Contact us

Physical Address:
Public Service Co-ordinating Bargaining Council
Building A&B
260 Basden Avenue
Lyttelton 0176

GPS Co-ordinates:
25°50'11.9"S 28°11'43.4"E

Tel Int:
+27(0)12 644 8100

Tel Local:
012 644 8100

Fax Int:
+27(0)86 619 7884

Fax Int:
086 619 7884

Contact details per Department:

General Secretary:
012 644 8102

Collective Bargaining:
012 644 8104/8148/8114/8084/8085

Dispute Management:
012 644 8112/8101/8020

Corporate Services:
012 644 8105/8120/8107/5932

Communications:
012 644 8108/805

PSCBC
PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

2016/17
ANNUAL REPORT

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

PSCBC ANNUAL REPORT
2016/17

VISION

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

MISSION

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

VALUE STATEMENTS

Integrity

Efficiency

Accountability

Good governance

Equity

1. TABLE OF CONTENTS

2. Foreword: Vice-Chairpersons

Once again, we are extremely honoured to present you with the PSCBC Annual Report for the financial period: 1 April 2016 – 31 March 2017. We testify with a sense of pride and admiration that this report details yet another year of further significant successes for the Public Service Co-ordinating Bargaining Council (PSCBC).

The beginning of 2016 saw Council delivering on its mandate to ensure capacity building for its negotiators through the attendance of the ILO Negotiations Skills Training from the 11th to the 15th April 2016, hosted at the ILO International Training Centre (ITC) in Turin, Italy. Parties came away with fresh approaches to negotiating style, conflict management and dispute resolution.

During the reporting period, the PSCBC's procurement of the last stand of the 10992 square metres of vacant property located behind the current office park was a proud moment to be highlighted in the history of the PSCBC. This paves the way for critical office development to house the ever-growing staff complement and create a conducive environment for the future-envisaged growing needs of collective bargaining.

The achievement of an unqualified audit report yet again alludes to the competence and tenacity of PSCBC's management and corporate governance structure in the face of trying economic forecasts. This is especially commendable given the phenomenal revenue generated by the PSCBC through interest income in its call account, alluding to the exceptional financial management of the organization.

As Vice-Chairpersons, we welcomed EXCO's operational planning session which was held in the last quarter of the reporting period. The session was extremely fruitful and went a long way to find strategies to improve on the organizational operations of the PSCBC, to ensure good faith consultation amongst parties in light of the next round of salary negotiations, to strengthen the policy options and interventions which would guide the imperatives for the next strategic cycle, and to improve and capitalize on our relationship with stakeholders and strategic partners in Africa and beyond.

As Council prepares to celebrate 20 years of its existence in the next reporting period we are humbled and extremely proud to be leading a Council which in its daily operations makes great strides in upholding its vision, mission and values.

To this end, we are humbled and extremely proud to commend the Council, EXCO and its Committees the General Secretary and the staff of the PSCBC for their continued dedication to the various projects and initiatives that were undertaken during the period under review.

Our report will further detail the impressive projects undertaken and training initiatives achieved. It will also provide factual accounts of the daily running of the PSCBC operations, clearly outlining how these find themselves placed in terms of the strategic objectives of the organization.

God Bless and thank you!!

Mpfariseni Phophi

Vice-Chair: Employer

Mathews Sebiloane

Vice-Chair: Labour

3. Message: Accounting Officer

This report provides an account of progress for the Public Service Co-ordinating Bargaining Council (PSCBC) in the financial year 2016/17. I am greatly honoured to share some of the highlights for the period from April 2016 to March 2017.

The year 2017 is significant for the PSCBC as it marks its 20th anniversary. In celebration and honour of the rich history and great milestones, PSCBC adopted the theme:

"Democratising the work place in advancing economic development, social justice and labour peace in the Public Service"

The theme commemorates the core values that PSCBC has upheld with integrity since its establishment in 1997. Whilst the journey has not been without challenges, PSCBC has made great strides towards the building of strategic partnerships and implementation of key objectives. Over the past 20 years, the PSCBC has grown from strength to strength and continues to optimise processes to fulfil its legislative mandate. In the spirit of honour and celebration, I would like to acknowledge the enormous contributions made by my predecessors as well as continued support from our valued partners.

The Council is organising an event to celebrate the 20th anniversary in October 2017. We look forward to joyfully memorialise the event with our valued stakeholders and partners.

Performance of the Council

Collective Bargaining

Through Collective Bargaining, the Council managed to enter into and sign significant agreements, which include:

- Resolution 1 of 2016: *Agreement on the amendment of PSCBC Resolution 9 of 1989: designation of the health sector for the establishment of a bargaining council.*
- Resolution 2 of 2016: *Amendments to resolutions 1, 3 and 5 of 2015 (Timeframes).*

A. Committees

The following Committees / Task Teams were established in terms of clause 18 of the PSCBC Constitution to assist and provide support to the collective bargaining process:

- Consultative Committee on Government Employees Housing Scheme;
- Committee on Disciplinary code for the Public Service; and
- The Government Employees Medical Scheme (GEMS) Committee

B. Capacity Building for parties to Council

Council continued to deliver on its outcomes to ensure capacity building for its negotiators as per the Birchwood and Public Service Summit collective agreements. The Council negotiators attended various capacity building programmes during the reporting period.

C. Pensions Redress Programme

Two agreements were signed: Resolutions 7 and 12 adopted in 1998 and 2002 respectively, to compensate employees who suffered various forms of discrimination by government pension funds during the apartheid era.

D. Workshops and Relationship Building Interventions:

Council held a series of workshops which were presented by the Employer with a view to ensure consultation with Labour on:

- Recognition of Prior Learning (RPL);
- The Foreign Service Draft Bill;
- Draft Border Management Authority Bill (BMA)

Dispute Management

The PSCBC aims at focusing on the importance of establishing a process of efficient and effective dispute resolution prevention mechanisms and the enforcement of collective agreements, rather than the attempt at interpretation and application of these disputes.

Included in this report is a detailed outline of referrals received by PSCBC during the year under review as well as an update on appointment of panellists and Sector consultations.

Corporate Services

The Council has invested surplus funds into the PSCBC call accounts. On the 31 March 2017 a total balance of R 25, 848, 554 [Yr. 2016: R16, 496,528] was reflected in the call accounts. Council call accounts earned R1, 032,390 in interest income during the year under review. The PSCBC recorded a net surplus of R6, 069,714 for the 2016/2017 financial year - R927, 259 of which was generated from the sale of the property Building C located in the Bargaining Council Office Park.

Furthermore, Council established the Financial Committee whose role is to scrutinise the financial activities and to make recommendations to the Executive Committee on such activities.

Management Services

Management Services reflects the efficiency and the continuous use of the website and social media which also include the promotion of the PSCBC brand. The report will also capture the various events/ projects undertaken, development of strategic partnerships, and our commitment towards Corporate Social Responsibility during the reporting period.

In the period ahead, Management Services commit to providing support in all Council's activities, including the planned 20th Anniversary Celebrations.

In developing strategic partnerships, the council successfully hosted the Zambian delegation from the 28th to the 30th of March 2017.

The Council was able to organise and provide support to various events wherein it was able to exhibit and promote the PSCBC brand [*this is elaborated in the report under management Services*].

Frikkie De Bruin

General Secretary

4. Legislative Mandate

4.1 Overview

The Public Service Co-ordinating Bargaining Council (PSCBC) (the Council), whose Constitution was registered on the 13 October 1997, was established in terms of Section 35 of the Labour Relations Act, No. 66 of 1995 (LRA) as amended. The Constitution was periodically reviewed and amended to accommodate the needs of the Council.

In performing its functions, the Council has a legislative mandate as per Section 37 of the LRA 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 the State as the Employer, and the Public Service Unions as Social Partners to engage constructively over matters of Mutual Interest.

4.2 Objectives

The Constitution, lists the following objectives for the Council:

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

a. generally enhance labour peace in the *Public Service;*

b. promote a sound relationship between the *Employer* and its *Employees;*

c. in terms of *the Act* and its constitution, negotiate and bargain collectively to reach agreement on matters of *mutual interest* to the *Employer* and *Employees* represented by admitted *Trade Unions* in the *Council;*

d. provide mechanisms for the prevention and resolution of *Disputes* between—

e. (i) the *Employer* and *Trade Unions* admitted to the *Council;*

f. (ii) the *Employer* and *Trade Unions* not admitted to the *Council;* and

g. (iii) the *Employer* and *Employees,*

h. where the *Employer* has the requisite authority to resolve such Disputes;

i. conclude, supervise and enforce Collective Agreements;

j. comply with its powers and duties in terms of *the Act* and its constitution;

k. consider and deal with such other matters as may affect the interests of the Parties to the *Council;* and

l. promote effective communication and co-ordination between the *Council* and *sectors* designated in terms of **clause 21.3** of its Constitution.

4.3 Powers and duties

The powers and duties of the Council are to:

a. *negotiate and conclude Collective Agreements in respect of matters regulated by Section 36(2) of the Act, which may include negotiating minimum standards on such matters;*

b. *supervise and enforce Collective Agreements concluded in the Council;*

c. *prevent and resolve Labour Disputes;*

d. *resolve Disputes between the Parties to the Council in terms of the Act and the Dispute Resolution Procedures of the Council;*

e. *resolve the Disputes of Parties who are not Parties to the Council, but who fall within the registered scope of the Council, in terms of Section 51(3) of the Act and the Dispute Resolution Procedures of the Council;*

f. *establish and administer a fund to be utilised for resolving Disputes, Collective Bargaining and general administration of the Council and the Sectoral Councils;*

g. *develop proposals for submission to NEDLAC or any other appropriate forum on policy and legislation that may affect Labour Relations in the Public Service;*

h. *determine by Collective Agreement those matters which may not be an issue in dispute for strike or a lock-out;*

i. *designate Sectors, vary their scope, amalgamate or disestablish Sectoral Councils in the Public Service;*

j. *co-ordinate, among the Sectoral Councils, and between such Councils and the Council, the functions and operations of such Councils, including those related to Collective Bargaining and Administration;*

k. *determine, in consultation with Sectoral Councils, appropriate standards of financial control and service that such Councils must maintain;*

l. *provide operational services to Sectoral Councils, if they contribute to efficiency or administrative convenience, and are appropriate for the sharing of skills, expertise or resources, including the following:*

    (i) providing policy and guidelines regarding the appointment, training and payment of Panellists;

    (ii) management and maintenance of Case Management Systems and Policy;

    (iii) training of Users and Parties regarding the dispute resolution framework in the Public Service;

    (iv) provision to the Public, the Parties and the Sectoral Councils of information services relevant to the functions of the Council;

    (v) providing accommodation to Sectoral Councils, except for the ELRC;

    (vi) formulation and maintenance of Human 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.*

5. Governance Structure

5.1 Leadership

Clause 13.2 of the PSCBC Constitution provides for the election/appointment of a Chairperson and Vice-Chairpersons of Council, who serve for a 24 month term.

Mr Mpfariseni Erasmus Phophi (Vice-Chairperson: Employer)

Mr Mathews Mhluplicki Sebiloane (Vice-Chairperson: Labour)

Clause 14.1 of the PSCBC Constitution provides for the appointment of a General Secretary by the Council.

Mr Frikkie De Bruin (General Secretary)

5.2 Executive Committee (EXCO)

Clause 19.1 of the PSCBC Constitution provides for the appointment of the EXCO. The EXCO is responsible for the day to day management of the Council. The following members served on the Executive Committee for the reporting period:

{4 Labour Representatives, 4 Labour alternatives, 4 Employer Representatives and 4 Employer Alternatives}

LABOUR	ORGANISATION
K Sodidi	Democratic Nursing Organisation of South Africa (DENOSA)
D Mavuso	National Education, Health and Allied Workers' Union (NEHAWU)
L Gilbert	Public Servants Association of South Africa (PSA)
M Galorale	South African Democratic Teachers Union (SADTU)

LABOUR	ALTERNATE
D Madiba	South African Medical Association (SAMA)
A Makape	National Education, Health & Allied Workers Union (NEHAWU)
K Frank	South African Democratic Teachers Union (SADTU)
B Manuel	National Professional Teachers Organisation of South Africa (NAPTOSA)

EMPLOYER	ORGANISATION
G Pillay	Department for Public Service & Administration (DPSA)
T Ngake	Department of Health (DOH)
W Kutumela	Department of Basic Education (DBE)
B Malwane	North West Provincial Government (NWPG)

EMPLOYER	ALTERNATE
N Rilityane	Department of Public Service & Administration (DPSA)
J Griesel	South African Police Service (SAPS)
G Makubela	Department of Public Works (DPW)
L Esterhuyse	Western Cape Government

5.3 Financial Committee (FINCOM)

The FINCOM is a sub-committee of the EXCO of the Council. It will make recommendations to the EXCO on financial matters. The following members served on the FINCOM for the reporting period:

{4 Labour Representatives and 4 Employer Representatives}

LABOUR	ORGANISATION
T Sonyathi	Democratic Nursing Organisation of South Africa (DENOSA)
L Motshwane	South African Democratic Teachers' Union (SADTU)
T Moralo	National Education, Health & Allied Workers Union (NEHAWU)
T Ngwenya	Police & Prisons Civil Rights Union (POPCRU)

EMPLOYER	ORGANISATION
H Brynard	Department for Public Service & Administration (DPSA)
V Sakala	Department for Public Service & Administration (DPSA)
F Van Vuuren	Department for Public Service & Administration (DPSA)
D Mogane	National Treasury

6. PERFORMANCE REPORTS

PROGRAMME 1:

6.1 Collective Bargaining

6.1.1 Overview

The Collective Bargaining Unit (CBU) 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 CBU.

An integral function 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 Objectives for Collective Bargaining as a core function of the Council for the reporting period were:

i. 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;

ii. To monitor, evaluate and ensure compliance with collective agreements;

iii. To develop and implement a research strategy within the organisation.

The CBU is also responsible for amongst others, the implementation of the provisions of the PSCBC Constitution and relevant sections of the Procedure Manual. Integral to our work as a Unit is monitoring the implementation of the provisions as contained in Council Resolutions, and ensuring its correct implementation by working together with the State as the Employer and Labour to workshop agreements across the country.

The following report highlights the work done by the CBU for the period under review.

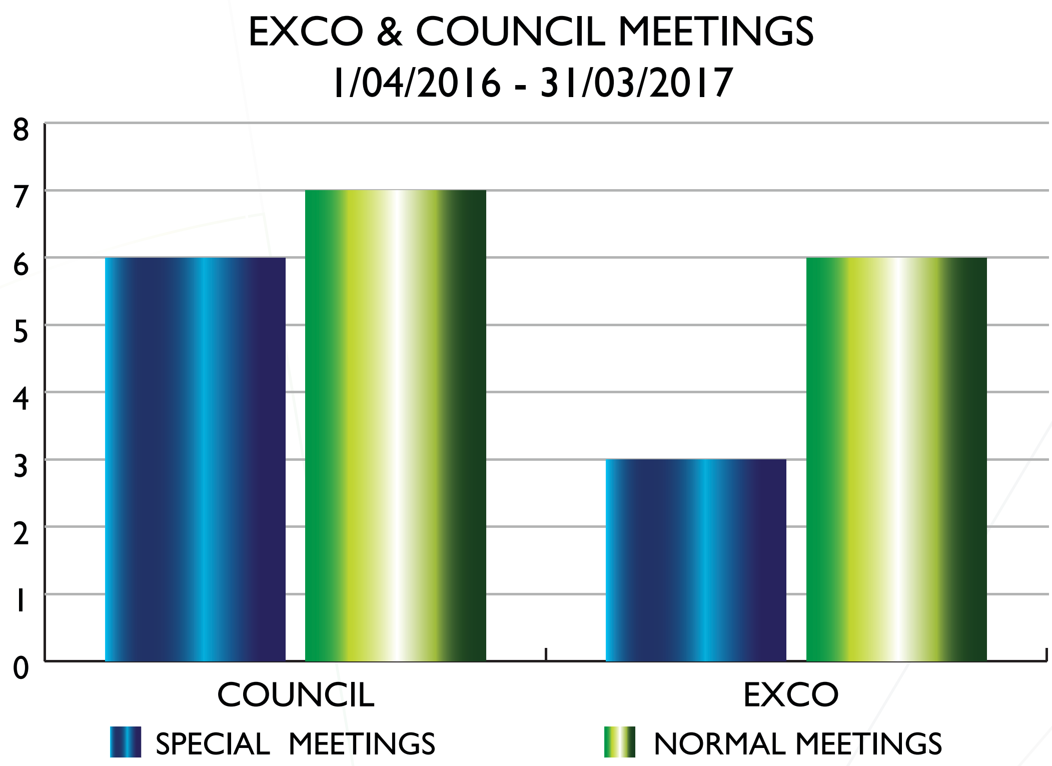
6.1.2 Meetings

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

Council in Session

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

Figure1:



6.1.3 Multi-term Salary Agreement (Resolution 2 of 2015)

During the reporting period, Resolution 2 of 2015 was still in place and effective [i.e. until 31 March 2018]. Public Servants received an increase of 7.3% (calculated at CPI + 1%) for the period 1 April 2017 to 31 March 2018.

The negotiations process for the next salary agreement is envisaged to begin midway through the 2017 calendar year.

6.1.4 2016/2017 Resolutions

The following 2 Resolutions were concluded during the year under review:

A. Resolution 1 of 2016

Agreement on the amendment of PSCBC Resolution 9 of 1998: Designation of the Health Sector for establishment of a Bargaining Council

The purpose of the Agreement was to amend Clause 4(c) of PSCBC Resolution 9 of 1998 in amending and adding of occupational definitions to Schedule 1 of PSCBC Resolution 9 of 1998. The occupational definition of "Community Liaison Officer" was deleted and 2 new categories viz. "Community Development Practitioner" and "Assistant Community Development Practitioner" were added to Schedule 1.

B. Resolution 2 of 2016

Amendments to Resolutions 1, 3 & 5 of 2015 (Timeframes)

The purpose of the Agreement was to extend the timeframes of Resolutions 1, 3 & 5 of 2015 to allow Council to conclude its work.

6.1.5 Committees

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

Some of the Committees were created to implement aspects of Collective Agreements of Council while others carry out specific tasks of Council.

The following Committees/ Task Teams were established during the reporting period:

A. Consultative Committee on Government Employees Housing Scheme (GEHS)

The GEHS Consultative Committee was established by Resolution 7 of 2015 with the aim of giving effect to clause 4.4.4 of the agreement.

The committee at their first meeting agreed on the terms of reference which were subsequently adopted by Council.

The mandate of the committee is as follows:

- GEHS Administration arrangements
- GEHS Governance architecture
- Information exchange in relation to the GEHS

In April and May 2016 of the reporting period, various workshops were facilitated in the nine (9) provinces to inform the PSCBC constituency of the progress made with the implementation of the Agreement. The workshops were well received and a total of 1191 delegates attended the sessions.

Implementing the GEHS project has proved challenging for the Council due to the technicalities and intricacies surrounding the funding of the proposed facility, lack of resources and lack of mandates. However, parties to Council remained committed to the process, and to this end, have elevated the GEHS Committee matters to the level of Council for meaningful engagement, reporting and monitoring.

B. Committee on the Disciplinary Code for the Public Service

The Disciplinary Code Committee was established by Council to deal with the amendments to the Disciplinary code and Procedure for the Public Service.

The Committee concluded its work in August 2016 and has submitted a Draft terms of Reference to Council for negotiations.

C. The Government Employee Medical Scheme (GEMS) Committee

The GEMS Committee was established in terms of Resolution 3 of 2015: Agreement on Review of Government Medical Scheme.

Parties agreed to jointly conduct a comprehensive review of the efficacy of the operating model of the GEMS and review whether the objectives for which GEMS was set up are being fulfilled.

The Committee was not able to meet its objectives during the reporting period. The timeframe for Resolution 3 of 2015 was therefore extended.

6.1.6 Capacity Building for parties to Council

Council continued to deliver on its outcomes to ensure capacity building for its negotiators as per the *Birchwood* and *Public Service Summit* collective agreements.

The Council negotiators attended the following capacity building programme during the reporting period:

- The ILO Negotiations Skills Training:

✓ Hosted at the ILO International Training Centre (ITC) in Turin, Italy, from the 11th to the 15th April 2016.

✓ The objective of the course was *to develop participants' knowledge and understanding of consensus-building approaches to conflict management and dispute resolution*.

✓ Emphasis was placed on how to move from a traditional style of adversarial negotiating to a negotiation style that allows for mutual gains and strengthened relationships amongst parties.

6.1.7 Pensions Redress Programme

Pensions Redress is the provision of compensation to government employees who suffered various forms of discrimination by government pension funds during the apartheid era. These pension funds were disestablished and amalgamated into the Government Employees Pension Fund on 1st May 1996. To compensate affected employees, Council signed two agreements: *Resolutions 7 and 12* adopted in 1998 and 2002 respectively.

The discrimination was based on race, gender, physical criteria, status of employment, and punitive measures arising from industrial action. The basis of discrimination varied but they had in common the same purpose and effect: to recognize as pensionable only part of the years of service that employees rendered.

This discrimination amongst others includes the following:

i. Female teachers and other female employees in the public service who had to resign to give birth and upon return were admitted to the Temporary Employees Pension Fund (TEPF),

ii. Republic of South Africa citizens employed in former Transkei, Bophuthatswana, Venda, and Ciskei (the so-called «TBVC States») and

iii. Employees admitted to temporary pension funds due to their medical/physical status.

Council took a decision in 2009 to implement the two aforementioned Resolutions. The programme for implementation was launched by the former DPSA Minister, Honourable Minister Baloyi in 2010. Possible beneficiaries were invited to complete the application forms. Different modes of media were used in inviting former and current public servants who were affected to apply. In 2012 Council concluded and signed a Resolution 3 of 2012 closing the programme on 31 March 2012.

Application forms were submitted via the PSCBC, which forwarded all the forms to Government Pensions Administration Agency (GPAA) for verification purposes. All the forms that GPAA declared as non-qualifying were handed over to independent service provider for re-verification. The verification process was completed in March 2016.

During the period under review Council had established a Committee of five (5) representatives each from Labour and Employer to consider and draft a close-out collective agreement.

The current status is that the Pensions Close-out Committee is working together with actuaries to conclude on the discriminatory pension payment process.

The PSCBC website was used as a tool for applicants to track progress of their applications. Parties remain committed to the process to finalise the Close-out Agreement early in the next financial year.

6.1.8 EXCO Operational Planning Session

EXCO held its operational planning session from 28 February to 2 March 2017. The session was facilitated by Alfred Sebonyane Tsetsane.

The purpose of the Operational Planning Session was for EXCO to look at the state of the organisation and preparation for the 20 years Celebration in 2017.

The session was well received by parties and focused on:

i. The challenges, opportunities and guiding principles to be considered in the upcoming salary negotiations;

ii. The policy options and interventions which would guide the imperatives for the next strategic cycle, projects of the 20 years Anniversary of the PSCBC, and the next salary negotiations;

iii. Links and Interfaces with other Councils and strategic partners

6.1.9 Workshops

Council held a series of workshops which were presented by the Employer with a view to ensure consultation with Labour on the following:

i. Recognition of Prior Learning (RPL)

A workshop on the draft RPL Policy was convened on 01 December 2016 where the policy was tabled to Council for consultation.

Arising out of Clause 8 of the PSCBC Resolution 2 of 2015 dealing with Recognition of Prior Learning (RPL), the Employer recognized the principle of prior learning as contained in the SAQA National Policy for the implementation of the RPL. The Employer therefore undertook to develop a policy on RPL for the Public Service and table it in the PSCBC for consultation by 30 June 2016.

At the time of reporting Labour reported that they would revert to Council with a comprehensive response once their mandating processes were finalised.

ii. The Foreign Service Draft Bill

A workshop on the draft Foreign Service Bill was convened on 02 December 2016 where the Bill was tabled to Council for consultation.

The purpose of the Bill is to consolidate the current fragmented approach to South Africa's international representation in a coherent and comprehensive manner in order to improve coordination, coherence and service delivery.

The Bill is aligned to the National Development Plan and aims to enhance service delivery. DIRCO would be responsible for the management and administration of the Bill which provides for a single foreign service system that includes all missions and all those persons serving in posts at the missions.

At the time of reporting the Employer indicated that they were busy with discussions in considering the substantive aspects of Labour's input.

iii. Draft Border Management Authority Bill (BMA)

A workshop on the draft Border Management Authority Bill was convened on 12 December 2016 where the Bill was tabled to Council for consultation.

The purpose of the Bill is to develop legislation formally establishing the Border Management Agency, to facilitate the secure, efficient, effective and enhanced coordination and management of South African Ports of Entry and the Borderline environment.

At the time of reporting Labour reported that they would revert to Council with a comprehensive response once their mandating processes were finalised.

6.1.10 Provincial Co-ordinating Chambers of the PSCBC

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, where Secretariat Services are provided by the Employer, but coordinated logistically and operationally through the PSCBC.

6.1.10.1 Provincial Management Committees

The table below illustrates the Management Committees responsible for co-ordination of chambers at provincial level.

Figure: A

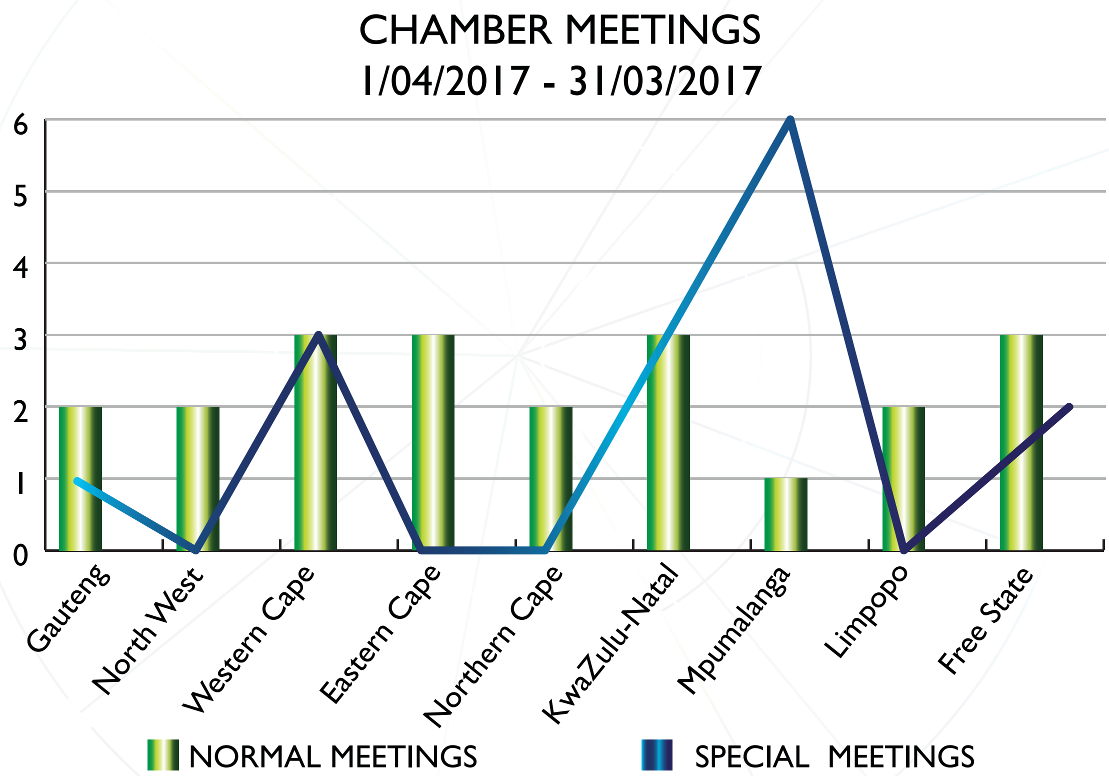
Province	Management Committee Members
Gauteng	Chairperson: V Mbense (Employer) Vice-Chairperson (Employer): M Sithole Vice-Chairperson (Labour): Vacant Secretariat: N Sibiya (PSCBC)
North West	Chairperson: M Mayinganya Vice-Chairperson (Employer): W Gaelisiwe Vice-Chairperson (Labour): Vacant Secretariat: N Sibiya (PSCBC)
Western Cape	Chairperson: D Jacobs Vice-Chairperson (Employer): S Faker Vice-Chairperson (Labour): vacant Secretariat: N Sibiya (PSCBC)
Eastern Cape	Chairperson: D Jaxa (Employer) Vice-Chairperson (Employer): Vacant Vice-Chairperson (Labour): T Koya Secretariat: N Sibiya (PSCBC)
Northern-Cape	Chairperson: K Motebe Vice-Chairperson (Employer): T Ntsheno Vice-Chairperson (Labour): W Koopman Secretariat: N Sibiya (PSCBC)

Province	Management Committee Members
Kwazulu-Natal	Chairperson: A Van Schalkwyk (Labour) Vice-Chairperson (Employer): Vacant Vice-Chairperson (Labour): C Lekgoathi Secretariat: N Sibiya (PSCBC)
Mpumalanga	Chairperson: S Hlabangane Vice-Chairperson (Employer): Vacant Vice-Chairperson (Labour): M Khumalo Secretariat: N Sibiya (PSCBC)
Limpopo	Chairperson: M Chilwane Vice-Chairperson (Employer): S Ntwampe Vice-Chairperson (Labour): J Marumo Secretary: M Shirindza (Seconded by Employer)
Free State	Chairperson: A Matiwane (Employer) Vice-Chairperson (Employer): M Sani Vice-Chairperson (Labour): L Strydom Secretary: R Thurston (Seconded by Employer)

6.1.10.2 Chamber meetings

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

Figure 2:



6.1.10.3 Common Agenda Items

Common agenda items discussed within Chambers from 1 April 2016 to 31 March 2017

Agenda item	Chambers
i. Interpretation And Implementation of Resolution 3 Of 2009	• CCPMP • CCPGP • CCPLP • CCPKZNP • CCPWCP • CCPNWP
ii. Filling of Vacant Funded Posts	• CCPMP • CCPKZN • CCPNWP • CCPECP • CCPFSP
iii. Health and Wellness Policy	• CCPGP • CCPWCP • CCPKZN • CCPFSP
iv. Recruitment Policy Framework	• CCPMP • CCPNCP • CCPGP
v. Bursary Policy	• CCPMP • CCPWCP • CCPGP • CCPNWP
vi. Implementation of Resolution 7 Of 2015	• CCPMP • CCPLP • CCPWCP • CCPNWP • CCPMP • CCPECP
vii. Status Report on Pension Redress	• CCPKZN • CCPWCP • CCPMP • CCPNWP • CCPECP • CCPGP • CCPNCP
viii. Resolution 1 of 2012	• CCPMP • CCPNWP • CCPFSP • CCPLP
ix. Acting Allowance	• CCPMP • CCPGP
x. PMDS Policy	• CCPNCP • CCPGP • CCPFSP • CCPLP
xi. Leave Policy	• CCPGP • CCPNCP
xii. GEPF to conduct Training - Delays in submission of documentation, GEPF	• CCPKZNP • CCPECP

xiii. Parking Policy	• CCPLP • CCPGP

6.1.10.4 Relationship Building Intervention Workshops

Arising out of Council's strategic objectives in reference to the value of Chambers, the PSCBC embarked on conducting relationship building intervention workshops within the provincial Chambers.

The process was facilitated in there (3) provinces as a pilot project during the reporting period viz.:

i. Mpumalanga | 5-6 December 2016

ii. Limpopo | 12-13 December 2016

iii. Western Cape | 6 – 7 & 27 - 28 February 2017

The sessions were facilitated by an independent facilitator and were well received in the provinces. The workshops' focus areas were:

a) The review of the purpose and value-add of the Chambers to collective bargaining in the Province in consonant with the PSCBC and as per relevant legislation in order to create a positive space that serves parties' interests;

b) Challenges being faced by both Labour and the Employer in the Chamber;

c) The need for administrative protocol to ensure Chamber effectiveness;

d) Jurisdictional challenges: issues being placed on the agenda that the Chamber doesn't have the jurisdiction to deal with;

e) The need to have joint needs-based training & capacity building for parties to the Chamber so as to improve the efficiency and effectiveness of the Chamber;

f) The critical roles played by a Chairperson and Vice-Chairpersons within a Chamber.

6.1.10.5 The CBU Research Section

The CBU has gained a critical unit which has been established to manage the research agenda of Council.

The unit's responsibilities are:

- To design and carry out research on Collective Bargaining and Dispute Resolution in the Public and Private Sectors.
- Design appropriate research methodology techniques and tools for the Council.

During this reporting period the Research Unit concentrated on the following:

i) **Implementation of Resolution 1 of 2015: Agreement on the review and the impact of existing outsourcing and agentisation practices within the public service & conducting an independent study on the principles of decent work**

The unit is working together with Regen Group in investigating the rationality and impact of the outsourcing and agentisation narrative based on five (5) study imperatives, viz.:

- Whether the agentisation and outsourcing alternative is economically and socially defensible considering the magnitude of divergence around it?
- Whether the practice advances the ideals and aspirations of the Developmental State trajectory as enshrined in the National Development Plan (NDP) and other applicable policy instruments and legislative directives?
- Whether the practice is relevant, responsive and aligned to South Africa's broader nation-building vision of creating decent work opportunities within a dynamic and complex labour relations narrative?

- Whether the benefit propositions of the practice outweigh its opportunity costs given the current structural deficiencies and incapacities experienced in South Africa's service machinery?
- Whether the practice is consistent with South Africa's broader socio-economic transformation and empowerment agenda?

The study is at an advanced stage and will be concluded in the next financial year.

ii) **Implementation of Clause 10 of Resolution 1 of 2012 - Compliance with Occupational Health and Safety Act**

Council agreed to conduct an independent audit on compliance with the Occupational Health and Safety Act.

The audit will be completed for tabling in Council in the next financial year.

The next financial year will have the Research Unit engaged with work of the PSCBC's 20th Anniversary processes as well as other Council processes such as:

- The outcome of the Collective Bargaining Indaba
- The outcome of the Round-table discussions
- The outcome of the Strategic Planning Session of Council
- The outcome of the new Agreement that will be concluded on salaries and conditions of service

The Unit will be preparing proposals on the theme *"Research, Practices and Policy for Labour and Employment Relations within a sustainable society"*, to be presented at the ILERA 18th World Congress 2018 in Seoul, South Korea.

The year ahead is indeed exciting and the unit is looking forward to it with renewed enthusiasm.

6.1.11 The Year Ahead

The CBU has worked tirelessly to meet the objectives of the core business of the PSCBC.

We enthusiastically look forward to the next financial year as we celebrate 20 years of our existence and brace ourselves for a new salary agreement. The numerous projects for the year, although challenging to say the least, will undoubtedly allow the PSCBC to strengthen its operations, stakeholder relationships, and position globally.

This mammoth challenge of the next reporting period will be taken on by the CBU with the usual optimism, efficiency, meticulousness and excellence.

PROGRAMME 2:

6.2 Dispute Resolution Management

6.2.1 Overview

The Dispute Resolution Unit is also responsible for the delivery of core support to the Council in achieving its strategic objectives, which include: the reviewing of dispute resolution procedures; rules and admin processes; the recruitment of Panellists; monitoring of compliance by Panellist with the Service Level Agreement; development of a dispute prevention program (training); and to monitor, evaluate and ensure compliance to collective agreements.

The Dispute Resolution and Prevention function is a core delivery mechanism towards attaining labour peace. The function is regulated by Chapter vii (Section 112) of the Labour Relations Act and Section 21 of schedule 1 of the establishment of Public Service Coordination Bargaining Councils.

The report covers the period from 01 April 2016 to 31 March 2017 in comparison to the same period in the previous Financial Year of the cases referred.

6.2.2 Statistics[1]

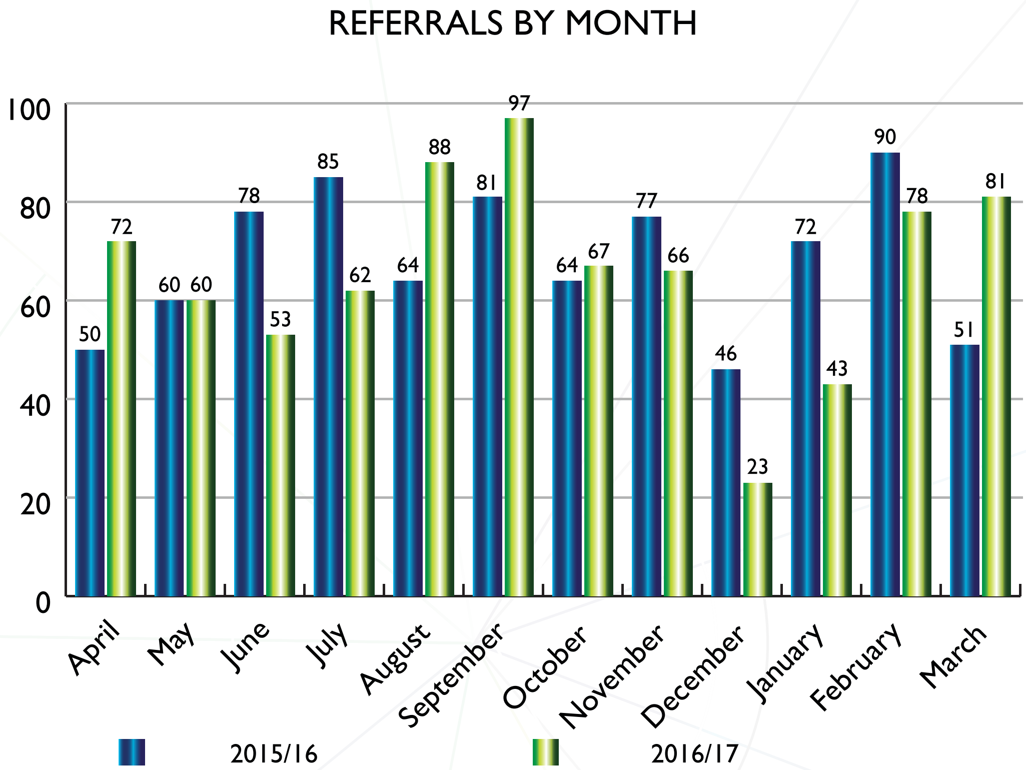
6.2.2.1 Number of referrals received

A total number of 790 referrals were received in the period from 01 April 2016 to 31 March 2017 when compared to 818 referrals received in the previous year resulting in a 3% referral decrease.

A breakdown of cases referred by Month

There was a low referral rate in the month of December which may be as a result of the shut-down period during the period 16 December to 7 January.

Graph One: Referrals by Month

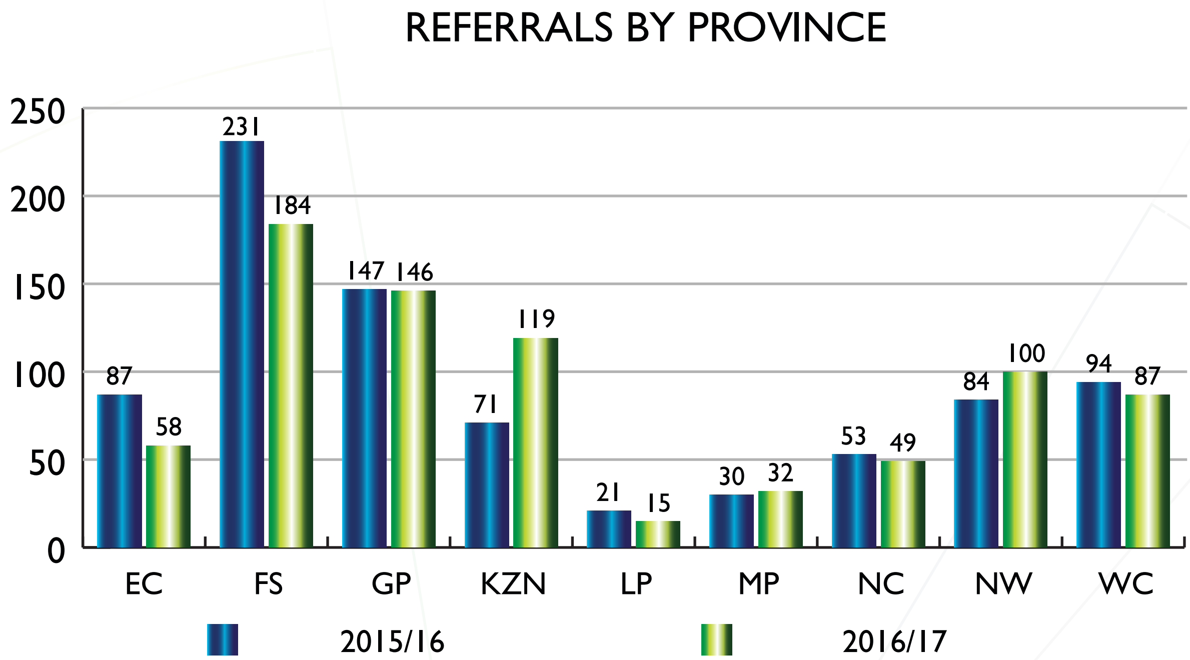


1 Drawn from the Case Management System (CMS) report as provided by the CCMA

A breakdown of cases referred by Provinces/Regions

There was a significant referral rate increases in the Kwa-Zulu Natal Province of 68% and in the North West Province of 19%, plus a slight referral rate increase in the Limpopo Province. A referral rate decrease has been recorded in the provinces of the Eastern Cape, Free State, Limpopo, Northern Cape and the Western Cape. The Mpumalanga, Limpopo and Northern Cape remain the least referring Provinces.

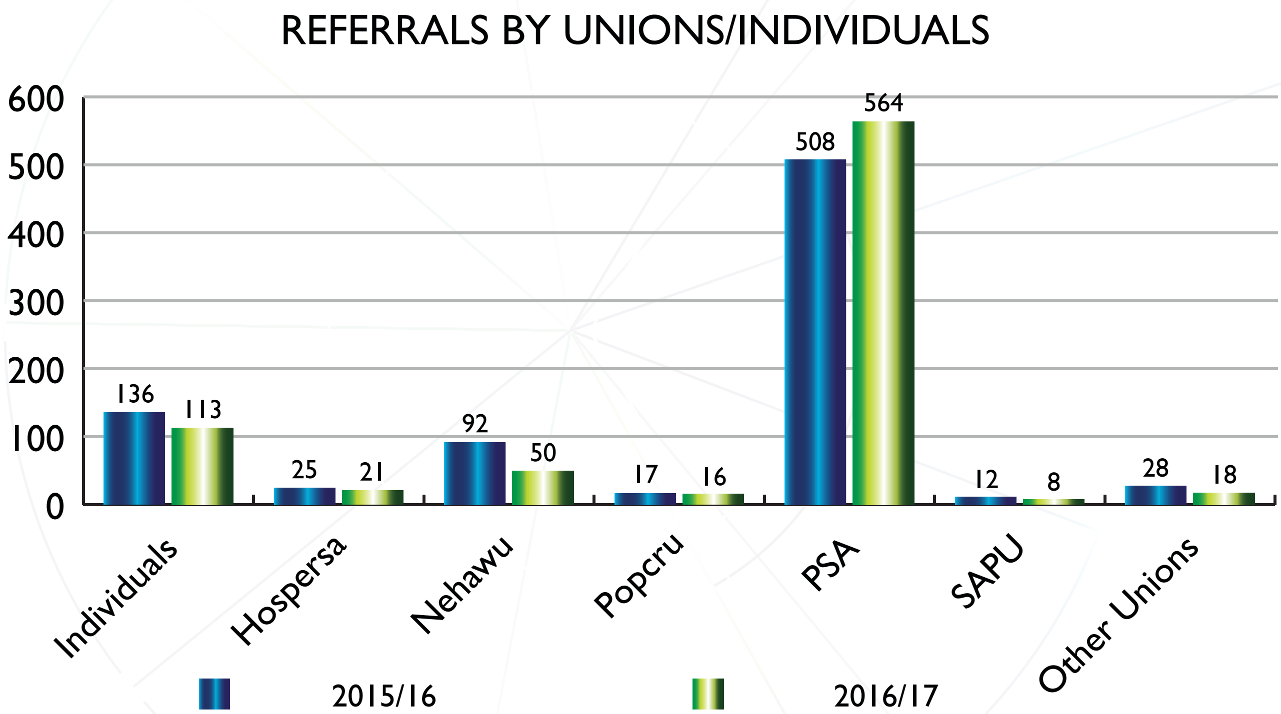
Graph Two: Referrals by Provinces



Referrals by Trade Unions/Individuals

The PSA referred 71% of disputes of the total number of the referrals received when compared to the 62% in the previous period. The disputes referred by individuals featured second at 14% and at 16% in the previous year period.

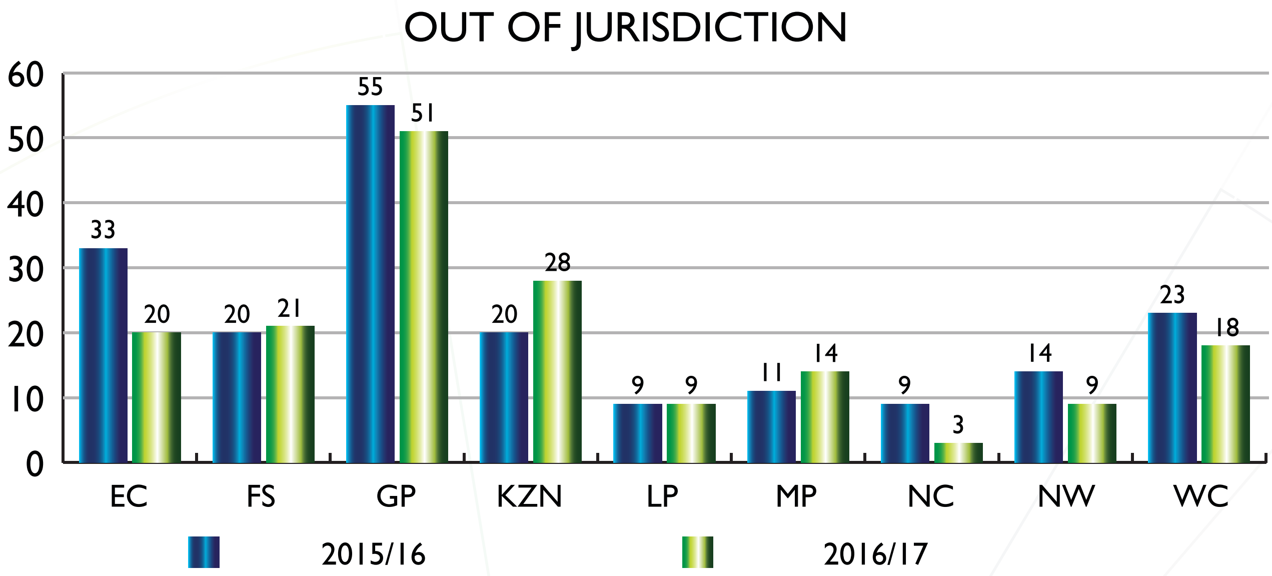
Graph Three: Referrals by Unions/Individuals



Out of jurisdiction referred cases[2]

Out of the 790 referrals received: 21% of the referred cases were screened out of jurisdiction prior to any process and 23% of the 818 in the previous period. It is worth mentioning that the CMS has been configured to classify disputes that are not properly referred[3] as out of jurisdiction. Eight cases were transferred to the PSCBC by the CCMA which seven of the cases were transferred back to the CCMA and other Bargaining Councils.

Graph Four: Out of Jurisdiction



Disputes referred to conciliation by issue

The disputes referred in terms of Resolution 14 of 2002 constituted 31% of the caseload[4] in comparison to 32% in the same period in the previous year. The disputes relating to Resolution 7 of 2000 read with Resolution 5 of 2001 accounted for 22%, against 17% in the previous year period.[5] The disputes relating to remuneration and benefits in terms of Resolution 3 of 1999 accounted for 4% of the caseload[6] compared to 5% in the same period in the previous year.

The disputes relating to Resolution 1 of 2007 read with Resolution 2 of 2004 accounted for 7% which was the same in the previous year period.[7] The disputes relating to Resolution 1 of 2003 accounted for 3% and 5% in the same period in 2015/16.[8]

The disputes relating to Resolution 3 of 2009 accounted for 8% and 10% in the same period in the previous year.[9] The disputes relating to Resolution 1 of 2012 accounted for 6% and less than 9% in the same period in the previous year.[10] The disputes relating to Resolution 7of 2015 accounted for 4% and 3% and less than a percentage in the same period in the previous year.[11]

Other various disputes emanating from other Resolutions and other disputes which accounted for 11% were also referred.

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

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

4 Non-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

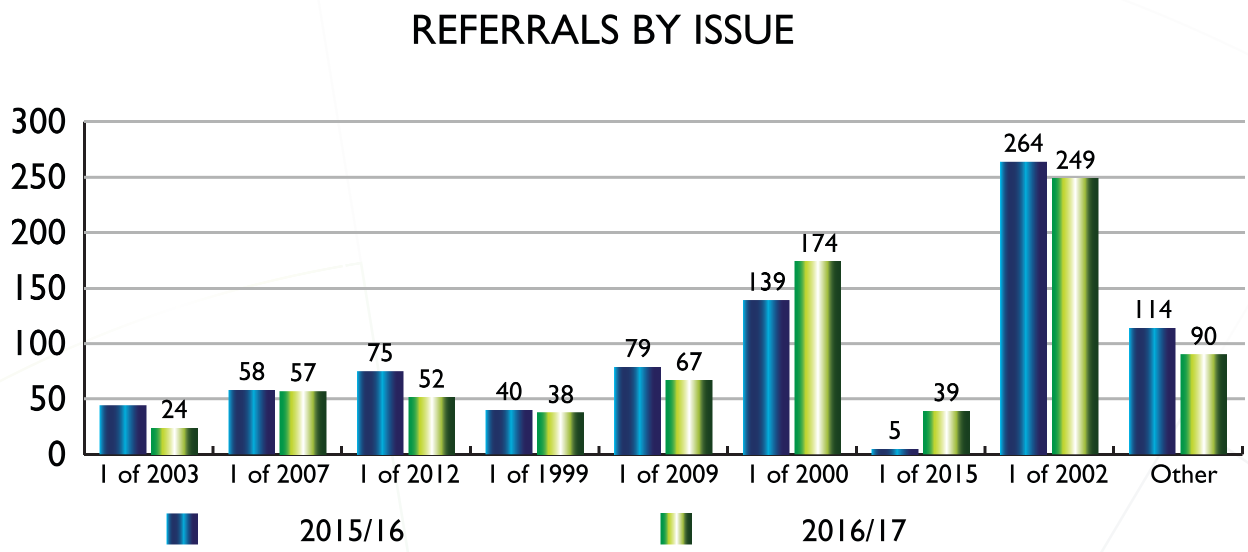
8 Non-adherence to the disciplinary code and procedure

9 Disputes relating salary level structure

10 Improvements on conditions of service; Clause 18.1

11 Housing allowance

Graph Five: Referrals by Issue



Issues referred by Provinces

Disputes relating to Resolution 14 of 2002 were predominantly referred from the Free State, North West and Gauteng Provinces. Disputes relating to Resolution 7 of 2000 were commonly referred from the Kwa-Zulu Natal and Western Cape Provinces. The referral rate of these disputes increased in the Eastern Cape and Free State Provinces.

The disputes relating to Resolution 3 of 2009 read with Resolution 1 of 2012 (salary levels) were also significantly referred from the Gauteng and North West Provinces. The disputes relating to Resolution 7 of 2015 on housing allowance were predominantly referred from the Kwa-Zulu Natal Province.

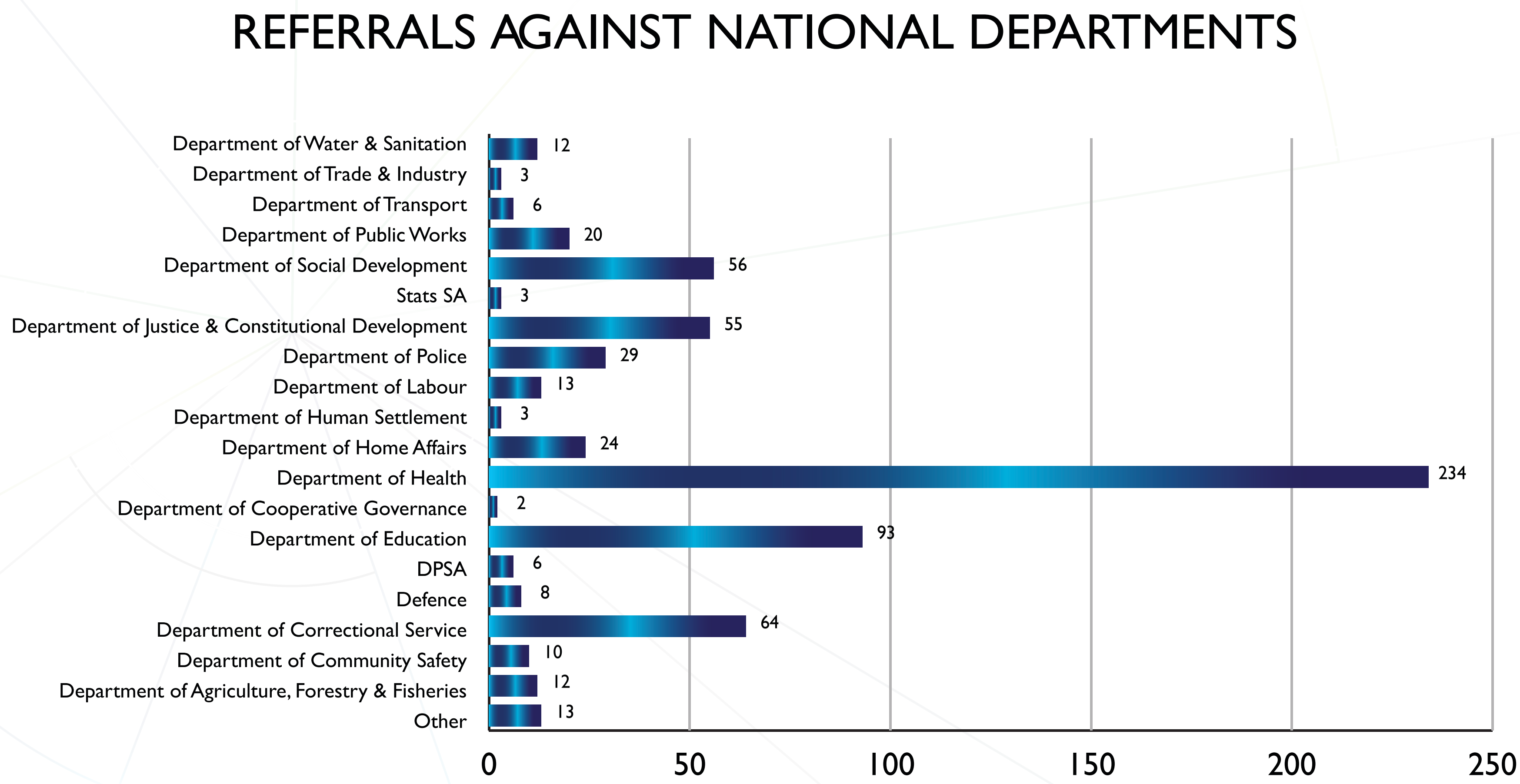
Table A: A breakdown of referrals by Issue per Province

Issue	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
1 of 2003	2	10	5	3	0	1	1	2	0	24
1 of 2007	3	16	2	9	3	5	5	3	11	57
1 of 2012	8	4	17	3	0	4	6	3	7	52
3 of 1999	2	12	5	8	1	0	1	4	5	38
3 of 2009	6	2	17	9	1	6	6	14	6	67
7 of 2000	19	21	22	49	3	3	3	16	38	174
7 of 2015	0	0	6	15	0	3	0	6	9	39
14 of 2002	11	109	39	11	0	5	25	49	0	249
Other	7	10	33	12	7	5	2	3	11	90
Total	58	184	146	119	15	32	49	100	87	790

Referrals against the Departments

Below is a breakdown of referrals received against National Departments. The highest number of the referrals received was against the Department of Health at 29% of the referrals received.

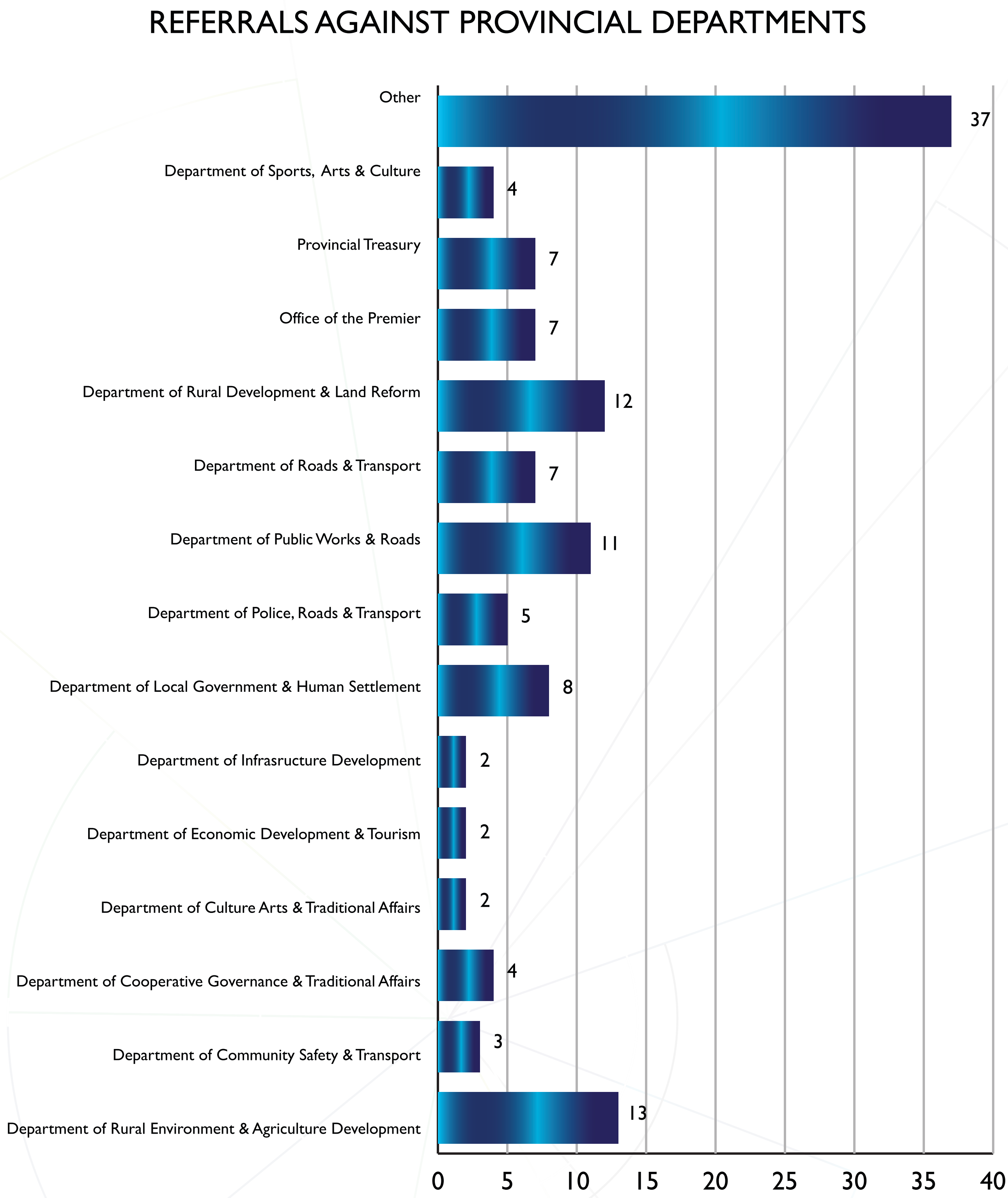
Graph Six: Referrals against National Departments



Referrals against the Provincial Departments

Below is a breakdown of referrals received against the provincial departments –

Graph Seven: Referrals against Provincial Departments

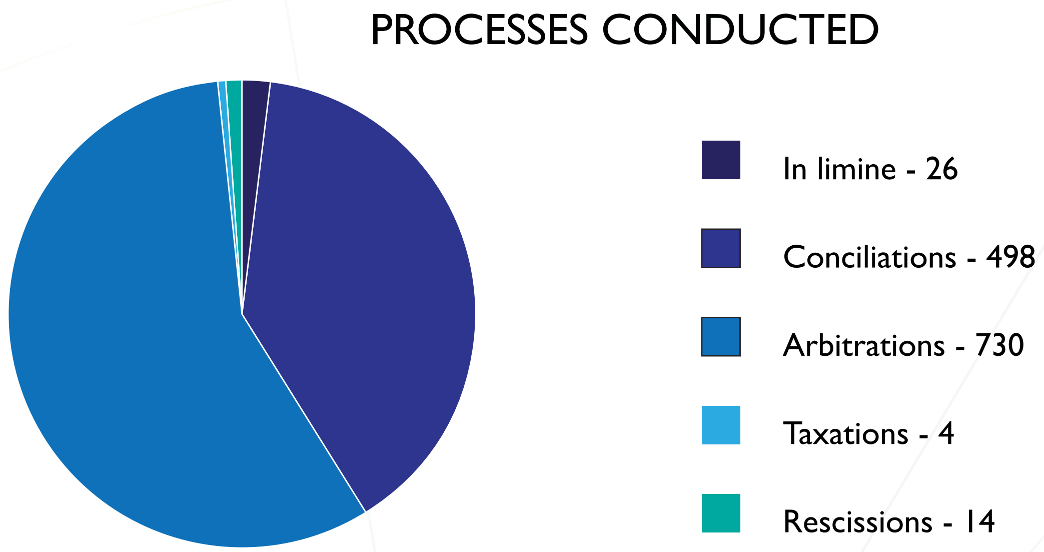


6.2.2.2 Processes scheduled/conducted

A total number of 1272 processes were scheduled/conducted in this period [i.e. 26 in limine, 14 rescissions, 4 taxation, 498 conciliations and 730 arbitrations] - when compared to 1307 processes scheduled/conducted in the previous year period. .

One hundred and forty seven (147) certificates were issued in terms of S135 (5) of the LRA. Four hundred and ninety nine (499) requests to arbitration forms were received.

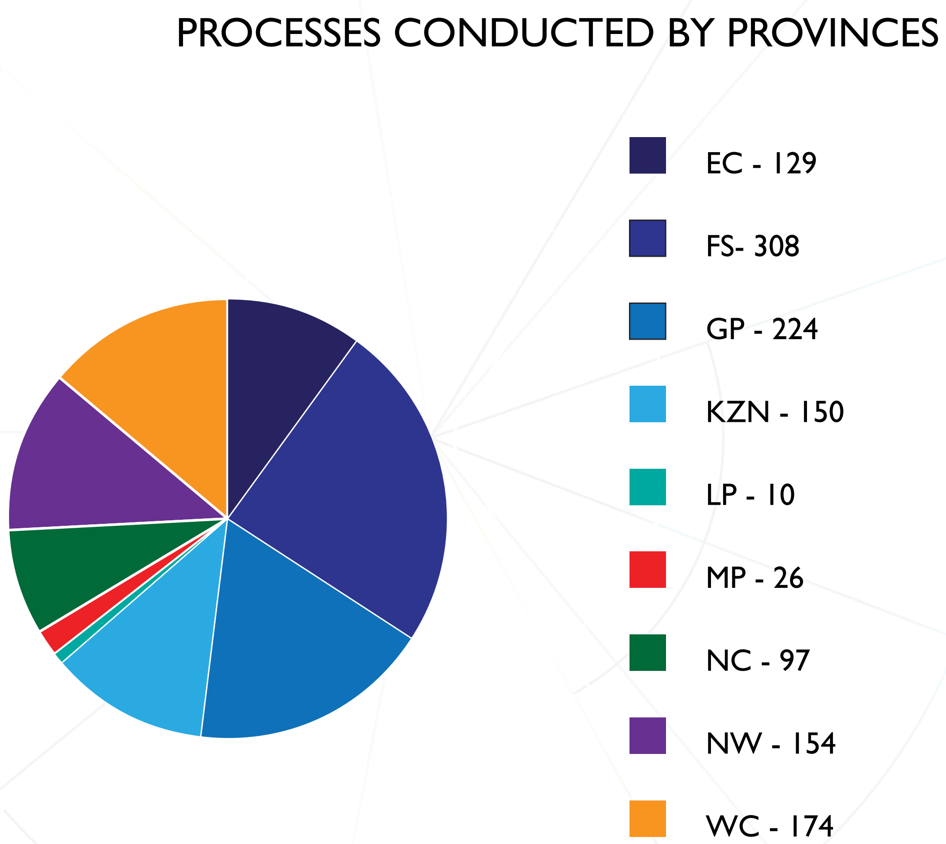
Diagram A: A breakdown of processes conducted



Number of processed scheduled / set down by Provinces

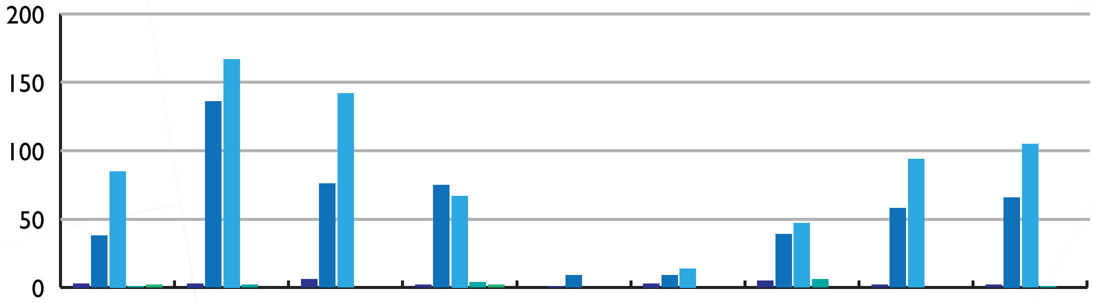
The Free State Province had the highest number of processes scheduled/conducted, followed by the Gauteng Province.

Diagram B: The number of processes conducted in the Provinces



Graph Eight: A breakdown of processes by Provinces

PROCESSES BY PROVINCES



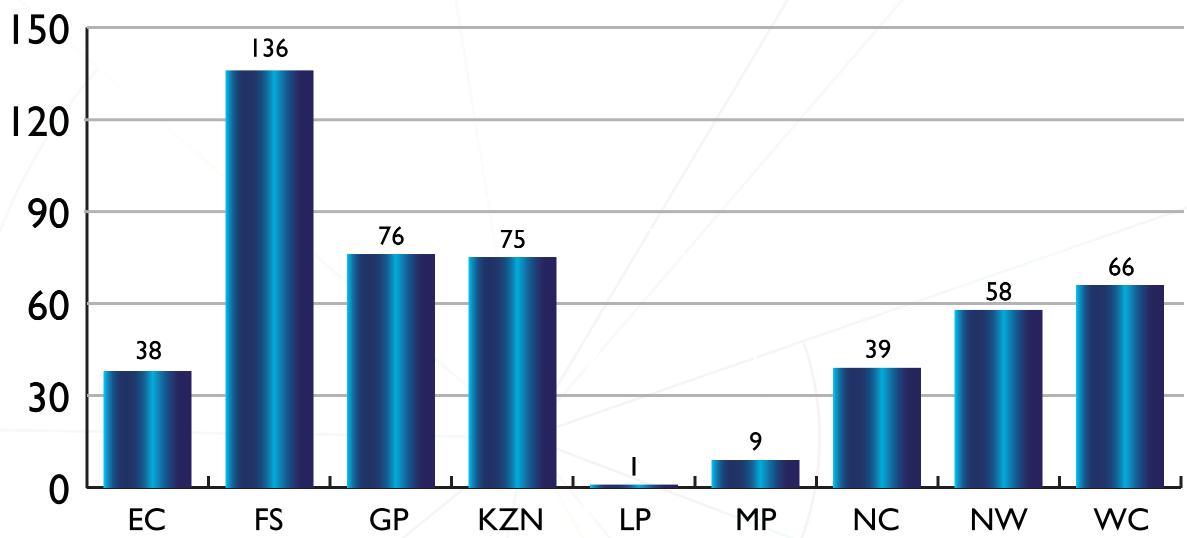
	EC	FS	GP	KZN	LP	MP	NC	NW	WC
In limine	3	3	6	2	0	3	5	2	2
Conciliations	38	136	76	75	1	9	39	58	66
Arbitrations	85	167	142	67	9	14	47	94	105
Rescissions	1	2	0	4	0	0	6	0	1
Taxations	2	0	0	2	0	0	0	0	0

A breakdown of conciliations conducted by Provinces

Of the total conciliations conducted, the highest conciliations came from the Free State at 136 followed by the Gauteng and Kwa-Zulu Natal Provinces respectively.

Graph Nine: A breakdown of conciliation processes by Provinces

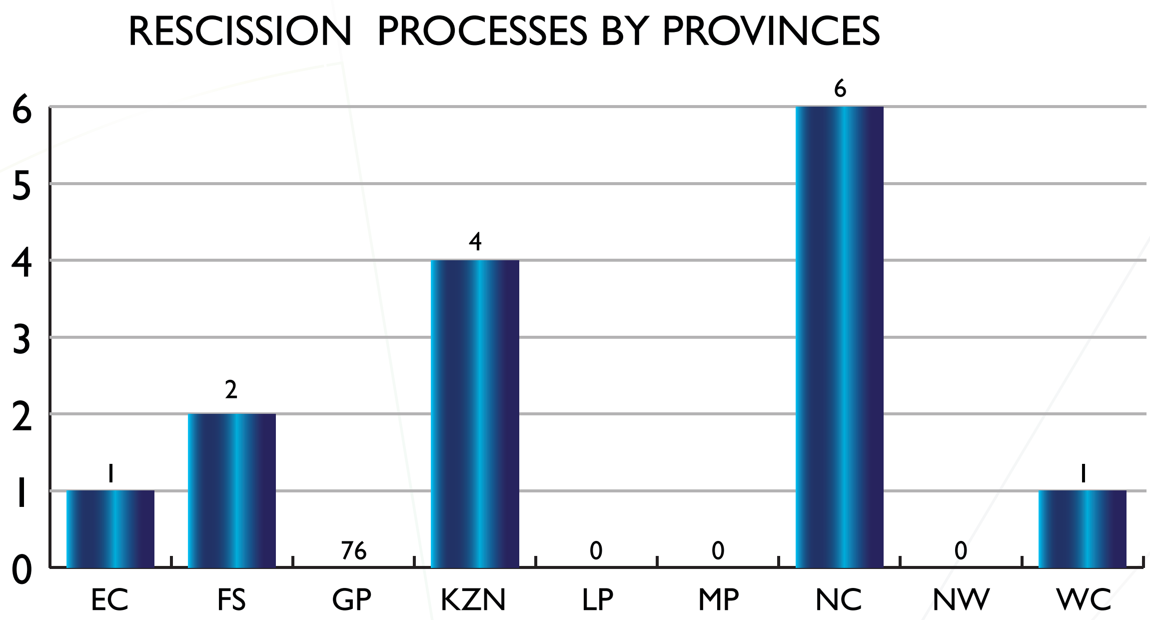
CONCILIATION PROCESSES BY PROVINCES



A breakdown of rescissions conducted by Provinces

A total number of 14 rescissions were scheduled in this period, with the Northern Cape Provinces accounting for a highest number of 6 rescission processes conducted followed by the Kwa-Zulu Natal Province.

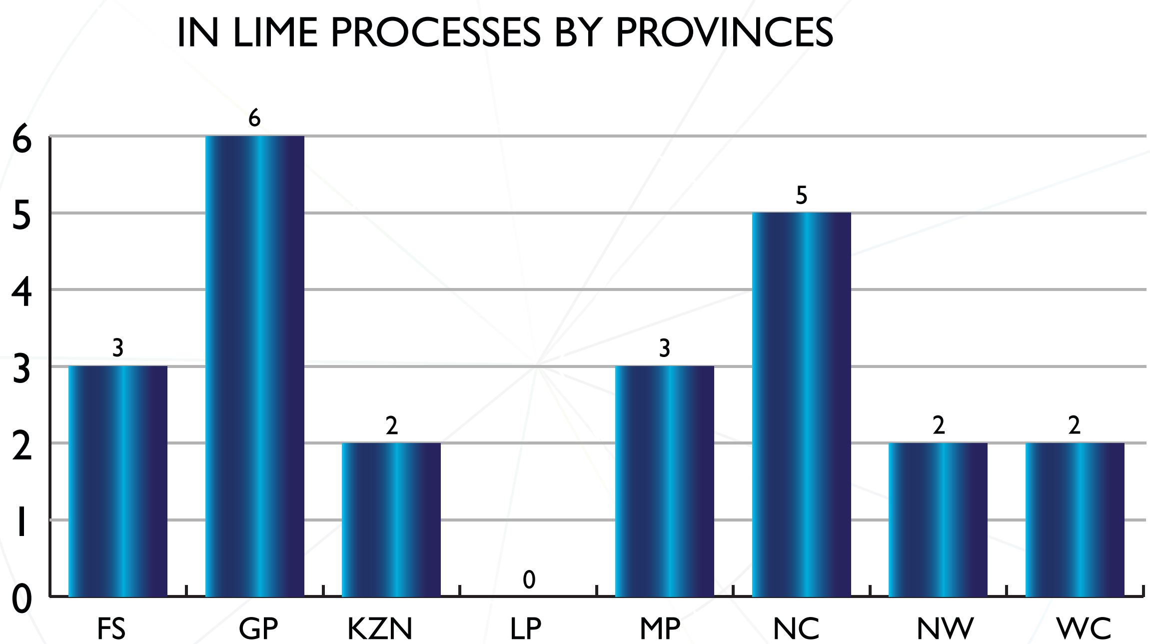
Graph Ten: A breakdown of rescission processes by Provinces



A breakdown of in limine processes conducted by Provinces

A total number of 26 in limine processes were scheduled in this period with the highest number in the Gauteng followed by the Northern Cape Province.

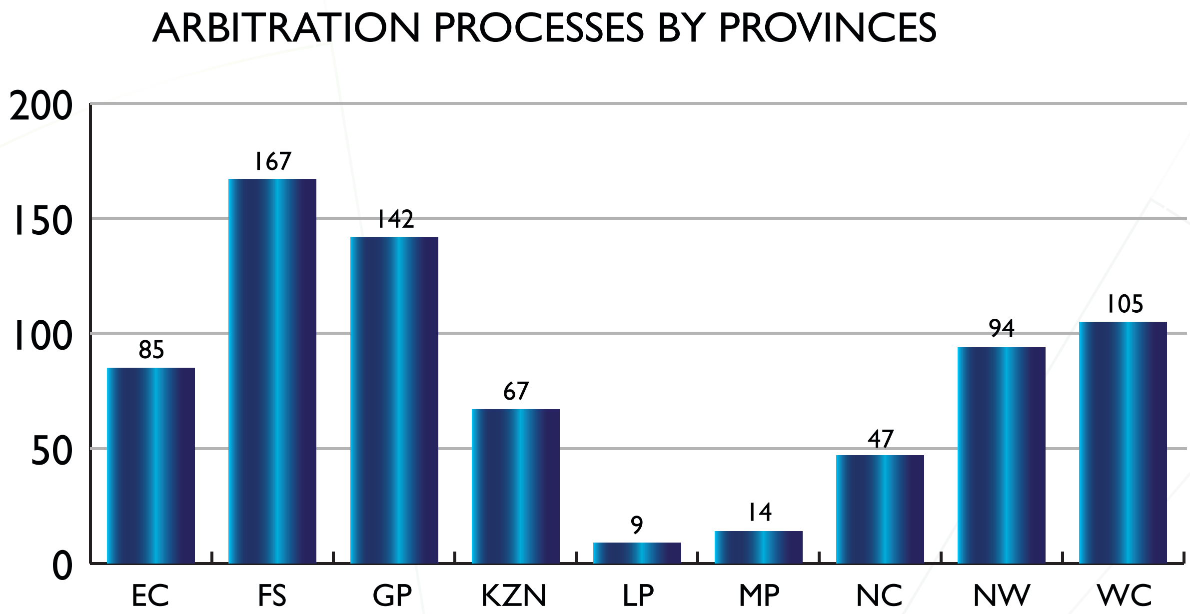
Graph Eleven: A breakdown of in limine processes by Provinces



A breakdown of arbitration processes conducted by Provinces

A total of 730 arbitration processes were scheduled/conducted with a total of 499 requests to arbitration forms received in this financial period. The number of arbitration hearings scheduled in the Free State and Gauteng was relatively high; this could be as a result of a number of referrals in the Free State Province, as well as postponements and part-heard in the Western Cape and Gauteng Provinces.

Graph Twelve: A breakdown of arbitration processes by Provinces



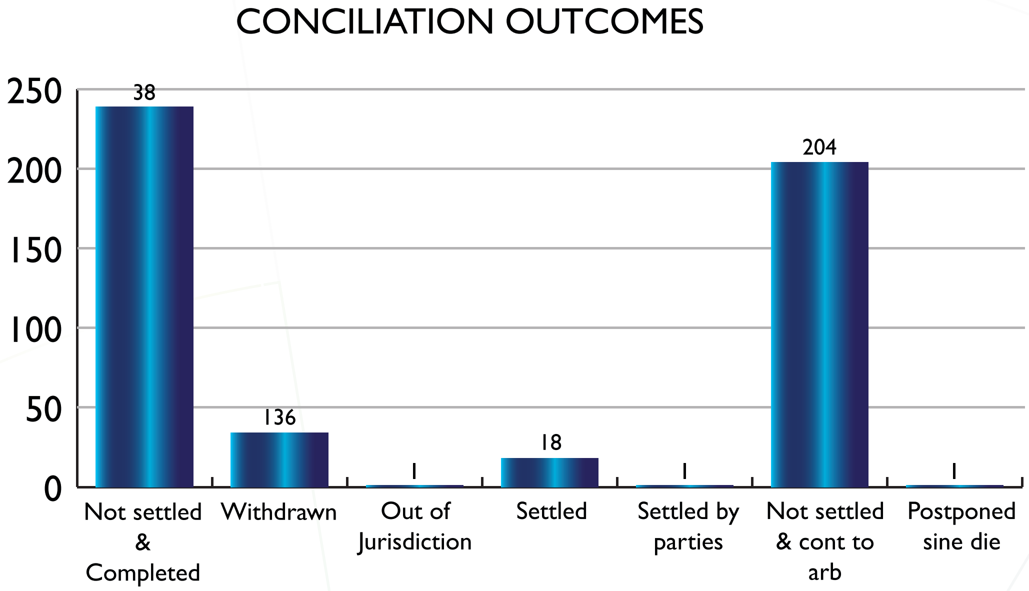
6.2.2.3 Process outcomes

Conciliation outcomes

The following were conciliation outcomes:

- cases withdrawn: 6%;
- cases settled: 3%;
- cases unresolved {referred to arbitration}: 41%; and
- cases closed pending the request to arbitration: 48%.

Graph Thirteen: A breakdown of conciliation processes outcomes



A breakdown of conciliation outcomes by Provinces

Overall, the statistics indicate that there was a relatively low rate [or less than 50% rate] of settlement at conciliation in all provinces.

Table B: A breakdown of conciliation outcomes by Provinces

Outcomes	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
Not settled & completed	22	45	46	43	1	4	20	19	39	239
Withdrawn	0	19	4	0	0	1	2	6	2	34
Out of Jurisdiction	0	0	0	0	0	0	1	0	0	1
Settled	3	0	3	6	0	2	3	1	0	18
Settled by parties	1	0	0	0	0	0	0	0	0	1
Not settled & cont. to arb	11	72	23	26	0	2	13	32	25	204
Postponed sine die	1	0	0	0	0	0	0	0	0	1
Total	38	136	76	75	1	9	39	58	66	498

Arbitration outcomes

Out of 730 arbitrations scheduled/conducted in this period:

- 159 awards were rendered,
- 123 postponed,
- 161 withdrawn,
- 120 settled [2 settled by parties],
- 70 part-heard,

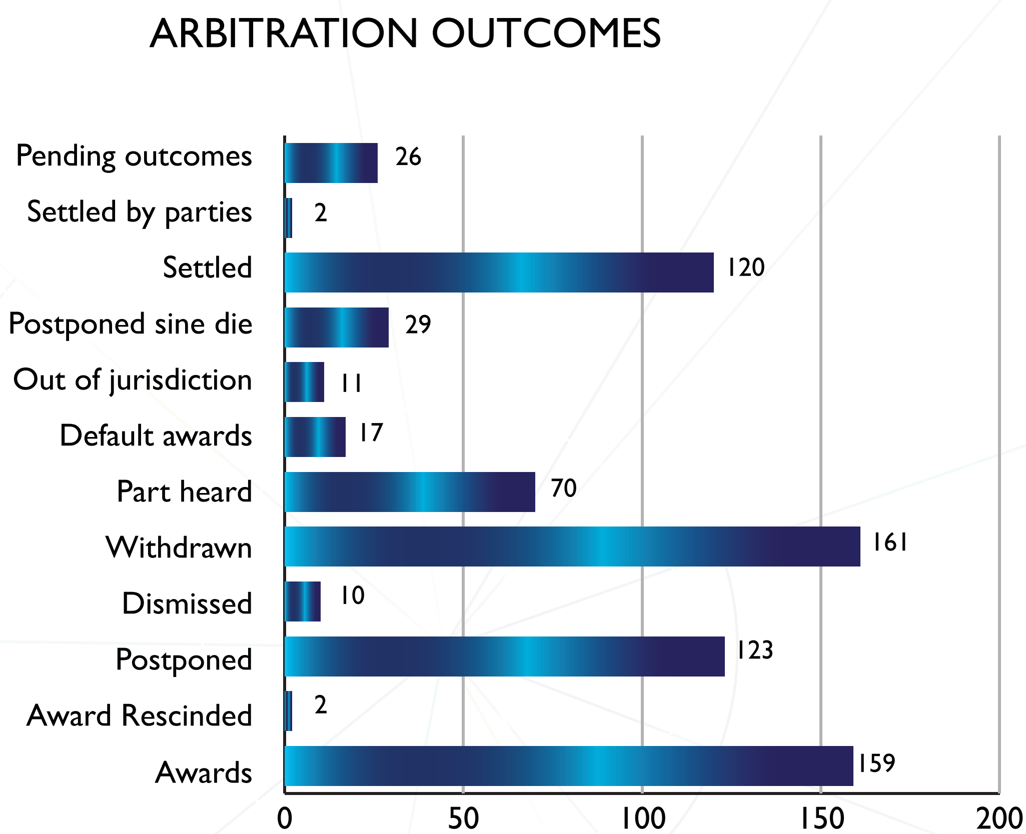
- 29 postponed sine die,
- 10 were dismissed,
- 17 default awards,
- 2 awards rescinded,
- 11 out of jurisdiction and
- 26 pending outcomes.

It is to be noted that 22% of the disputes were withdrawn at arbitration level. The statistics indicate a postponement rate of 17%. The reasons for postponements occasioned by parties and panellists 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 Dispute Resolution Procedure is barely used by the parties[12]. A very low usage of less than 1% has been recorded.

Graph Fourteen: The graph below illustrates the outcomes of the arbitrations scheduled/conducted



12 Clause 5.4 of the PSCBC DR Procedure

Table C: A breakdown of arbitration outcomes by Provinces

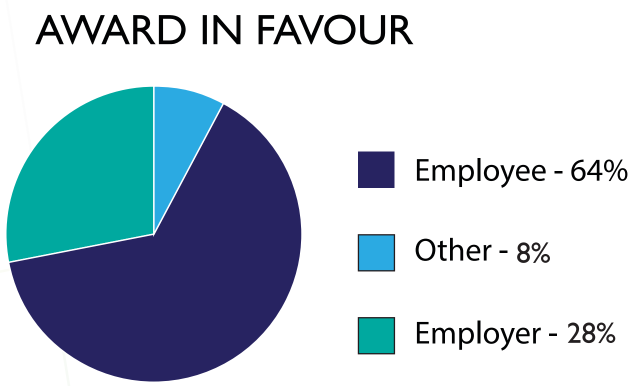
Outcomes	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
Awards	9	55	18	24	0	2	7	17	27	159
Award Rescinded	0	0	0	1	0	0	1	0	0	2
Postponed	15	10	40	11	1	4	9	8	25	123
Dismissed	2	2	2	2	0	1	0	0	1	10
Withdrawn	16	54	20	7	1	3	13	28	19	161
Part heard	17	3	19	4	0	0	4	7	16	70
Default awards	0	7	3	2	0	0	3	0	2	17
Out of jurisdiction	3	2	4	0	0	0	0	0	2	11
Postponed sine die	7	2	6	0	2	2	1	7	2	29
Settled	10	28	23	16	2	1	9	24	7	120
Settled by parties	1	0	0	0	0	0	0	0	1	2
Pending outcomes	5	4	7	0	3	1	0	3	3	26
Total	85	167	142	67	9	14	47	94	105	730

Arbitration awards in favour of employee, employer and other

A total of 159 arbitration awards were rendered in this period – as follows:

- 102 (64%) were found in favour of the unions / employees.
- 44 (28%) were found in favour of the employer.
- 13 (8%) were ruled out of jurisdiction or other.
- 19 awards were in relation to Resolution 3 of 2009 [10 of which were in favour of employees and 9 in favour of the employer].
- 22 awards were issued in relation to Resolution 1 of 2012 [7 of which were in favour of the employee, 13 awards in favour of the employer, and 2 awards were out of jurisdiction].

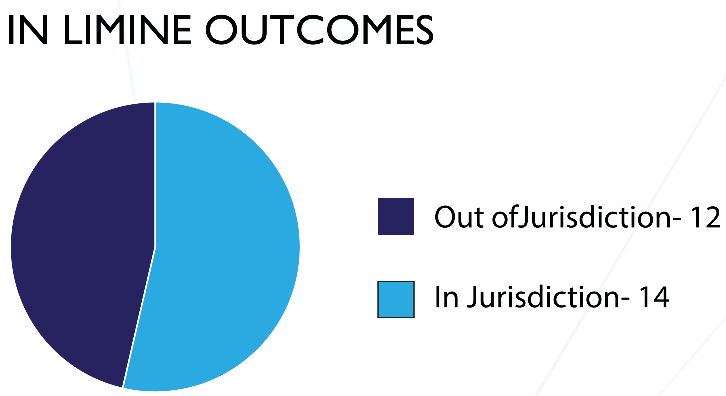
Diagram C: A breakdown of arbitration award in favour of



Outcomes of in limine processes

Out of 26 in limine processes conducted, 14 ruled in jurisdiction and 12 ruled out of jurisdiction.

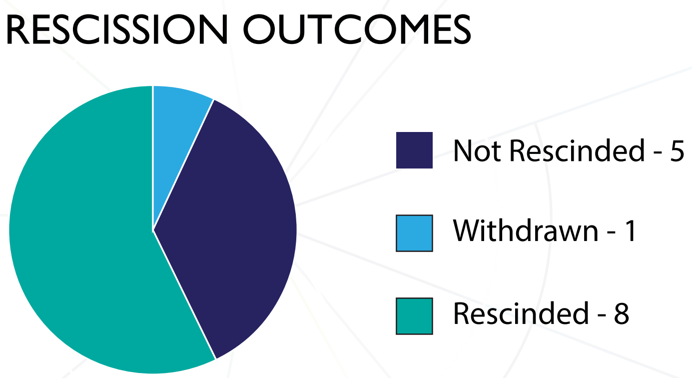
Diagram D: A breakdown of in limine outcomes



Outcomes of rescission processes

Out of 14 rescission processes conducted: 5 were not rescinded, 3 were rescinded and 1 was withdrawn.

Diagram E: A breakdown of in rescission outcomes



6.2.2.4 Cases on review

A total of 18 cases have been taken on review in this period.

Case Number	LC Case Number	Employer Party	Employee Party	Award In Favour	Panellist	Province
PSCB646-10/11	JR2643/16	Department of Labour	PSA obo Bianchina, S (Res 7 of 2000)	Respondent	KarenK	GP
PSCB391-14/15	C617/2015	Department of Justice	NUPSAW obo Pangwa, F (Res 7 of 2000)	Applicant	MofsowitzH	WC
PSCB185-15/16	C369/16	Department of Labour	PSA obo Basson, G (Res 1 of 2012)	Other	LekukaM	NC
PSCB304-15/16	JR340/17	Department of Labour & DPSA	PSA obo Maleka and 11 Others (Res 1 of 2012)	Other	JosephTh	GP
PSCB409-14/15	JR728/16	Department of Correctional Services	PSA obo Ludick, E E (Res 3 of 2009)	Applicant	ShirazO	NC
PSCB599-15/16	C641/16	Department of Water & Sanitation	PSA obo Gabanakgosi, M P (Res 7 of 2000)	Applicant	AnnelieB	NW
PSCB331-14/15	J1319/16	Department of Water Affairs	PSA obo Mosia, T P (Res 3 of 1999)	Applicant	NagdeeY	NW
PSCB33-15/16	JR1095/16	DPSA	Hugo & 14 Others (Res 3 of 1999)	Applicant	JosephTh	WC
PSCB23-16/17	JR192/17	Department of Rural Environment & Agricultural Development & DPSA	PSA obo Raath, E M (Res 3 of 2009)	Applicant	AnnelieB	NW
PSCB747-14/15	PR164/16	Department of Home Affairs	PSA obo Naidoo, VK (Res 3 of 2009)	Applicant	KelvinK	EC
PSCB248-15/16	JR914/16	Department of Education	PSA obo Fouche, A S & Mohlala MS (Res 3 of 2009)	Applicant	DonaldN	MPU
PSCB72-15/16	JR264/17	Department of Labour & DPSA	Negota & 3 Others (Res 1 of 2012)	Respondent	JosephTh	GP
PSCB379-15/16	C383/2016	Department of Justice	PSA obo De Swardt, AOI (Res 7 of 2000)	Applicant	IlseS	WC
PSCB396-15/16	D1390/16	Department of Education	PSA obo AJodapersad, N (Res 7 of 2000)	Respondent	SaberJ	KZN

Case Number	LC Case Number	Employer Party	Employee Party	Award In Favour	Panellist	Province
PSCB502-15/16	PR12/17	Department of Labour	Jantjies (Res 7 of 2000)	Applicant	ClarenceR	KZN
PSCB507-15/16	JR2485/16	Department of Rural Environment & Agricultural Development	PSA obo Kgomotshwane, O F (Res 3 of 2009)	Applicant	AnnelieB	NW
PSCB433-15/16	C368/16	Department of Cooperative Governance, Human Settlement & Traditional Affairs	PSA obo Joseph-Karsten, MC (Res 7 of 2000/5 of 2001/15 of 2002)	Other	LekukaM	NC
PSCB497-15/16	JR1852/16	Department of Public Works	PSA obo Ngobeni, F J (Res 3 of 2009)	Applicant	AnnelieB	NW

PROGRAMME 3:

6.3 Corporate Services

6.3.1 Overview

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

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

6.3.2 Financial Committee

The Financial Committee was 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 such 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).

6.3.3 Meetings

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

	09 Oct 16	09 Nov 16	13 Jan 17
Adv L. Bono (Chairperson)			
Mr M. Phophi (Vice-Chairperson Employer)	✓	✓	
Mr M. Sebiloane (Vice-Chairperson Labour)			
Mr C. Marule / Mr T. Moralo (NEHAWU)	✓	✓	✓
Ms L. Motshwane (SADTU)	✓	✓	✓
Mr T. Ngwenya (POPCRU)			✓
Mr T. Sonyathi (DENOSA)	✓		✓
Mr H. Brynard (DPSA)	✓	✓	
Ms D. Mogane (National Treasury)	✓	✓	
Mr V. Sakala (DPSA)	✓	✓	✓
Ms F. Van Vuuren (DPSA)	✓	✓	✓

6.3.4 Financial analysis

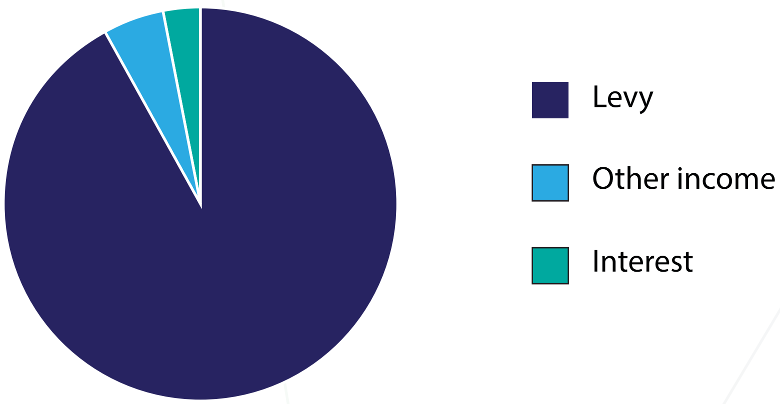
6.3.4.1 Total Income – Levy Account

The overall income for the Council during the 2016/2017 financial year was R38,393,520 of which:

- 92% was generated out of the levies from the public service as per Resolution 2 of 2013,
- 5% was generated from other income, and
- 3% was generated from interest earned on levies and reserves.

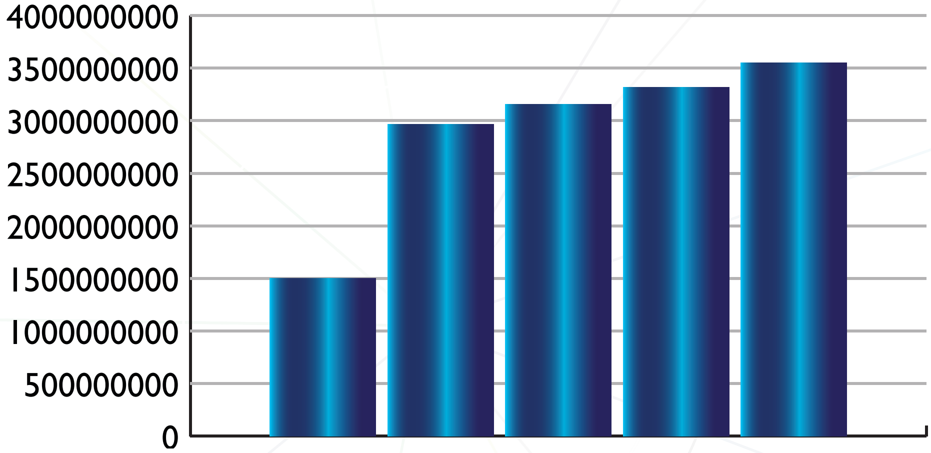
The levies received of R35,501,965 were slightly higher than the projected income of R34,612,231. A higher interest income was received due to net surplus that was invested in the current year.

Total income for the period 1 April 2016 to 31 March 2017



The graph below illustrates annual increases to the PSCBC Levy, based on National Treasury's year-on-year projected Consumer Price Index (CPI) as per Resolution 2 of 2013.

Annual Levy Income



	2013	2014	2015	2016	2017
Levies	15 014 439.0	29 662 834 .2	1 567 581 .2	33 178 544 .7	35 501 965 .1

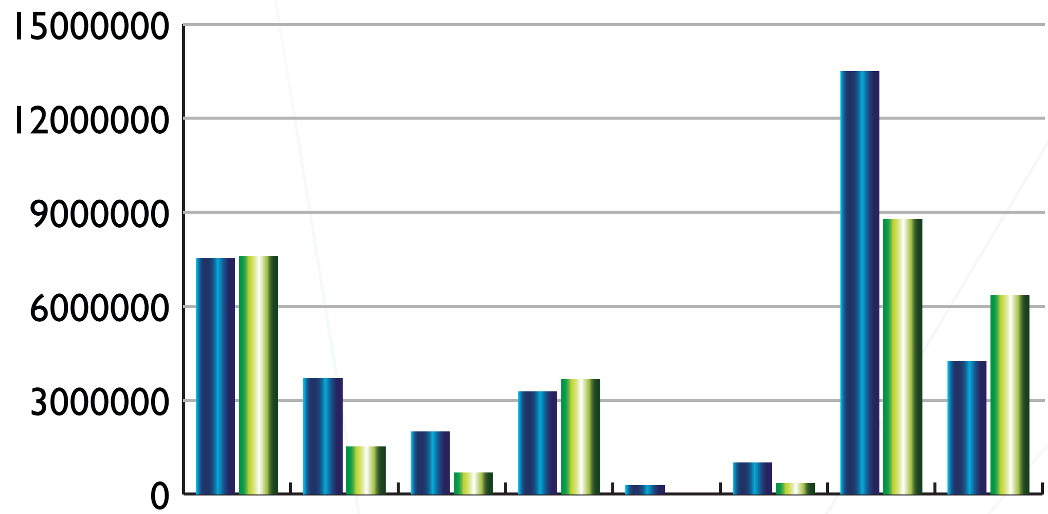
6.3.4.2 Total Expenditure – Levy Account

The overall expenditure for the Council during the 2016/2017 financial year amounts to R32,323,805 which was lower than the projected expenditure of R 39,434,862.

The graph below depicts the departmental expenditures:

Actual expenses per department were lower than budget, except for management services and corporate services. Budget understated by the non-inclusion of depreciation amount of R1,523,369 being a non-cash item.

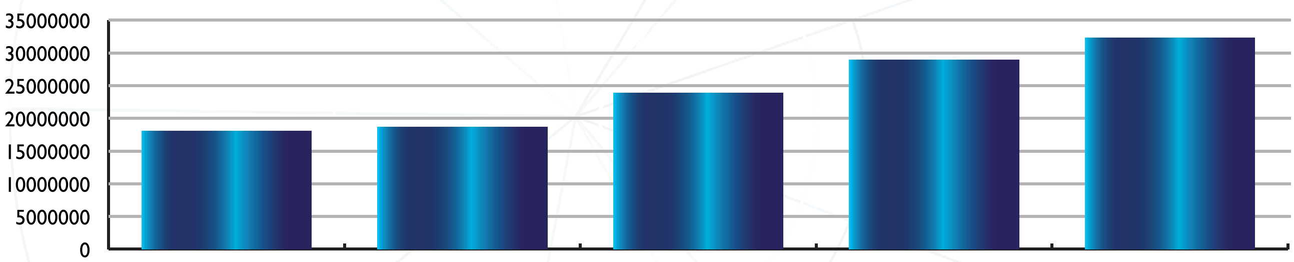
Budget versus Expenditure YE2016



	Collective Bargaining	Dispute Managment	Communica-tions	Managment Services	Contingency Funds	Information Technology	Human Resources	Corpoate Services
Budget	7537358	3698500	2000330	327604	292694	1001323	13504679	4252832
Actual	7592719	1520171	679441	3677411	-	352835	8773160	6349811

The graph below indicates the expenditure over the last five years. The graph shows that expenditures had remained consistent against inflation prior 2014, largely due to the unavailability of funds. An increase in the expenditure graph in 2017 is expected due to the levy increase, therefore allowing Council to implement its strategic objectives with the available funds.

Annual Expenditure

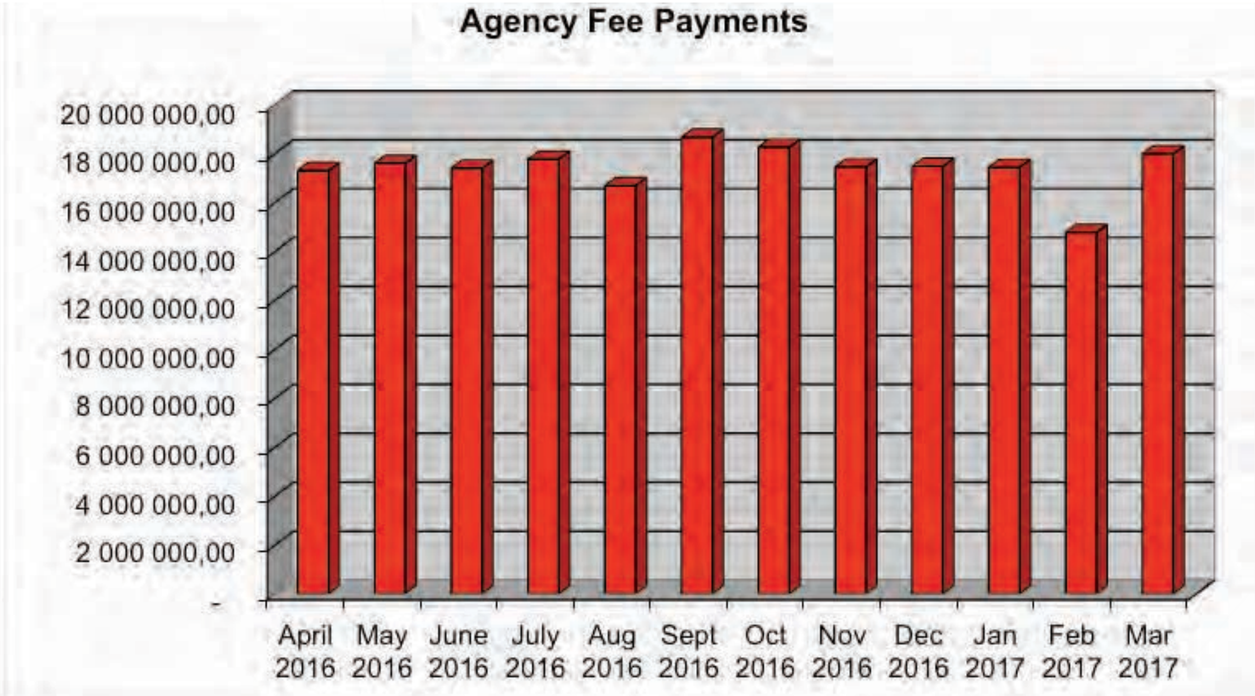


	2013	2014	2015	2016	2017
series1	18 063 561	18 638 234	23 864 154	28 945 547	32 323 806

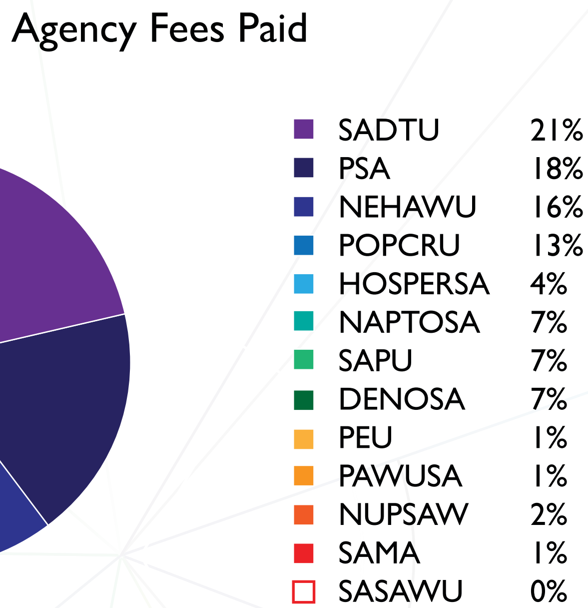
6.3.4.3 Agency Shop Fee Account – Disbursements to Admitted Trade Unions

A total of R208,835,674 was received for the 2017 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.

6.3.4.4 Purchase of Erven 552

During the current financial year, Council managed to procure the remaining vacant stand, ERF 552, measuring approximately 481 square meters at a purchase price of **R567 167.78**. The last erven was successfully transferred on the 28 June 2016.

The above final land registration means that the PSCBC now owns the entire vacant stands, located south of (or behind) the current office park, measuring approximately 10 992 square meters for future office development. The vacant stands are in the process of being registered as one erven and rezoned from residential to commercial property upon receipt of Regulation 38 from City of Tshwane Town Council.

6.3.4.5 Sale of Building C and B

At the Council meeting of the 28 April 2016, Council agreed to sell the property known as Building C (Sections 1, 2, 3 and 4 of Lyttelton Office Park) to the Safety and Security Sector Bargaining Council (SSSBC), at a negotiated selling price of **R5,200,000.00** million rand.

Furthermore, Council agreed that an offer be made to the SSSBC for the sale of the property known as Building B (Sections 9, 10, 11 and 12 of Lyttelton Office Park) within a period of 12 months from the date of offer, 29 April 2016, at the same purchase price amount **R5,200,000.00** million rand.

The sale of the property Building C was successfully registered, and took transfer to the SSSBC on the 07 March 2017 and funds received of R5,200,000.00 million rand were invested in a PSCBC call Account.

6.3.4.6 Investment Call Account

The Council has invested surplus funds into the PSCBC call accounts. On the 31 March 2017 a total balance of R 25,848,554 [Yr 2016: R16,496,528] was reflected in the call accounts. Council call accounts earned R1,032,390 in interest income during the year under review.

6.3.5 The Year Ahead

The PSCBC recorded a net surplus of R6,069,714 for the 2016/2017 financial year. The budget for the 2018 financial year indicates that there will be surplus funds, which will be transferred to the investment accounts.

6.4 Human Resources

6.4.1 Organisational Structure

The Organisational Structure was adopted at the Council Meeting of the 30th June 2015.

SECRETARIAT PROFILE 2016/17

OFFICE OF THE GENERAL SECRETARY

Frikkie De Bruin
General Secretary

Keegan Tobin
Temporary: Executive Assistant

COLLECTIVE BARGAINING

Valencia Kola
Senior Manager: Collective Bargaining

Shohana Toli
Senior Officer: Collective Bargaining

Mbuso Mdingi
Senior Officer: Research

Ntsako Sibiya
Officer: Negotiations Support Chambers

Refilwe Msiza
Senior Administrator: Council & EXCO Support

Setshaba Mashifane
Administrator: Collective Bargaining

DISPUTE RESOLUTION MANAGEMENT

Petunia Bhengani

Senior Officer: Dispute Management

Dineo Choshi

Officer: Dispute Management

Lebo Papo

Administrator: Dispute Management

Ruth Molaudzi

Officer: Enforcement

CORPORATE SERVICES

Wandile Mgobhozi

Senior Manager: Corporate Services

Portia Seeletso
Senior Officer -Finance

Olumuyiwa Olomo

Senior Officer: Information Technology

Sonnyboy Manyane

Senior Officer: Logistics, Procurement & Facilities

Xolani Magagula

Senior Officer: Human Resource

Bianca Singh

Officer Finance: Creditors

Zanele Zwane

Officer Finance: Debtors

Divine Ngwenya

Officer: Logistics, Procurement & Facilities

Rekha Sooknunan

Administrator: Corporate Services

Tsumbedzo Tshinavha

Registry Clerk

Busi Makgaretsa

Cleaner

Evelyn Molaudzi

Cleaner

Phillip Kgoadi

Driver

Debra Kutumela

Receptionist

COMMUNICATIONS

Oomang Parag

Manager: Communications

Tseke Mphahlele

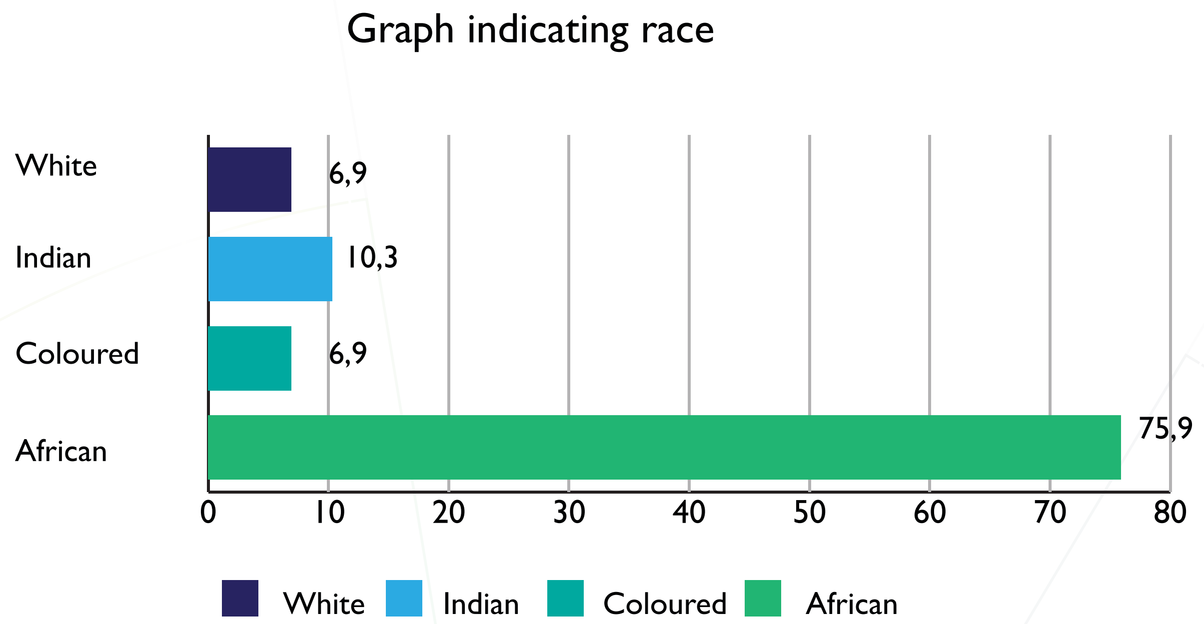
Senior Administrator: Resource Centre

Shana Trail

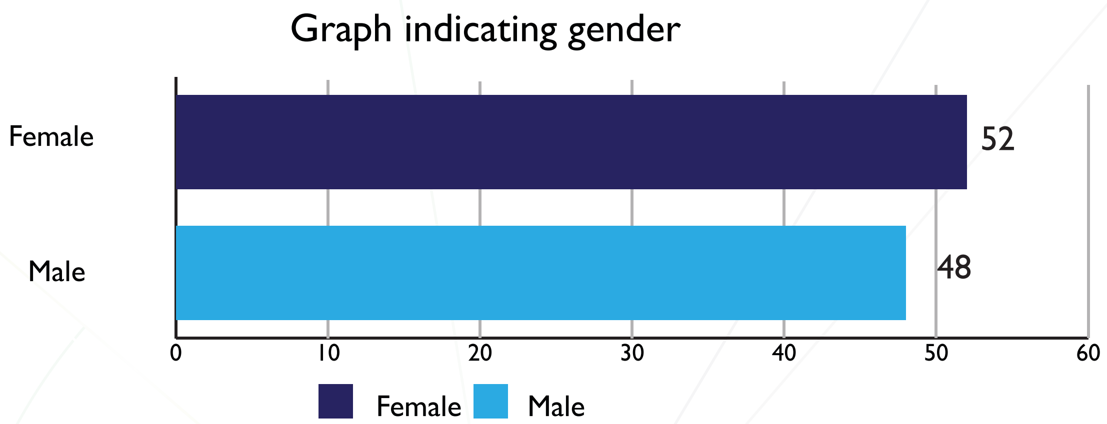
Administrator: Communications

6.4.2 Representativity Profiles

Race



Gender



6.4.3 Staff Movement

Resignations

There were no resignations during the year under review.

Appointments

Council appointed the following employees during the year under review:

Name	Position	From
Xolani Magagula	Senior Officer: Human Resources	01 December 2016

Vacant posts

The following posts are funded and vacant:

1. Senior Manager: Dispute Management
2. Manager: Strategic Monitoring and Evaluation
3. Resident Panellist

4. Senior Officer: Communications
5. Executive Assistant to the General Secretary
6. Officer: Information Technology
7. Officer: Marketing International Relations and Strategic Partnerships
8. Officer: Negotiation Support Chambers

These posts are expected to be filled during the next financial year end. The remaining vacant posts are to be filled taking into account the budgetary forecast, the operational needs and the strategic objectives of Council.

6.4.4 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
Social Media Short Course	Oomang Parag Shana Trail
Certificate in Labour Dispute Resolution Practice	Petunia Bhengani Frikkie De Bruin

The following workshops and seminars were attended:

Workshops and Seminars Attended	Employee
Pastel Payroll Seminar	• Wandile Mgobhozi • Xolani Magagula • Portia Seeletso • Bianca Singh • Zanele Zwane
Emotional Intelligence	• Setshaba Mashifane • Ntsako Sibiya • Tsumbedzo Tshinavha
Labour Law Seminar	• Petunia Bhengani • Dineo Choshi • Frikkie De Bruin • Wandile Mgobhozi • Ruth Molaudzi • Lebo Papo • Oomang Parag

Workshops and Seminars Attended	Employee
Dispute Resolution & Labour Law Amendments	• Petunia Bhengani • Dineo Choshi • Phillip Kgoadi • Valencia Kola • Jemina Kutumela • Busisiwe Makgaretsa • Sonnyboy Manyane • Setshaba Mashifane • Mbuso Mdingi • Wandile Mgobhozi • Evelyn Molaudzi • Ruth Molaudzi • Tseke Mphahlele • Refilwe Msiza • Divine Ngweya • Olomo Olumuyiwa • Lebo Papo • Oomang Parag • Portia Seeletso • Ntsako Sibiya • Bianca Singh • Rekha Sooknunan • Keegan Tobin • Shohana Toli • Shana Trail • Tsumbedzo Tshinavha • Zanele Zwane
Conflict Management / Negotiation Skills	• PSCBC All Staff Members • GPSSBC All Staff Members

6.4.5 Employee Wellness

PSCBC Team Building

During the year under review staff members participated in a Team Building and Wellness session that was held on the 20 - 22 November 2016, at Zebula Golf Estate. Day one was a staff conference session which focused mainly on an effective communication skills. On day two staff members participated in an amazing race activity which was a competitive team work exercise. This team building exercise helped in improving the team's moral, staff motivation and the understanding of the PSCBC organisational culture.

6.4.6 The Year Ahead

Following the adoption of the current organisational structure, measures have been taken towards ensuring that Council functions at an optimal level. The following vacant positions have been given special attention in ensuring that they are filled within the 1st trimester of the 2017/2018 financial year: Senior Officer Communications, Executive Assistant to the General Secretary, Officer Information Technology and Officer Marketing, International Relations and Strategic Partnerships.

PROGRAMME 4:

6.5 Management Services

6.5.1 Overview

6.5.1.1 Marketing and Communication

The Media, Resource and Information Unit, is a support structure of Council. Its strategic objective is to refine and enhance the Liaison, Marketing and Communication Strategy as to develop the organisational brand nationally and internationally. This Strategic Objective was operational and pervaded into the unit's Business Plan.

This report highlights the key performance areas for the Financial Year 2016/17 as developed in the Media and Information Business Plan.

The Marketing and Media Policies and Procedures are a guiding tool for the Media Section in executing its duties and responsibilities. The Integrated Marketing and Communication Strategy has been re-aligned with the strategic objective of the Council.

6.5.1.2 Website

In the period under-review, the PSCBC website became an online library where all our stakeholders and the general public get information. We were able to maintain synergy between the social media platforms and the website. The traffic on website has been very impressive as a result of the people visiting our social media platforms. The website statistics report shows that it had an average of 16500 visitors on the website on monthly basis. It is important to mention that the website also attracts international visitors which is great for the image of PSCBC. The PSCBC website operates interchangeably with the PSCBC Social Media accounts and posts on the Social Media sites are displayed on the Website landing pages.

6.5.1.3 Social Media

Social Media has become one of the effective and efficient communication tools for the PSCBC as it has enabled the organisation to disseminate pivotal information. The social media pages were able to provide a platform for the organisation to engage and receive feedback from its clients and followers. We saw an increase in the number of followers and *likes* on Twitter and Facebook pages respectively. This can be attributed to the continuous use and active engagements on these forums. Facebook has been our most popular social media platform and we have active engagements in this forum. Our website continues to interface with social media platforms; posts that are posted on Facebook and Twitter automatically appear on the PSCBC website homepage.

Please "like" our Facebook page and follow us on Twitter.

The PSCBC can be found on both:

https://www.facebook.com/pages/Pscbc/176402059120855 and https://twitter.com/search?q=%40pscbcnews&src=typd (PSCBC news on twitter).

A summary of our social media statistics are indicated below:

Facebook

9215 likes

9217 followers

Twitter

2100 followers

146 following

We will continue to strive to grow our social media platforms in the year ahead.

6.5.2 Events

The PSCBC continues to market and build its brand nationally and internationally by exhibiting at conferences/congresses hosted by its stakeholders and social partners, in staff wellness programmes, and in Corporate Social Responsibility programs as shown below:

6.5.2.1 Tomorrow's Man Programme

Tomorrow's Man Programme (formerly known as *The Men in the Making*) was first launched on the 25th of March 2009. The project was derived from a need and realisation that boy-children in South Africa are calling out for attention, help, recognition and acknowledgment. On the 30 March 2017, the PSCBC hosted ten (10) boys who attended Grade 11 at Diepsloot South Combined School.

The day commenced with an introductory talk from the General Secretary of the PSCBC, Mr Frikkie De Bruin, who outlined the functioning of the Council. Mr De Bruin went on to deliver a highly motivational talk to encourage the boys to always strive to be the best they could possibly be and to remain focused on achieving their goals and dreams which would be made possible through education.

Each departmental manager from the PSCBC contributed an insightful talk on the day to day operations of their department in order to give the boys an overview of the careers that they might pursue within the various departments. Sector Bargaining Councils afforded the boys an opportunity to visit their sectors in order to understand how the Sectors function.

The day turned out to be a highly successful one, judging from the positive responses from the boys and the teachers who accompanied them. The boys received certificates of attendance as well as gift bags that contained PSCBC corporate gifts.




6.5.2.2 NEHAWU Congress

National Education, Health and Allied Workers Union (NEHAWU) held its 11th Provincial Congress from the 19th to the 21st of October 2016, at the Kgaswane Country Lodge in the North West Province. The congress was attended by 180 delegates under the theme *"Build a strong workplace organisation, class consciousness and internationalism".*

The PSCBC manned an exhibition stand for the duration of the congress. The purpose of the stand was to promote the scope of services, duties and responsibilities of the Council to attendees of the Congress.

Information brochures as well as PSCBC corporate gifts were handed out to all visitors to the stand. The attendees expressed their appreciation for the PSCBC having an exhibition stand and for the information provided. The PSCBC would like to take this opportunity to thank NEHAWU for giving it the opportunity to exhibit at the NEHAWU Congress.



6.5.2.3 POPCRU Conference

The Police and Prisons Civil Rights Union (POPCRU) hosted its 6th National Bargaining Conference and 3rd National Political School respectively, under the theme "*Transforming the Criminal Justice Cluster in defence of the working class struggle for the advancement of the National Democratic Revolution*". The Conference was held at the Holiday Inn Hotel in Boksburg.

The PSCBC manned an exhibition stand at the Conference. The purpose of the exhibition stand was to promote the scope of services and the duties and responsibilities of the Council to attendees of the Conference & National Political School.

Information Brochures together and Corporate Gifts were handed to all visitors who visited the PSCBC stand. There were approximately 150 visitors to our stand - an estimate based on the amount of brochures distributed. The queries were minimal at the Congress as there seemed to be delegates who were well versed with the activities of the Council. The management and Delegates expressed their appreciation for the PSCBC hosting an exhibition stand. The conference was thoroughly enjoyed by our PSCBC team. The PSCBC would like to take this opportunity to thank POPCRU for giving it the opportunity to exhibit at the POPCRU Congress.

6.5.2.4 PEU Congress

From the 5th to the 7th of October 2016, The Professional Educators Union (PEU) held its National Elective Congress at the Doxa Deo Church in Pretoria. A total of 600 Delegates were in attendance at the event. The PSCBC manned an exhibition stand and gave out a variety of corporate gifts and information brochures. The event proved to be a great success and an opportunity for the PSCBC to further educate members of the union of its services and processes. The PSCBC would like to take this opportunity to thank PEU for giving it the opportunity to exhibit at the PEU Congress.

6.5.2.5 PSCBC Hosting the Zambian Delegation

The PSCBC hosted a delegation from Zambia on a study visit from the 28 to the 31 March 2017. The delegation consisted of representatives from both Employer and Trade Union parties. The delegation was led by Mr Bornface Chimbwali (Permanent Secretary: Zambia Public Management Division).

The first day consisted of presentations from the South African Public Service Bargaining Councils. The delegation visited the CCMA on their second day and attended Conciliations and Arbitrations as Observers. On the third day it attended a session facilitated by Mr William Thompson (CEDR Accredited Mediator) on Collective Bargaining, Mediation, Conflict Resolution and Social Justice. The programme concluded on the Friday with a case study on Unionisation within the Security Cluster.

The delegation thanked the PSCBC for hosting it and indicated that it looked forward to further engagements with the PSCBC.

6.5.2.6 4th National Batho Pele Excellence Awards

The PSCBC attended the fourth annual Batho Pele Excellence Awards at the Birchwood Hotel in Boksburg on the 11th of November 2016. 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 provide a service with professionalism, utmost attention and most of all Ubuntu.

The Honourable Minister for Public Service and Administration, Adv. Ngoako Ramatlhodi, as well as the Honourable Deputy Minister, Ms. Ayanda Dlodlo. attended the awards. Minister Ramatlhodi delivered an insightful message of support and in his message indicated that "The awards are a token of appreciation on behalf of the people, thus galvanizing the public service to live and lead by the principal of Batho Pele in the service of this nation." The PSCBC congratulates all the winners of the 4th National Batho Pele Excellence Awards.

6.5.2.7 Heritage Day

On the 21st of September 2016, the PSCBC together with Sector Bargaining Councils held a sports day event at the Lyttelton sports grounds in commemoration of the Heritage Day, which is celebrated on the 24th of September. In the true South African spirit, local sports such as soccer, tug of war, egg and spoon race and a sack race were played amongst staff from the various sectors. Local traditional food was prepared and served on the day.

The day commenced with a few competitive soccer games with teams made out of a mixture of staff from the different councils. This gave staff the opportunity to socialise and build better relationships outside the working environment. The day proved to be extremely successful and encompassed the true African spirit of Ubuntu and togetherness.

6.5.2.8 Women's Day

National Women's Day is a South African public holiday celebrated annually on 9 August. The day commemorates the 1956 march of approximately 20,000 women to the Union Buildings in Pretoria to petition against the country›s pass laws. The special ladies of the PSCBC together with a loved woman in their lifes were treated to a delightful breakfast buffet at the Irene Country Lodge on the 26th of August 2016, commemorating Women's day.

Ms Thandeka Msibi, the 2nd Deputy President of DENOSA gave an exceptional and insightful speech on women empowerment. Each and every woman in attendance alluded to the fact that Ms Msibi's speech was incredibly inspiring and encouraged them to always seek to perform at their best in all aspects of life. The day was thoroughly enjoyed by all and will forever be cherished.

6.5.2.9 World Teacher's Day

UNESCO proclaimed the 5th of October to be World teachers day in 1994: celebrating the great step made for teachers on 5 October 1996, when a special intergovernmental conference convened by UNESCO in Paris adopted by UNESCO/ILO recommendations concerning the status of teachers. These recommendations sets forth the rights and responsibilities of teachers as well as international standards for their initial preparation and further education, recruitment, employment, teaching and learning conditions. The PSCBC commemorated World Teachers Day on the 9th of November 2016 at Katlehong Primary School in Katlehong, Ekurhuleni. The PSCBC donated a fridge and ten (10) chairs as requested by the school. PSCBC MANCO attended the official hand over of the donated items. The principal and teachers expressed their utmost appreciation for the donation and indicated that it would go a long way in assisting with their day to day jobs.

Public Service Co-ordinating Bargaining Council

(Registration number LR2/6/6/126)

Annual finacial statements

for the year ended 31 March 2017

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Enhance labour peace and promote sound relations between employer and employees in the public service
Registered office	Public Service Bargaining Centre Building A and B 260 Basden Avenue Lyttelton Centurion 0176
Postal address	P O Box 3123 Lyttelton South Centurion 0176
Auditors	PricewaterhouseCoopers Inc. Registered Auditors
Physical address	32 Ida street Menlo Park Pretoria 0201
Postal address	PO Box 35296 Menlo Park Pretoria 0102
Registration number	LR2/6/6/126
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Section 53 of the Labour Relations Act,.
Preparer	The annual financial statements were independently compiled under the supervision of: E van Niekerk CA (SA)
Published	15 August 2017

1

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2017

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 2018 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 7.

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

The annual financial statements and additional schedules set out on pages 8 to 29, which have been prepared on the going concern basis, were approved by the Council on 30 June 2017 and were signed on its behalf by:

F de Bruin
General Secretary

M Sebiloane
Vice Chairperson Labour

M Phophi
Vice Chairperson Employer

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2017

Council's Report

1. Incorporation

The council has pleasure in submitting their report on the annual financial statements of Public Service Co-ordinating Bargaining Council for the year ended 31 March 2017.

2. 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.

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

Net surplus of the Council was R 6 070 977 (2016: R 6 211 738 surplus).

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. 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 that would have a significant influence on the financial statements.

pwc

Independent auditor's report

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

Report on the Financial Statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Co-ordinating Bargaining Council (the PSCBC) as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The PSCBC's financial statements, set out on pages 8 to 27, comprise:

- the statement of financial position as at 31 March 2017;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the PSCBC in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

Other matter

Our original audit report on the PSCBC's financial statements for the year ended 31 March 2017 was issued on 15 August 2017. In connection with our reporting responsibility in terms of Section 53 (2) (b) of the Labour Relations Act, 1995, that report should have included the paragraph under the "Report on Other Legal and Regulatory Requirements" heading below. Our previous report has therefore been retracted, and is replaced by this report.

PricewaterhouseCoopers Inc., 32 Ida Street, Menlo Park 0081, P O Box 35296, Menlo Park 0102, South Africa
T: +27 (0) 12 429 0000, F: +27 (0) 12 429 0100, www.pwc.co.za

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Other information

The Council of the PSCBC is responsible for the other information. The other information comprises the Council's Report, Council's Responsibilities and Approval, General Information, Index, Annual Report and the Detailed Income Statement. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the financial statements

The Council of the PSCBC is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the PSCBC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the PSCBC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 PSCBC's internal control.

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- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PSCBC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PSCBC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In connection with our reporting responsibility in terms of Section 53 (2) (b) of the Labour Relations Act, 1995, we report that we have not identified significant exceptions in respect of the PSCBC's compliance with the provisions contained in its constitution relating to financial matters.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: N Ayob

Registered Auditor

Pretoria

23 October 2017

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

	Notes	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	24 811 344	24 751 020
Investment property	5	-	3 961 309
Intangible assets	6	2 144 814	62 529
		26 956 158	**28 774 858**
Current Assets			
Trade and other receivables	7	361 625	485 150
Agency fees held in trust	8	18 982 381	18 809 907
Cash and cash equivalents	9	27 930 901	19 412 388
		47 274 907	**38 707 445**
Total Assets		**74 231 065**	**67 482 303**
Equity and Liabilities			
Equity			
Retained income		53 012 823	46 941 846
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	10	289 914	122 688
Current Liabilities			
Finance lease liabilities	10	179 528	172 157
Provisions	11	-	1 200 000
Agency fees held in trust	12	18 982 381	17 609 907
Trade and other payables	13	1 766 419	1 435 705
		20 928 328	**20 417 769**
Total Liabilities		**21 218 242**	**20 540 457**
Total Equity and Liabilities		**74 231 065**	**67 482 303**

The accounting policies on pages 12 to 17 and the notes on pages 18 to 27 form an integral part of the annual financial statements.

Public Service Co-ordinating Bargaining Council
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Statement of Profit or Loss and Other Comprehensive Income

	Notes	2017 R	2016 R
Revenue	17	35 501 965	33 178 545
Other operating income	18	941 706	1 279 828
Other operating gains (losses)	19	927 259	(3 743)
Other operating expenses	20	(32 293 255)	(28 992 996)
Operating surplus		**5 077 675**	**5 461 634**
Interest received	21	1 032 390	1 018 437
Finance costs	22	(39 088)	(268 333)
Surplus for the year		**6 070 977**	**6 211 738**
Other comprehensive income		-	-
Total comprehensive income for the year		**6 070 977**	**6 211 738**

The accounting policies on pages 12 to 17 and the notes on pages 18 to 27 form an integral part of the annual financial statements.

Public Service Co-ordinating Bargaining Council
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Annual Financial Statements for the year ended 31 March 2017

Statement of Changes in Funds

	Retained income R	Total equity R
Balance at 01 April 2015	**40 730 108**	**40 730 108**
Surplus for the year	6 211 738	6 211 738
Other comprehensive income	-	-
Total comprehensive income for the year	**6 211 738**	**6 211 738**
Balance at 01 April 2016	**46 941 846**	**46 941 846**
Surplus for the year	6 070 977	6 070 977
Other comprehensive income	-	-
Total comprehensive income for the year	**6 070 977**	**6 070 977**
Balance at 31 March 2017	**53 012 823**	**53 012 823**

The accounting policies on pages 12 to 17 and the notes on pages 18 to 27 form an integral part of the annual financial statements.

Statement of Cash Flows

	Notes	2017 R	2016 R
Cash flows from operating activities			
Cash (used in) generated from operations	25	4 928 024	7 623 377
Interest income		1 032 390	1 018 437
Finance costs		(39 088)	(268 333)
Net cash from operating activities		**5 921 326**	**8 373 481**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(1 833 946)	(3 553 798)
Sale of property, plant and equipment	4	5 201 349	35 523
Purchase of intangible assets	6	(2 144 813)	-
Movement in agency fees held in trust		1 200 000	(1 200 000)
Net cash from investing activities		**2 422 590**	**(4 718 275)**
Cash flows from financing activities			
Decrease in borrowings		-	(3 106 095)
Finance lease payments		174 597	(2 108)
Net cash from financing activities		**174 597**	**(3 108 203)**
Total cash movement for the year		**8 518 513**	**547 003**
Cash and cash equivalents at the beginning of the year		19 412 388	18 865 385
Total cash and cash equivalents at the end of the year	9	**27 930 901**	**19 412 388**

The accounting policies on pages 12 to 17 and the notes on pages 18 to 27 form an integral part of the annual financial statements.

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2017

Summary of Significant Accounting Policies

1. Corporate information

Public Service Co-ordinating Bargaining Council is a public company incorporated and domiciled in South Africa. The address of its registered office and principal place of business is Public Service Bargaining Centre Building A and B 260 Basden Avenue. Their principal activities are to enhance labour peace and promote sound relations between employer and employees in the public service.

1.1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

These accounting policies are consistent with the previous period.

1.2 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Section 53 of the Labour Relations Act. The annual financial statements have been prepared on the historical cost basishistorical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Trade receivables

The organisation assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the organisation makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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Summary of Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 11.

1.4 Investment property

The organisation owns property that is held to earn long-term rental income and for capital appreciation. This property is not occupied by the organisation.

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, which is as follows:

Item	Useful life
Property - land	Indefinite
Property - buildings	30 years

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Land is not depreciated. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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Summary of Significant Accounting Policies

1.5 Property, plant and equipment (continued)

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	5-7 years
Office furniture and equipment	Straight line	2-5 years
IT equipment	Straight line	3 years
Leased office equipment	Straight line	Over the term of the lease

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	2 years

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Summary of Significant Accounting Policies

1.7 Financial instruments

Classification

The organisation classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Recognition and measurement

Financial instruments are recognised initially when the organisation becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the organisation has transferred substantially all risks and rewards of ownership.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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Summary of Significant Accounting Policies

1.7 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method . If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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.

1.8 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.

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Summary of Significant Accounting Policies

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are raised when the organisation has a present legal or constructive obligation.

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.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.11 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, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

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

1.12 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.

1.13 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Contingent liabilities

Contingent liabilities are disclosed when the organisation 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 organisation.

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Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the organisation has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01 January 2016	The impact of the amendment 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 standard is not material.
• Amendment to IAS 27: Equity Method in Separate Financial Statements	01 January 2016	The impact of the standard is not material.
• IFRS 14 Regulatory Deferral Accounts	01 January 2016	The impact of the amendment is not material.
• Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption	01 January 2016	The impact of the amendment is not material.
• Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	01 January 2016	The impact of the amendment is not material.
• Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Amendment to IAS 19: Employee Benefits: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the amendment is not material.
• Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project	01 January 2016	The impact of the amendment is not material.

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Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The organisation has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the organisation's accounting periods beginning on or after 01 April 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 40 Investment property -Transfers of investment property	01 January 2018	Unlikely there will be a material impact
• IFRIC 22 Foreign currency transactions and advance consideration	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2019	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	Unlikely there will be a material impact
• Amendments to IAS 7: Disclosure initiative	01 January 2017	Unlikely there will be a material impact
• Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	01 January 2017	Unlikely there will be a material impact

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Notes to the Annual Financial Statements

3. Risk management

Capital risk management

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

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

There are no externally imposed capital requirements.

There have been no changes to what the council manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

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

The council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the organisation's financial performance. The council approved and monitor risk management policies.

Liquidity risk

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

At 31 March 2017	Less than 1 year	Between 1 and 2 years
Trade and other payables	799 449	-
Finance lease	254 650	340 842

At 31 March 2016	Less than 1 year	Between 1 and 2 years
Trade and other payables	691 139	-
Finance lease	205 400	111 200

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)	-	-

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Notes to the Annual Financial Statements

4. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	11 903 728	-	11 903 728	11 336 565	-	11 336 565
Buildings	11 716 041	(1 277 015)	10 439 026	12 214 662	(932 942)	11 281 720
Office furniture and fixtures	2 505 676	(1 950 081)	555 595	2 505 727	(1 737 696)	768 031
Motor vehicles	247 999	(247 998)	1	247 999	(198 398)	49 601
Leased office equipment	587 030	(130 095)	456 935	878 996	(608 262)	270 734
IT equipment	4 159 257	(2 703 198)	1 456 059	3 285 634	(2 241 265)	1 044 369
Total	**31 119 731**	**(6 308 387)**	**24 811 344**	**30 469 583**	**(5 718 563)**	**24 751 020**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Land	11 336 565	567 163	-	-	11 903 728
Buildings	11 281 720	-	(440 974)	(401 720)	10 439 026
Furniture and fixtures	768 031	1 299	(1 350)	(212 385)	555 595
Motor vehicles	49 601	-	-	(49 600)	1
Leased office equipment	270 734	367 696	-	(181 495)	456 935
IT equipment	1 044 369	897 788	(9 143)	(476 955)	1 456 059
	24 751 020	**1 833 946**	**(451 467)**	**(1 322 155)**	**24 811 344**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	10 175 756	1 160 809	-	-	11 336 565
Buildings	11 450 884	237 009	-	(406 173)	11 281 720
Furniture and fixtures	240 123	1 005 386	(11 015)	(466 463)	768 031
Motor vehicles	99 200	-	-	(49 599)	49 601
Leased office equipment	254 334	219 335	-	(202 935)	270 734
IT equipment	466 592	931 259	(28 251)	(325 231)	1 044 369
	22 686 889	**3 553 798**	**(39 266)**	**(1 450 401)**	**24 751 020**

Leased assets with a carrying amount of R 456 935 (2016: R 270 734), consist of office equipment and are encumbered by finance lease liabilities in the amount of R 469 442 (2016: R 294 847) (note 10).

5. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	-	-	-	4 321 427	(360 118)	3 961 309

Reconciliation of investment property - 2017

	Opening balance	Disposals	Depreciation	Total
Investment property	3 961 309	(3 826 338)	(134 971)	-

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	2017	2016
	R	R

5. Investment property (continued)

Reconciliation of investment property - 2016

	Opening balance	Depreciation	Total
Investment property	4 105 354	(144 045)	3 961 309

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 764 941 (2016: R 777 584) for the year under review.

The property can not be disposed of without the prior approval of Council. Investment property was disposed of on 07 March 2017. Approval in respect of this disposal was obtained from the council.

6. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	2 516 051	(371 237)	2 144 814	371 237	(308 708)	62 529

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Closing balance
Computer software	62 529	2 144 813	(62 528)	2 144 814

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Closing balance
Computer software	131 074	(68 545)	62 529

7. Trade and other receivables

	2017	2016
Trade receivables	209 360	423 523
Prepaid expenditure	118 713	52 784
Other receivables	33 552	8 843
	361 625	**485 150**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 5 months past due are not considered to be impaired. At 31 March 2017, R 62 564 (2016: R 114 273) were past due but not impaired.

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

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	2017 R	2016 R

7. Trade and other receivables (continued)

Not past due	146 796	309 250
2 months past due	2 000	4 736
3 months past due	-	109 537
4 months past due	60 564	-
	209 360	**423 523**

8. 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.

Agency fees held in trust	18 982 381	18 809 907

9. 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	700	1 000
Bank balances	2 036 277	2 906 031
Short-term deposits	25 893 924	16 505 357
	27 930 901	**19 412 388**

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)	27 930 901	19 412 388

10. Finance lease liabilities

Minimum lease payments due		
- no later than one year	254 650	205 400
- later than one year and no later than five years	340 842	141 300
	595 492	346 700
less: future finance charges	(126 050)	(51 855)
Present value of minimum lease payments	**469 442**	**294 845**
Present value of minimum lease payments due		
- no later than one year	179 528	172 157
- later than one year and no later than five years	289 914	122 688
	469 442	**294 845**
Non-current liabilities	289 914	122 688
Current liabilities	179 528	172 157
	469 442	**294 845**

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	2017 R	2016 R

10. Finance lease liabilities (continued)

Office equipment is leased under two non-cancellable lease agreements for terms of 5 years and 3 years at interest rates of 10% and 20% 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 456 935 (2016: R 270 734) serve as security for the liabilities.

11. Provisions

Reconciliation of provisions - 2017

	Opening balance	Utilised during the year	Closing balance
Provision for Agency liability	1 200 000	(1 200 000)	-

Reconciliation of provisions - 2016

	Opening balance	Additions	Closing balance
Provision for Agency liability	-	1 200 000	1 200 000

The provision for legal costs represents management's best estimate of the council's liability due to a settlement.

12. 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.

	2017	2016
Agency fees held in trust	18 982 381	17 609 907
Breakdown of agency fees held in trust:		
Opening balance	17 609 907	16 481 109
Interest received	317 784	260 060
Less: Expenditure incurred	(327 585)	(579 588)
Agency fees received	210 217 948	203 843 514
Agency feed paid	(208 535 673)	(201 195 188)
Union claims paid	(300 000)	(1 200 000)
	18 982 381	**17 609 907**

13. Trade and other payables

	2017	2016
Trade payables	389 600	411 697
Accrued leave pay	674 874	482 553
Accrued bonus	292 098	262 016
Accrued expense	350 869	230 266
Other payables	58 978	49 173
	1 766 419	**1 435 705**

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14. Financial assets by category

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

2017

	Loans and receivables	Total
Trade and other receivables	242 912	242 912
Cash and cash equivalents	27 930 901	27 930 901
Agency fees held in trust	18 982 381	18 982 381
	47 156 194	**47 156 194**

2016

	Loans and receivables	Total
Trade and other receivables	432 366	432 366
Cash and cash equivalents	19 412 388	19 412 388
Agency fees held in trust	18 809 907	18 809 907
	38 654 661	**38 654 661**

The carrying value of the financial assets included above approximate their fair values.

15. Financial liabilities by category

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

2017

	Financial liabilities at amortised cost	Total
Finance lease liabilities	469 442	469 442
Trade and other payables	799 449	799 449
	1 268 891	**1 268 891**

2016

	Financial liabilities at amortised cost	Total
Finance lease liabilities	294 845	294 845
Agency fees held in trust	17 609 907	17 609 907
Trade and other payables	691 139	691 139
	18 595 891	**18 595 891**

The carrying value of the financial liabilities included above approximate their fair values.

16. Post retirement benefits

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

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	2017 R	2016 R
17. Revenue		
Levies income	35 501 965	33 178 545
18. Other operating income		
Rental income	764 941	777 584
Subsidy received	132 161	147 960
Insurance, donations, recoveries and service seta income	27 604	27 557
Agency fee revenue	9 800	319 527
Administration fees	7 200	7 200
	941 706	**1 279 828**
19. Other operating gains (losses)		
Gains (losses) on disposals		
Property, plant and equipment	927 259	(3 743)
20. Expenses by nature		
Marketing and communications	790 381	863 143
Arbitration and conciliation	1 576 295	1 520 171
Conferences, meetings and seminars	4 578 176	4 715 576
Depreciation and amortisation	1 523 369	1 662 991
Employee costs	11 335 566	8 413 571
Information technology	395 067	341 608
Lease rentals on operating lease	57 039	260 451
Body corporate levies	735 991	1 245 051
Management services	140 285	274 495
Other expenses	5 145 814	5 505 223
Provincial Chamber costs	1 680 828	1 356 923
Strategic partnerships	770 827	170 427
Training	3 563 617	2 667 109
Total operating expenses	**32 293 255**	**28 996 739**
21. Interest received		
Finance income		
Levy account	1 032 390	1 018 437
22. Finance costs		
Interest paid - borrowings	39 088	268 333

23. 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).

	2017 R	2016 R
24. Auditor's remuneration		
Audit fees	436 501	412 922

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25. Cash (used in) generated from operations

	2017 R	2016 R
Surplus before taxation	6 070 977	6 211 738
Adjustments for:		
Depreciation and amortisation	1 523 369	1 662 991
(Gains) losses on disposal of assets	(927 259)	3 743
Interest income	(1 032 390)	(1 018 437)
Finance costs	39 088	268 333
Movements in provisions	(1 200 000)	1 200 000
Changes in working capital:		
Trade and other receivables	123 525	308 019
Trade and other payables	330 714	(1 013 010)
	4 928 024	**7 623 377**

26. Related parties

Related party	Relationship	Nature of transaction	2017 R	2016 R
Senior management	Key Senior Management	Remuneration	2 623 758	2 162 700
Chairperson of Council	Council member	Attendance of meetings and reimbursement of cost	-	72 255

27. 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 that would have a significant influence on the financial statements.

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Detailed Income Statement

	Notes	2017 R	2016 R
Revenue			
Levy income		35 501 965	33 178 545
Other operating income			
Rental income		764 941	777 584
Subsidy received		132 161	147 960
Donations, recoveries and service seta income		27 604	27 557
Agency fee income		9 800	319 527
Administration fees		7 200	7 200
	18	**941 706**	**1 279 828**
Other operating gains (losses)			
Gains (losses) on disposal of assets		927 259	(3 743)
Expenses (Refer to page 29)		**(32 293 255)**	**(28 992 996)**
Operating surplus	24	**5 077 675**	**5 461 634**
Interest received	21	1 032 390	1 018 437
Finance costs	22	(39 088)	(268 333)
Surplus for the year		**6 070 977**	**6 211 738**

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

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Detailed Income Statement

	Note(s)	2017 R	2016 R
Other operating expenses			
Accommodation project		-	57 865
Agency expenses		9 800	319 527
Alarm security		7 461	17 947
Arbitration and conciliation		1 576 295	1 520 171
Auditors remuneration	24	436 501	412 922
Bank charges		32 820	45 254
Body corporate levies		735 991	1 245 051
Books and subscriptions		18 206	9 475
Case Management Systems and reports		56 000	48 500
Cleaning		103 816	109 739
Conferences, meetings and seminars		4 578 176	4 715 576
Corporate wear		166 113	19 622
Depreciation		1 523 369	1 662 991
Electricity expense		208 832	225 182
Employee costs		11 335 566	8 413 571
Information technology		395 067	341 608
Insurance		225 504	185 734
Lease rentals on operating lease		57 039	260 451
Legal expenses		1 647 015	625 120
Licences		11 388	9 899
Management services		140 285	274 495
Marketing and communications		790 381	863 143
Motor vehicle expenses		33 827	37 831
Office refreshments		60 157	32 349
Pensions restructuring project		-	796 786
Postage		16 659	10 344
Printing and stationery		472 551	309 648
Provincial Chamber costs		1 680 828	1 356 923
Rates and taxes		817 584	674 625
Repairs and maintenance		440 362	348 505
Research and development costs		-	780 000
Sewerage		6 279	7 578
Strategic partnerships		770 827	170 427
Telephone and fax		309 171	339 596
Training		3 563 617	2 667 109
Travel - local		33 825	43 768
Waste management		10 896	8 555
Water		21 047	25 109
		32 293 255	**28 992 996**

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