - 27 October 2013 at the Premier Hotel in Kempton Park. Leaders of the Tripartite Alliance - COSATU President Sidumo Dlamini, SACP Deputy Chairperson Thulas Nxesi and a senior ANC representative addressed the first day of the NGC. Public Service Minister Lindiwe Sisulu also addressed the gathering, in her capacity as Minister.

More than 250 members, including guests, attended the NGC. Some of the issues the NGC discussed and debated included the upcoming national general elections and on-going policy discussions on education like competency tests, teacher development, initial training of teachers (including the recruitment of the correct calibre into the profession; Early Childhood Development - the formalization thereof and the improvement of the conditions of service; the violence against teachers, the posture of the Department of Education on Collective Bargaining and attitude of the department towards proper consultation as required by legislation were amongst the hot issues discussed.

The second day of the Council was closed as members sat in commissions to deliberate on Education, Socio Economic, International and Political matters. On the third and last day, the NGC read out a declaration from the Council. The PSCBC congratulates SADTU on a well organised meeting.

NAPTOSA PDI LAUNCH



SAPU BIRTHDAY CELEBRATIONS

STRATEGIC PARTNERSHIPS:

IRASA & ILERA

The PSCBC is providing the Industrial Relations Association of South Africa (IRASA) and Industrial Labour and Employment Association (ILERA) with administrative support in the run up to the International Conference which will be hosted by ILERA in 2015. The conference details are as follows:

"The Changing World of Work: Implications for Labour and Employment Relations and Social Protection" to be held in Cape Town from the 7 - 11 September 2015 and hosted by the Industrial Relations Association of South Africa (IRASA).

The aim of the Congress theme is to examine the impact of the changing nature of work in every region of the world - from East to West and North to South. The classical models of labour law, employment relations and social protection have served developed economies with their sophisticated systems well. Even so, these classical models have changed dramatically in recent times. While important for many countries and systems, for others they may have little value, in particular for the majority of those who work in emerging or developing economies and their relation to the labour market.

The reality not only of non-standard employment, but especially of non-formal work and social protection for those beyond the sphere of formal labour market pose some of the biggest challenges. Simultaneously, for those working in developed economies major changes have taken place. The very notion of "work", "employee", "employer", "employment relationship", "labour," the "labour market", and the boundaries of "labour law" and "social security/protection" are increasingly being interrogated and challenged.

The 17th World Congress of the International Labour and Employment Relations Association will explore and discuss the challenges and opportunities brought about by the changing world of work in the modern day context, and the implications thereof for labour, employment relations, labour law and social protection.
A promotional video may be viewed on www.youtube.com

The Year Ahead

The way forward for the Media and Communications department will include the following:

- the approval of the proposed amendments to all of the departmental policies and procedures
- more capacity is required in order to strengthen the key performance areas of the department as the department has a broad scope
- Strategic partnerships need to be strengthened both locally and internationally
- More books need to be procured for the Resource Center to equip Council and its employees with adequate information
- The Department will continuously strive to project a professional image for the Council and its various stakeholders

PSCBC

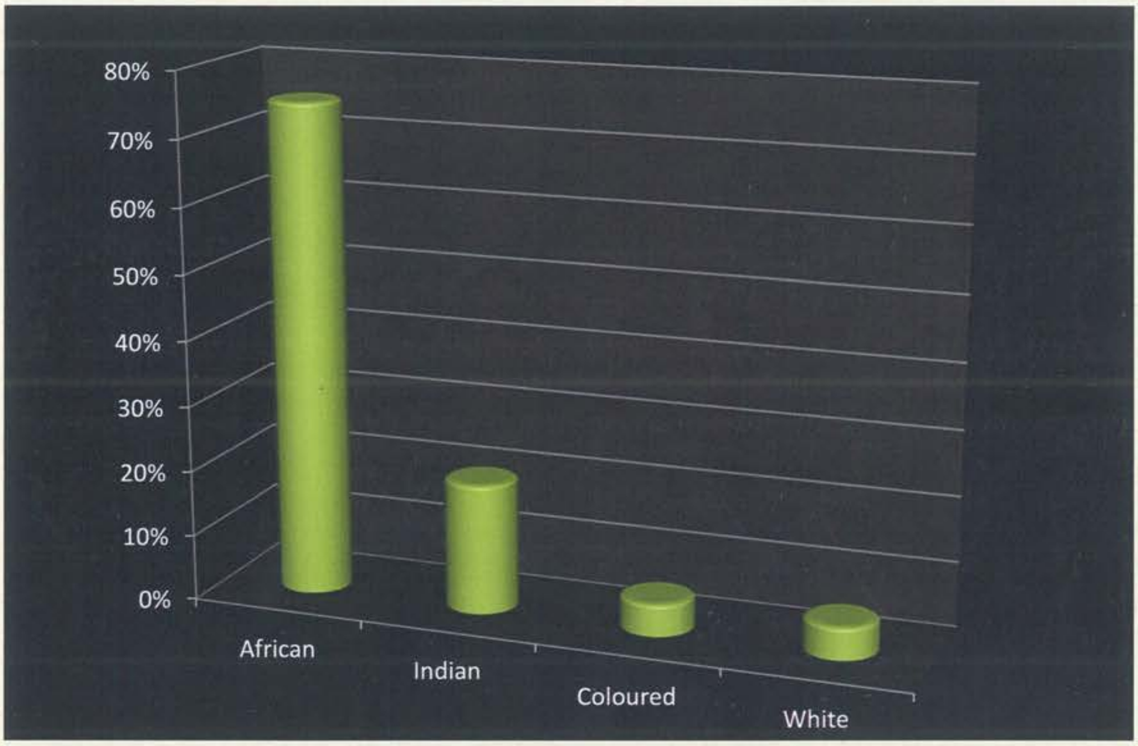
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Human Resources

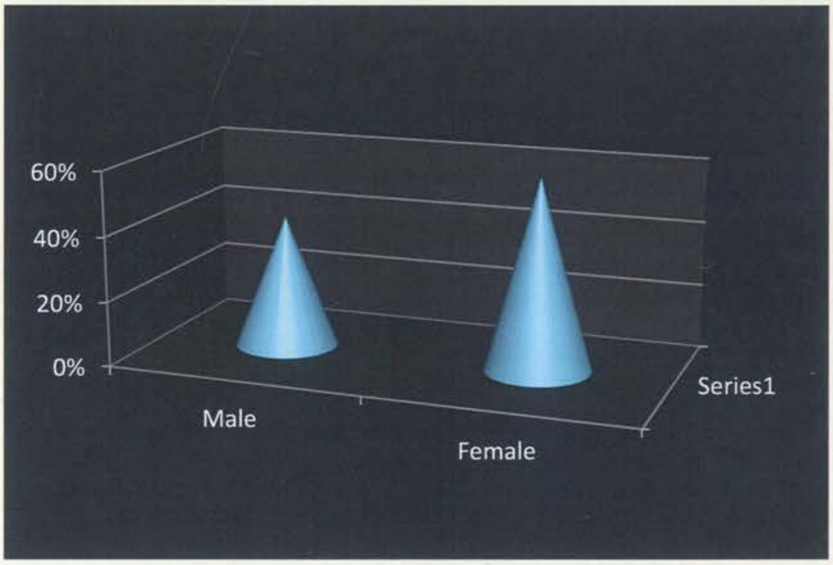
SECRETARIAT PROFILE 2013/14

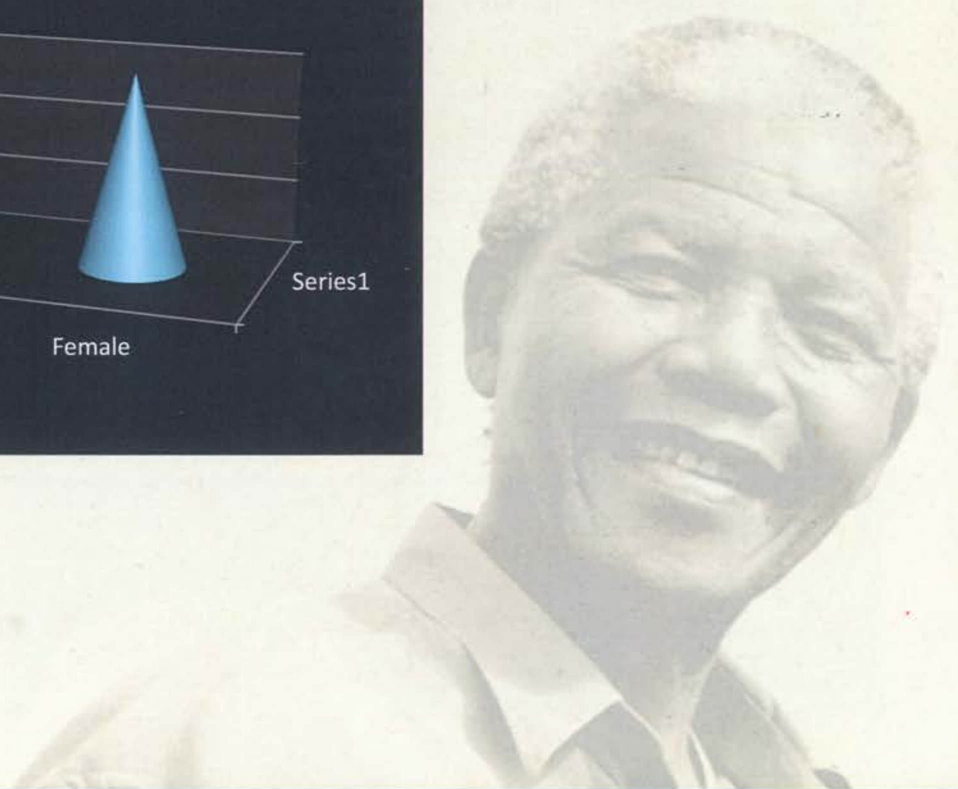
Representivity Profiles

Race



Gender





Staff movement

Resignations

The following four employees resigned during the year under review year:

Name	Position	From	To
Tracy Mokoena	Officer Case Management	01 March 2008	30 April 2013
Johanna Mapola	HR Administrator	01 June 2007	31 July 2013
Montsheng Mallane	Officer negotiations Support	13 October 2008	27 September 2013
Thandi Mnisi	Manager: Dispute Management & Support Services	01 April 2002	31 October 2013

Appointments

The following employees were appointed during the year under review:

Name	Position	Appointment Date
Wandile Mgobhozi	Manager Finance and Logistics	May 2013
Petunia Bhengani	Senior Officer Case Management	April 2013

Vacant post

The following vacancies exist:

1. Manager Dispute Management and Support Services
2. Section Head: Media and Information
3. Media and Information Officer
4. Senior Officer: Human Resource
5. Human Resource Administrator
6. Personal Assistant to the General Secretary
7. Negotiations Support Officer (Chambers) x 2

Post were not filled during the year under review as Council is busy reviewing its organisational structure.

SKILLS DEVELOPMENT

During the period under review Council continued to show commitment to the Skills Development Act.

The following bursary was awarded:

Bursaries Awarded	Employee
Masters in Labour Law	Mr Frikkie De Bruin

The following short courses were attended:

Short Courses Attended	Employee
Pastel Payroll Pastel Payroll	Obakeng SegoaWandile Mgobhozi

The following Workshops were attended:

Workshops Attended	Employee
1. Amendments Labour Relations Act 2. Labour Relations Workshop	Petunia Bhengani

Review of the Organisational Structure

The PSCBC recognised that there is an opportunity to improve its current Organisational Structure and to increase the organisation's efficiency and effectiveness, ensuring the best use of staff and resources.
The decision to undertake an Organisational Review is timely as numerous changes and transitions are taking place across the organisation including:

- Several vacancies in the organisation that must be dealt with in an expedient manner. An Organisational Review would provide an opportunity to examine the need for structural change before hiring for these positions.
- Staff concern about workload.
- The Strategic objectives
- Risk assessment report

The broad objectives of the review were:

- To review the existing Organisational Structure and outline the benefits and challenges relating to division of labour, span ofcontrol, chain of command, authority, responsibility, delegation and accountability
- To review departmental functions in terms of work flow and alignment.
- To report on findings and recommend an organisational structure and corporate decision making framework that is responsive, flexible, accountable and team orientated.
- Provide the PSCBC with clear recommendations and implementation plan for changes that will meet the objectives of the organisation.

NOKUBUSA Consulting was appointed as the Service Provider for the Organisational Review.

The matter will be finalised in the next financial year.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

PSCBC HIGHLIGHTS

3RD BIENNIAL LABOUR RELATIONS CONFERENCE

The Public Service Coordinating Bargaining Council (PSCBC) and the Public Service Commission (PSC) have co-hosted two previous Labour Relations Conferences. This year, the Biennial LRC 2013 was planned as a build-up to the International Labour and Employment Relations Association (ILERA) 2015 Congress. The PSCBC and the Public Service Commission (PSC) have representation on the Local Organizing Committee for the 2015 ILERA Conference. ILERA has over 1,000 members worldwide including prominent industrial relations scholars and practitioners and national associations in 34 countries.

Therefore, the 3rd Biennial LRC 2013 theme: ***"The Changing World of Work: Key Issues for Labour Relations and Employment Relations in the Public Service, Enhancing Social Dialogue and Accelerating Development"***, was developed to be in sync with the ILERA 2015 World Congress theme.

The three day long conference was held at St. George Hotel in Pretoria. For the most part, the conference received excellent reviews, especially in terms of the quality of the presentations made, and level of debate. It has set the scene for the ILERA 2015.

This conference has developed a pool of talented presenters for the world congress and has also sown the seeds for other potential speakers to participate.

With the resounding success of the 3rd Biennial Labour Relations Conference behind us, we look forward to ILERA 2015 with renewed vigor and confidence.




WE WILL MISS YOU TATA MADIBA

The PSCBC is deeply saddened by the passing of the Father of our Nation (Tata Madiba), we pledge our on-going love and support to the Mandela family. The PSCBC together with the Sectoral Bargaining Councils held a memorial service to honor Tata Madiba on the 12 December 2013.

The programme consisted of prayer, poetry, vibrant songs by the Public Service Bargaining Councils Choir and a sermon by Pastor Louis Kotze of the Hatfield Christian Church. The Programme Director was the General Secretary of the PSCBC, Mr Frikkie De Bruin and the Obituary was read by the Chairman of the PSCBC, Adv. Luvuyo Bono.

We will forever by indebted to a champion statesman and a freedom fighter, we thank you Tata for standing tall and fighting bravely so that our nation can today celebrate its freedom and a better life for all. Your presence was always comforting to us as a Nation always knowing that there is someone that we could turn to in difficult times, we will miss you dearly.

Let us unite as the powerful Nation that we are and remember the ideals that Tata Madiba has left us with, 'I dream of an Africa which is in peace with itself."

God Bless you our Eternal President



Hamba Kahle Madiba

Nelson Rolihlahla Mandela

18 July 1918 – 05 December 2013

Imprisoned for nearly three decades for his fight against white minority rule, Mandela emerged determined to use his prestige and charisma to bring down Apartheid while avoiding a civil war.

In 1993, Mandela was awarded the Nobel Peace Prize, an honour he shared with FW de Klerk, the white Afrikaner leader who freed him from prison three years earlier and negotiated the end of Apartheid.

Mandela went on to play a prominent role on the world stage as an advocate of human dignity in the face of challenges ranging from political repression to Aids.

He formally left public life in June 2004 before his 86th birthday, telling his adoring countrymen: "Don't call me. I'll call you". But he remained one of the world's most revered public figures, combining celebrity sparkle with an unwavering message of freedom, respect and human rights.

Whether defending himself at his own treason trial in 1963 or addressing world leaders years later as a greying elder statesman, he radiated an image of moral rectitude expressed in measured tones, often leavened by a mischievous humour.

Mandela's years behind bars made him the world's most celebrated political prisoner and a leader of mythic stature for millions of black South Africans and other oppressed people far beyond his country's borders.

Charged with capital offences in the 1963 Rivonia Trial, his statement from the dock was his political testimony.
Nelson Rolihlahla Mandela was born on 18 July 1918, destined to lead as the son of the Chief Councillor to the Paramount Chief of the Thembu people in Transkei.

He chose to devote his life to the fight against White domination. He studied at Fort Hare University, an elite Black college, but left in 1940 short of completing his studies and became involved with the African National Congress (ANC), founding its Youth League in 1944 with Oliver Tambo and Walter Sisulu.

Mandela worked as a Law Clerk then became a Lawyer who ran one of the few practices that served blacks.

In 1952 he and others were charged for violating the Suppression of Communism Act but their nine-month sentence was suspended for two years.

Mandela was among the first to advocate armed resistance to Apartheid, going underground in 1961 to form the ANC's armed wing, Umkhonto weSizwe, or 'Spear of the Nation' in Zulu.

He left South Africa and travelled the Continent and Europe, studying guerrilla warfare and building support for the ANC.

After his return in 1962, Mandela was arrested and sentenced to five years for incitement and illegally leaving the country. While serving that sentence, he was charged with sabotage and plotting to overthrow the Government along with other anti-apartheid leaders in the Rivonia Trial.

Branded a terrorist by his enemies, Mandela was sentenced to life imprisonment in 1964, isolated from millions of his countrymen as they suffered oppression, violence and forced resettlement under the Apartheid regime of racial segregation.

He was incarcerated on Robben Island, a penal colony off the coast of Cape Town, where he would spend the next 18 years before being moved to mainland prisons.

He was behind bars when an uprising broke out in the huge township of Soweto in 1976 and when others erupted in violence in the 1980s. But when the regime realised it was time to negotiate, it was Mandela to whom it turned.

In his later years in prison, he met President PW Botha and his successor de Klerk.

When he was released on 11 February 1990, walking away from the Victor Verster prison hand-in-hand with his wife Winnie, the event was watched live by television viewers across the world.

Mandela prevented a racial explosion after the murder of popular Communist Party leader Chris Hani by a white assassin in 1993, appealing for calm in a national television address. That same year, he and de Klerk were jointly awarded the Nobel Peace Prize.

Talks between the ANC and the Government began in 1991, leading to South Africa's first all-race elections on 27 April 1994.

The run-up to the vote was marred by fighting, including gun battles in Johannesburg townships and virtual war in the Zulu stronghold of KwaZulu Natal.

But Mandela campaigned across the country, enthralling adoring crowds of Blacks and wooing Whites with assurances that there was a place for them in the new South Africa.

The election result was never in doubt and his inauguration in Pretoria on May 10, 1994, was a celebration of a peoples' freedom.

Mandela made reconciliation the theme of his Presidency. He took tea with his former jailers and won over many Whites when he donned the jersey of South Africa's National rugby team - once a symbol of white supremacy - at the final of the World Cup in 1995 at Johannesburg's Ellis Park stadium.

A restful retirement was not on the cards as Mandela shifted his energies to fighting South Africa's AIDS crisis.
He spoke against the stigma surrounding the infection, while successor Thabo Mbeki was accused of failing to comprehend the extent of the crisis.

The fight became personal in early 2005 when Mandela lost his only surviving son to the disease.
But the stress of his long struggle contributed to the break-up of his marriage to equally fierce anti-apartheid campaigner Winnie.

The country shared the pain of their divorce in 1996 before watching his courtship of Graca Machel, widow of Mozambican President Samora Machel, whom he married on his 80th birthday in 1998.
Friends adored "Madiba", the clan name by which he is known. People lauded his humanity, kindness, attention and dignity.

Unable to shake the habits of prison, Mandela rose daily between 04:00 and 05:00 to exercise and read. He drank little and was a fervent anti-smoker.

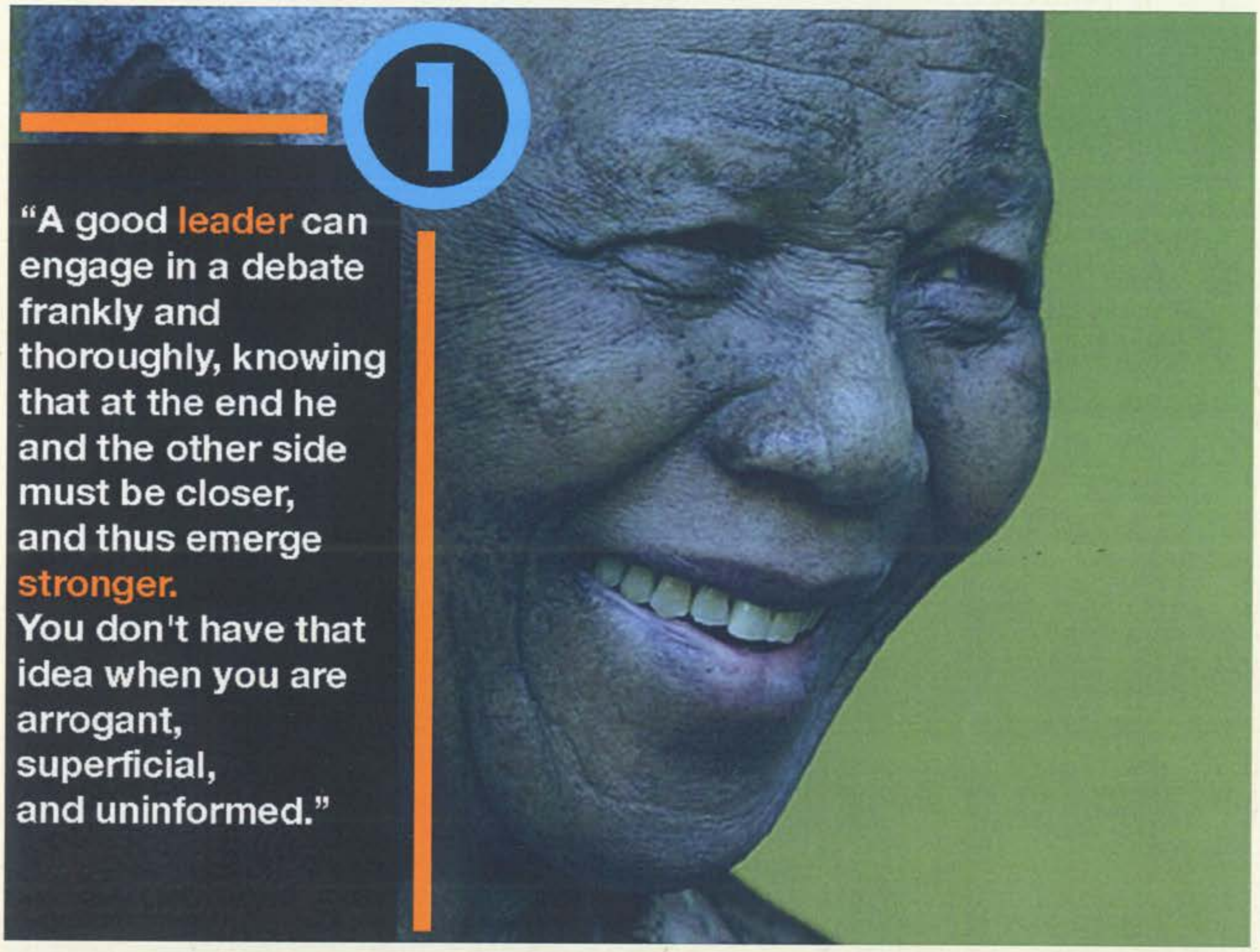
An amateur boxer in his younger days, Mandela often said the discipline and tactics drawn from training helped him to endure prison and the political battles after his release.
But prison and old age took their toll on his health.

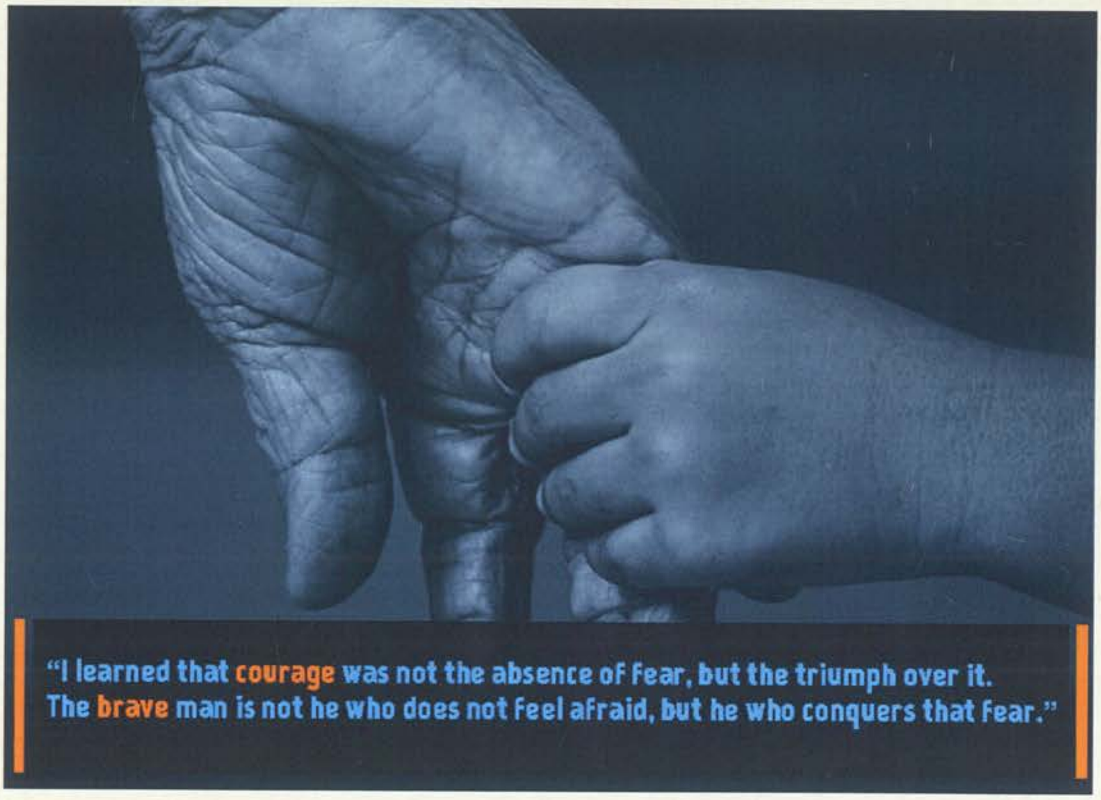
Mandela was treated in the 1980s for tuberculosis and later required an operation to repair damage to his eyes as well as treatment for prostate cancer in 2001. His spirit, however, remained strong.

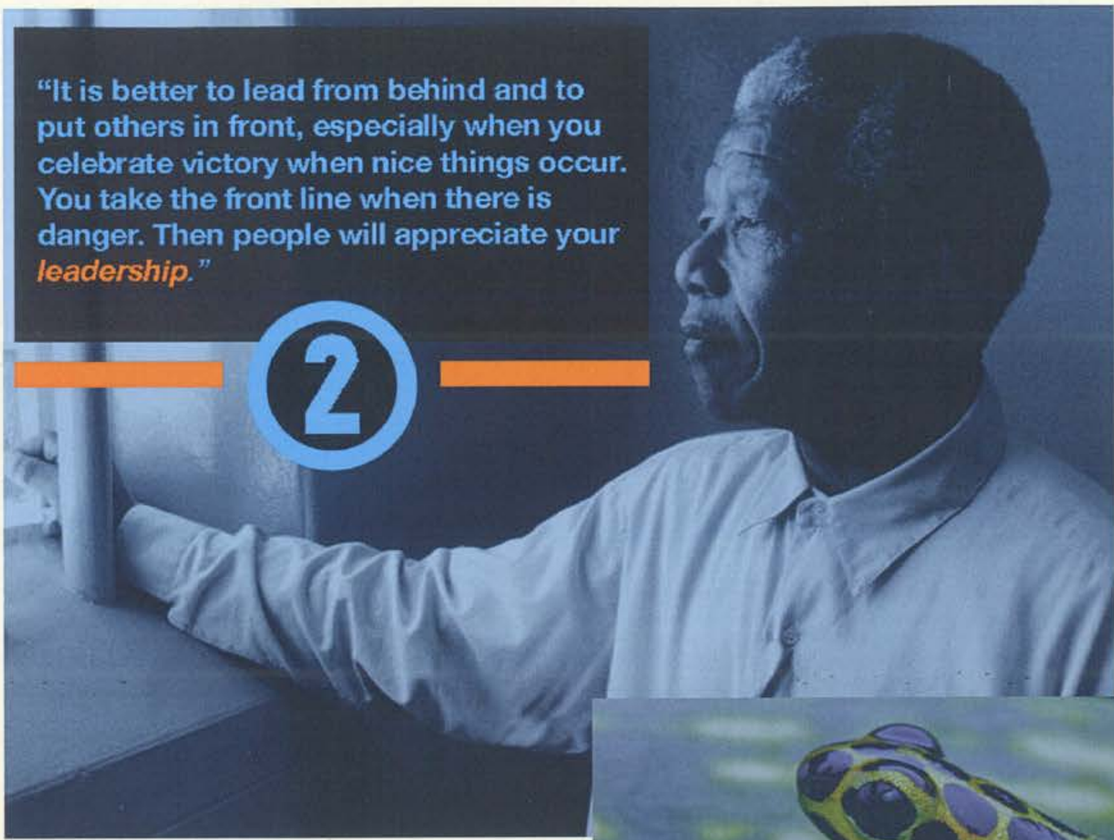
Most South Africans are proud of their post-apartheid multi-racial 'Rainbow Nation'.

But Mandela's legacy of tolerance and reconciliation has been threatened in recent years by squabbling between factions in the ANC and social tensions in a country that, despite its political liberation, still suffers great inequalities.

Mandela's last major appearance on the global stage came in 2010 when he donned a fur cap in the South African winter and rode on a golf cart, waving to an exuberant crowd of 90,000 at the soccer World Cup final, one of the biggest events in the country's post-apartheid history.


1
"A good leader can engage in a debate frankly and thoroughly, knowing that at the end he and the other side must be closer, and thus emerge stronger.
You don't have that idea when you are arrogant, superficial, and uninformed."

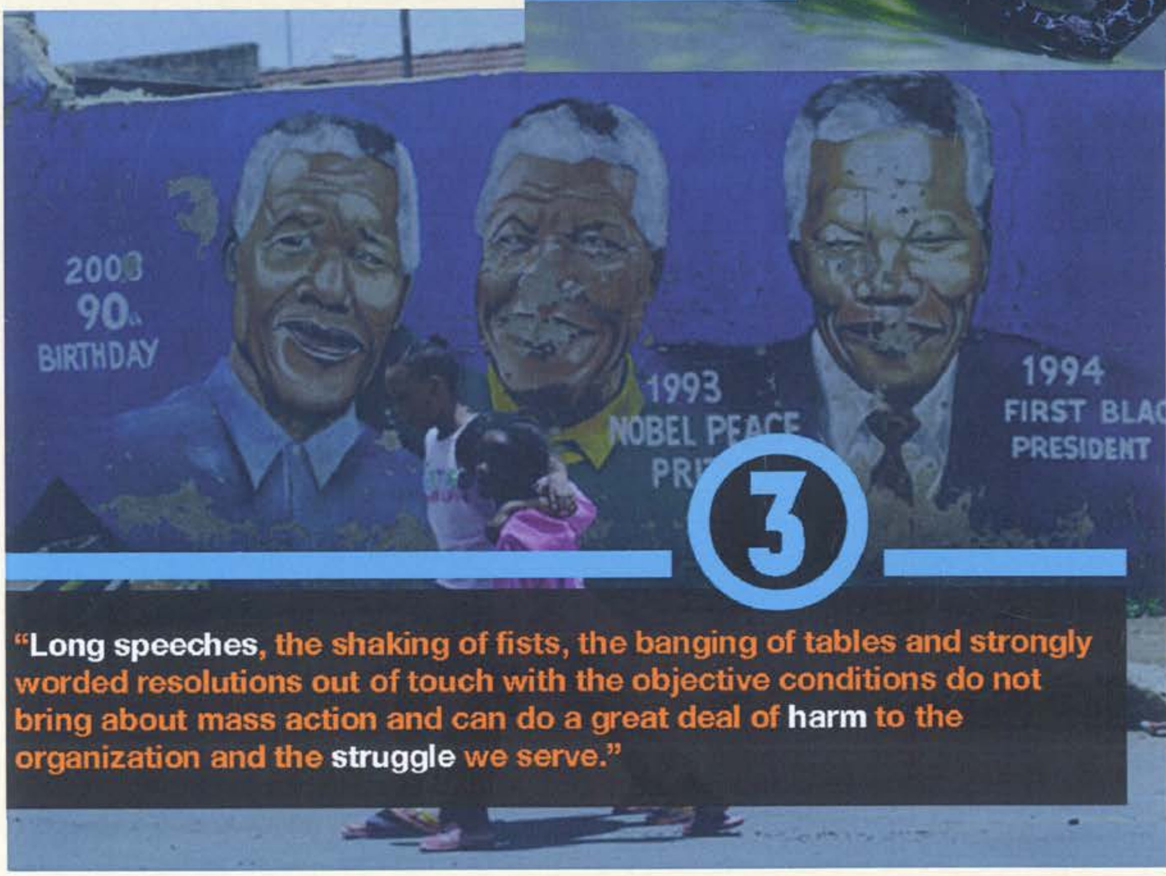

"I learned that courage was not the absence of fear, but the triumph over it.
The brave man is not he who does not feel afraid, but he who conquers that fear."



"It is better to lead from behind and to put others in front, especially when you celebrate victory when nice things occur. You take the front line when there is danger. Then people will appreciate your *leadership.*"

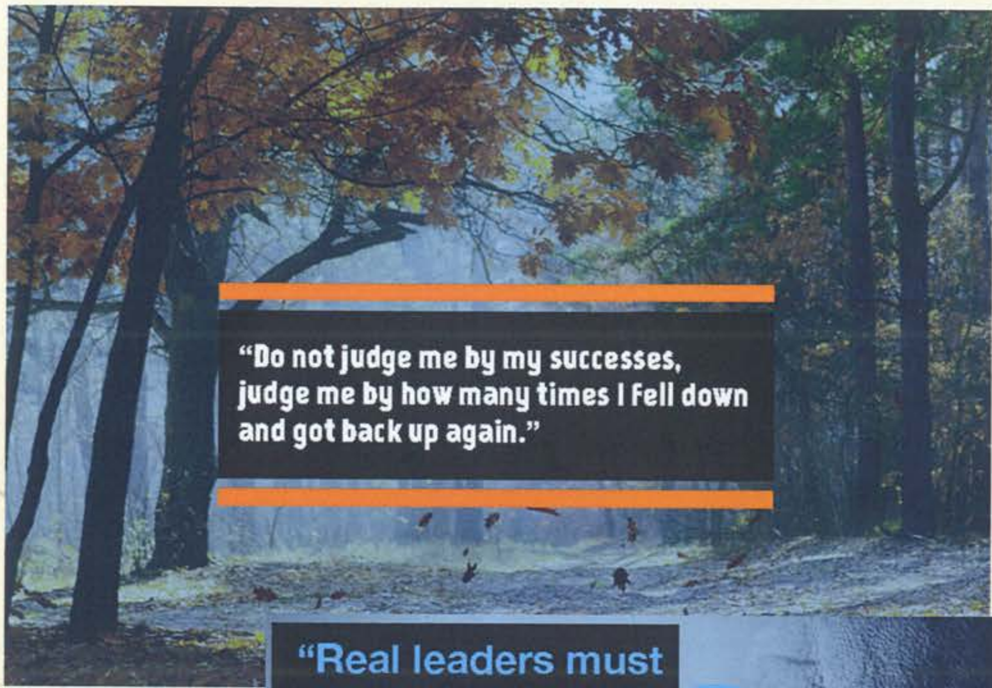
2

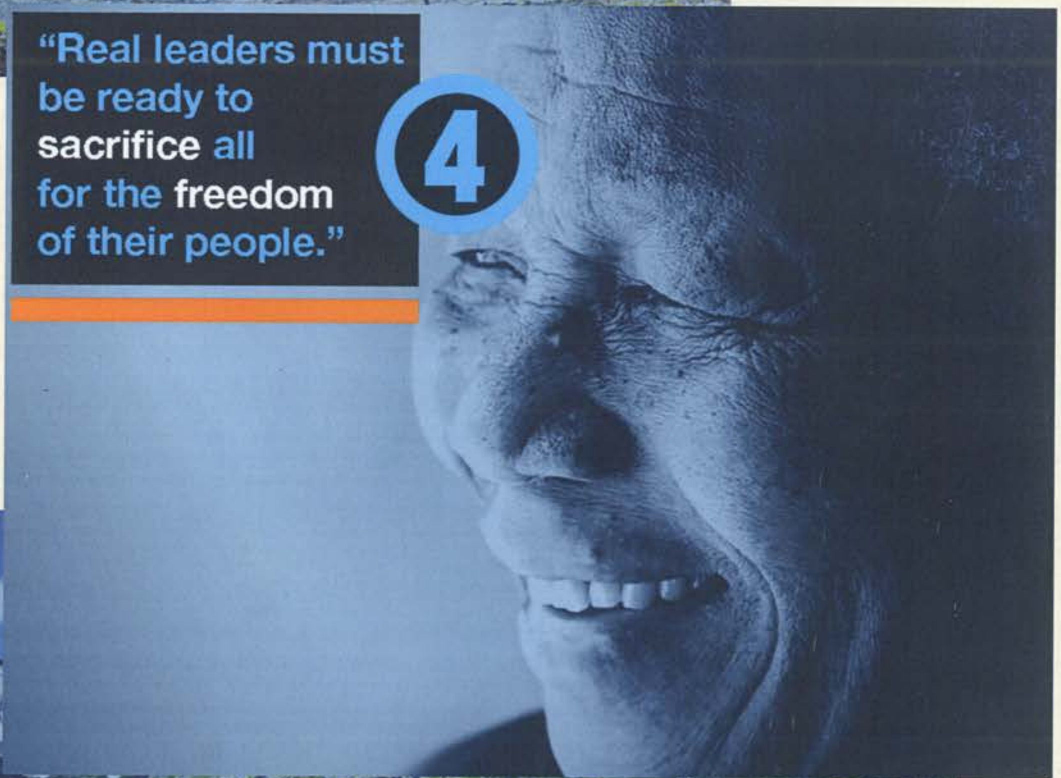
"**Resentment** is like drinking **poison** and then hoping it will kill your enemies."

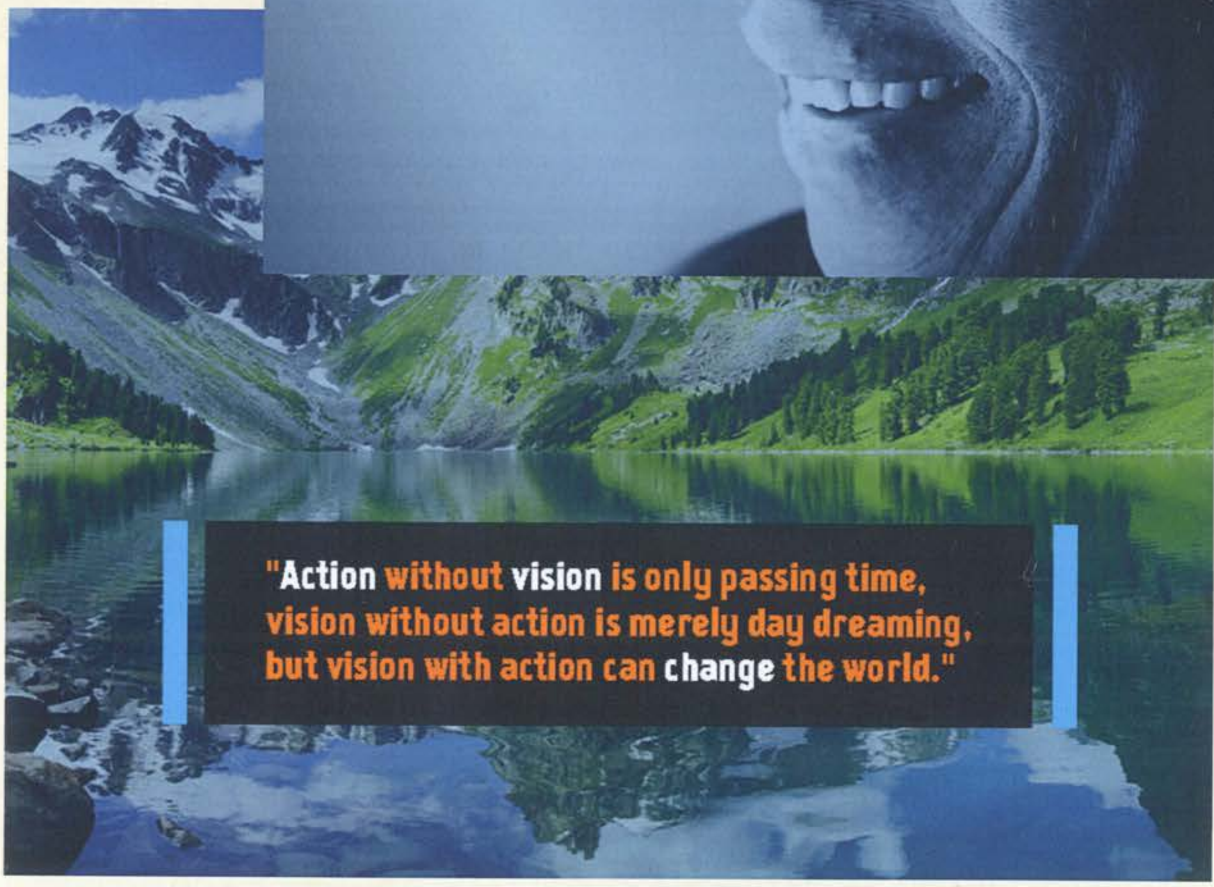


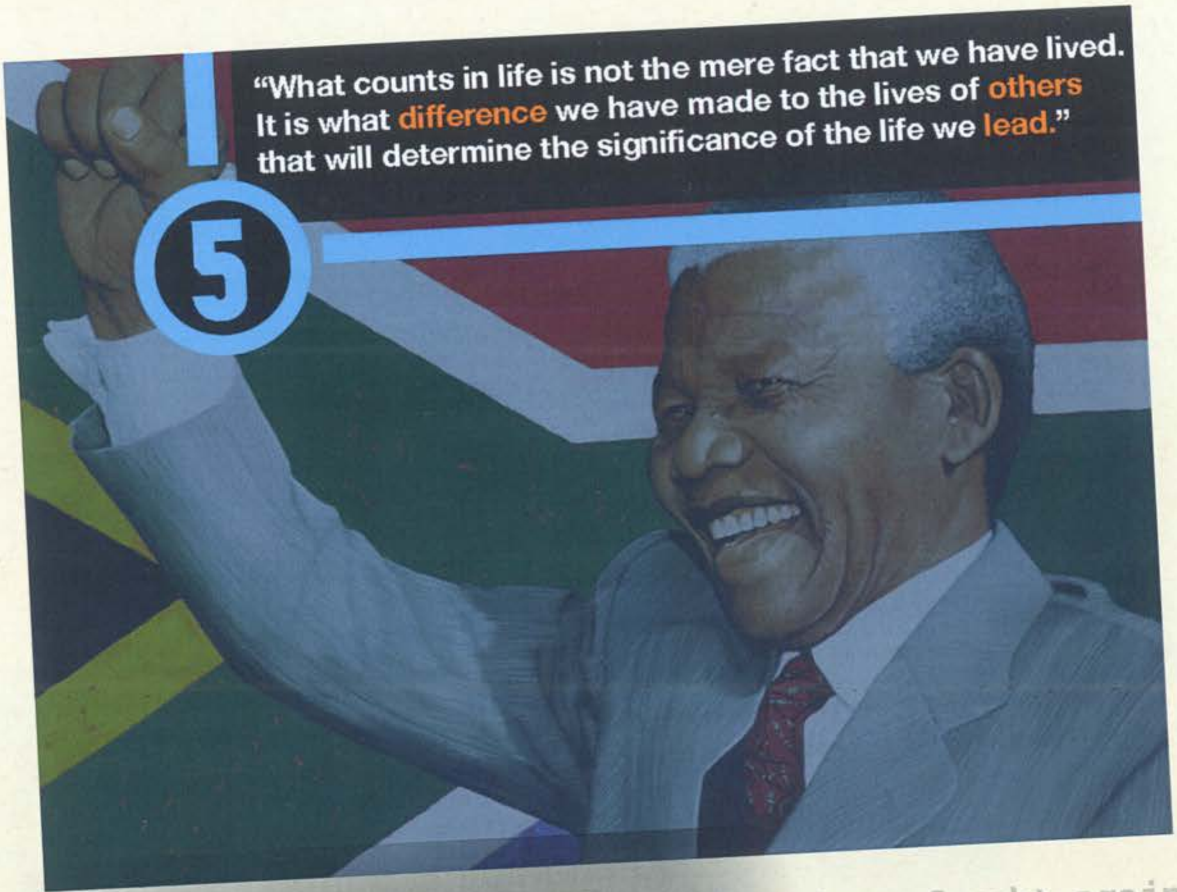
3

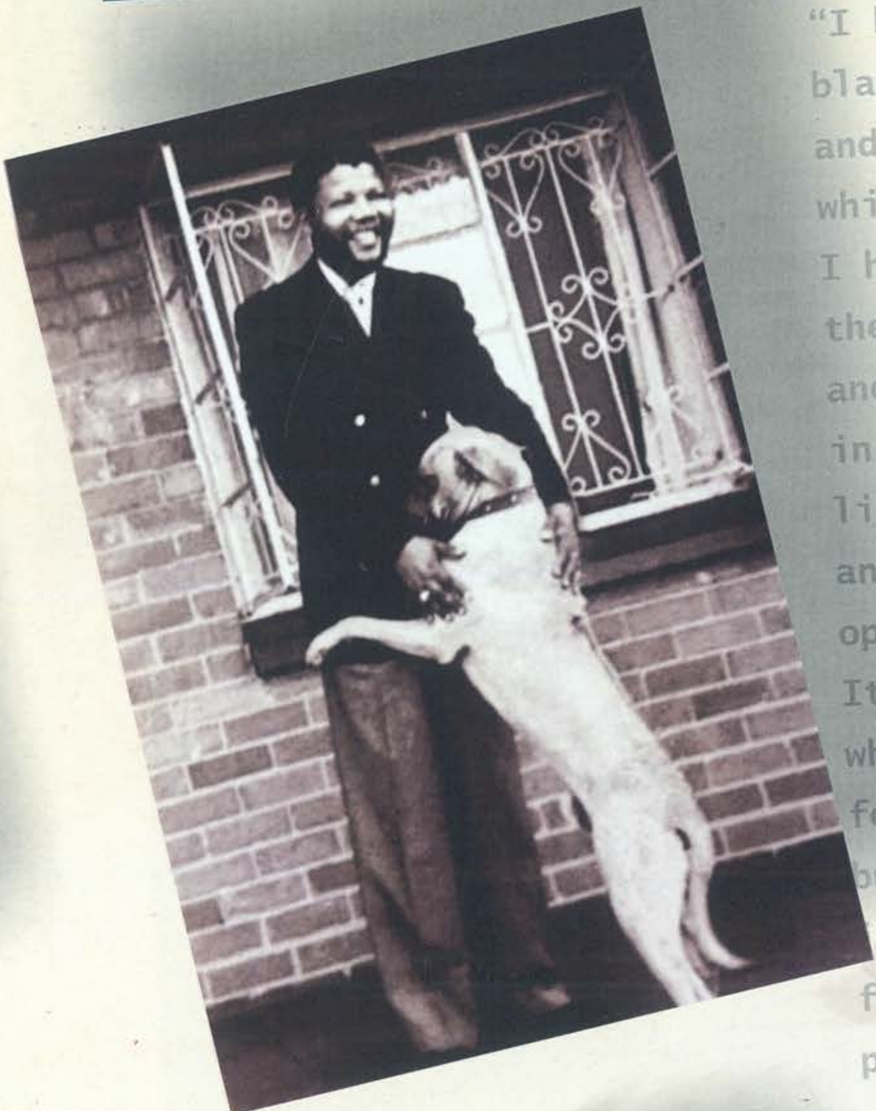
"**Long speeches**, the shaking of fists, the banging of tables and strongly worded resolutions out of touch with the objective conditions do not bring about mass action and can do a great deal of **harm** to the organization and the **struggle** we serve."


"Do not judge me by my successes, judge me by how many times I fell down and got back up again."


"Real leaders must be ready to sacrifice all for the freedom of their people."
4


"Action without vision is only passing time, vision without action is merely day dreaming, but vision with action can change the world."





"I have fought against
black domination
and I have fought against
white domination.
I have cherished
the ideal of a democratic
and free society
in which all persons
live together in harmony
and with equal
opportunities.
It is an ideal
which I hope to live
for and to achieve,
but if need be,
it is an ideal
for which I am
prepared to die."

Pictures: courtesy : www.bishfishpresentations.com

ADDENDUM 1:

EXECUTIVE SUMMARY - Minimum Services Benchmarking Exercise

The principle of the right to strike is Internationally recognised, although the right to strike is not set out explicitly in the International Labour Organizations (ILO) Conventions and Recommendations. It has been discussed on several occasions in the International Labour Conference during the course of preparatory work on instruments dealing with related topics, but for various reasons this has never given rise to International Standards (Conventions or Recommendations) directly governing the right to strike.

The ILO has determined that the right to strike can be derived from the right to Freedom of Association.

The ILO Committee does however recognises certain limitations on the right to strike such as not finding any objection to National Legislation that would prohibit the right to strike of armed or police forces. Both the Committee on Freedom of Association and the Committee of experts were also mindful, where Public Servants are concerned, that the recognition of the right to association of Public Servants in no way prejudges the question of the right of public servants to strike.

The ILO also makes provision for the establishment of Essential Services as to ensure the continuation of services were the interruption of such would endanger the life, personal safety or health of the whole or part of the population.

In this limitation it however holds that a "minimum safety service" may be imposed to ensure the safety of persons, the prevention of accidents and the safety of machinery and equipment

In our Constitution, the supreme law of the Country, the right to strike is enshrined and protected in Section 23 under the Bill of Rights.

The Constitution however allows enabling legislation, under specific circumstances, to limit a right listed in Section 23.

The Labour Relations Act (LRA) places a limitation on the right to strike, specifically providing that no person may take part in a strike if that person is engaged in an Essential Service.
Because the right to strike is so important, a limitation of this kind needs to be justified and, to be justified it needs, among other things, to be limited.

In Section 72 of the LRA provision is made for a minimum service within a designated Essential Service.
Therefore, the ambit of the designated Essential Service is shrunk to the minimum service and those employees who were denied the right to strike while the broader Essential Service designation was in place, but who fall outside the defined minimum service, regains the right to strike.
The concept of minimum services has however became a matter of regular discussion and debate. The concept of minimum services is not defined to the letter but it is regarded as the minimum service an industry or workplace would require as to ensure interruption of services would not endanger the life, personal safety or health of the whole or part of the population.

Our legislatures have also been grappling with the concept of essential and minimum services. They have developed a comprehensive set of amendments trying to address some of the concerns in the composition, powers and functions of the Essential Services Committee (ESC). It is debatable if these proposed amendments would bring forth the necessary change to address these concerns or just become a further bureaucratic hindrance and due to the extreme complexity may even pose a limitation on the right to strike.

There is also no differentiation made in the current Labour Legislation and the proposed amendments, between the Public Service and the Private Sector in application of the principle of essential and minimum services. Implementation of these principles in the public services has shown to be extremely challenging.

Part of the proposed amendments however makes provision for the specific inclusion of Government in the composition of the ESC. It is viewed by the drafters, that the introduction of Government nominees to be an innovation to ensure that government is adequately represented on the Essential Services Committee in its capacity as an employer, as a high proportion of essential service matters occur within the Public Service.

This may be viewed as contrary to International standards as the ILO makes clear provision for a differentiated interpretation of the right to freedom of association, the right to strike, essential services and minimum services for people performing functions in the name of the State (Public Servants).

The concept of Public Servant varies considerably from one country to another. Germany within their governance structure makes provision for a differentiation between Civil Servants and Public Servants and the labour rights the two groups may have. In France the military, police and prison services does not have the right to strike. In India Public Service employees have very limited organising and collective bargaining rights. In Brazil the police and the military do not have the right to strike and there are no legal provisions concerning the right to strike for Civil Servants.

This is in strong contrast with the South African model.

The South African Constitution and National Legislation does not allow for a differentiation in the application of labour legislation in the Public Service and the Private Sector.

The application of the principles of labour relations and more specifically that of the right to strike and the determination of Essential Services must differ in the public services from that of the private sector.

The public service is unique in that when workers engage in strike action it is not a purely defined labour process between an employer and employees but the public at large becomes a third player within the process. When Public Servants engage in industrial action they do not only deprive the community of certain rights, but indirectly deprive themselves from the same rights.

There has been a resistant fear to implement the provisions of minimum services within the designated Essential Services within the public service, mainly because of the challenges in conceptualization of the practical implementation of the same. The environment created by the LRA does not specifically provide for the unique circumstances of the public service.

The right to strike is a fundamental right for workers and therefore Public Servants won't forfeit such. There is a recognition that the State needs to deliver services which will necessitate the application of the principle of Essential Services. However the answer will be in how minimum services is determined within these Essential Services.

An answer that may not necessarily be contain ed within the Labour Relations Act.

PSCBC

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