

ANNUAL REPORT

14|15

POSITIONING | INFLUENCING

ADVANCING | CHANGING

RESOLUTION

WORK AGREEMENT FOR THE
EMPLOYEES HOU

OBJECTIVES

To introduce a Government Employees t
of PSCBC Resolution 4 of 2010, clause 3.
19 of PSCBC Resolution 1 of 2012;

1.2 To support, educate and advise employees
1.3 To enhance employees' access to affordable
1.4 To promote home ownership
1.5 To assist employees
1.6 To assist employees
1.7 To assist employees

finds the employer; and employees
are employed by the State; and
fall within the registered scope of the Cou

2.1.2

3. NOTING THAT

3.1 Chapter 2, section 26 of the Constitution of the Republic

Everyone has the right to have access to adequate

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1. Foreword: Chairperson

It is with honour that I present to you the 18th Annual Report of the Public Service Coordinating Bargaining Council (PSCBC) for the reporting period 1 April 2014 to 31 March 2015.

This edition reports on a critical period for the PSCBC and is characterized by important strides taken to realize the various objectives of Council's strategic plan for the 2014 -2017 cycle.

The PSCBC is strategically positioned to shape the future of labour and employment relations within the South African public service context. Therefore, in planning strategically, Council has attempted to meet these Labour Relations needs, but in addition has endeavoured to ensure that the objectives we have set for ourselves in the coming three years encompass and make provision for aligning with the changing face of labour relations beyond our borders, more especially Africa.

To lead a Council and witness its transformation through the impressive managing of strategic objectives by its stakeholders, is extremely rewarding, and I am compelled to encourage all parties to continue striving for excellence.

In presenting this Annual Report, I take advantage of this opportunity to convey very special thanks to Council members, the General Secretary and the staff of the PSCBC for their relentless dedication to the various projects and initiatives that were undertaken during the period under review.

Let's ensure that we keep the momentum and seek to always strive for excellence whilst keeping the bigger picture in sight, to realize our vision to be a Bargaining Council positioned to bring about change in the Labour Relations environment in Africa and globally, enabling the PSCBC to take its rightful place of leading Collective Bargaining and setting trends in Collective Labour Law.



Advocate Luvuyo Bono

2. Executive Summary: General Secretary

The year under review ended in a sombre and immensely sad moment, with the passing of Minsiter Collins Chabane, the Minister for Public Service and Administration. We also lost the lives of dedicated police officers, Lesiba Sekele and Lawrence Lentsoane in the same horrific tragedy in the early hours of Sunday morning, the 15th of March 2015.

In the new administration after elections last year, the late Minsiter Chabane was appointed Minister of Public Service and Administration.

His passion was to improve the functioning of frontline service departments and the performance of frontline staff who deal with the public directly. He had begun this work during his previous term as Minister for Monitoring and Evaluation in the Presidency.

He was optimistic that services would improve.

During the Council's strategic planning session in August 2014, he shared and held very specific views of what he believed the role of the PSCBC should be.

Amongst others he made the following comment;

Although the Public Service Co-ordinating Bargaining Council was established as a collective bargaining forum within the Public Service your role stretches beyond this. According to various legislative prescripts governing the Public Service Co-ordinating Bargaining Council, you are an independent organisation whose main objective is to maintain sound Labour Relations in the Public Service.

For this reason I regard you as a very strategic partner — as I also want to ensure that we achieve high levels of stability within the Public Service, while transforming it into an effective and capable service delivery instrument. However, I will not be able to do this on my own.

He was committed to achieve a better South Africa for all its Citizens, in this he believed that the Service Charter signed in the Council could be ideally used in motivating Public Servants to do better.

He concluded his address to the strategic planning session, with the following statement;

In conclusion, I commit that we will go back to basics — to do things simply, smartly and effectively. We will do so in order to stay in touch with our people. If we do this we will know what is happening on the ground and this will empower us to proactively and directly engage with our Citizens. Through doing this we will also find practical solutions to problems before they escalate. This, colleagues, will drive our project to reinvent the Public Service.

The Presidency bid him farewell with the following message;

A soldier has fallen. We must honour his memory by continuing the struggle for a better life for all especially the poor and the working class, for which he committed his entire life. Farewell freedom fighter, combatant, commissar, MK soldier, former political prisoner, a dedicated servant of the people, and accomplished musician, a husband, a father.

May his soul rest in peace.

The passing of Minister Chabane inadvertently delayed the process of concluding a Wage Agreement. At the time of writing up this summary, Parties were still engaging as to find an

amicable solution. Much progress has been made, but concessions would still be needed from both Parties as to conclude an Agreement.

As a Country we have witnessed several strikes, in various sectors, during the reporting period. As Council we are confident that both the employer and Trade Unions have learnt valuable lessons from these strikes. We are, therefore, positive that we can, and will reach an amicable solution.

In this report we will also report on the following;

Collective Bargaining:

- i. The signing of PSCBC, Resolution 1 of 2014: Agreement on the Transfer and Placement of Staff in the Reconfiguration of Departments;
- ii. PSCBC, Resolution 1 of 2015: Agreement on the Review and Impact of Existing Outsourcing and Agentisation Practices within the Public Service & Conducting an Independent Impact Study on the Principles of Decent Work;
- iii. The Pensions Redress program;
- iv. Capacity Building for parties to Council: Training on amendments to Labour Relations Act, Basic Conditions of Employment Act and Employment Equity Act; and
- v. Functioning of our Provincial Chambers

Dispute Management:

The state of dispute management within the PSCBC, focusing on the importance of establishing a process of enforcement of collective agreements, rather than the attempt at interpretation and application of these disputes. We will also publish a summary of the status of dispute management in Sectoral Councils.

Corporate Services:

The PSCBC recorded a net surplus of R9,935,052 for the 2014/2015 financial year. Council in the reporting period also approved a capital bond repayment amount of R5 million being made towards the Standard Bank bond facility and therefore reducing the bond repayment to 4 years from the initial 10 year period.

Management Services:

The report will reflect on various successful projects bolstering our social media and website awareness. Our commitment to social responsibility and a summary of the projects / events undertaken by Council, in this reporting period.

Overall this has been a very successful year for the Council. We have vastly achieved in various areas of our Vision, Mission and Strategic Objectives.

We now need to focus on the conclusion of the Wage Agreement and the concluding of negotiations on outstanding matters. We also need to prioritize the implementation of

Agreements reached and break the omen of a Council being able to sign Collective Agreements, but not implementing the same.

Adopting an Organizational Structure that will allow for Council to achieve this, is as important.

As Parties we need to remain humble to one another and acknowledge that the process we find ourselves in, is a process of equal standing. The success and effectiveness of Council will be as strong as our relationship.

Allow me in closing off this Executive Summary, to then acknowledge the Chairperson of Council, Advocate Luvuyo Bono, Vice Chairpersons, Mr M Phophi and Mr J Galorale, Executive Committee members and Council for their guidance, advice and support.

Especially recognizing the outgoing Vice-Chairpersons of both Labour and the Employer. Your support, your guidance and your commitment to myself and to Council, was of immeasurable value. I stand indebted to you for what we have achieved.

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 thankful to our staff that have sometimes under extreme pressure and with limited resources managed to excel in performance. I really appreciate and value every one of them.



Frikkie De Bruin

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) as amended. 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

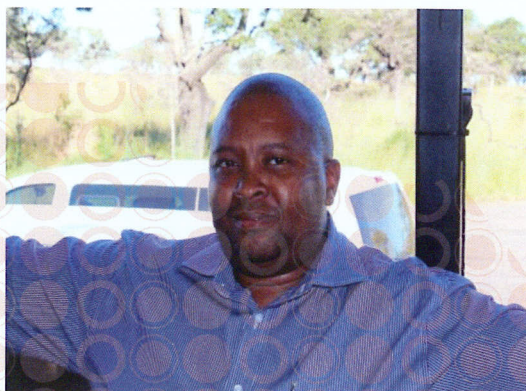
The powers and duties of the Council are to:

- (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; Clause 5 of the Constitution;
- (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;

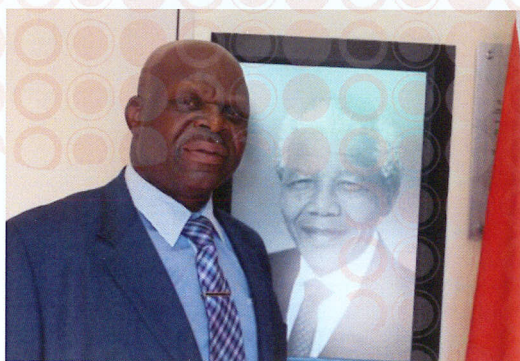
- (j) co-ordinate, among the Sectoral Councils, and between such Councils and the Council, the functions and operations of such Councils, including those related to collective bargaining and administration;
- (k) determine, in consultation with Sectoral Councils, appropriate standards of financial control 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 Resource 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)

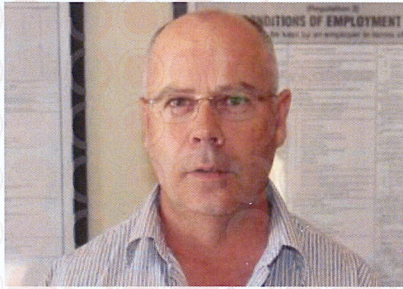


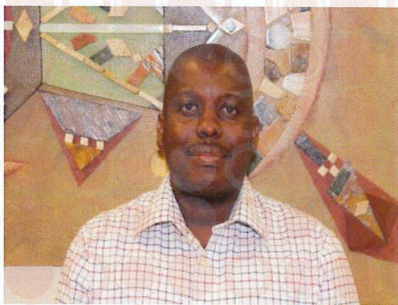
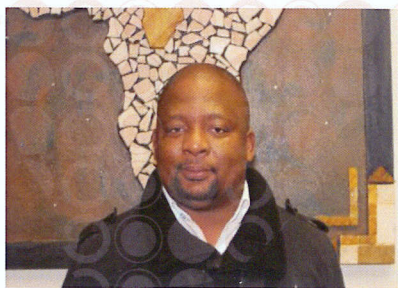
Frikkie de Bruin (General Secretary)

5. Executive Committee (EXCO)

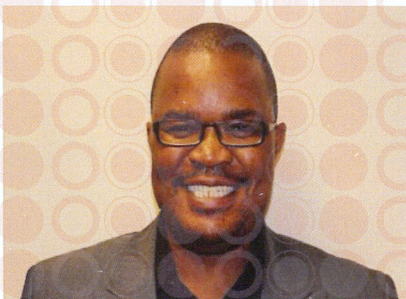
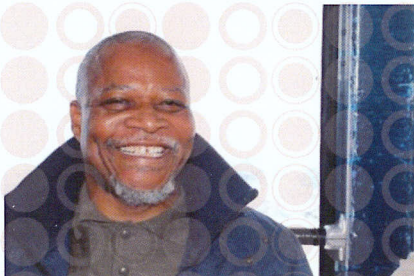
In carrying out its mandate, the Council is assisted by the Executive Committee and the Finance Committee. The following members served on the Executive Committee:

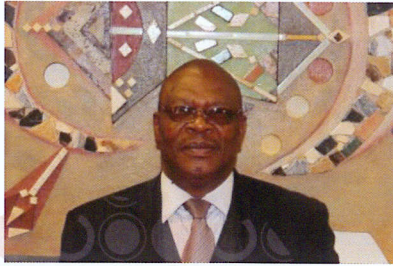
Labour

MEMBER	ORGANISATION	
L Gilbert	Public Servants Association of South Africa (PSA)	
J Kungwane	Police & Prisons Civil Rights Union (POPCRU)	
D Mavuso	National Education, Health and Allied Workers' Union (NEHAWU)	
K Sodidi	Democratic Nursing Organisation of South Africa (DENOSA)	

ALTERNATE	ORGANISATION	
H Hendriks	National Professional Teachers' Organisation of South Africa (NAPTOSA)	
P Masemola	Police & Prisons Civil Rights Union (POPCRU)	
Moralo	National Education, Health and Allied Workers' Union (NEHAWU)	
P Ndala	South African Medical Association (SAMA)	

Employer

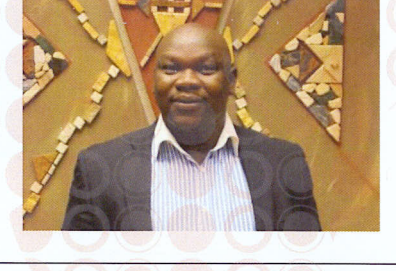
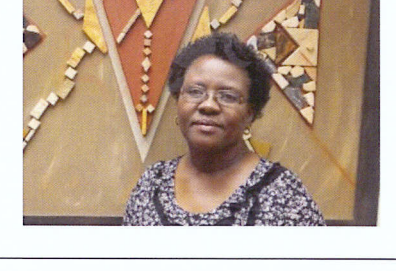
MEMBER	ORGANISATION	
M Ntshikila	Department for Public Service & Administration (DPSA)	
M Mntuyedwa	Department of Social Development (DSD)	
W Kutumela	Department of Basic Education (DBE)	
L Machakela	South African Police Service (SAPS)	

ALTERNATE	ORGANISATION	
T Siko	Department for Public Service & Administration (DPSA)	
M Ngake	Department of Health (DOH)	
J Slater	Department of Higher Education & Training (DHET)	
H Collins	South African Police Service (SAPS)	

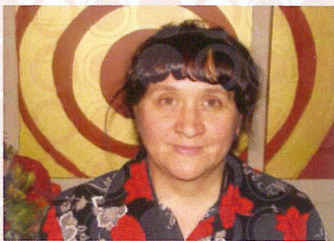
Finance Committee (FINCOM)

The Finance Committee comprises the following representatives:

Labour

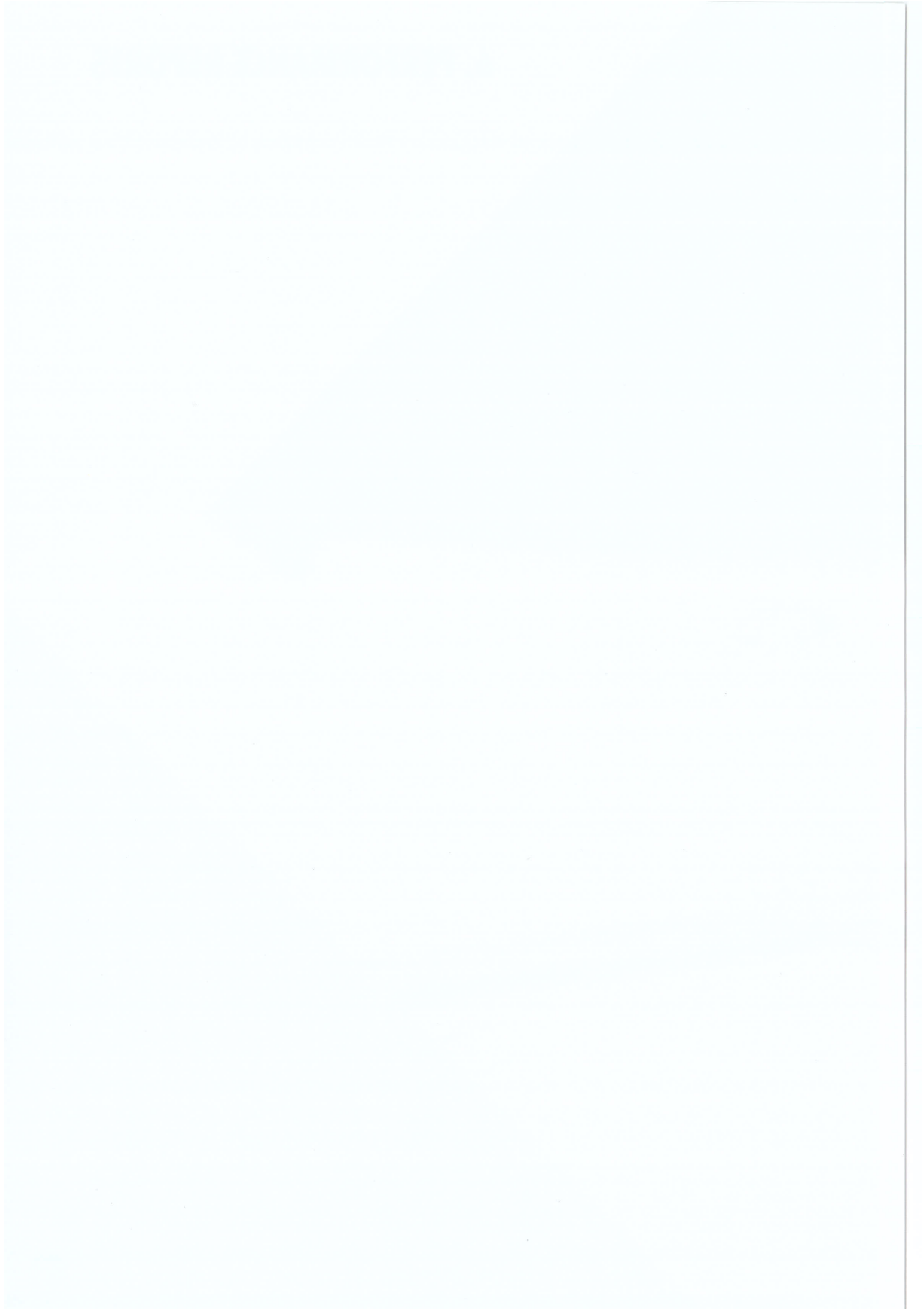
MEMBER	ORGANISATION	
M Galorale	South African Democratic Teachers' Union (SADTU)	
T Moralo	National Education, Health and Allied Workers' Union (NEHAWU)	
Kungwane	Police & Prisons Civil Rights Union (POPCRU)	
D Madiba	South African Medical Association (SAMA)	
L Motshwane	South African Democratic Teachers' Union (SADTU)	

Employer

MEMBER	ORGANISATION	
M Phophi	Office of Premier - Limpopo	
H Brynard	Department for Public Service & Administration (DPSA)	
D Cornelissen	Department for Public Service & Administration (DPSA)	
F Van Vuuren	Department for Public Service & Administration (DPSA)	

6. PERFORMANCE REPORTS

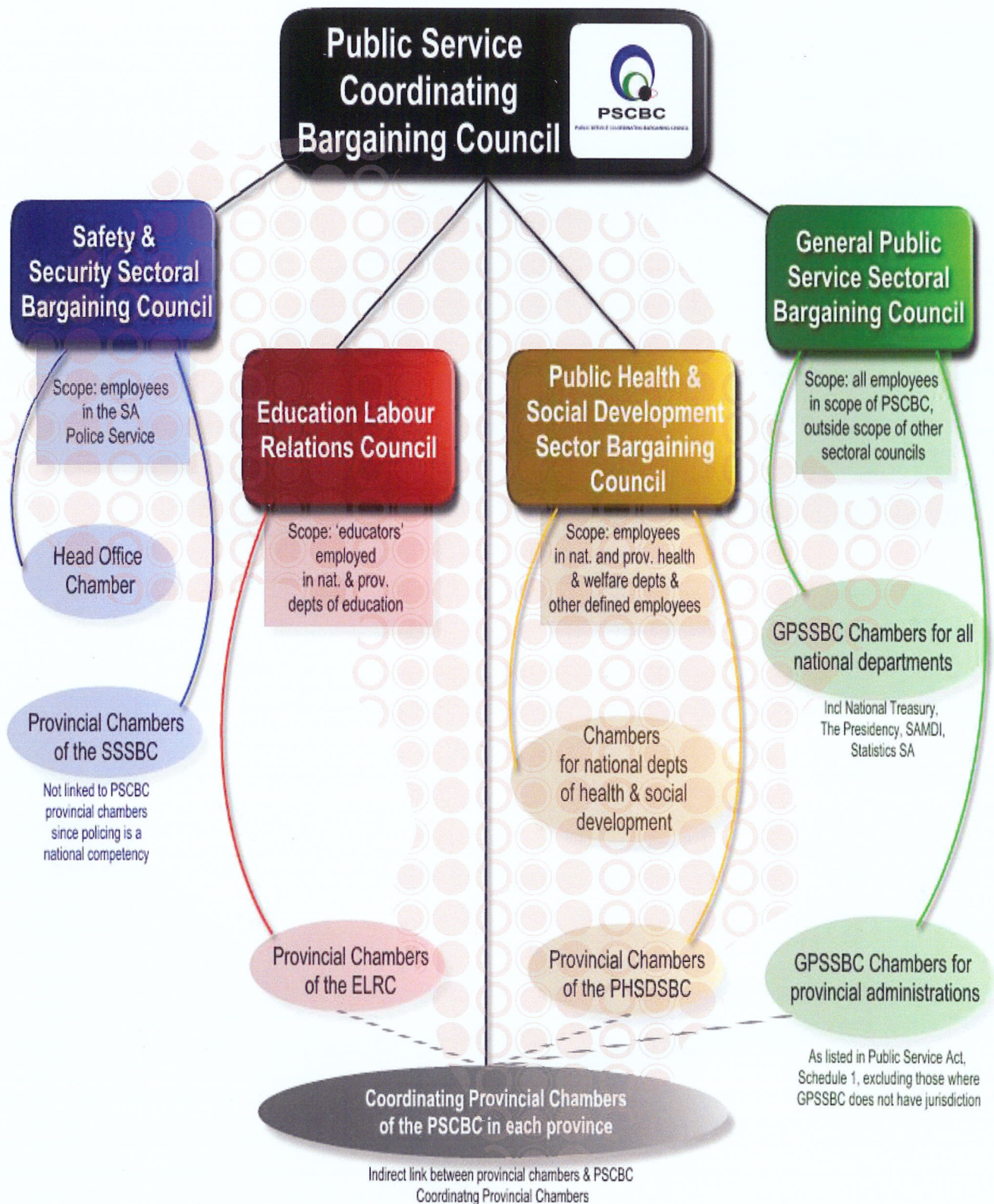




PROGRAMME 1: COLLECTIVE BARGAINING



Collective Bargaining System for PSCBC and Sectoral Bargaining Councils:



Overview

Negotiations Support Services (NSS) is a core component of the PSCBC which is key in ensuring that Council achieves its Strategic Objectives. It offers support to the Council and its various structures – Executive Committee (EXCO), Task Teams/Committees, and Provincial Chambers - to create an effective forum for collective bargaining processes to unfold. All support, administrative, research, and coordination processes for Collective Bargaining are managed by the negotiations support unit.

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.

EXCO needs to, amongst others, 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 year under review, 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 and come up with findings and recommendations in terms of the research conducted.

The NSS 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.

The reporting period is characterized by several important accomplishments for NSS. The PSCBC Strategic Planning Session held in August 2014 set the tone for NSS to make every effort to strengthen its various support functions with a view to better serve the Council, Provincial Chambers, Committees, Task Teams and the public at large.

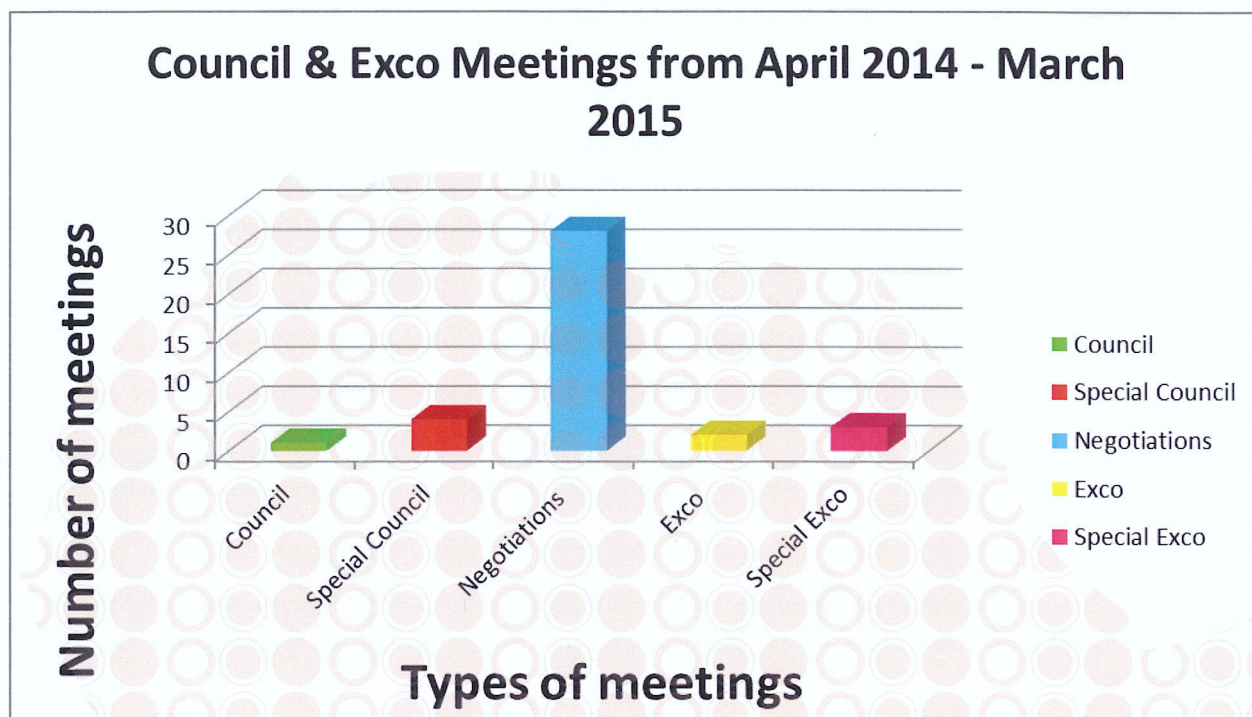
During the period under review the greatest challenge was the high staff turnover and eventual staff shortage in the unit. The on-going Pensions Redress Programme, and the Wage Negotiations were especially challenging due to the staff shortage. Despite this the Secretariat endeavored to become service driven to fulfill council's mandate.

The report highlights the work done by the negotiations support unit for the period under review

Meetings

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

The graph below illustrates the number of meetings held during the period under review:



Resolutions 2014/15

The following Resolutions were concluded during the period under review:

Resolution 1 of 2014: *Agreement on the Transfer and Placement of Staff in the Reconfiguration of Departments.* Council concluded the Agreement as guiding principles to Departments due to the changes and configuration of National Executive and Departments as it was announced by the State President on the 25th May 2014. Section 97 of the South African Constitution provides that by Proclamation the President may transfer to a member of Cabinet the administration of legislation entrusted to another member; Section 7(5) of the Public Service Act provides that the President may by proclamation in the Gazette on the advice of the Minister for Public Service and Administration amend Schedule 1 so as to establish or abolish any National Department; and Section (3)(4)(b) of the Public Service Act allows the Minister of Public Service and Administration, after consultation with the relevant executive authority or executive authorities, as the case may be, to make determinations regarding the allocation of any function to national departments, or the transfer of any function from one National Department to another.

The objectives of this Agreement is (i) To give effect to the changes and configuration of the National Executive and Departments as announced by the State President on the 25th May 2014. (ii) Ensure alignment between the announced Cabinet portfolios and the administrative structures in support of Ministers responsible for such portfolios. (iii) To provide guidelines on the transfer and placement of staff in a transparent, fair and inclusive process that allows meaningful participation of all stakeholders

Resolution 1 of 2015: Agreement on the Review and Impact of Existing Outsourcing and Agentisation Practices within the Public Service & Conducting an Independent Impact Study on the Principles of Decent Work: Council concluded Resolution 1 of 2015 based on what was agreed to at the Public Service Summit in 2010, to review the impact of existing outsourcing and agentisation in the Public Service. PSCBC Resolution 1 of 2012 reconfirmed Council's commitment on the matter. In giving effect to Resolution 1 of 2012 the Council further agreed to conduct an independent impact study on the principle of decent work by establishing a joint venture with the International Labour Organisation (ILO).

The objectives of this agreement is (i) to give effect to the provisions of the Public Service Summit in reviewing the impact of the existing outsourcing and agentisation practices (ii) to give effect to clause 11 of Resolution 1 of 2012, to conduct an independent study on the principles of decent work.

Negotiations on Salaries and Improvement of Conditions of Service, and outstanding issues

Pre-negotiations Phase

Council agreed to a pre-negotiations process, with the aim of resolving technical issues before the actual process of negotiations would begin. In previous negotiations it was found that technical matters had the tendency of slowing down and thus hindering substantial progress of the negotiations process. The pre-negotiations phase was intended to eradicate the aforementioned drawback.

One of the more important matters deliberated on during the pre-negotiations phase was the Consumer Price Index (CPI). Parties agreed that since the CPI, when negotiations had commenced, was projected to be at 5.8%, it should be used as a baseline figure from which negotiations would begin for the 2014/15 salary negotiations phase.

Labour Demands

Labour tabled their demands on 30 September 2014. The demands in brief were:

- All outstanding matters emanating from previous Resolutions are to be addressed and resolved.
- An overall salary increase of 15% percent across the board.
- Single term (one year) Agreement
- In the absence of the conclusion of a Government Employees Housing Scheme (GEHS) agreement, the Housing Allowance must increase from R900 to R3000 per month.
- Government Employees Medical Aid Scheme, an increase of 28.5% for both GEMS and Open Scheme members. This must be effective from the 1st January 2015, with the increase to be adjusted on an annual basis based on the average medical aid inflation of the previous year.
- Equalization of subsidies in respect of Open Medical Aid Schemes
- Family Responsibility Leave to include immediate family members and parents-in-law
- 6 months paid Maternity Leave, and 2 weeks paid Paternity leave
- Salary levels 1 to 3 to be compressed and level 4 to be an entry level into the public service
- The State must develop a Bursary Scheme for public service employees' children
- Effective from 1 January 2016, Employees are to be given the right to choose which month of the year their 13th cheque should be paid to them
- 10 days Special Leave for employees who have children with special needs

- Recognition of Prior Learning (RPL) to be used as criteria for qualifying categories of Employees to be brought to a desired entry salary level.

Employer's Response to Labour's Demands

The Employer responded to Labour's demands on 10 December 2014, with a multi-year salary adjustment, with an increment based on the average projected CPI of 5,8% for the period 1 April 2015 to 31 March 2016, and other conditions of service and benefits like, Family Responsibility Leave, medical assistance, payment of 13th cheque and Recognition of Prior Learning. Labour rejected the Employer's offer.

The proposed salary adjustments by the Employer were as follows:

A multi-year salary adjustment and improvements to conditions of service for employees for the period 2015/16 to 2017/18.

▪ **Salary Adjustments**

The salary adjustment effective from 1 April 2015 will be based on the average projected CPI (4,8%) for the period 1 April 2015 to 31 March 2016, plus 1%.

The salary adjustment effective from 1 April 2016 will be based on the average projected CPI for the period 1 April 2016 to 31 March 2017, plus 0.5%.

The salary adjustment effective from 1 April 2017 will be based on the average projected CPI for the period 1 April 2017 to 31 March 2018, plus 0.5%.

The forecasts of National Treasury shall be used to determine the average projected CPI.

If the actual average for a period is higher than the projected average, the difference shall be added to the adjustment for the following year.

If the actual average for a period is lower than the projected average, the difference shall be deducted from the adjustment for the following year.

▪ **Family Responsibility Leave**

Introduction of five (5) working days Family Responsibility Leave with effect from the date of signing of the agreement for parents with children who have severe special needs.

An application for Family Responsibility Leave should be supported by reasonable proof to demonstrate the severe special needs of the employee's child.

If an employee has utilised all his/her Family Responsibility Leave, and wishes to extend the leave, s/he may, subject to the approval of the Head of Department, apply for-

- ✓ Available annual leave; and/or
- ✓ Up to 184 days of unpaid leave.

▪ **Paternity Leave**

Introduction of three (3) working days Paternity Leave with effect from the date of signing of the agreement.

An application for paternity leave should be supported by reasonable proof.

▪ **Medical Assistance (In-Service Employee)**

Medical assistance for In-Service Employees on Open Medical Schemes is retained on the current dispensation of 66.67% of the employee's total contribution subject to a maximum of R1,014-00 per month.

Medical assistance for in-service employees on the Government Employees Medical Scheme (GEMS) is retained on the current dispensation of 75% of the employee's total contribution, subject to -

- ✓ A monthly subsidy cap of R847-00 per principal member and the first dependant and R517-00 per each additional dependant; and
- ✓ A maximum subsidy of R3,245-00.

The adjustment of the Medical Subsidy for in-service employees on GEMS shall be implemented for March 2012 to March 2014 based on the aggregate CPI of the respective years effective from January 2015 or date of signature.

▪ **Medical Assistance (Former Employees)**

This clause introduces a new post-retirement medical assistance dispensation for all former employees on GEMS and those on Open Medical Schemes.

The medical assistance for former employees is aligned with the GEMS dispensation on the basis of 75% of total monthly contributions, subject to –

- ✓ A monthly subsidy cap of R847-00 per principal member (M); and
- ✓ A maximum subsidy of R1,694-00 applicable to a principal member plus one dependant (M+1).

The new post-retirement medical assistance dispensation shall be accessible to all former employees on GEMS and those on Open Medical Schemes.

The adjustment of the medical subsidy for all former employees shall be implemented for March 2012 to March 2014 based on the aggregate CPI of the respective years effective from January 2015 or date of signature.

The new post-retirement medical assistance dispensation for all former employees shall be as follows:

The new post-retirement medical assistance dispensation shall be limited to a Principal Member plus one dependant (M+1).

All employees on salary levels 1-5 who retire on the GEMS Sapphire option shall continue to receive the free (100%) medical subsidy to the maximum of M+1, provided the subsidy amount does not exceed the former employee's and the dependent's total monthly contribution to GEMS.

All former employees on salary levels 1-5 who retire on the GEMS Sapphire option without dependants shall continue to receive the free medical subsidy for a principal member only, provided the subsidy amount does not exceed the former employee's total monthly contribution to GEMS.

All other former employees on GEMS Sapphire option who retired on salary levels 6-10 shall receive medical assistance referred to 5.2.2 above limited to M+1.

Existing medical subsidy thresholds for all former employees without dependants will be protected on the basis of the "no worse-off" principle, provided the new subsidy amount does not exceed the former employee's total monthly contribution to GEMS or to any other medical scheme as at 31 December 2014.

▪ **Future Medical Subsidy Adjustments**

The first annual adjustment and alignment of Medical Subsidy shall come into effect on 1 January 2015 or date of signature.

The future adjustment of Medical Assistance for in-service employees on GEMS and all former employees on all Medical Schemes shall be in line with the average CPI of the preceding 12 months ending in October of the current year for implementation in January of the following year.

▪ **Payment of the 13th Cheque / Service Bonus**

All employees will be required to make a once-off election on the date of payment of the 13th cheque / service bonus by 28 February 2015.

The new payment dates will be effected in the 2015/16 financial year.

For employees who do not make an election, the current arrangement shall continue.

All new employees shall on the date of appointment make a once-off election on the date of payment of the 13th cheque / service bonus.

▪ **Recognition of Prior Learning (RPL)**

The Employer recognises the principle of prior learning as contained in the SAQA National Policy for the Implementation of the Recognition of Prior Learning.

The Employer will develop a policy for the Public Service to be tabled at the PSCBC for consultation.

On 27 March 2015, the Employer proposed a mediation process, and Labour indicated that they will revert to Council on the proposed process after consultation with their principals. The Employer indicated that, the offer on the table was final and since they cannot find each other on the matter they will be declaring a dispute.

Negotiations on Outstanding Matters

Council agreed to a series of meetings as to engage in an attempt to resolve outstanding matters from previous Collective Agreements. This resulted in a number of meetings over the ensuing two to three months and substantial progress was made as to finalise these matters.

Herewith a summary on the progress made:

- ***Review of the Impact of Outsourcing and Decent Work in the Public Service***

An agreement has been signed on the matter. Resolution 1 of 2015.

- ***Review of Danger Allowance***

An agreement on the matter is circulating for signatures.

The following outstanding matters are still under discussion and a progress report is as follows:

- ***Government Employees Housing Scheme (GEHS)***

Parties agreed to introduce a GEHS in terms of clause 4.2 of PSCBC Resolution 4 of 2010, clause 3.3 of PSCBC Resolution 2 of 2011 and clause 19 of PSCBC Resolution 1 of 2012; the scheme has the following objectives;

To support, educate and advise employees on housing options and opportunities;
To enhance Public Service Employees' access to affordable housing;
To promote home ownership and facilitate asset security among public service employees;
To assist Public Service Employees to access affordable housing loans and finance;
To assist employees to rent houses with a view to buy and own homes; and
To provide transitional arrangements towards the GEHS.

Substantial progress has been made in finalising the framework for establishment of the scheme. The status of the current homeowners allowance and the date of implementation of the new scheme is two of the more important issues that Parties are still deliberating on.

- ***Minimum Service Level Agreement for the Public Service***

The following are the positions of the parties:

Labour- requested more time to consult on this matter and as such requested the matter to remain on the agenda.

Employer- Indicated that the matter must be escalated to the level of Principals.

- ***The review of Resolution 3 of 2009, the salary structure and career pathing for non-OSD employees and the remuneration policy of the Public Service***

Parties agreed to engage on the Policy in a Consultative Workshop in 2015.

- ***Remuneration of educators to receive priority attention within the review process***

Labour tabled their proposal on the matter. The Employer is seeking a mandate. (See the attached draft agreement)

- ***The review of the PMDS for Public Servants:***

The Employer has tabled a diagnostic report on this matter and will be tabling a draft Policy for consultation.

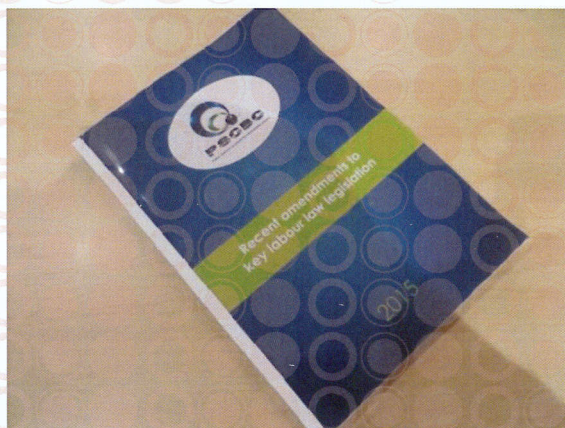
Labour submitted their inputs on the matter.

Negotiations were on-going during the reporting period and is envisaged to be finalised in the next financial year.



Capacity Building for Parties to Council: Training on Amendments to Labour Relations Act, Basic Conditions of Employment Act and Employment Equity Act

In terms of Section 84(2)(a) of the Constitution of the Republic of South Africa, 1996, the President assented to the Labour Relations Amendment Act of 2014. Council agreed to roll out a training programme on the Amendments to the Labour Relations Act, Employment Equity Act and the Basic Conditions of Employment Act as amended. Breakeven59 (pty) Ltd was appointed to facilitate the training in the nine (9) provinces and for National Departments. One day training sessions were conducted in the provinces and national departments. The training was a success and well attended.



Pensions Redress Programme

The Pensions Redress Programme is at an advanced stage in terms of implementing the decision of Council. The Government Pension Administration Agency (GPAA) undertook and completed the process of verifying applications. Thereafter GPAA embarked on a process of communicating with applicants who had not submitted adequate documentation to support their application. At the time of going to print the PSCBC was also undertaking a process of auditing applications to ensure that due process was followed in verifying qualifying beneficiaries.

The PSCBC will draft a final Resolution based on the qualifying categories once the final auditing and costing processes are concluded. Pensions benefits for applicants who have already exited the service will be recalculated and the members will be duly compensated. Additional years of service will be recognized for those Employees who are still in service. It is envisaged that the programme will be finalized in the next financial year.



Provincial Co-ordinating Chambers of the PSCBC

Background

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

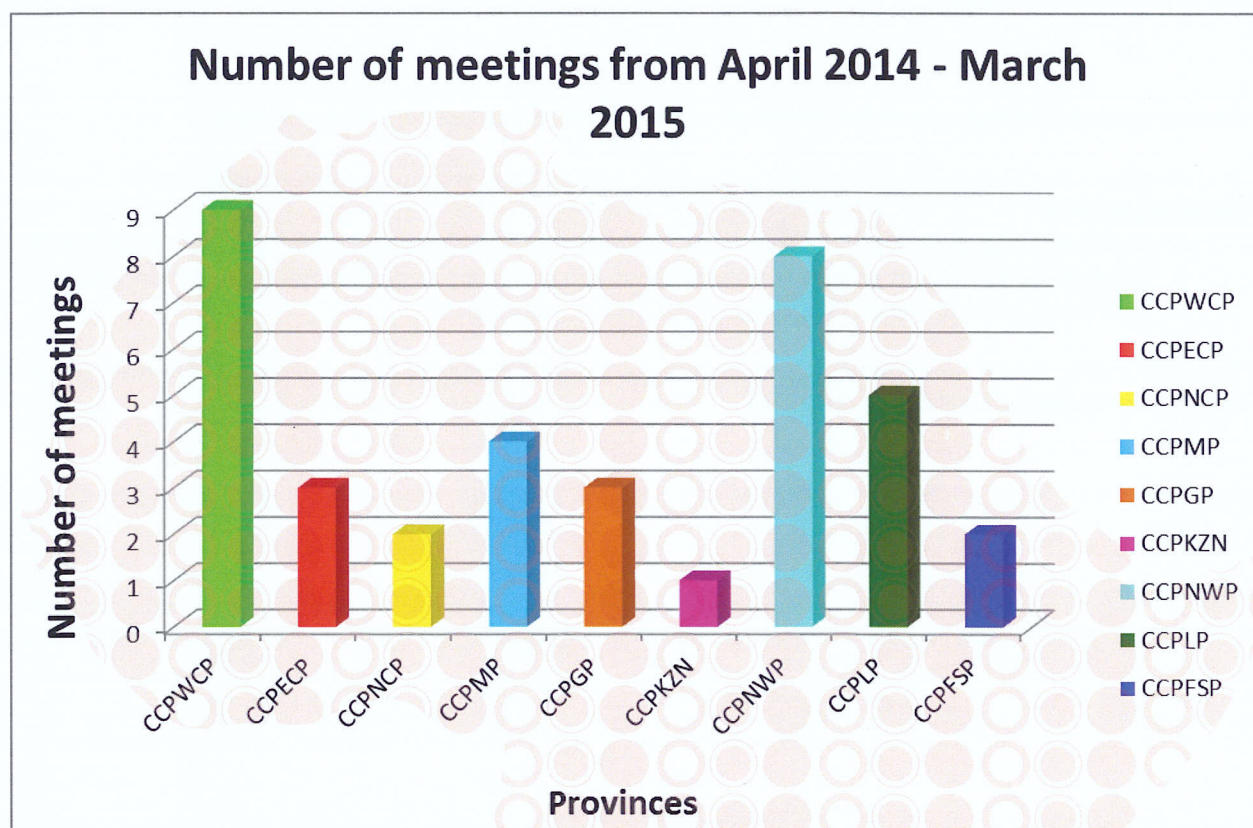
The PSCBC provides Secretariat services to all Provinces except the Free State and Limpopo, which are serviced by the Employer representative in the respective provinces.

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

Figure: A

Province	Management Committee Members
Gauteng	Chairperson: Maki Daku (Labour) Vice-Chairperson: S Masekela (Employer) Vice- Chairperson: Vacant (Labour) PSCBC Secretariat (Vacant)
North West	Chairperson: M Mayinganya Vice-Chairperson: W Gaelisiwe (Employer) Vice- Chairperson: Vacant (Labour) PSCBC Secretariat (Vacant)
Western Cape	Chairperson: D Jacobs Vice-Chairperson: S Faker (Employer) Vice- Chairperson: Vacant (Labour) PSCBC Secretariat (Vacant)
Eastern Cape	Chairperson: D Jaxa (Employer) Vice-Chairperson: vacant (Employer) Vice- Chairperson: T Koya (Labour) PSCBC Secretariat (Vacant)
Northern-Cape	Chairperson: K Motebe Vice-Chairperson: T Ntsheno (Employer) Vice- Chairperson: W Koopman (Labour) PSCBC Secretariat (Vacant)
Kwazulu-Natal	Chairperson: A Van Schalkwyk (Labour) Vice-Chairperson: Vice- Chairperson: C Lekgoathi (Labour) PSCBC Secretariat (Vacant)
Mpumalanga	Chairperson: S Monareng Vice-Chairperson: Vacant (Employer) Vice- Chairperson: M Khumalo (Labour). PSCBC Secretariat (Vacant)
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 graph below illustrates the number of meetings held at various Provincial Chambers.



Agenda Matters under discussion for Provincial Chambers

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

- Policy on Recruitment & Selection
 - KZN
 - NC
 - GP
 - MP
- Information & Technology
 - WC
 - NW
- Overtime
 - WC
 - FS
- Pension – Restructuring
 - LP
 - EC
 -

- Upgrading of Clerks
 - KZN
 - MP
- Pensions Redress
 - EC
 - FS

An operational planning session for Chambers will be conducted in the next Financial Year.

It is envisaged that Collective Bargaining in the new financial year will yield more positive results due to the following factors:

- Increased levy contribution to ensure the maintenance of collective bargaining in the Public Service
- Capacity building to be offered to Council members as per the draft Strategic Planning document
- Outcomes of the Strategic Planning Session held in August 2014

This NSS unit is poised for yielding more successes in the next Financial Year and truly committed to giving effect to the vision and mission of the PSCBC.



PROGRAMME 2: DISPUTE RESOLUTION MANAGEMENT



RESOLUTION 68 OF 2015

RESOLUTION 5 OF 2015 FOR THE REGULATION OF THE EMPLOYMENT OF PERSONNEL IN THE PUBLIC SERVICE FOR THE PERIOD 2015/16 TO 2017/18

of clause 3 of PSCBO Resolution 5 of 2015
of employees for the period 2015/16 to 2017/18

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3.1 NOTING
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Overview

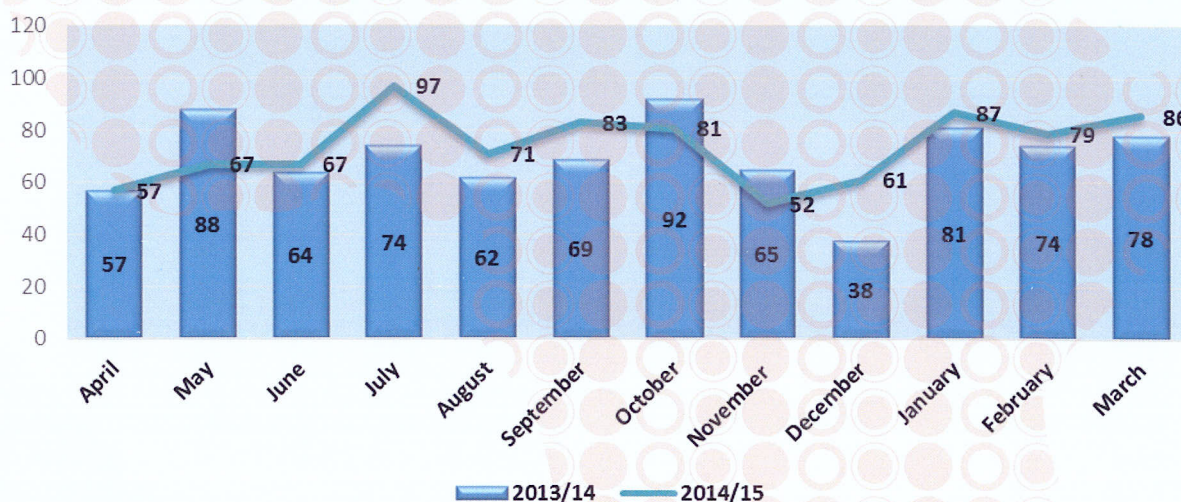
The report provides an overview of Dispute Resolution processes from the initial referral stage to the conclusion of the Arbitration Awards within the Public Service Co-ordinating Bargaining Council (PSCBC) during the period under review in compliance with the legislative mandate of performing Dispute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

Statistics¹

1. Number of referrals received

There has been an increase of 5% in the caseload during the period under review when compared to the previous Financial Year 2013/2014. A total number of 888 referrals were received in the period under review when compared to a total number of 842 referrals in the previous year (2013/2014).

Figure 1: Referrals by month

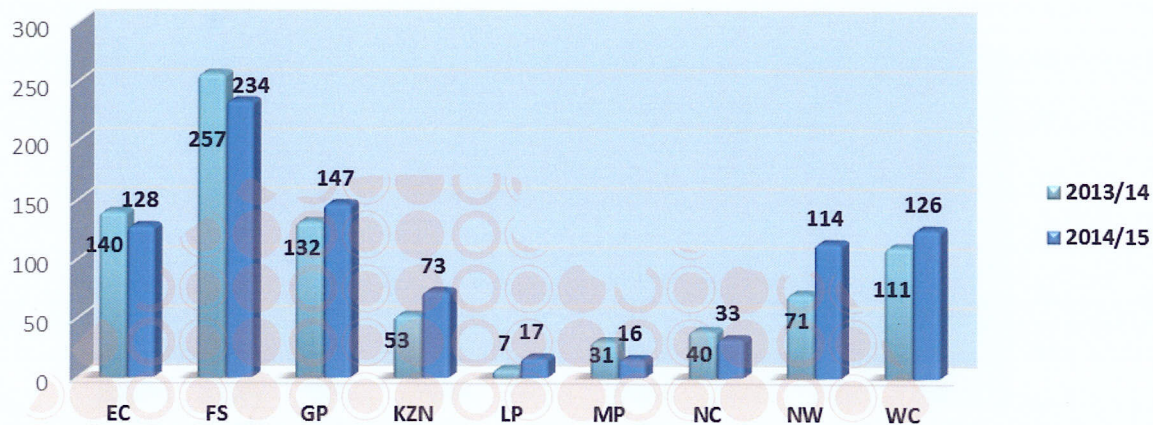


1.1 A breakdown of cases referred by Provinces/Regions

The Free State Province accounts for the highest number of referrals (234), followed by Gauteng Province with 147. The Mpumalanga province, Limpopo and the Northern Cape province remain the least referring Provinces. The graph shows a significant referral rate increase in the Kwa-Zulu Natal province, North West and the Western Cape provinces with a slight referral rate decrease in the Eastern Cape, Free State and Mpumalanga provinces.

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

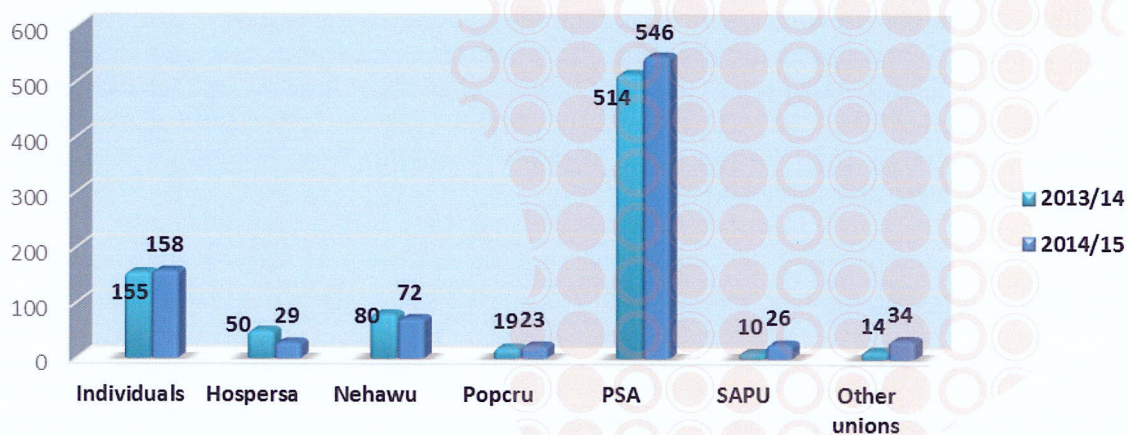
Figure 2: Referrals by Provinces



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 decrease in the number of referrals by Hospersa and a rate increase in the number of referrals by SAPU and other Unions combined when compared with the previous Financial Year (2013/2014).

Figure 3: Referrals by Individuals/unions

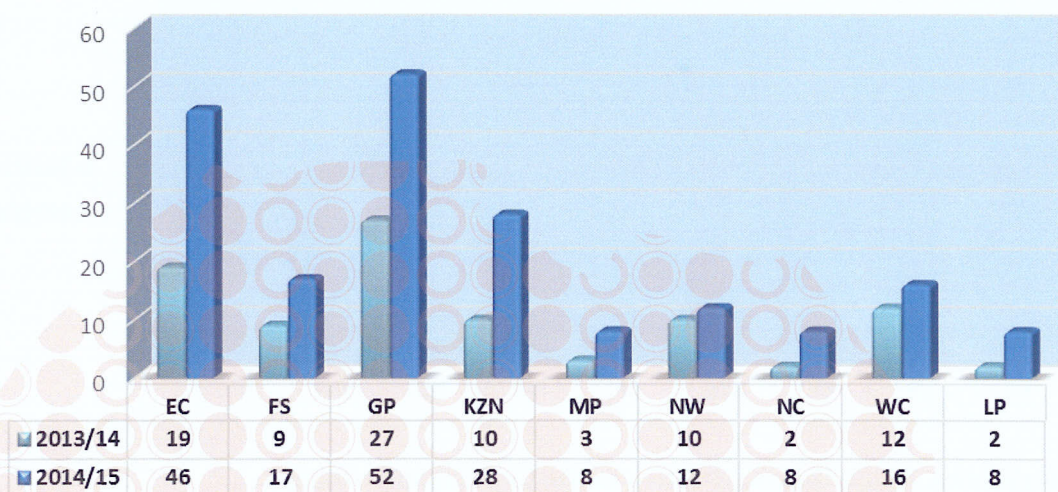


1.3 Out of jurisdiction referred cases²

Out of the 888 referrals received, 22% of the referred cases were screened out of jurisdiction prior to any process and 16% in the previous Financial Year. It is worth mentioning that The CMS has been configured to classify disputes that are not properly referred³ as out of jurisdiction. Eleven 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.

Figure 4: Referrals out of Jurisdiction



1.4 Disputes referred to Conciliation by issue

The Disputes referred in terms of Resolution 14 of 2002 constituted 33% of the caseload⁴ in comparison to 42% in the previous year. The Disputes relating to Resolution 7 of 2000 read with Resolution 5 of 2001 accounted for 18%, similar to the previous year.⁵ The disputes relating to remuneration and benefits in terms of Resolution 3 of 1999 account for 6% of the caseload⁶ and 3% in comparison to the previous year. The disputes relating to Resolution 2 of 2004 read with Resolution 1 of 2007 accounted for 8% and 6% when compared with the same period in the previous year.⁷ The disputes relating to the Resolution 1 of 2003 is the same at 7% when compared to the previous period of 2013/14.⁸ The disputes relating to Resolution 3 of 2009 accounted for 8% and 4% in the previous period. Various other disputes emanating from Resolution 9 of 2001, 4 of 2010 and 1 of 2012 were also referred.

Figure 5: Referrals by Issue

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.

⁴Non-adherence to grievance time frames

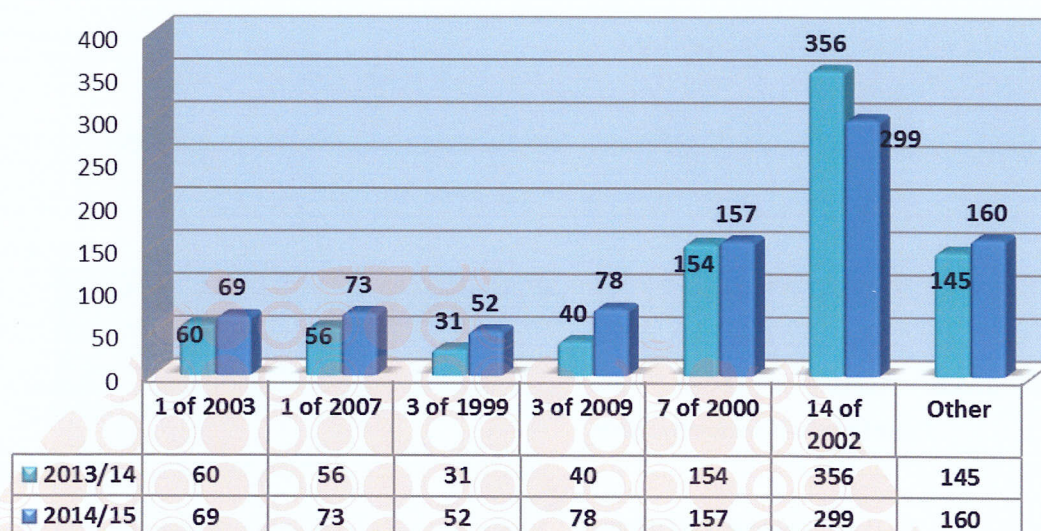
⁵ Leave provisions

⁶ Various issues including job evaluation, overtime, resettlement allowance, qualification bonus, housing allowance

⁷ Provision on overtime and benefits for contract workers

⁸Non-adherence to the disciplinary code and procedure

⁹ Disputes relating salary level structure



1.5 Issues referred by Provinces

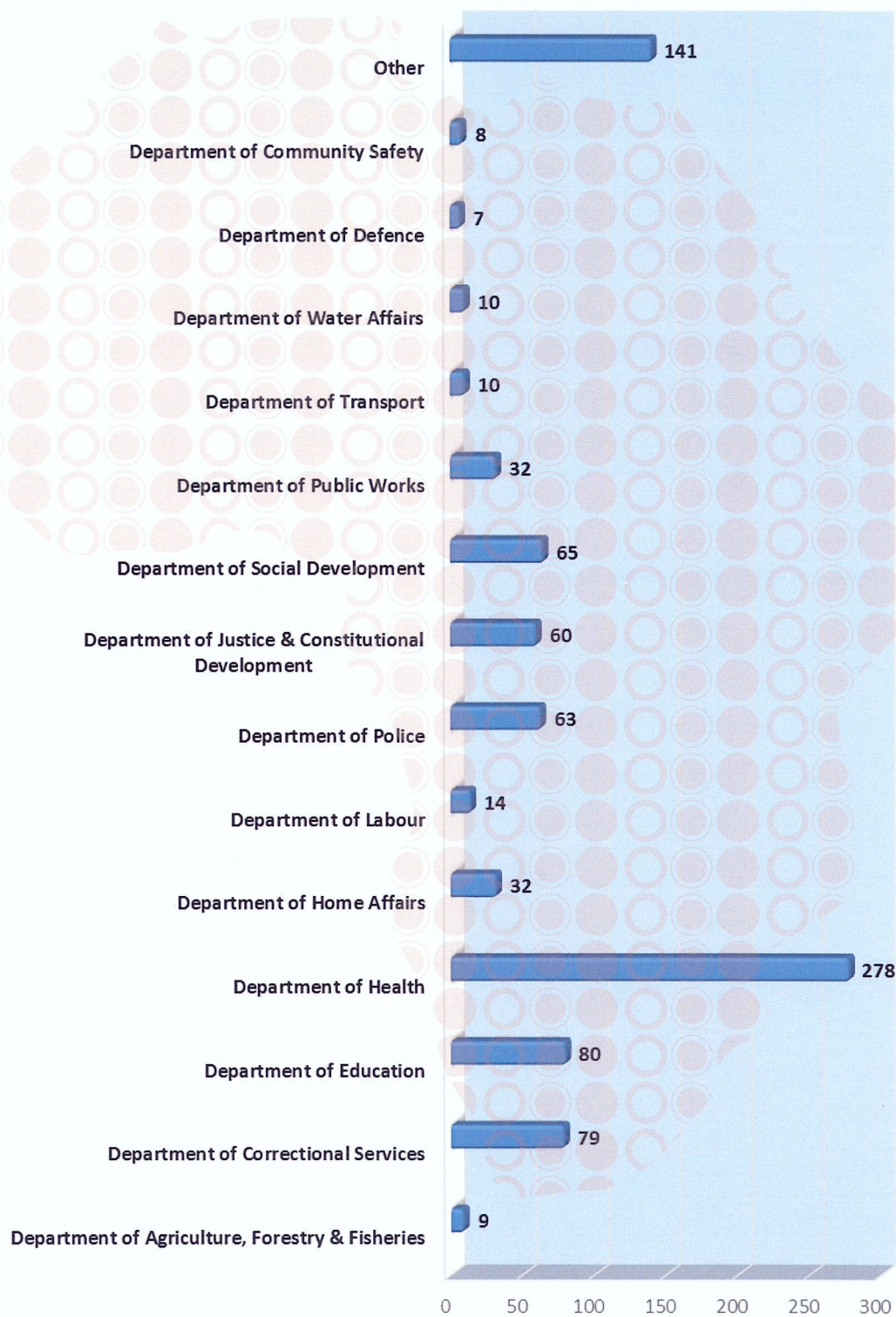
The disputes relating to Resolution 14 of 2002 are predominantly referred in the Free State, followed by the North West and the Gauteng Provinces respectively. The disputes relating to Resolution 7 of 2000 are predominantly referred in the Western Cape and Eastern Cape Provinces.

Table 1: Issue referred by Provinces

ISSUE	EC	FS	GP	KZN	MP	LP	NC	NW	WC	Total
1 of 2003	8	13	18	12	2	4	0	10	2	69
1 of 2007	5	21	9	11	0	0	1	5	21	73
3 of 1999	6	11	6	2	1	3	2	14	7	52
3 of 2009	16	5	16	6	7	4	5	8	11	78
7 of 2000	40	20	13	14	0	0	4	6	60	157
14 of 2002	21	155	31	11	2	0	14	63	2	299
Other	32	9	54	17	4	6	7	8	23	160
Total	128	234	147	73	16	17	33	114	126	888

1.6 Referrals against the Departments

Figure 6: Below is a breakdown of referrals received against the departments:-

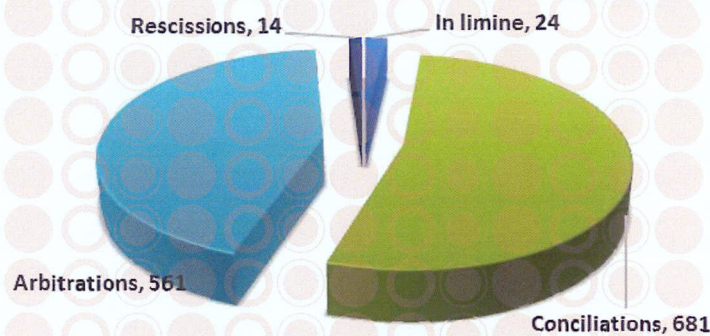


2. Processes conducted/scheduled

A total number of 1280 processes were scheduled/conducted in the Financial Year (2014/2015). 24 in limine, 14 rescissions, 681 Conciliations and 561 Arbitrations.

There has been a decrease rate of 11% in the number of Arbitrations conducted in this period when compared with the previous year (2013/2014) where 625 arbitrations were conducted. The number of Conciliations and other processes fairly remains the same when compared to the previous year period.

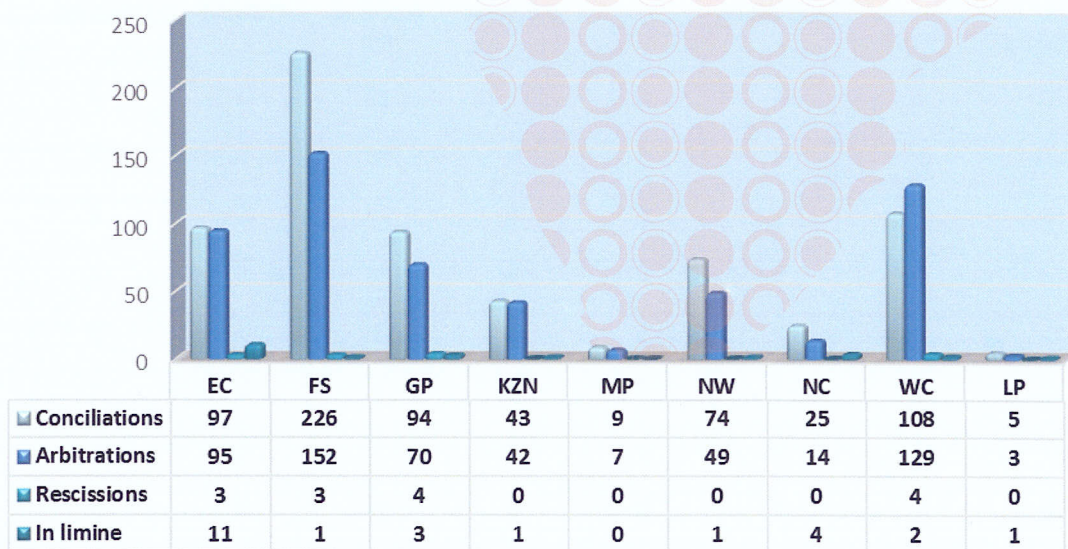
Figure 7: Processes conducted/heard



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 Western Cape Provinces. This trend could have arisen as a result of part-heard and/or postponements in the Provinces.

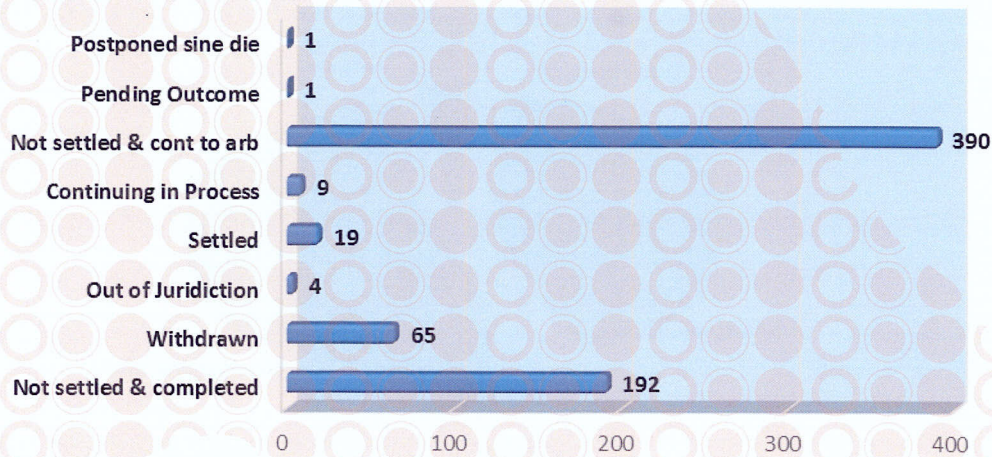
Figure 8: Processes conducted/heard by Provinces



3. Conciliation outcomes

Both the previous reports as well as 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, 3% settled and 85% unresolved, continuing to new processes and closed, pending the request for Arbitration.

Figure 9: Conciliation outcomes



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.

Table 2: Conciliation outcomes by Provinces

Province	Not settled & completed	Withdrawn	Out of Jurisdiction	Settled	Continuing in Process	Not settled & cont. to arb	Pending Outcome	Postponed Sine die	Total
EC	62	5	1	0	3	25	1	0	97
FS	101	34	1	1	0	89	0	0	226
GP	58	8	0	5	0	23	0	0	94
KZN	32	1	0	0	0	10	0	0	43
MP	8	0	0	0	0	1	0	0	9
NW	39	11	1	7	6	9	0	1	74
NC	17	3	0	4	0	1	0	0	25
WC	70	1	1	2	0	34	0	0	108

LP	3	2	0	0	0	0	0	0	5
Total	390	65	4	19	9	192	1	1	681

4. Arbitration outcomes

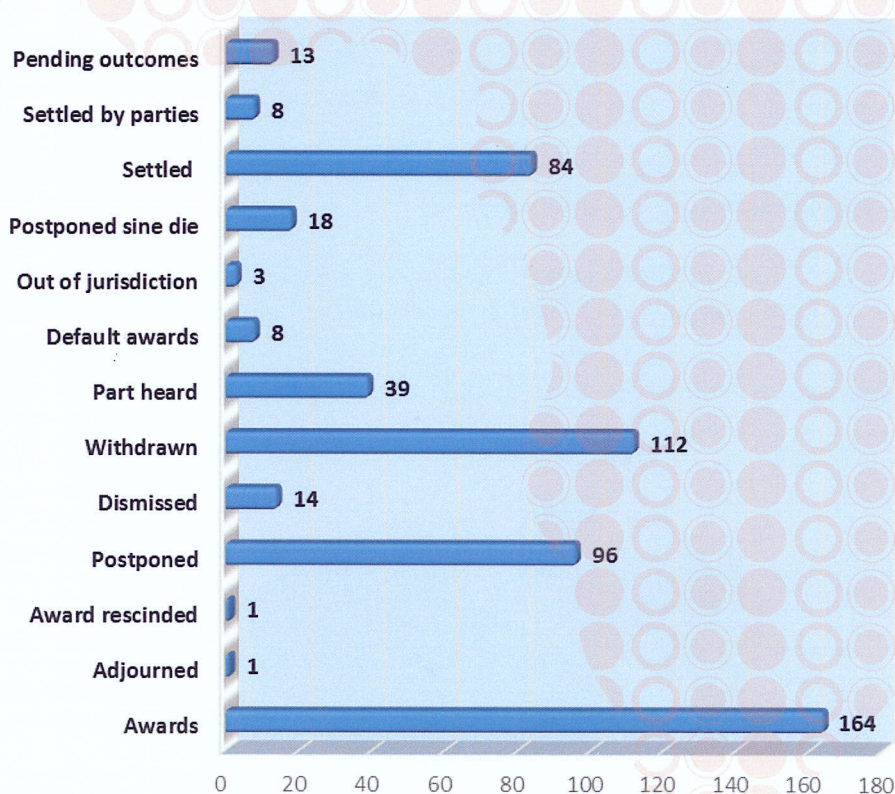
Out of 561 arbitrations conducted/scheduled in this period (2014/2015) 164 awards were rendered, 1 Arbitration Award which was rescinded, 96 postponed, 112 withdrawn, 84 settled, 8 settled by parties, 39 part-heard, 18 postponed sine die, 14 were dismissed, 8 Default Awards, 13 pending outcomes and 3 out of jurisdiction. It is to be noted that 20% of the disputes were withdrawn at Arbitration level. The stats indicate a 20% 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 parties⁹. A very low usage of less than 1% has been recorded.

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

Figure10: Arbitration Outcomes



⁹ Clause 5.4 of the PSCBC DR Procedure

4.2 The table below indicates the Arbitration outcomes by Regions

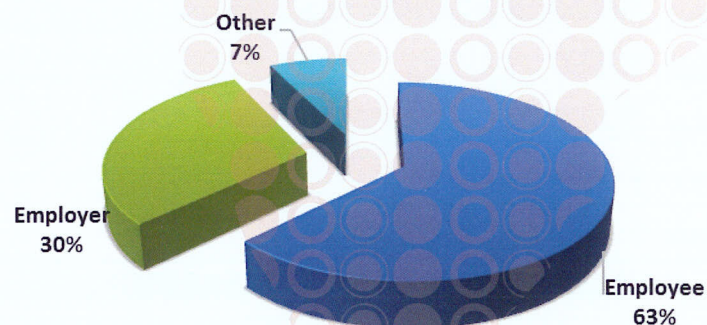
Table 3: Arbitration outcomes by Provinces

OUTCOMES	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
Awards	27	59	21	6	0	0	2	9	40	164
Award Rescinded	0	0	0	0	0	0	0	0	1	1
Postponed	19	7	11	14	0	2	1	5	37	96
Dismissed	0	2	3	1	1	1	2	2	2	14
Part heard	8	2	5	7	0	1	0	3	13	39
Withdrawn	14	45	17	4	0	2	6	15	9	112
Settled	12	30	7	3	2	1	1	12	16	84
Settled by Parties	2	0	1	1	0	0	0	0	4	8
Out of Jurisdiction	0	1	2	0	0	0	0	0	0	3
Default Award	4	2	0	1	0	0	0	1	0	8
Adjourned	0	0	0	0	0	0	0	0	1	1
Postponed <i>sine die</i>	8	2	1	3	0	0	0	1	3	18
Pending Outcome	1	2	2	2	0	0	2	1	3	13
Total	95	152	70	42	3	7	14	49	129	561

4.3 Awards in favour of employee, employer and other

The graph below indicates that 63% of the Arbitration Awards rendered is in favour of the Employee; 30% in favour of the Employer and 7% of which were ruled out of jurisdiction or other.

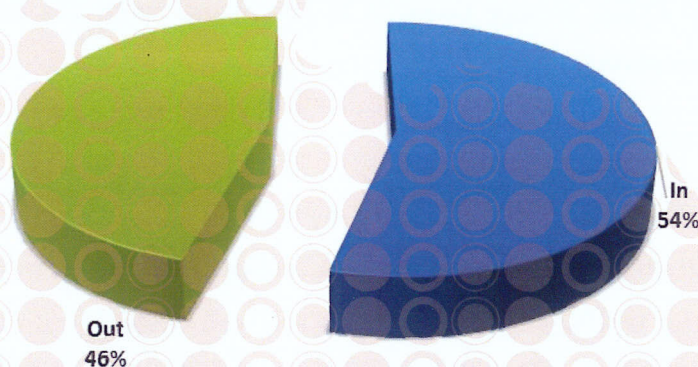
Figure 11: Awards in favour of



5. Outcomes of *in limine* processes

Out of 24 *in limine* processes conducted 13 were ruled in jurisdiction and 11 ruled out of jurisdiction.

Figure 12: *In limine* outcomes



6. Cases on review

A total of 10 cases have been taken on review in this period (2014/2015).

Table 4: Cases on review

Case Ref. No.	Employer	Employee	Commissioner	Region
PSCB721-13/14	Dept. of Agriculture & Rural Development (North West)	NEHAWU obo Mahlonoko, S J (Res 1 of 2003)	PrakashR	North West
PSCB579-13/14	Department of Education - Western Cape	PSA obo Nel, HD (Res 7 of 2000)	JurgensH	Western Cape
PSCB481-13/14	Department of Education & Department of Public Service and Administration	PSA (Res 3 of 2009 circular no 2 of 2009)	KerryD	Gauteng
PSCB324-13/14	Department of Labour - National	PSA obo Kock, HA (Res 1 of 2012 read with PSCBC 3 of 2009)	JoyceT	Gauteng
PSCB30-13/14	Department of Health - Eastern Cape	PSA obo Calaza, F (Res 1 of 2003)	MalusiM	Eastern Cape
PSCB21-14/15	Department of Justice & Constitutional Development - National	Tabane (Res 3 of 2009)	IlseS	Western Cape
PSCB277-14/15	Department of Correctional Services - National	PSA obo Werner, ESMS (Res 7 of 2000)	PrakashR	North West
PSCB95-14/15	Department of Justice & Constitutional Development - National	PSA obo Michaux, R (Res 2 of 2004)	BellaG	Western Cape
PSCB647-13/14	Department of Justice & Constitutional Development - National	NEHAWU obo Mamkeli, NA (Res 1 of 2003)	MartinusV	Free State
PSCB617-11/12	Department of Health - Eastern Cape	NEHAWU (Res 1 of 2003)	AnthonyMa	Eastern Cape

DISPUTE RESOLUTION MANAGEMENT

A SUMMARY BY SECTORAL COUNCILS

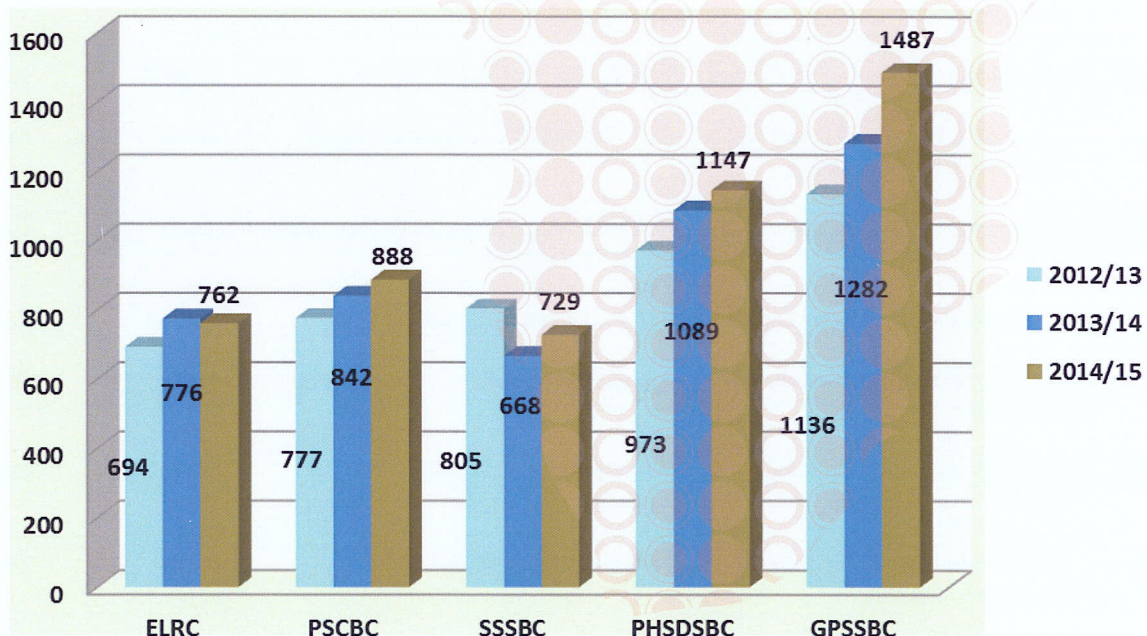
Overview

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.

Statistics

A total number of 5013 referrals were received by various Public Service Bargaining Councils (PSCBC, GPSSBC, SSSBC, PHSDSBC and the ELRC) – a decrease of 11% in comparison with the 2013/2014 Financial Year whereby 5651 cases were referred. However, it must be noted that the total number of referrals excludes the out of jurisdiction cases of 793 at the GPSSBC which had been previously included in the past years. This would then result in an actual increase in the number of referrals of 2%.

Figure 1: Number of referrals received by Councils



A breakdown of referrals per Council – versus Out of Jurisdiction

ELRC

For the period under review, the ELRC received a total of 762 disputes when compared to 776 in the previous Financial Year 2013/14, a slight decrease by 14 referrals. 443 cases were out of jurisdiction before any process and 30 cases were transferred by the CCMA.

PSCBC

Out of the 888 referrals received, 195 of the referred cases were screened out of jurisdiction prior to any process. 10 cases were transferred by the CCMA which were forwarded to the GPSSBC.

SSSBC

Out of the 729 referrals received, 453 cases were in jurisdiction, 220 were not properly referred, 49 required condonation, 7 cases were out of jurisdiction and 19 cases were transferred by the CCMA.

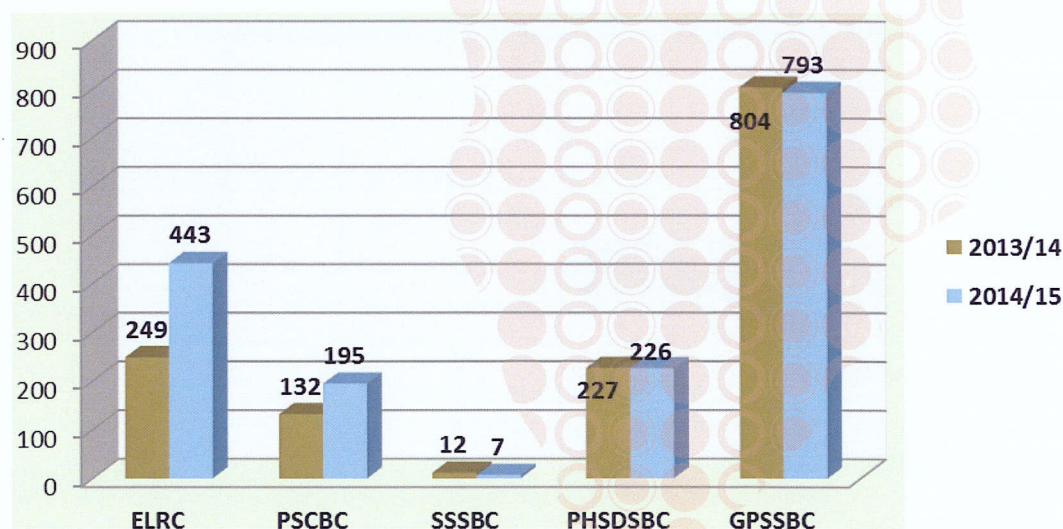
PHSDSBC

Out of 1147 disputes referred to the Council for the 2014/2015 Financial Year, 226 Disputes were out of jurisdiction 20 cases were transferred by the CCMA.

GPSSBC

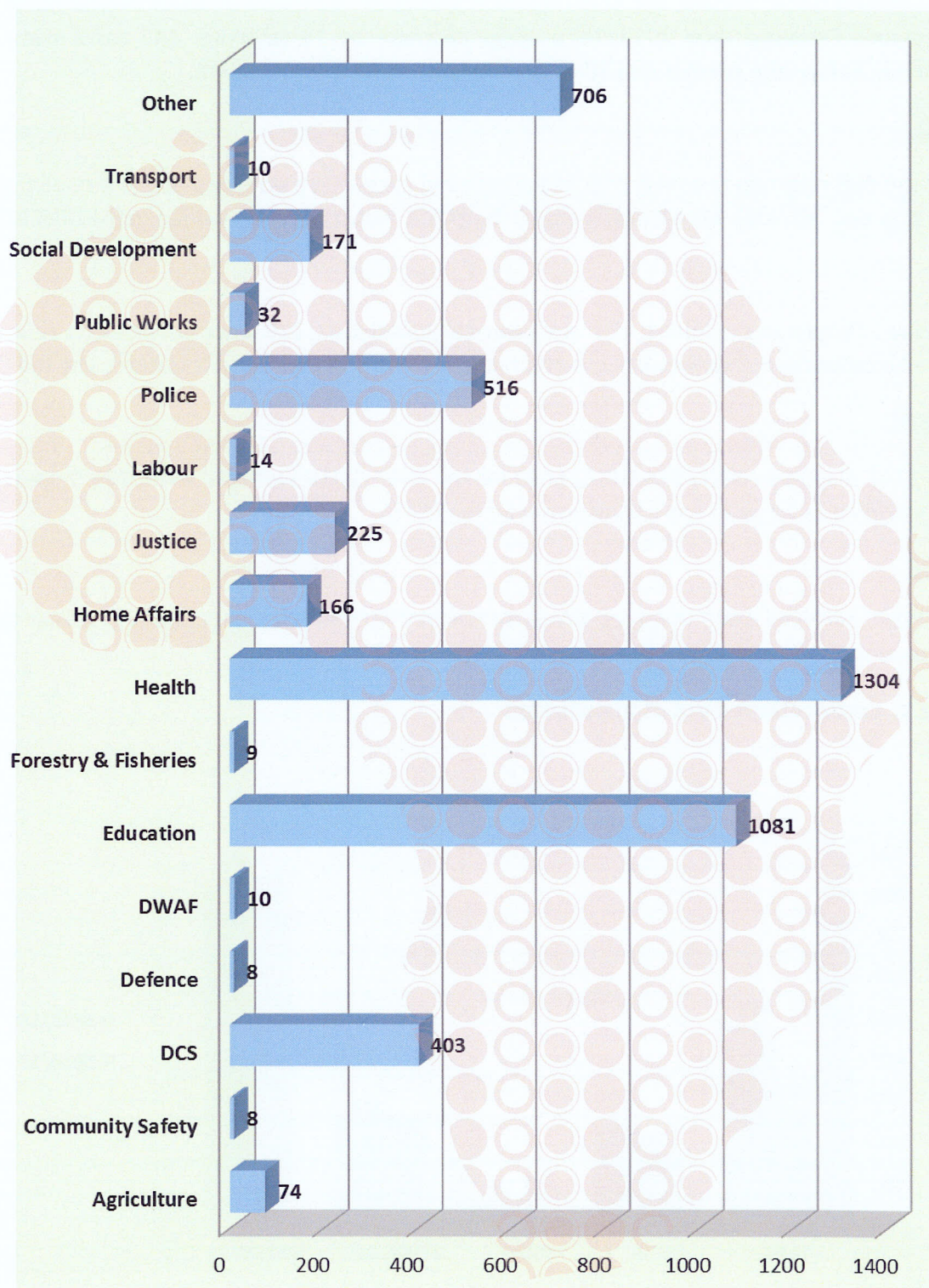
The GPSSBC received 1487 Disputes, properly referred for the 2014/2015 Financial Year and 793 disputes which were not properly referred.

Figure 2: Cases referred out of jurisdiction



A BREAKDOWN OF CASES REFERRED PER DEPARTMENT

Figure 3: Referrals received per Department



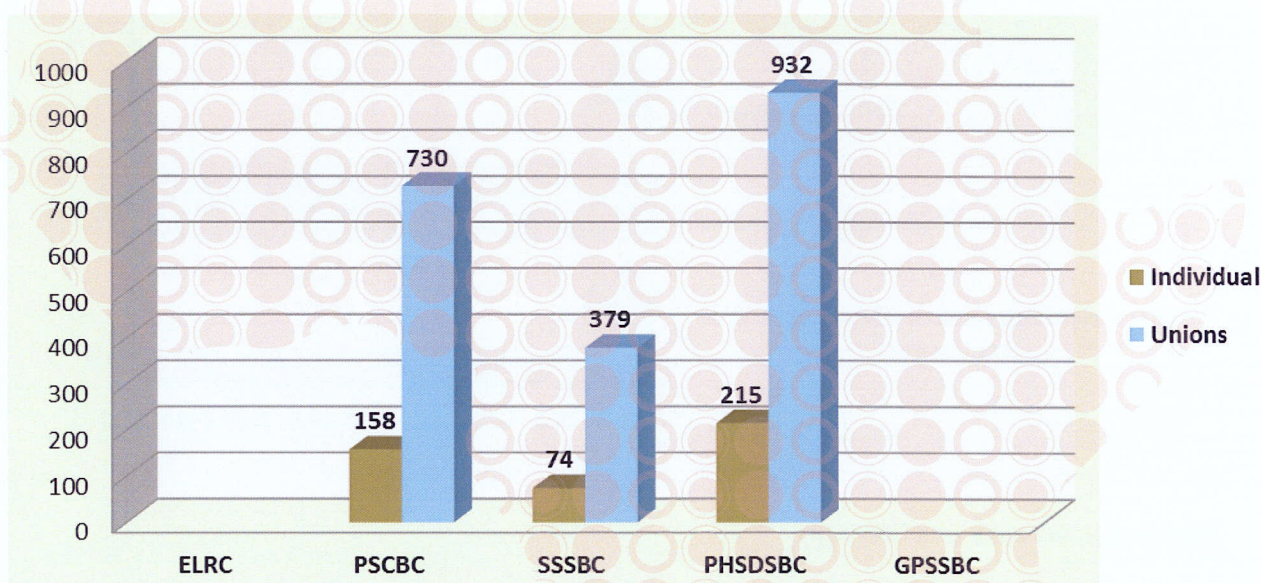
Referrals by Parties to Council and others

Below is a breakdown in terms of referrals by trade unions/individuals of the Councils out of the 2488 referrals, 82% of the cases referred were by Unions.

The referrals by the Public Servants' 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 and the GPSSBC which was not part of their Annual Report and it only includes the number of referrals in jurisdiction at SSSBC of 453 referrals.

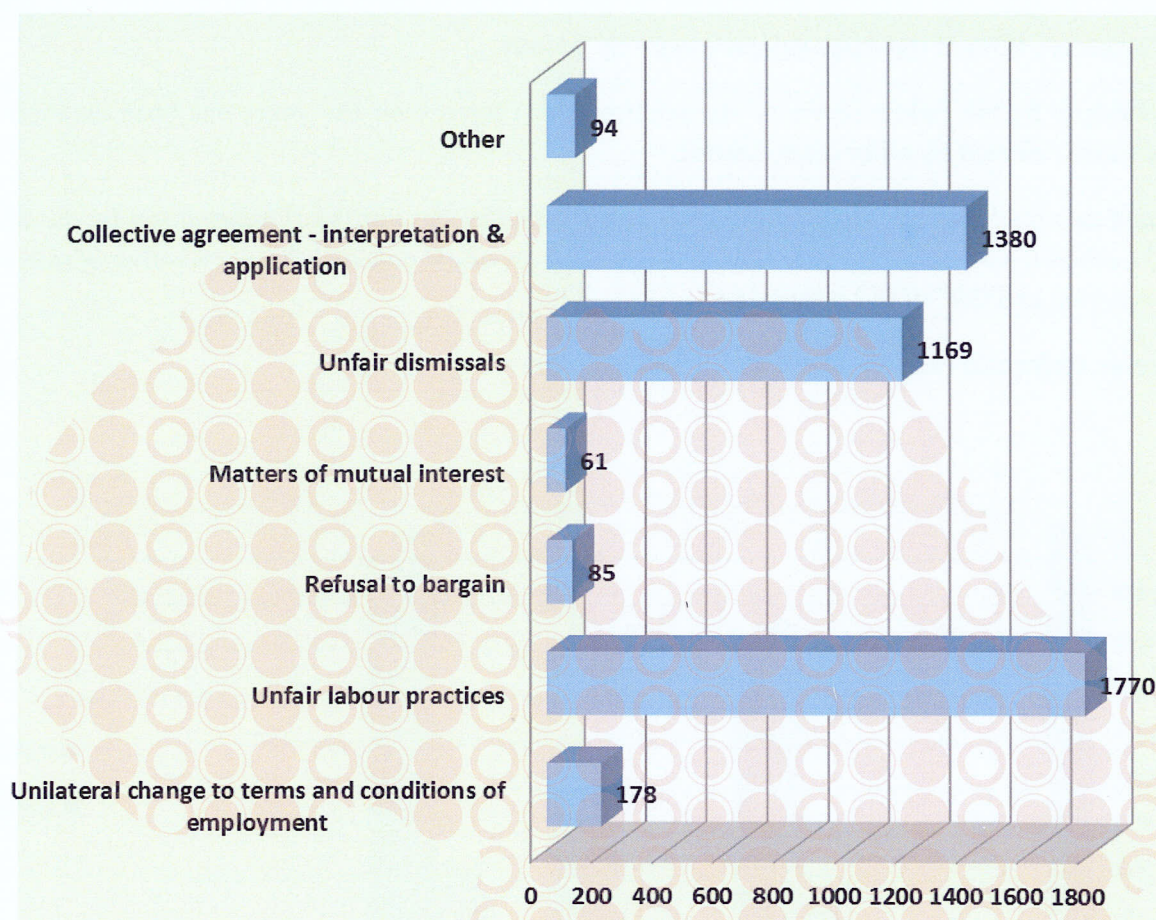
Figure 4: Referrals received by Unions/individuals



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 37% (1770), of the referrals, Unfair Dismissals (UD) constitute 24% (1169). The Disputes regarding the interpretation or application of Collective Agreements, predominantly referred to the PSCBC, represents 29% (1380).

Figure 5: Referrals received by nature of the Dispute



Hearing processes per Council

Conciliations scheduled exclude the Disputes that are not properly referred and/or out of jurisdiction.

Table 1: Hearings conducted per Council

	Conciliations	Con-Arbs	Arbitrations	In limine	Rescissions/ Variations	Reviews	TOTAL
ELRC	423	-	871	-	-	-	1294
GPSSBC	1866		3950	-	-	148	5964
PHSDSBC	592	-	838	-	-	-	1430
PSCBC	681	-	561	24	14	10	1290
SSSBC	-	1230	-	-	-	-	1230
TOTAL	3562	1230	6220	24	14	158	11208

Outcomes of processes (Conciliations, Con-arbs & Arbitrations) in the individual Councils

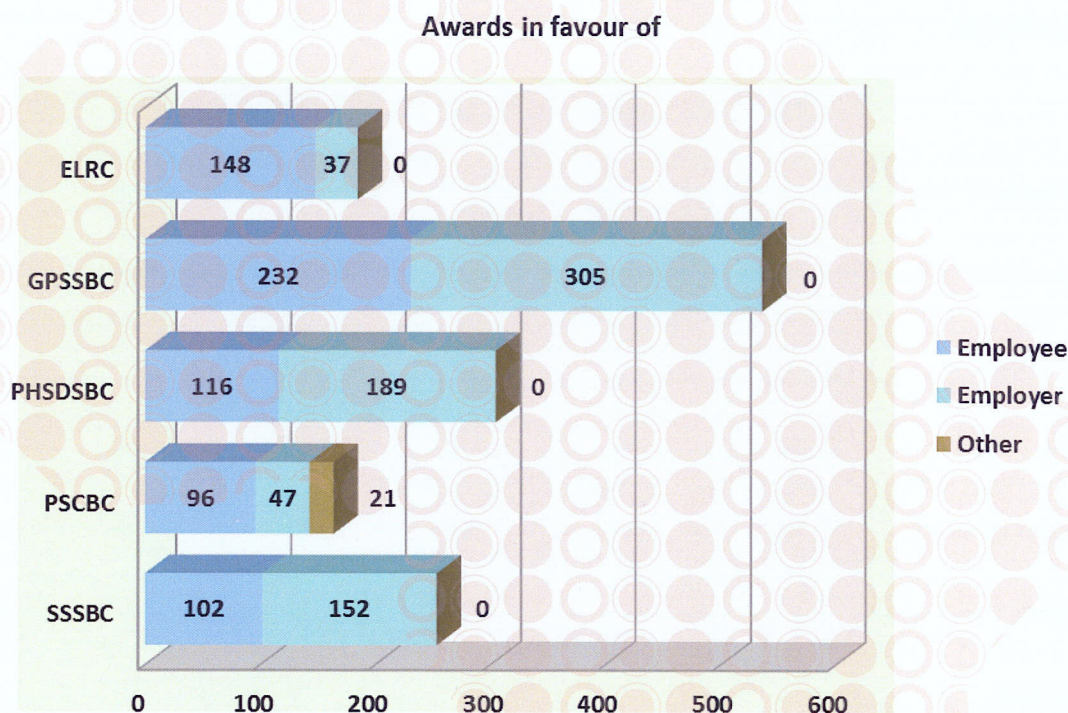
Table 2: Outcomes of hearings conducted per Council

Outcomes	ELRC	GPSSBC	PHSDSBC	PSCBC	SSSBC	TOTAL
Unresolved - con	-	1341	588	582	-	571
Continuing in Process	-	23	-	48	-	71
Settled	138	104	167	103	-	512
Settled by parties	-	-	-	8	15	23
Postponed	-	584	-	96	227	907
Postponed Sine die	-	-	40	19	-	59
Withdrawals	90	42	115	177	59	483
Arbitration award rendered	185	537	305	164	209	1400
Default Awards	-	-	-	8	37	45
Award Rescinded	-	-	-	1	-	1
Dismissed due to non-attendance	13	-	20	14	-	47
Rulings/Out of Jurisdiction	52	111	47	7	141	358
Adjourned	-	-	-	1	-	1
In process/Pending Outcome	-	-	256	14	-	270
TOTAL	478	2742	1538	1242	688	6688

Arbitration Awards

A total of 1445 Awards were reported rendered in the period 2014/15 in all the Councils. The graph below indicates the 51% of the Arbitration Awards rendered were in favour of the Employer. However, in terms of the Arbitration Awards rendered at the PSCBC, 63% are in favour of the Employee.

Figure 6: Awards in favour of



PROGRAMME 3: FINANCIAL SERVICES



Overview

The Constitution of the Public Service Co-ordinating Bargaining Council provides for the functions and powers of the Council in relation to 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).

Meetings

The Financial Committee held five meetings and also had a two day capacity training during Financial Year, with attendance as follows:

	19 May	20 May	28 May	05 June	22 July	25 Aug	06 Feb
Adv L. Bono (Chairperson)	✓	✓	☐	☐	✓	☐	✓
Mr M. Phophi (Vice-Chairperson Employer)	✓	✓	✓	✓	☐	✓	✓
Mr M. Galorale (Vice-Chairperson Labour)	✓	✓	☐	☐	☐	☐	☐
Mr T. Moralo (NEHAWU)	✓	✓	☐	✓	☐	☐	✓
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)	✓	✓	✓	☐	✓	☐	☐

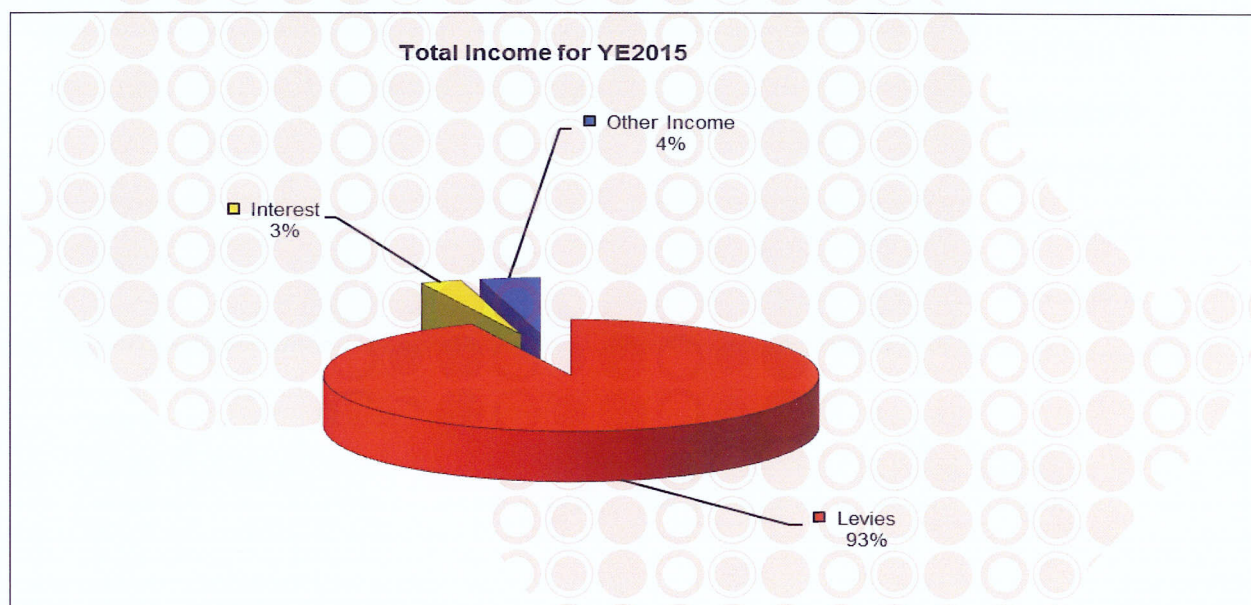
Financial Analysis

Total Income – Levy Account

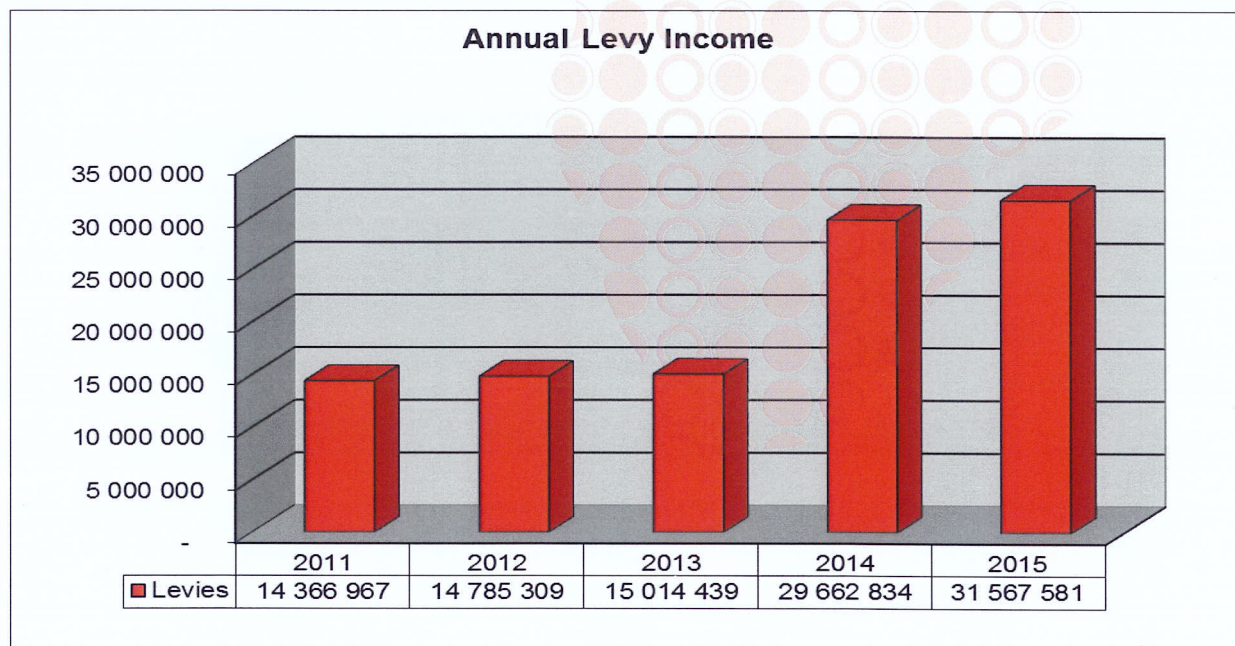
The overall income for the Council during the 2014/2015 financial year was R33, 799,206 of which:

- 93% 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.
- 3% was generated from interest earned on those levies,

The levies received of R31,567,581 were more than the projected income of R31,501,930. Also a higher interest income due to net surplus that was invested in the current year.



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

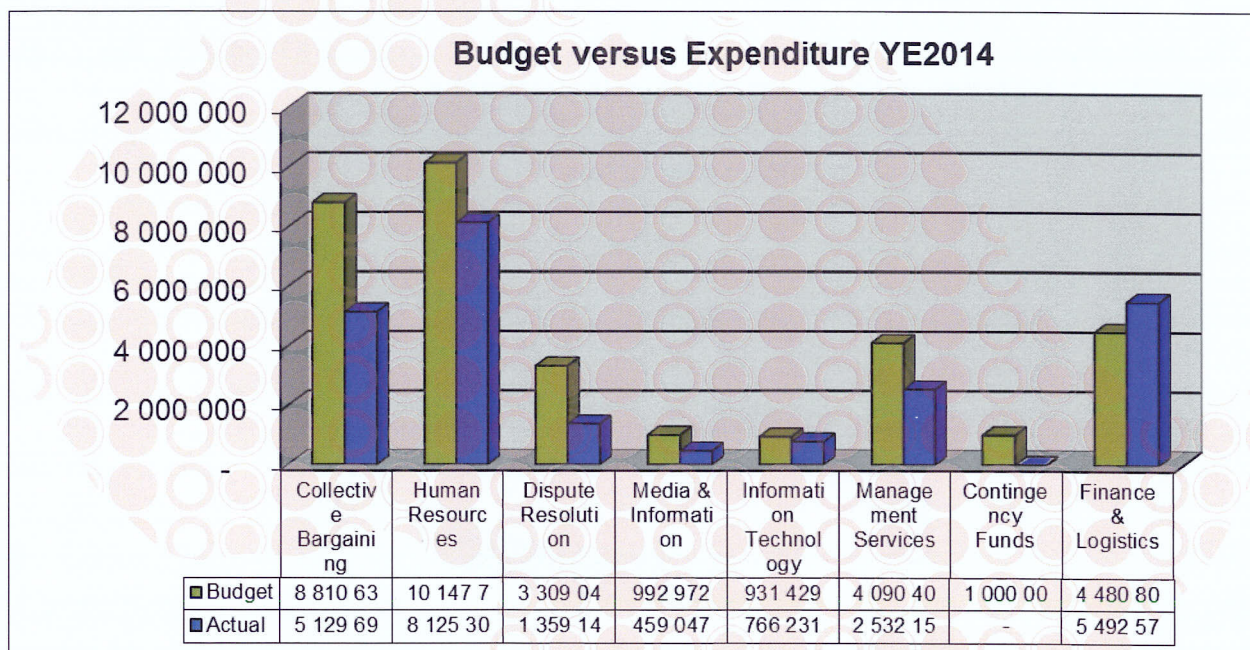


Total Expenditure – Levy Account

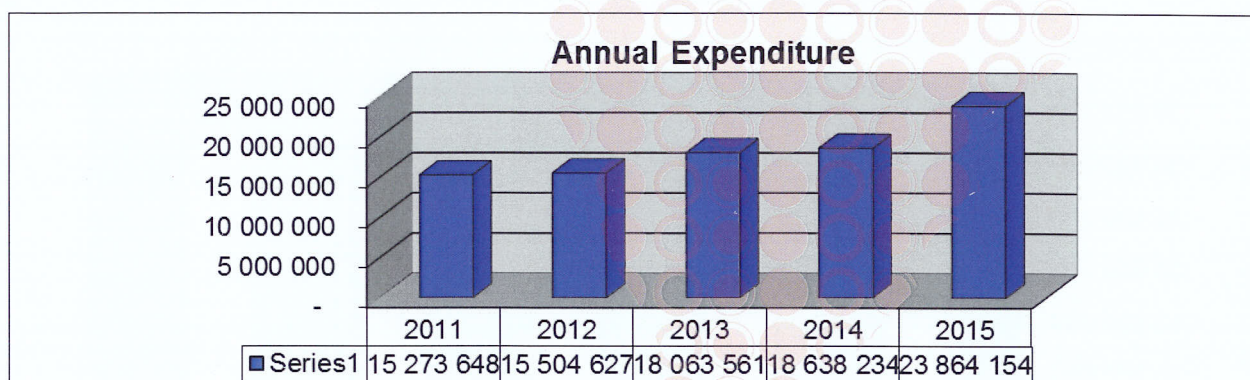
The overall expenditure for the Council during the 2014/2015 Financial Year amounts to R23,864,154 which was lower than the projected expenditure of R 33,763,019.

The graph below depicts the departmental expenditures:

Actual expenses per department were lower than budget, except for Finance and Logistics. The Budget was understated by the non-inclusion of a depreciation amount of R929 028, being a non-cash item.



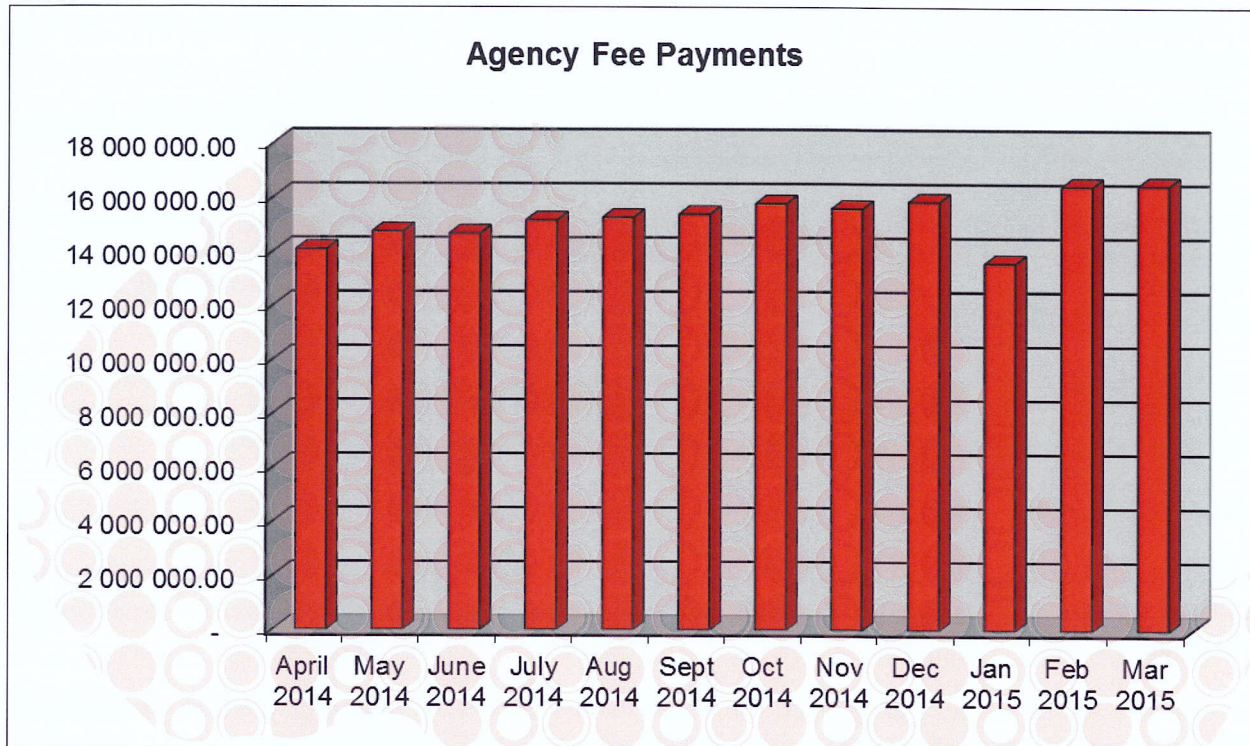
The graph below indicates the expenditure over the last five years. The graph shows that expenditures had remained consistent against inflation largely due to the unavailability of funds. We can expect the below graph to increase in future, Levy income has increased therefore allowing Council to implement its strategic objectives which were previously unbudgeted for due to insufficient funding.



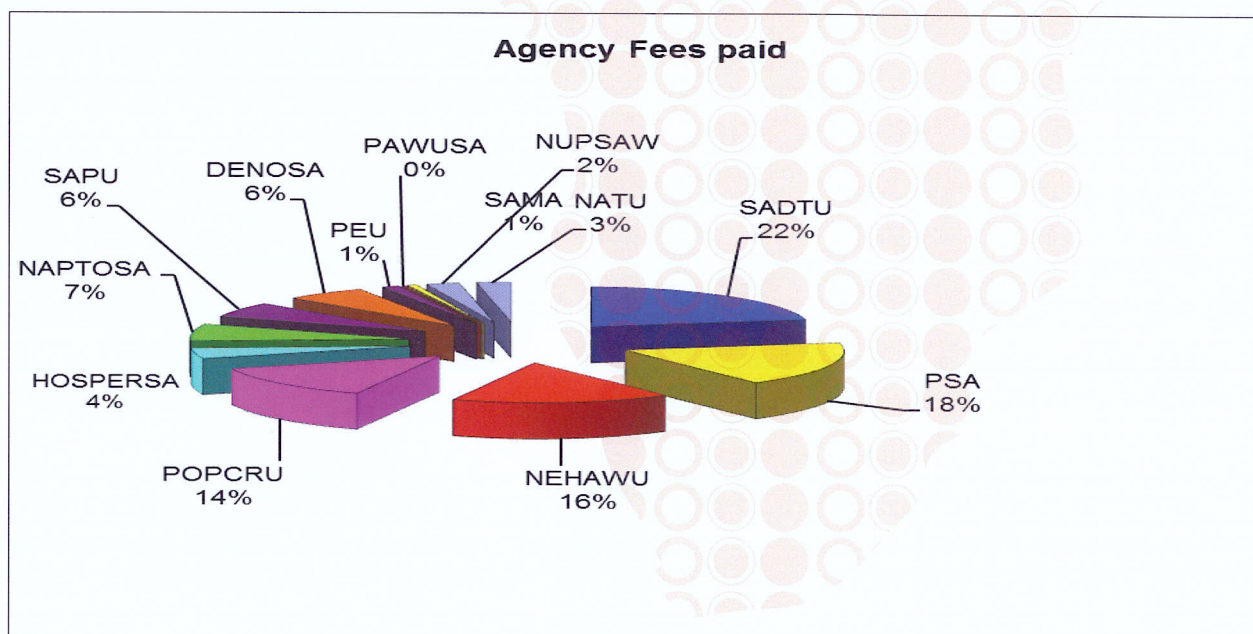
Agency Shop Fee Account – Disbursements to Admitted Trade Unions

R182,902,585 was received for the 2015 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. Council Auditors report on the usage of 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 2015 a balance of R15,357,755 million was reflected in the call account.

During the current year Council approved the acquisition of vacant stands measuring approximately 4395 square meters situated in the township of Die Hoewes Ext 213, portion 59 of Farm Highlands 359-JR. These stands were successfully transferred on the 02nd September 2014, at a cost of approximately R4,810,662 financed by a withdrawal from investment Call Account.

Further, Council approved a capital bond repayment amount of R5 million being made towards the Standard Bank bond facility and therefore reducing the bond repayment to 4 years from the initial 10 year period. The capital bond repayment was also financed by a withdrawal from investment Call Account.

The Year Ahead

The PSCBC recorded a net surplus of R9,935,052 for the 2015/2016 financial year. The budget for the 2016/17 financial year projects that there will be a surplus, which will be transferred to the Investment Account.

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

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual financial statements
for the year ended 31 March 2015



Three handwritten signatures are visible in the bottom right corner of the page. The signatures are written in dark ink and appear to be stylized, possibly representing initials or full names.

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 acknowledges that it is ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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.

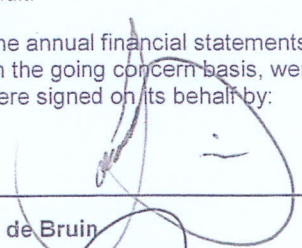
The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2016 and, in light of this review and the current financial position, they are satisfied that the PSCBC has access to adequate resources to continue in operational existence for the foreseeable future.

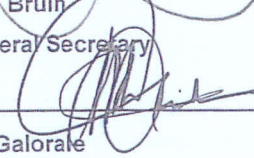
The external auditors are responsible for independently auditing and reporting on the PSCBC's annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on pages 5 to 6.

The council has made available to the auditors, all information requested and necessary for performance of the audit.

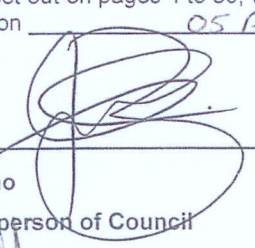
The annual financial statements and additional schedules set out on pages 4 to 30, which have been prepared on the going concern basis, were approved by the Council on 05 August 2015 and were signed on its behalf by:



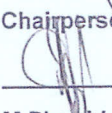
F de Bruin
General Secretary



MJ Galorale
Vice Chairperson Labour



L Bono
Chairperson of Council



M Phophi
Vice Chairperson Employer

Council's Report

The Council submits its report for the year ended 31 March 2015.

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.

2. Events after the reporting period

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report.

3. 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.

4. 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 9,977,053 (2014: surplus R 12,421,374).





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 pages 7 to 28, which comprise the statement of financial position as at 31 March 2015, 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.

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

Chief Executive Officer: T D Shango
Management Committee: T P Blandin de Chalain, S N Madikane, P J Mothibe, C Richardson, A R Tilakdar, F Tonelli, C Volschenk
The Firm's principal place of business is at 2 Eglon Road, Sunninghill where a list of the partners' names is available for inspection.
VAT reg.no. 4070182128.



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 2015, 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 29 to 30 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 the Financial Statements

We are also required by the Labour Relation 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: Nezira Ayob

Registered Auditor

Pretoria

05 August 2015

Date

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

	Notes	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	22,817,963	16,237,281
Investment property	5	4,105,354	4,249,399
		<u>26,923,317</u>	<u>20,486,680</u>
Current Assets			
Trade and other receivables	6	793,169	723,375
Agency fees held in trust	7	16,481,109	14,470,636
Cash and cash equivalents	8	18,865,384	19,888,245
		<u>36,139,662</u>	<u>35,082,256</u>
Total Assets		<u>63,062,979</u>	<u>55,568,936</u>
Funds and Liabilities			
Funds			
Special project reserve		-	7,758,843
Retained income		40,730,108	22,994,211
		<u>40,730,108</u>	<u>30,753,054</u>
Liabilities			
Non-Current Liabilities			
Borrowings	10	1,975,401	7,897,694
Finance lease liabilities	9	107,140	296,953
		<u>2,082,541</u>	<u>8,194,647</u>
Current Liabilities			
Borrowings	10	1,130,694	669,575
Finance lease liabilities	9	189,813	207,133
Trade and other payables	12	2,448,714	764,342
Agency fees held in trust	11	16,481,109	14,980,185
		<u>20,250,330</u>	<u>16,621,235</u>
Total Liabilities		<u>22,332,871</u>	<u>24,815,882</u>
Total Funds and Liabilities		<u>63,062,979</u>	<u>55,568,936</u>

The notes on pages 11 - 28 form an integral part of the financial statements. ⁷

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015

Statement of Comprehensive Income

	Notes	2015 R	2014 R
Revenue	14	31,567,581	29,662,834
Other income	15	1,411,639	1,445,755
Operating expenses	16	(23,088,843)	(18,659,229)
Operating surplus		9,890,377	12,449,360
Investment revenue	17	903,911	472,173
Finance costs	18	(817,234)	(500,159)
Surplus for the year		9,977,054	12,421,374
Other comprehensive income		-	-
Total comprehensive income for the year		9,977,054	12,421,374

The notes on pages 11 - 28 form an integral part of the financial statements.⁸



Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015

Statement of Changes in Funds

	Special project reserve R	Retained income R	Total equity R
Balance at 01 April 2013	7,711,216	10,620,464	18,331,680
Surplus for the year	-	12,421,374	12,421,374
Total comprehensive income for the year	-	12,421,374	12,421,374
Transfer to special project reserves (note 22)	47,627	(47,627)	-
Total transfers	47,627	(47,627)	-
Balance at 01 April 2014	7,758,843	22,994,211	30,753,054
Surplus for the year	-	9,977,054	9,977,054
Total comprehensive income for the year	-	9,977,054	9,977,054
Transfer to retained earnings (note 22)	(7,758,843)	7,758,843	-
Total transfers	(7,758,843)	7,758,843	-
Balance at 31 March 2015	-	40,730,108	40,730,108

Notes

The notes on pages 11 - 28 form an integral part of the financial statements.

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015
Statement of Cash Flows

	Notes	2015 R	2014 R
Cash flows from operating activities			
Cash generated from operations	20	11,932,602	12,757,212
Interest income		903,911	472,173
Finance costs		(817,234)	(500,159)
Net cash flows from operating activities		12,019,279	12,729,226
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(7,373,833)	(10,484,719)
Sale of property, plant and equipment	4	-	10,620
Purchase of investment property	5	-	(4,321,423)
Net cash flows from investing activities		(7,373,833)	(14,795,522)
Cash flows from financing activities			
Increase/(decrease) in borrowings		(5,461,174)	8,567,269
Finance lease payments		(207,133)	(182,361)
Net cash flows from financing activities		(5,668,307)	8,384,908
Total cash movement for the year		(1,022,861)	6,318,612
Cash and cash equivalents at the beginning of the year		19,888,245	13,569,633
Total cash and cash equivalents at the end of the year	8	18,865,384	19,888,245

The notes on pages 11 - 28 form an integral part of the financial statements.

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015
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.

1.2 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.

1.3 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated 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 its expected useful lives to the estimated residual value.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	30 years
Motor vehicles	Straight line	7 years
Office furniture and equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years
Leased office equipment	Straight line	Over the term of the lease



1.3 Property, plant and equipment (continued)

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 year is recognised in surplus or deficit 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 surplus or deficit 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 carrying amount of the item.

1.4 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

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

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Council commits to purchase or sell the asset.

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



1.4 Financial instruments (continued)

Trade and other receivables

Trade receivables consist of amounts due from sectors, staff loans and bursaries. 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.

Trade and other payables

Trade payables are obligations to pay for goods or 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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less. Cash and cash equivalent are carried in the statement of financial position at cost.

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.

Agency fees held in trust

Agency fees are received on a monthly basis, and are held in a designated account until payments are made. Agency fees are administered in terms of an Agency shop agreement (Resolution 1 of 1998), and section 25 of the Labour Relations Act.

13



1.5 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.

1.6 Provisions and contingencies

Provisions are recognised when:

- the council 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.

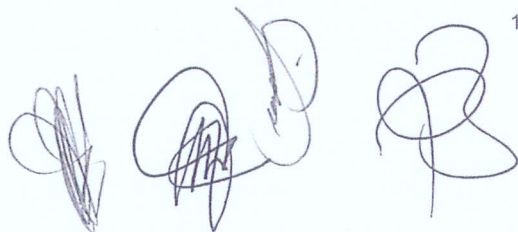
The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

1.7 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. 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.



1.8 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.

1.9 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.

1.10 Borrowing costs

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

1.11 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.

1.12 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.



2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the following standards and interpretations are effective:

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The amendment is not applicable to the council.

Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment to IAS 36 Impairment of Assets now require:

- Disclosures to be made of all assets which have been impaired, as opposed to only material impairments,
- The disclosure of each impaired asset's recoverable amount, and
- Certain disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the requirements of IFRS 13 Fair Value Measurement.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The amendment is not applicable to the council.

Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The amendment provides guidance on whether an entity is required to discontinue hedging when the derivatives which are designated hedging instruments are novated to a central counterparty.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The amendment is not applicable to the council.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate annual financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

The effective date of the amendments is for years beginning on or after 01 January 2014.

The amendment is not applicable to the council.

Amendment to IFRS 2: Share-based Payment: Annual improvements project

Amended the definitions of "vesting conditions" and "market conditions" and added definitions for "performance condition" and "service condition."

The effective date of the amendment is for transactions occurring on or after 01 July 2014.



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2. New Standards and Interpretations (continued)

The amendment is not applicable to the council.

Amendment to IFRS 3: Business Combinations: Annual improvements project

The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

The effective date of the amendment is for transactions occurring on or after 01 July 2014.

The amendment is not applicable to the council.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the council's accounting periods beginning on or after 01 April 2015 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 1, 'First-time adoption of International Financial Reporting Standards'	01 July 2014	The impact of the standard is not material.
• Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets	01 January 2016	The impact of the standard is not material.
• Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption	01 January 2016	The impact of the standard is not material.
• Amendments to IAS 16, Property, plant and equipment and IAS 41, Agriculture on bearer plants	01 January 2016	The impact of the standard is not material.
• Amendments to IAS 27, Separate financial statements on equity accounting	01 January 2016	The impact of the standard is not material.
• Amendments to IFRS 5, Non-current assets held for sale and discontinued operations	01 January 2016	The impact of the standard is not material.
• Amendments to IFRS 7, Financial instruments - Disclosures	01 January 2016	The impact of the standard is not material.
• Amendments to IAS 19, Employee benefits	01 January 2016	The impact of the standard is not material.
• Amendments to IAS 34, Interim Financial Reporting	01 January 2016	The impact of the standard is not material.
• IFRS 9 Financial Instruments	01 January 2018	The impact of the standard is not material.
• Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	01 January 2013	The impact of the amendment is not material.
• IFRIC 21 Levies	01 January 2014	The impact of the interpretation is not material.

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2. New Standards and Interpretations (continued)

• Amendments to IAS 19: Defined Benefit Plans: Employee Contributions.	01 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 8: Operating Segments: Annual improvements project	01 July 2014	The impact of the amendment is not material.
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	01 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 13: Fair Value Measurement: Annual improvements project	01 July 2014	The impact of the amendment is not material.
• Amendment to IAS 40: Investment Property: Annual improvements project	01 July 2014	The impact of the amendment is not material.
• IFRS 14 Regulatory Deferral Accounts	01 January 2016	The impact of the standard is not material.
• Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01 January 2016	The impact of the amendments is not material.
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016	The impact of the amendment is not material.
• IFRS 15 Revenue from Contracts with Customers	01 January 2017	The impact of the standard is not material.

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3. Risk management

Capital risk management

The PSCBC's objectives when managing capital are to safeguard the council'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.

The group's objectives when managing capital are to safeguard the PSCBC's ability to continue as a going concern.

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 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 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings	1,349,340	1,349,340	407,415
Trade and other payables	1,932,869	-	-
Finance lease	210,910	111,200	-

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	1,820,569
Trade and other payables	323,065	-	-	-
Finance lease	255,019	210,910	111,200	-

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:

	2015 R	2014 R
Variable rate instruments		
Cash and cash equivalents	18,865,052	19,887,877
Borrowings	(3,106,095)	(8,567,269)
	<u>15,758,957</u>	<u>11,320,608</u>

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3. Risk management (continued)

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 2015.

Increase of one percentage	109,684	123,723
Decrease of one percentage	(109,684)	(123,723)
	-	-

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.

Credit rating

F1+ (zaf)

4. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	10,175,756	-	10,175,756	5,262,879	-	5,262,879
Buildings	11,977,656	(526,772)	11,450,884	10,138,722	(183,706)	9,955,016
Office furniture and fixtures	2,165,176	(1,925,053)	240,123	2,117,666	(1,841,417)	276,249
Motor vehicles	247,999	(148,799)	99,200	247,999	(99,199)	148,800
Leased office equipment	866,340	(612,006)	254,334	866,340	(411,181)	455,159
IT equipment	2,395,256	(1,928,664)	466,592	1,973,511	(1,835,978)	137,533
Computer software	371,237	(240,163)	131,074	234,810	(233,165)	1,645
Total	28,199,420	(5,381,457)	22,817,963	20,841,927	(4,604,646)	16,237,281

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	5,262,879	4,912,877	-	-	10,175,756
Buildings	9,955,016	1,838,934	-	(343,066)	11,450,884
Furniture and fixtures	276,249	47,510	-	(83,636)	240,123
Motor vehicles	148,800	-	-	(49,600)	99,200
Leased office equipment	455,159	-	-	(200,826)	254,333
IT equipment	137,533	438,084	(8,169)	(100,856)	466,592
Computer software	1,645	136,428	-	(6,999)	131,074
	16,237,281	7,373,833	(8,169)	(784,983)	22,817,962

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4. Property, plant and equipment (continued)

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
Furniture and fixtures	117,541	242,944	-	(84,236)	276,249
Motor vehicles	198,399	-	-	(49,599)	148,800
Leased office equipment	655,984	-	-	(200,825)	455,159
IT equipment	166,694	101,067	(1,676)	(128,552)	137,533
Computer software	18,006	1,986	-	(18,347)	1,645
	6,419,503	10,484,719	(1,676)	(665,265)	16,237,281

Leased assets with a carrying amount of R 254,333 (2014: R 455,159), consist of office equipment and are encumbered by finance lease liabilities in the amount of R 296,953 (2014: R 504,086) (note 9)

Borrowings are secured on land and buildings to the value of R 19.4 million.

5. Investment property

	Cost	2015 Accumulated depreciation	Carrying value	Cost	2014 Accumulated depreciation	Carrying value
Investment property	4,321,423	(216,069)	4,105,354	4,321,423	(72,024)	4,249,399

Reconciliation of investment property - 2015

	Opening balance	Depreciation	Total
Investment property	4,249,399	(144,045)	4,105,354

Reconciliation of investment property - 2014

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

The fair value approximates the book value of the property, as the investment property forms part of a property purchased in the prior year, at which time a fair value was obtained for the property.

Rental income in the statement of comprehensive income amounts to R 1,157,536 (2014: R 696,608) for the year under review.

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

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	2015 R	2014 R
6. Trade and other receivables		
Trade receivables	213,883	581,699
Prepaid expenditure	566,032	15,776
Deposits	-	90,000
Other receivables	13,254	35,900
	<u>793,169</u>	<u>723,375</u>

Trade and other receivables past due but not impaired

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

Not past due	170,488	388,976
2 months past due	2,736	130,926
3 months past due	40,659	61,797
	<u>213,883</u>	<u>581,699</u>

The cost of trade and other receivables approximates the fair value due to the short-term nature thereof.

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.

Total	<u>16,481,109</u>	<u>14,470,636</u>
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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:

Cash on hand	333	368
Bank balances	3,509,838	4,265,107
Short-term deposits	15,355,214	15,622,770
	<u>18,865,385</u>	<u>19,888,245</u>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
F1+ (zaf)	<u>18,865,385</u>	<u>19,888,245</u>



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	2015 R	2014 R
9. Finance lease liabilities		
Office equipment is leased under two non-cancellable lease agreements for terms of 5 years and 3 years at interest rates of 10% and 18.17% respectively.		
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 254,337 (2014: R 455 159) serve as security for the liabilities.		
Minimum lease payments due		
- no later than one year	210,906	255,019
- later than one year and no later than five years	111,200	322,110
	<u>322,106</u>	<u>577,129</u>
less: future finance charges	(25,153)	(73,043)
Present value of minimum lease payments	<u>296,953</u>	<u>504,086</u>
Present value of minimum lease payments due		
- no later than one year	189,813	207,133
- later than one year and no later than five years	107,140	296,953
	<u>296,953</u>	<u>504,086</u>
Non-current liabilities	107,140	296,953
Current liabilities	189,813	207,133
	<u>296,953</u>	<u>504,086</u>
10. Borrowings		
Held at amortised cost		
Standard Bank Bond	<u>3,106,095</u>	<u>8,567,269</u>
Non-current liabilities		
At amortised cost	<u>1,975,401</u>	<u>7,897,694</u>
Current liabilities		
At amortised cost	<u>1,130,694</u>	<u>669,575</u>
	<u>3,106,095</u>	<u>8,567,269</u>

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

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	2015 R	2014 R
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10. Borrowings (continued)

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 which is no later than 31 October 2023.

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.

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.

Agency fees held in trust	16,481,109	14,980,185
Breakdown of agency fees held in trust:		
Opening balance	14,980,185	13,925,173
Interest received	96,362	62
Less: Expenditure incurred	(171,538)	(223,495)
Agency fees received	182,902,585	167,384,604
Agency fees paid	(181,326,485)	(166,143,072)
Legal fees to be recovered from trade	-	36,913
	<u>16,481,109</u>	<u>14,980,185</u>

12. Trade and other payables

Trade payables	214,418	119,917
Accrued leave pay	312,624	266,578
Accrued bonus	203,221	174,699
Accrued expense	1,688,822	167,070
Other payables	29,629	36,078
	<u>2,448,714</u>	<u>764,342</u>

The cost of trade and other payables approximates the fair value thereof.

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	2015 R	2014 R
13. Post retirement benefits		
The PSCBC has no obligation to provide post retirement benefits to employees.		
14. Revenue		
Levies income	31,567,581	29,662,834
15. Other income		
Profit on disposal of assets	-	8,944
Rental income	1,157,536	696,608
Subsidy received	138,108	211,640
Insurance, donations, recoveries and service seta income	33,438	296,573
Agency fee revenue	75,756	222,390
Administration fees	6,800	9,599
	<u>1,411,638</u>	<u>1,445,754</u>
16. Expenses by nature		
Advertising	429,100	360,643
Arbitration and conciliation	1,359,144	1,147,835
Conferences, meetings and seminars	3,671,989	1,298,508
Depreciation on investment property	144,045	-
Depreciation on property, plant and equipment	784,983	737,290
Employee Costs	7,568,301	6,676,998
Information technology	684,381	343,893
Lease rentals on operating lease	743,695	926,880
Levies	740,785	142,099
Management services	977,198	904,645
Other expenses	2,237,089	5,218,338
Provincial Chamber costs	319,114	333,146
Rates and taxes	611,235	211,573
Staff welfare	110,275	247,679
Training	2,707,509	109,702
Total operating expenses	<u>23,088,843</u>	<u>18,659,229</u>
17. Investment revenue		
Finance income		
Levy account	903,911	424,546
Agency income - Interest received	-	47,627
	<u>903,911</u>	<u>472,173</u>

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	2015 R	2014 R
18. Finance costs		
Interest paid - borrowings	769,349	427,356
Finance cost on lease liability	47,885	72,803
	<u>817,234</u>	<u>500,159</u>

19. 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).

20. Cash generated from operations

Surplus before taxation	9,977,054	12,421,374
Adjustments for:		
Depreciation and amortisation	929,028	737,290
Profit/(loss) on disposal of property, plant and equipment	8,169	(8,944)
Interest received - investment	(903,911)	(472,173)
Finance costs	817,234	500,159
Changes in working capital:		
Trade and other receivables	(69,794)	89,323
Trade and other payables	1,174,822	(509,817)
	<u>11,932,602</u>	<u>12,757,212</u>

21. Contingencies and commitments

During the period under audit, the PSCBC was party to two legal matters as defendant, with the matters still ongoing at 31 March 2015. The possibility of an outflow is regarded as remote by the PSCBC management and legal council, and therefore no provision is raised. A contingent liability is disclosed for the estimated legal fees which management and legal council are of the opinion will be expensed in order to defend the legal matters. It is estimated by management and legal council that legal fees to the value of R700, 000 will be incurred. The timing of such outflow is uncertain as it is dependent on future legal proceedings.

Financial commitments were made and approved to furnish the newly renovated building to an approximate value of R850 000.

22. Special project income

A decision has been taken to transfer the Special Project Reserve to the Retained Income of the PSCBC as no special projects have been identified for funding purposes.

The transfer on the statement of changes in funds consists of the following transactions:

Interest received	-	47,627
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	2015 R	2014 R
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23. 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 for the year ended 31 March 2014. In principle these standards have been applied retrospectively.

Basis of presentation

The policies set out in these financial statements 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 for 2014, 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. Therefore, no Statement of Financial Position has been prepared on 1 April 2013.

The conversion of the financial results from SA GAAP to IFRS in 2014 did not result in any adjustments to the previously reported financial position, financial performance or cash flows. As such no reconciliations are presented.

24. Financial assets by category

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

2015

	Loans and receivables	Total
Trade and other receivables	227,137	227,137
Cash and cash equivalents	18,865,386	18,865,386
Agency fees held in trust	16,481,109	16,481,109
	35,573,632	35,573,632

2014

	Loans and receivables	Total
Trade and other receivables	617,599	617,599
Cash and cash equivalents	19,888,245	19,888,245
Agency fees held in trust	14,470,636	14,470,636
	34,976,480	34,976,480



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	2015 R	2014 R
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25. Financial liabilities by category

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

2015

	Financial liabilities at amortised cost	Total
Borrowings	3,106,095	3,106,095
Finance lease liabilities	296,593	296,593
Trade and other payables	1,932,869	1,932,869
Agency fees held in trust	16,481,109	16,481,109
	21,816,666	21,816,666

2014

	Financial liabilities at amortised cost	Total
Borrowings	8,567,269	8,567,269
Finance lease liabilities	504,086	504,086
Trade and other payables	323,065	323,065
Agency fees held in trust	14,980,185	14,980,185
	24,374,605	24,374,605

26. Related parties

Related party	Relationship	Nature of transaction		
Senior management	Key Senior Management	Remuneration	1,995,585	2,175,231
Chairperson of Council	Council member	Attendance of meetings and reimbursement of cost	460,242	687,797

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Detailed Income Statement

	Notes	2015 R	2014 R
Revenue			
Levy income		31,567,581	29,662,834
Other income			
Rent income		1,157,536	696,608
Subsidy received		138,108	211,640
Donations, recoveries and service seta income		33,438	296,573
Agency fee expenses		75,756	222,390
Administration fees		6,800	9,599
Interest received	17	903,911	472,173
Profit/(loss) on disposal of assets		-	8,944
		<u>2,315,549</u>	<u>1,917,927</u>
Expenses (Refer to page 30)		<u>(23,088,841)</u>	<u>(18,659,228)</u>
Operating surplus/(deficit)		<u>10,794,289</u>	<u>12,921,533</u>
Finance costs	18	(817,234)	(500,159)
Surplus for the year		<u>9,977,055</u>	<u>12,421,374</u>

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

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Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2015

Detailed Income Statement

	Notes	2015 R	2014 R
Operating expenses			
Agency expenses		(75,756)	(222,390)
Arbitration and conciliation		(1,359,144)	(1,147,835)
Auditors remuneration		(385,803)	(389,929)
Bank charges		(26,764)	(35,898)
Books and subscriptions		(29,947)	(9,073)
Case Management Systems and reports		(47,498)	(86,285)
Conferences, meetings and seminars		(3,671,989)	(1,298,508)
Contingency fund		-	(2,513,176)
Corporate wear		(24,639)	-
Depreciation		(929,028)	(737,290)
Electricity		(203,846)	(313,612)
Employee costs		(7,568,301)	(6,676,998)
Information technology		(684,381)	(343,893)
Insurance		(184,187)	(131,937)
Lease rentals on operating lease		(743,695)	(926,880)
Legal expenses		(3,659)	(641,434)
Levies		(740,785)	(142,099)
Licences		(8,810)	(8,367)
Loss on sale of assets and liabilities		(8,169)	-
Management services		(977,198)	(904,645)
Marketing and communications		(429,100)	(360,643)
Motor vehicle expenses		(43,680)	(19,770)
Office cleaning		(101,488)	(109,902)
Office refreshments		(15,449)	(27,402)
Pension restructuring project		(387,106)	(28,422)
Postage		(5,773)	(1,556)
Printing and stationery		(287,156)	(211,665)
Provincial Chamber costs		(319,114)	(333,146)
Rates and taxes		(611,235)	(211,573)
Repairs and maintenance		(103,311)	(67,308)
Security		(20,993)	(18,214)
Sewerage		(3,497)	(175)
Special project expenses		-	(1,033)
Strategic Partnerships		(110,275)	(247,679)
Telephone and fax		(212,771)	(232,160)
Training		(2,707,509)	(109,702)
Travel - local		(34,364)	(142,329)
Waste management		(11,270)	(5,742)
Water		(11,151)	(558)
		<u>(23,088,841)</u>	<u>(18,659,228)</u>

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

PROGRAMME 4: MANAGEMENT



Overview:

Marketing and Communication:

The key strategic objective of the Media, Resource and Information Section , 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.

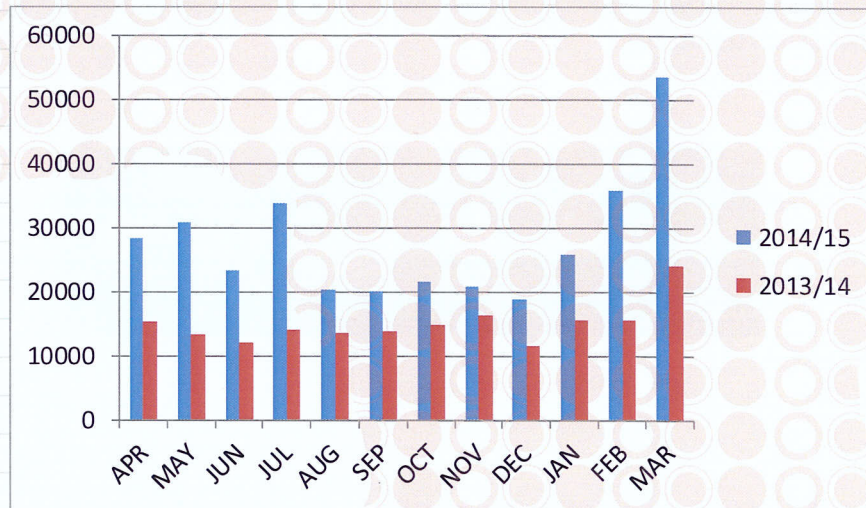
The report highlights the key performance areas for the Financial Year 2014/2015 as developed in the Media and Information Business Plan.

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 visits/ users per month for the Financial Years 2013/14 and 2014/15. There is a significant percentage increase from the previous to the current year; the average percentage increase for the year is 43 %. This may be attributed to the Wage Negotiations; over the years the trend has been that there is an increase during Wage Negotiations however the increase is significantly higher. The website operates interchangeably with the PSCBC social media accounts. We have seen a large increase in the number of facebook users and this may also contribute towards the increase in the number of visits to the website.

MONTH	2014/15	2013/14	INCREASE	%
APR	28349	15252	13097	46.20%
MAY	30895	13279	17616	57.02%
JUN	23334	12222	11112	47.62%
JUL	33972	14174	19798	58.28%
AUG	20456	13546	6910	33.78%
SEP	20054	13767	6287	31.35%
OCT	21542	14846	6696	31.08%
NOV	20824	16342	4482	21.52%
DEC	18905	11518	7387	39.07%
JAN	25939	15635	10304	39.72%
FEB	35971	15643	20328	56.51%
MAR	53571	24009	29562	55.18%
TOTAL	333812	180233	153579	43.11%



Graph 1: Illustrates a comparative summary of the website users

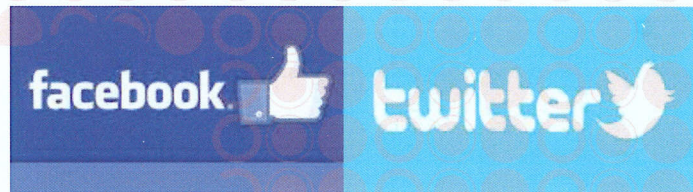
Social Media

PSCBC continues to spearhead the use of social media as an effective communication tool with its clients and stakeholders. Social media has really developed a new dimension of communication and it has been an effective tool in relaying messages on an instant basis.

The number of friends in facebook has reached its maximum capacity (5000 friends) and users have been directed to use the facebook. Please remember visit our facebook page and “like it.”

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 <https://www.facebook.com/pages/Pscbc/176402059120855> and <https://twitter.com/search?q=%40pscabcnews&src=typd> (PSCBC news on twitter). Using these effective tools allow easy access to information for the public to track PSCBC activities.

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



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:

WORLD HEALTH DAY – APRIL 2014

The PSCBC together with the Sector Bargaining Councils observed World Health Day on the 07 April 2014. World Health Day is acknowledged by various governments and non-governmental organizations with interests in public health issues. The PSCBC and Sector Bargaining Councils held the event to ensure that employees, stakeholders to the Councils and the public at large are given an opportunity to de-stress, evaluate their health and provided with information to live a healthier lifestyle.

The event began with a laughter coaching session. Laughter coaching is a form of de-stress, this session was fun filled and enjoyed by all. There were various Health Practitioners (Optometrist, Audiologist, Dietician, Homeopath and Orthotist) who individuals consulted on the day. People were given the opportunity to conduct health checks on themselves.

The event was attended by 150 people who included PSCBC staff, sector staff, Council members and Municipality staff. The day was fun filled and beneficial to all who attended.



MANDELA DAY COMMEMORATION - DECEMBER 2014

On the 05 December 2013 the world was shocked when President Jacob Zuma announced the passing of our beloved President Mandela. The PSCBC commemorated the first year of the passing of Tata Madiba by serving the underprivileged, a cause that Tata championed.

Patients of the Margaretha Ackerman Old Age Home in Pretoria were treated to a sumptuous meal and enjoyed a fun filled day in the company of the PSCBC and Sectoral Bargaining Council staff.

The residents danced to the songs that the Public Service Bargaining Council Choir sang and thoroughly enjoyed the meals that the staff prepared for them.



WORLD AIDS DAY

The proportion of South Africans infected with HIV has increased from 10.6% in 2008 to 12.2% in 2012, according to the Human Sciences Research Council's (HSRC) National HIV Prevalence, Incidence and Behaviour Survey. The total number of infected South Africans now stands at 6.4-million; 1.2-million more than in 2008.

On the 1st of December 2014 the PSCBC together with the Sectoral Bargaining Councils commemorated the lives of those infected and affected by AIDS at the PSCBC office park in Centurion.

Ms Khomotso Mosoane from the SSSBC was the Programme Director. Speakers on the day included Mr Mpumelelo Sibiya from PHSDSBC, Mr Frikkie de Bruin from the PSCBC and Mrs Sharlaine Oodit from the GPSSBC. The guest speaker was Dr Connie Makganakga from the Department of Health.



BATHO PELE EXCELLENCE AWARDS

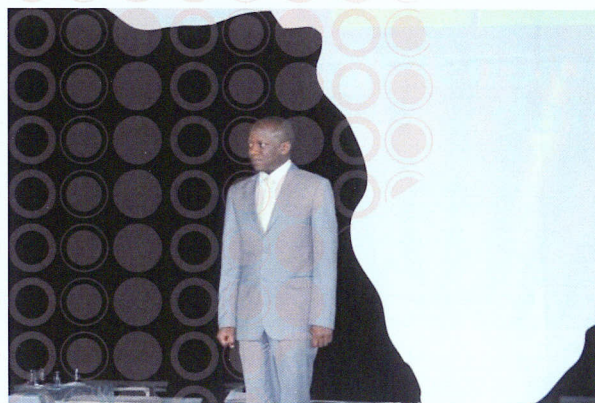
PSCBC attended the second Annual National Batho Pele Excellence Awards on the 14th of November 2014 at Emperors Palace in Kempton Park, the Awards are a result of the efforts made by the Department of Public Service and Administration to celebrate those individuals in the public service who put people first and in so doing providing a service with professionalism, care and most of all Ubuntu.

The Honourable Minister for Public Service and Administration, Minister Collins Chabane attended the Awards and in his welcome speech he said "The National Batho Pele Excellence Awards provide an opportunity for the Public Service to reinvent itself to deliver the national democratic society. For this to be realised, we require well run and effectively coordinated State Institutions with skilled Public Servants who are committed to serving our people"

Winners for the night included Mr Leslie Magagula and his team who won the Best Provincial Head of Department Award Presented by MEC of Cooperative Governance and Traditional Affairs Mr Jacob Mamabolo, Mokopane Hospital ICU who won the Best Batho Pele Team of the Year Award awarded by Justice and Correctional Services Minister Michael Masutha.

Ms. Duduzile Ndlovu was awarded the Best Frontline Services Delivery Employee of the Year by Minister Collins Chabane, Small Business Minister Lindiwe Sisulu presented the Road Accident Fund on the best Implemented Programme of the year called "On the Road," MEC Panyaza Lesufi, Education awarded Mr Boy Ngobeni the Best Head of Department of the year, the overall winner of the night was Ms Maria Maghrieta having won the coveted Batho Pele Performer of the Year Award.

The night was a great success and the winners and all entries in excess of 130 adjudicated by a panel of 10, affirmed to a Civil Service all of South Africa can be proud of.

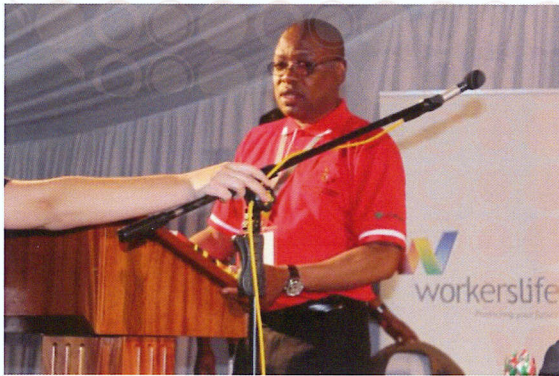


POPCRU CENTRAL EXECUTIVE COMMITTEE

The PSCBC attended and exhibited at POPCRU's Annual Central Executive Committee (CEC) held from the 02nd to the 05th of November 2014 at The Ranch Hotel in Polokwane, Limpopo.

Since its establishment in 1989 POPCRU has taken pride in striving to provide their affiliates/members with service delivery at all times, and it is these values that have enabled our women/men in uniform all around South Africa to keep the general public feeling protected at all times; from the officers who ensure that offenders do not get away with law-breaking, to those officers who ensure that offenders in our prisons are properly rehabilitated.

The PSCBC is thus proud to be associated with a Union that ensures that those who protect us are also well protected, we often forget that amongst us there are individuals who risk their lives every day to ensure that we all coexist and enjoy our lives in relatively harmonious environments. The PSCBC appreciates, applauds and wishes POPCRU all the best of luck in their future endeavours.



INTERNATIONAL NURSES DAY- MAY 2014

Nurses make a prized contribution towards the development of society, therefore International Nurses Day (IND) is celebrated around the world to honor the work that Nurses do.

The PSCBC acknowledges and celebrates the work that is done by Nurses. We are proud of their dedication to their work, and more especially salute the work that our Nurses do using their specialised skill set and the difference that they make to the lives of our people. Nurses work long hours, give their assistance unselfishly while utilizing limited resources. We stand in awe when looking back at the incredible work that you do.

In celebration of International Nurses Day during Public Service month, the PSCBC paid a visit to the Olievenhoutbosch Clinic where the work done by Nurses was acknowledged. The Chairperson Adv. L Bono alluded to the valuable contribution made by Nurses to society, in particular their steadfastness and commitment in helping poorer communities like Olievenhoutbosch. The PSCBC contributed a much needed microwave oven and made a monetary contribution to assist in the purchasing of clinic supplies. The Nurses and their support staff were provided with a sumptuous meal, courtesy of the PSCBC.

Viva Nurses Viva. Long live our nurses and may God bless them in abundance



PSCBC COUNCIL MEETING

NATIONAL BANDANA DAY

The PSCBC pledged its support for Bandana Day. Bandana Day is held annually to raise funds and awareness towards fighting leukaemia and other life threatening blood disorders.



7th ILERA AFRICA REGIONAL CONGRESS- BOTSWANA

The PSCBC played a pivotal role in assisting the Industrial Relations Association of South Africa (IRASA) with the hosting of the 7th ILERA Africa Regional Congress. ILERA, being the International Labour and Employment Relations Association, was established in 1966 and its general purpose is to promote the study of labour and employment relations throughout the world in the relevant academic disciplines. IRASA is also a full Council Member of the International Labour and Employment Relations Association (ILERA) since 1995.

The Congress was held in September in Botswana. The Congress theme was “THE AFRICAN PERSPECTIVE ON A CHANGING WORLD OF WORK: HOW DO THE INCREASE OF FOREIGN INVESTMENT IN AFRICA, THE EXTENT OF INFORMAL WORK, THE IMPACT OF LABOUR MIGRATION AND THE GROWING IMPORTANCE OF THE PUBLIC SECTOR IMPACT ON THE LABOUR MARKET, EMPLOYEE RELATIONS AND SOCIAL PROTECTION IN AFRICA”.

The Congress was well attended and was overall a huge success. A broad spectrum of papers were presented at the Congress, all papers may be located on the PSCBC website:

www.pscbc.org.za – ILERA Africa tab.

The IRASA is gearing up to host the 17th World Congress of the International Labour and Employment Relations Association (ILERA) in Cape Town in 2015. This is a prestigious event at which experts from across the world present the latest developments and research on employment relations and numerous related topics.



NIGERIAN DELEGATION

The PSCBC hosted a delegation from the Presidency in Nigeria. The delegation was presented with our model on both Collective Bargaining and Dispute Management. The delegates were very pleased with the information that they received and expressed their gratitude.



HUMAN RESOURCES

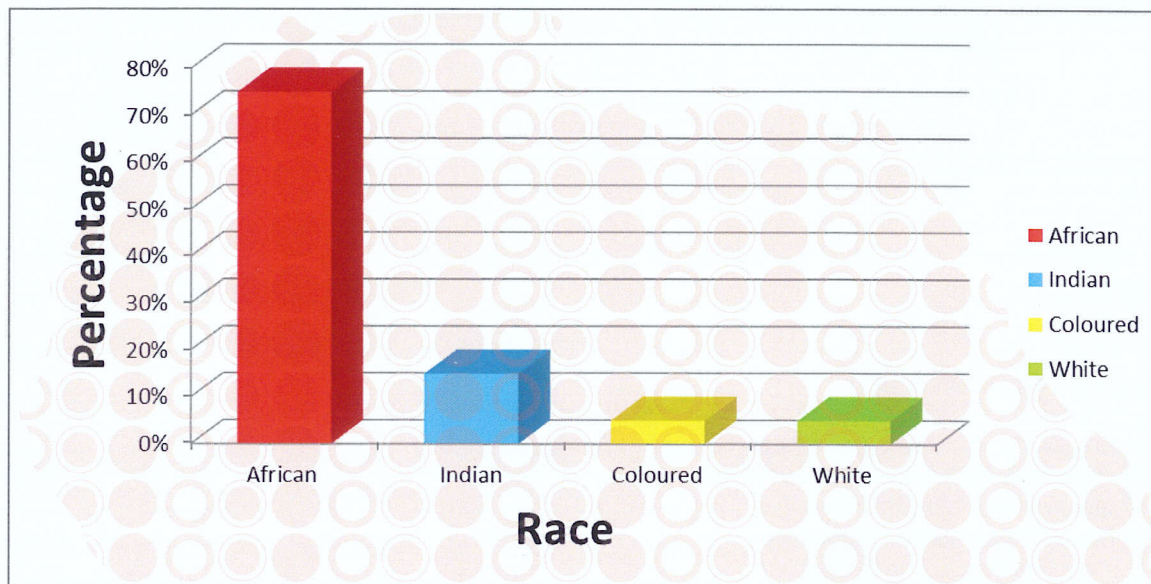


SECRETARIAT PROFILE 2014/15

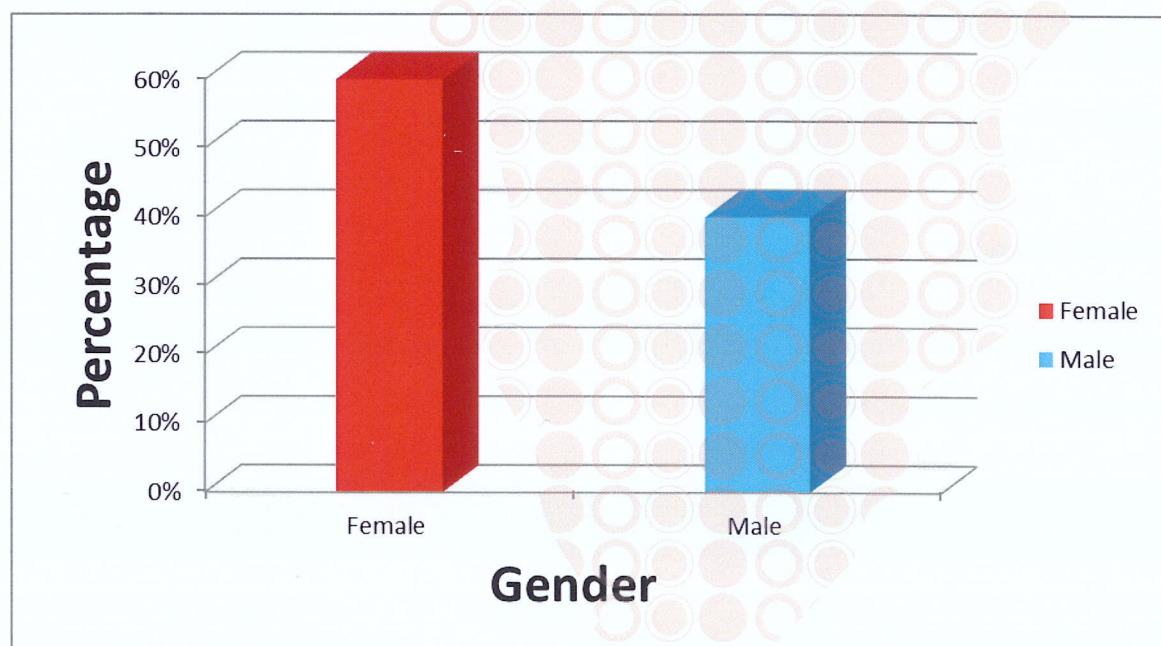


Representivity Profiles

Race



Gender



Staff movement

Resignations

The following employee resigned during the year under review:

Name	Position	From	To
Joseph Malahlela	Senior Officer: Negotiations Support	01 November 2008	28 February 2015

Vacant posts

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
8. Negotiations Support Senior officer

Posts were not filled during the year under review as Council is busy reviewing its Organisational Structure.

Review of the Organisational Structure will be completed in the next financial year.

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
Financial Reporting and Regulatory Frame Work	Bianca Singh

The following short courses were attended:

Short Courses Attended	Employee
Pastel Payroll	Obakeng Segoa Wandile Mgobhozi Bianca Singh

The following Workshops were attended:

Workshops Attended	Employee
Amendments Labour Relations Act	Petunia Bhengani Ruth Molaudzi Lebogang Papo Sonnyboy Manyane
Labour Relations Review Labour Law Updater	Petunia Bhengani Petunia Bhengani Valencia Kola Joseph Malahlela Wandile Mgobhozi Obakeng Segoa Frikkie De Bruin

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