PSCBC

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

ANNUAL REPORT

2018/19

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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

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1. MESSAGE FROM THE CHAIRPERSONS

Mrs Ingrid Dimo
Chairperson

Mr Mpfariseni Phophi
Vice Chairperson - Employer

Ms Thandeka Msibi
Vice Chairperson - Labour

We have the pleasure of presenting to you the Annual Report of the Public Service Coordinating Bargaining Council (PSCBC) for the financial period 1 April 2018 to 31 March 2019. Reflecting on the activities of the previous year is a delight and an earnest reminder of a successful, dynamic journey that the Council has experienced.

The PSCBC has a capable structure, consisting of the Executive Committee, Council members, various sub-committees, and the Secretariat, that are instrumental in fulfilling the mandate of the Council. We are honoured to lead these structures, which that are consistently executing their functions to ensure that the Council's mandate is carried out with distinction.

To say that the previous year was demanding would be an understatement. The parties hit the 2018/2019 financial year running, their priorities being the finalisation of facilitated public sector multi-term wage negotiations for the years 2018/2019, 2019/2020, and 2020/2021. The negotiations, which continued for a period of nine months, were successfully concluded with the signing of an amicable agreement in June 2018. This agreement is registered as PSCBC Resolution 1 of 2018.

Furthermore, during the period under review, Council signed an agreement on Pensions Redress, referred to as PSCBC Resolution 2 of 2018. This Agreement underscored the closing out of the pension redress process as agreed to in clause 7 of PSCBC Resolution 7 of 1998, and PSCBC Resolution 12 of 2002, to address specific discriminatory practices related to pensions within the public service.

We are delighted to report that the PSCBC, in executing one of its integral functions, successfully convened workshops across the nine provinces on the implementation of the afore-mentioned Resolutions. These workshops ensured awareness of, and familiarisation with, the content thereof by the key stakeholders.

The hosting of the Collective Bargaining Indaba was one of the Council's long-term plans, and we are pleased to report that the event was held successfully under the theme:

> *"Advancing and protecting workplace democratization through strengthening collective bargaining as to ensure economic development, social justice and labour peace within the public service".*

The four-day Indaba provided a platform for a wide range of stakeholders, comprising Government, labour professionals, business, and academia, to engage, deliberate and strategise on how to build a progressive labour sector that will be sustainable and relevant for future generations.

The Indaba culminated in the signing of the Accord by parties to Council. The Accord contains the output of the deliberations of the above Indaba held in Midrand, Gauteng from 16 to 19 October 2018. The eight commissions that were convened enabled participants to deliberate on substantive issues affecting the labour sector.

In terms of Dispute Management, the PSCBC received 854 referrals, which translated to a 12.5% decrease in the referral rate when compared to the 2017/18 year.

Once again, the PSCBC obtained a clean audit report concerning its overall undertakings for the year 2018/2019. This achievement signifies effective and strong governance systems built and adhered to by the PSCBC over the years.

This report also gives us an opportunity to express our appreciation to Council members, the General Secretary and the staff of the PSCBC for their professionalism and commitment in keeping the vision of the PSCBC alive and relevant. With this level of commitment, we are confident of a bright future for the PSCBC.

The work undertaken by the PSCBC over the years laid a solid foundation for the country's contribution toward the attainment of Sustainable Development Goals (SDGs), particularly Goal 8, which speaks to decent work and economic growth. We are therefore looking forward to continuing the good work of developing and strengthening relationships with strategic partners, both locally and internationally to ensure that the PSCBC is rightfully positioned to be part of the revolution for a transformed public service.

2. EXECUTIVE SUMMARY BY THE GENERAL SECRETARY

Mr Frikkie De Bruin
General Secretary

This Annual Report encapsulates the activities of the Council for the period 1 April 2018 to 31 March 2019.

At the very pinnacle of our existence is the passion to influence change in the labour market by executing the Council's mandate, which is the advancement of sound labour relations through collective bargaining and dispute management. This report documents the successes of a workforce that remains dedicated to and focused on realising the core objectives of the Council.

The year 2018/2019 has been an eventful one, with tremendous pressure being brought to bear as we worked tirelessly to ensure finalisation of negotiations regarding salary adjustment and improvements in respect of conditions of service in the public service for the years 2018 to 2021. The output of the commitment from the parties was the signing of Resolution 1 of 2018 in June 2018.

On this note, allow me to mention that the Council successfully entered into the following agreements during the reporting period:

PSCBC Resolution 1 of 2018:

Agreement on the salary adjustment and improvements in respect of conditions of service in the public service for the periods 2018/2019, 2019/2020, 2020/2021.

PSCBC Resolution 2 of 2018:

Agreement on the compensation methodology pertaining to the Redress of Discriminatory Pension Practices.

Council successfully conducted workshops on the implementation of the above resolutions across the nine provinces. The details of the workshops will be expounded further in the next section of this report.

In giving effect to the decision of Council to enhance and strengthen collaborations with strategic partners, Council invited the Government Employees Pension Fund (GEPF), and the Government Employees Medical Scheme (GEMS) to present at the implementation of Resolution workshops conducted during February and March 2019. While these collaborations were remarkably beneficial, the platform was also a great opportunity for members to be informed and have their issues addressed.

Another significant milestone during the reporting period was the hosting of the Collective Bargaining Indaba, which was held at the Gallagher Convention Centre, Midrand from 16-19 October 2018.

The Indaba was convened under the theme:

"Advancing and protecting workplace democratization through strengthening collective bargaining as to ensure economic development, social justice and labour peace within the public service".

The convention of the Collective Bargaining Indaba emanated from Council's agreement signed in 2010, referred to as "Birchwood 1". This agreement in principle required parties to develop and/or strengthen collective bargaining to underline the importance of the characteristics of a development state.

The main areas discussed in the various commissions at the Indaba were as follows:

- "The effectiveness of collective bargaining in the education sector, addressing the areas of basic education, TVET and FET colleges in strengthening and democratisation of the workplace"
- "Strengthening unity within the safety and security sector, by consolidating collective bargaining within all spheres of law enforcement for a more democratized environment"
- "Optimising the health and social development sphere by adopting a uniform approach towards a democratised workplace"
- "Configuration of the broader administrative functioning of government to ensure optimal effectiveness and addressing the quality of service in the workplace"
- Efficient dispute resolution, contributing to the democratization of the workplace in ensuring social justice and labour peace
- The impact of the 4th Industrial Revolution on Public Service delivery
- Considering the impact of outsourcing and agentisation on the public service through the establishment of agencies and/or entering into public private partnerships
- Decent Work Agenda.

This Indaba was a great success and well attended by key role players in the labour sector, including the Minister and Deputy Minister for DPSA, the Ministerf in the Department of Labour, COSATU, ILC, as well as Strategic Partners, such as ILO, GEMS and GEPF to mention a few. Our huge appreciation to Council members, partners, sponsors and everyone who contributed to the success of the Indaba. The Indaba culminated in the adoption of the accord, which has been submitted to PSCBC for further deliberations.

It is part of our cooperative strategy that we strengthen ties with other organisations in the labour relations, both locally and internationally. The PSCBC was privileged to have hosted a delegation from Mauritius over an information-sharing session where both the structures and core businesses of the PSCBC and other Sectoral Bargaining were presented. It remains an honour for Council to empower people with the knowledge and information that will advance the interests of the Labour Sector.

As part of capacity building, Council attended and participated at the following international conferences:

- ILERA 8th African Congress, held in Mauritius from 7-10 May 2018
- 18th ILERA International Congress, held in Korea from 19-27 July 2018

To fulfil one of our constitutional obligations, Council convened an Annual General Meeting (AGM) on 28 June 2018 in Magaliesburg, North West. At the AGM, the annual report for 2017/2018 was presented, and parties were afforded an opportunity to elect their representatives on Council.

In the past year, the PSCBC underwent a smooth leadership transition phase. I would therefore like to appreciate our immediate former Chairperson, Adv. Luvuyo Bono, for maintaining good governance during his tenure as the Chairperson of the Council, as well as other members of the Executive Committee who served the Council diligently in the previous year. In the same spirit, I am pleased to extend a warm word of welcome to the Council's new Chairperson, Ms Ingrid Dimo, and wish her the best in taking the Council forward.

During the reporting period, the PSCBC also enhanced its human capacity to effectively execute its objectives by appointing three new employees in the positions of Monitoring and Evaluation Manager, Resident Panellist, and Research Officer.

To ensure proper coherence planning and an integrated approach to our mandate, the PSCBC convened Management Committee and Executive Committee Operational Plan sessions in January and February respectively.

On an annual basis, we embark on important social responsibility interventions. PSCBC participated in the Cell C- Take a Girl Child to Work Day under the theme "MORE THAN A DAY" where ten Grade 11 girls from Stanza Bopape Secondary School in Mamelodi, Pretoria, were hosted at the Bargaining Councils offices.

To commemorate Nelson Mandela Day and in honour of his centenary, Council identified a need for a renovated science and computer laboratory at Stanza Bopape Secondary School and used the opportunity to clean up and paint the laboratory and other classes at their school.

Furthermore, in March 2019, we hosted ten Grade 11 boys from the same school. In addition to these learners being treated to short learning lessons with various sectors, staff members imparted knowledge and motivation, as well as providing a glimpse of the operations of the PSCBC.

In the coming year, we look forward to grasp and implement strategies that derive from the 4th industrial revolution and optimise efforts to ensure that the Council is expediently positioned to progress.

My appreciation goes to everyone who has been involved and contributed to the PSCBC's achievements in the past year.

3. LEGISLATIVE MANDATE

3.1 Overview

The Public Service Co-ordinating Bargaining Council (PSCBC) (the Council), whose Constitution was registered on 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.

3.2 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—

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

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

   (iii) the Employer and Employees,

   where the Employer has the requisite authority to resolve such Disputes;

e) conclude, supervise and enforce Collective Agreements;

f) comply with its powers and duties in terms of the Act and its constitution;

g) consider and deal with such other matters as may affect the interests of the Parties to the Council; and

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

3.3 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.

4. GOVERNANCE STRUCTURES

4.1 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.

Mrs Ingrid Dimo
Chairperson

Mr Mpfariseni Phophi
Vice Chairperson - Employer

Ms Thandeka Msibi
Vice Chairperson - Labour

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

Mr Frederik Johannes De Bruin
(General Secretary)

4.2 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.

Main Member
Nomsa Rilityane
DPSA

Alternate Member
Victor Sakala
DPSA

Main Member
Maile Ngake
DOH

Alternate
Johan Griesel
SAPS

Main Member
Mmapitso Mashele
DAFF

Alternate
Salie Faker
DBE: WC

Main Member
Louise Esterhuyse
OTP: WC

Alternate
Bassie Malwane
NWPG

Main Member
Clement Marule
NEHAWU

Alternate
Nobukhosi Xulu
NEHAWU

Main Member
Mompati Galorale
SADTU

Main Member
Kedibone Frank
SADTU

Main Member
Reuben Maleka
PSA

Alternate
Basil Manuel
NAPTOSA

Main Member
Oupa Sebiloane
POPCRU

Alternate
Thulani Ngwenya
POPCRU

4.3 Financial Committee (FINCOM)

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

Polelo Ndala
NEHAWU

Thulani Ngwenya
POPCRU

Lindiwe Motswane
SADTU

Thabang Sonyathi
DENOSA

Herman Brynard
DPSA

Victor Sakala
DPSA

5. COLLECTIVE BARGAINING UNIT

5.1 Overview

The Collective Bargaining Unit (CBU) is a core component of the PSCBC, and is key in offering support to the Council and its various structures; Executive Committee (EXCO), Ad-hoc Committees and Provincial Chambers to create an effective forum for collective bargaining processes to unfold, whilst adhering to the provisions contained within its Constitution. All administrative support, research and coordination processes for Collective Bargaining are managed by the CBU.

The PSCBC (Council) comprises representatives from the eight public service trade unions (SADTU, NEHAWU, POPCRU, DENOSA, PSA, NAPTOSA, HOSPERSA/NUPSAW/NATU and SAPU) and the State as Employer, represented by the Department for Public Service and Administration. It has within its scope in excess of 1.3 million public servants.

An integral function of Council is to negotiate and conclude Collective Agreements in respect of matters regulated by Section 36(2) of the Labour Relations Act, which may include negotiating minimum standards on such matters. The CBU supports Council in monitoring the implementation of the provisions contained in these Collective Agreements and ensures their correct implementation by working together with the State and Labour to workshop the Agreements across the country.

In addition, the CBU ensures that the Council achieves its strategic objectives.

The key strategic objectives of the CBU as a core function of the Council for the reporting period are:

i) To enhance and optimise collective bargaining within the PSCBC through the configuration of bargaining structures and processes;

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

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

This report further highlights the work done by the CBU for the period under review.

5.2 Meetings

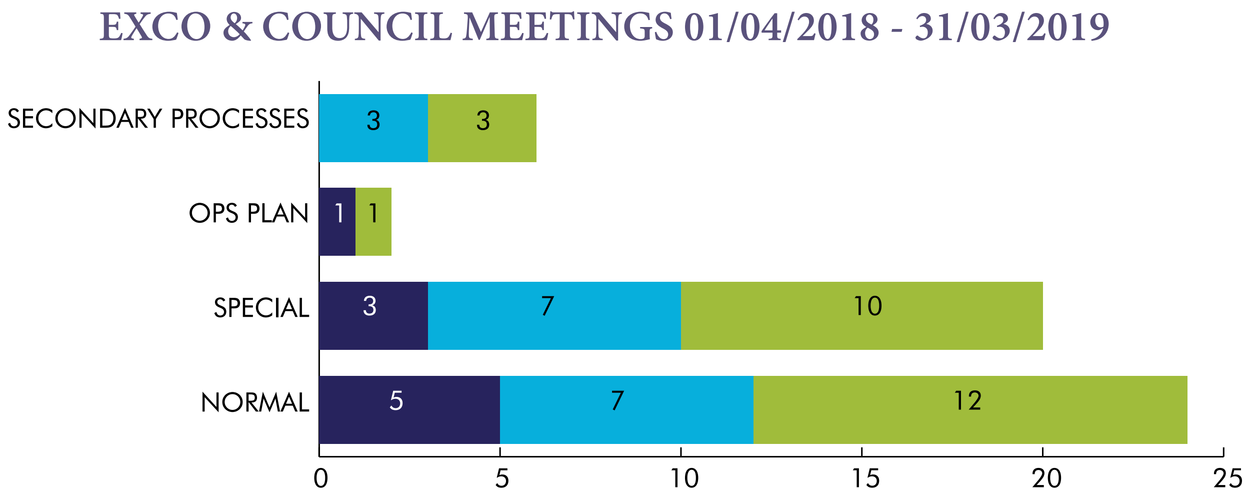
The PSCBC Constitution provides that the Council meets once every month, and one such meeting is the Annual General Meeting. Additional special meetings may be scheduled when a specific/urgent matter needs to be addressed.

The Executive Committee meets at least once every three months. Additional Special EXCO meetings may be scheduled to address any specific/urgent matters.

During the period under review, the constitutional requirement for convening meetings was irregular due to the secondary processes arising out of the salary negotiations process, which were elevated to the level of Council, to ensure effective implementation of the salary agreement.

Figure 1 below illustrates the number of Council/Special Council & EXCO/Special EXCO and Secondary Process meetings held during the reporting period:

Figure 1



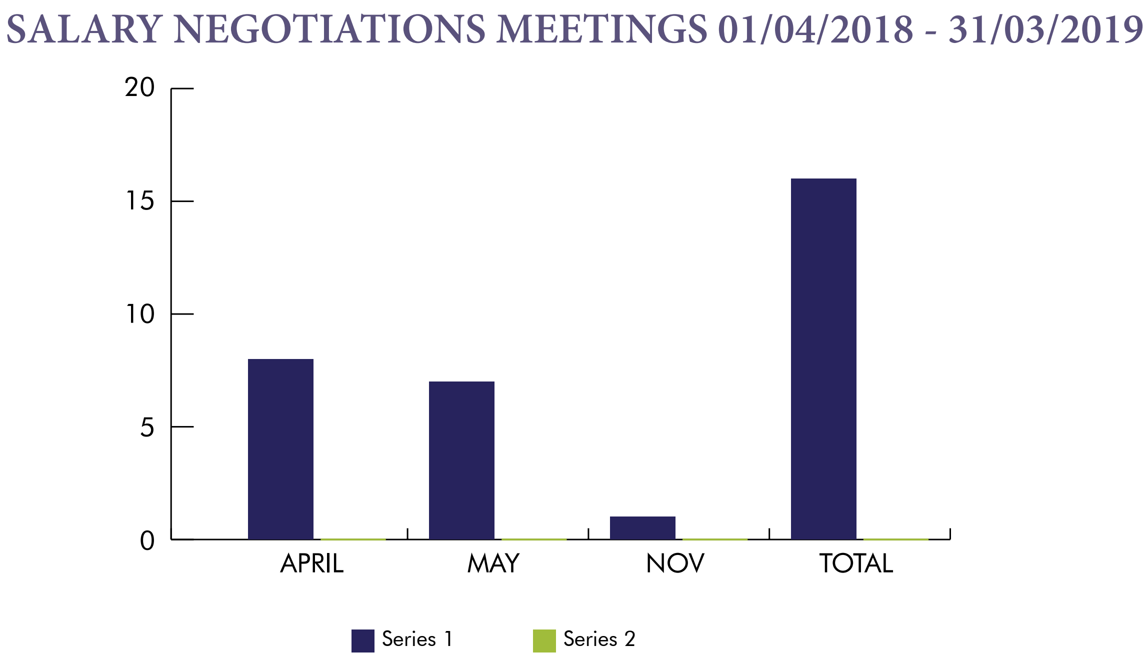
5.3 Salary Negotiations

This reporting period witnessed the finalisation of a salary agreement for public service employees from level 1 to 12, spanning three years, 2018/2019, 2019/2020, 2020/2021. Labour first tabled their demands in October 2017, and the Agreement (Resolution 1 of 2018) enjoyed majority signature on 8 June 2018.

Resolution 1 of 2018 will be broken down with further detail under point 4 in the report.

The figure below illustrates the number of meetings held for salary negotiations during the reporting period.

Figure 2



5.4 2018/2019 Resolutions

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

5.4.1 Resolution 1 of 2018

Agreement on the salary adjustments and improvements to conditions of service in the public service for the period 2018/2019; 2019/2020, and 2020/2021.

The purpose of the Resolution is to provide for a three-year multi-term agreement on the salary adjustment and improvements of conditions of service for employees in the financial years 2018/2019, 2019/2020, and 2020/2021.

The salary adjustment for the period 1 April 2018 to 31 March 2019, effective from 1 April 2018, for employees on salary levels 1-12 was as follows;

Level 1 to 7 : 7%;

Level 8 to 10 : 6.5%; and

Level 11to12 : 6%

The salary adjustment for the period 1 April 2019 to 31 March 2020, effective from 1 April 2019, for employees on salary levels 1-12 was as follows;

Level 1 to 7 : Projected CPI +1.0%

Level 8 to10 : Projected CPI + 0.5%; and

Level 11 to12 : Projected CPI.

The salary adjustment for the period 1 April 2020 to 31 March 2021, effective from 1 April 2020, for employees on salary levels 1-12 will be as follows;

Level 1 to 7 : Projected CPI +1.0%

Level 8 to 10 : Projected CPI + 0.5%; and

Level 11 to12 : Projected CPI.

The Agreement enjoyed a majority of 65.74% on 8 June 2018 and was signed by the Employer, DENOSA, NAPTOSA, NEHAWU, POPCRU, and SADTU. HOSPERSA, PSA & SAPU did not sign the agreement.

At the time of this report going to print, the salary adjustments for the 2018/2019 and 2019/2020 terms would be effected.

Council continues to ensure full implementation of the conditions of service as provided for in the Agreement through secondary processes.

5.4.2 Resolution 2 of 2018

Agreement on the compensation methodology of the redress of discriminatory pension practices

The purpose of the Agreement is to allow for the closing out of the pension redress process as agreed to in clause 7 of PSCBC Resolution 7 of 1998 and PSCBC Resolution 12 of 2002, to address specific discriminatory practices related to pensions within the public service.

The Agreement enjoyed a majority of 73.89% on 26 October 2018 and was signed by the Employer, HOSPERSA, NAPTOSA, NEHAWU, POPCRU, SADTU and DENOSA. The PSA and SAPU did not sign the Agreement.

It is envisaged that full implementation of the Agreement will be finalized during the reporting period.

5.5 Workshops on 2018/2019 Resolutions

In 2012, Council took a decision to workshop all Resolutions after they are concluded and enjoy majority signatures so as to avoid unnecessary disputes on interpretation and application that might arise in implementing the agreements.

During the reporting period from 4 July to 29 August 2018, the PSCBC conducted workshops with its stakeholders in the 9 provinces and nationally on the implementation of its 2017 Resolutions and Resolution 1 of 2018 to ensure consultation and proper implementation. The Resolutions which were workshopped were:

- **Resolution 4 of 2017:** Agreement on the Review of the Government Employees medical Scheme (GEMS);
- **Resolution 5 of 2017:** Agreement on the Establishment of an Advisory Body for the Government Employees Housing Scheme; and

- **Resolution 1 of 2018:** Agreement on the Salary Adjustment and improvements on conditions of service in the Public Service for the period 2018/2019, 2019/2020, and 2020/2021.

A second set of workshops was conducted with stakeholders in the nine provinces and nationally during the reporting period from 1 February to 27 March 2019.

In its meeting of December 2018, Council agreed to specific recommendations from the GEMS working committee in enhancing the benefit product structure to give effect to the provisions of clause 9 of PSCBC agreement 1 of 2018. It was agreed that this decision of Council must also be workshopped and explained to the National and Provincial representatives of Council.

Council also deliberated on the work of the GEPF and the recent decision on the changes to pension benefits. It was agreed by Council that a collaborative partnership should be explored with the GEPF in allowing a process of sharing information with Council structures at National and Provincial level.

Therefore, this workshop, in addition to providing a presentation on Resolution 2 of 2018, also included a collaboration with GEPF and GEMS to provide an update on benefits since the signing of Resolutions 1 and 4 of 2017.

The workshops entailed the following:

- **Resolution 2 of 2018:** Agreement on the compensation methodology of the redress of discriminatory pension practices
- GEPF - "The state of the fund"
- GEMS - "Changes to membership benefits"

It was pleasing to note that the PSCBC workshops on Resolutions are always popular with public service personnel. Both sets of workshops were very well attended and the attendees engaged meaningfully on issues of implementation and used the platform optimally to seek clarity and offer varied and relevant perspectives from their workplace environments.



5.6 Committees

Committees are 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 were functioning during the reporting period:

5.6.1 The Pensions Redress Close-out Committee

This Committee was established by Council to develop an Agreement that would conclude the Pensions Redress Process. The Committee comprised five members each from Labour and the Employer, as well as key people from GPAA and the GEPF.

In this financial period, this Committee was instrumental in finalizing the Pensions Redress Project by concluding Resolution 2 of 2018, which provides for and details the compensation method for beneficiaries, thereby closing out the pension redress process as agreed to in clause 7 of PSCBC Resolution 7 of 1998, and PSCBC Resolution 12 of 2002.

5.6.2 The GEMS Working Committee

This Working Committee was established in terms of Resolution 4 of 2017. Its brief is to consider the performance of the Scheme on an ongoing basis and to consult meaningfully on the strategic direction of the Scheme, the efficiency of the administration of the Scheme, the financial sustainability of the Scheme, and the improvement of the member benefit structure.

In early 2018, the Committee had kicked off to a promising start by GEMS presenting a benefit design which detailed the improvements they would put in place for members from 2019-2020 through a phased-in approach.

- GEMS proposed to invest more than R100 million into the medical scheme to benefit members in 2019;
- Sapphire, with members who are on level 1 - 5, would have significant enhancements incorporated through more private hospital care options added for 2019;
- In 2020 the intention is to collapse the Sapphire and Beryl options into one option with a new name; and
- Thereafter the Emerald and Emerald Value options, where most GEMS members are located, would be enhanced with extended benefits.

Enhancements which GEMS effected on the Sapphire option over 2018 and 2019 were as follows:

Benefits Allocated	2018	2019
Hospitalisation	**Private Hospital** Maternity Benefits **Public Hospital** for all admitted conditions. Subject to yearly hospital limit of R208 237 per family per year	**Private Hospitalisation** for 20 conditions considered for Vulnerable groups. **Public Hospital** for all conditions not listed All admissions are subject to an overall annual hospital limit of R219 482 per family per year
GP Services	Unlimited GP Visits, but start pre-authorising after 5th Visit	Unlimited GP Visits with no pre-authorisation
Network	Only GPs that are on the GEMS Network Limited to three out of Network GP	Only GPs registered on the GEMS Network Limited to three out of Network GP
Specialists	Referred by GP	Referred by GP
Pathology	Unlimited if referred by network GP and the specialist visit was pre-authorised	Unlimited if referred by network GP and the specialist visit was pre-authorised

This reporting period saw GEMS within the working committee proposing a 5-year strategy to align with and become the blueprint for the National Health Insurance (NHI) by redesigning the GEMS options for growth and optimal efficiency and providing an innovative member value proposition. Work to make the proposed strategy a reality began in 2017 and is anticipated to be completed in 2021.

The priorities for the working committee in 2019 are the following:

- To work together with the Council for Medical Scheme to finalise the process of changing the name of the merged options of Sapphire and Beryl.
- From a financial perspective, to consider the rebranding of marketing collateral for the changes to the GEMS benefit design.
- To develop a detailed communication campaign to drive awareness on the improved benefit design (Members, Providers, Government departments, Contact Centre Client Liaison Offices).

5.6.3 The Constitutional Amendments Committee

The terms of reference of this Committee would be to amend and/or redefine various provisions within the Constitution which have proven to be obstacles to the efficiency of PSCBC operations.

The Committee will begin its work to amend the Constitution in 2019.

5.7 The Collective Bargaining Indaba

The PSCBC was established in October 1997 and celebrated its 21st Anniversary in 2018. As part of the 21st Anniversary commemoration, the PSCBC hosted a Collective Bargaining Indaba at the Gallagher Estate in Midrand, Gauteng, on 16-19 October 2018.

Up to 600 delegates representing the State as Employer and Trade Union Parties admitted to the PSCBC formed part of the delegation to attend this prestigious function.

The theme for the Indaba was:

> *"Advancing and protecting workplace democratization through strengthening collective bargaining as to ensure economic development, social justice and labour peace within the public service".*

The opening ceremony was marked by spectacular and thought-provoking entertainment, and a keynote address by the Honourable Minister of Labour, Ms Mildred Oliphant. Messages of Support were delivered by Mr Joni Musabayana – Director at the Pretoria office of the International Labour Organization (ILO), Mr Basil Manuel – Chairperson of the Independent Labour Caucus (ILC) and Ms Zingiswa Losi – President of the Congress of South African Trade Unions (COSATU). The second day of the Indaba was marked by a keynote address by the Honourable Minister for Public Service & Administration - Ms Ayanda Dlodlo.

Other noteworthy speakers at the Indaba included Dr Geoffrey Heald of WITS University, Mr Ebrahim Patelia of Mediate Works, Mr Trenton Elsley of Labour Research Services, Dr Dovhani Mamphiswana – DG: Public Service Commission, Prof Richard Levin – DG: Department of Public Service & Administration, and Prof. Edward Webster of WITS University.

Eight commissions were held over the 4 days, with wide ranging scope and intensive debate and discussion on the following topics:

- The effectiveness of collective bargaining in the education sector, addressing the areas of basic education, higher education, TVET and CET colleges in strengthening and democratization of the workplace
- Strengthening unity within the justice cluster, by consolidating collective bargaining within all spheres of law enforcement for a more democratized environment

- Optimising the health and social development sphere by adopting a uniform approach towards a democratized workplace

- Configuration of the composition of the broader administrative functioning of government to ensure optimal effectiveness, and addressing the quality rather than quantity of the workplace

- Efficient dispute resolution, contributing to the democratization of the workplace and ensuring social justice and labour peace

- The impact of the 4th Industrial Revolution on public service delivery

- Considering the impact of outsourcing and agentisation on the public service through the establishment of agencies and or entering into public private partnerships

- The Decent Work Agenda.

The last day of the proceedings witnessed the adoption of the Accord by the Indaba which was referred to Council for drafting of an implementation plan.

The following are the deliverables of the Collective Bargaining Indaba Accord:

- Conduct a review of the bargaining structures of the Public Service, and that such review must take into consideration the proposed reconfiguration of Government.

- Establish public service initiatives to encourage whistle blowing in order to intensify the campaign against all forms of corruption.

- Restructuring Government to improve service delivery initiatives, considering job security.

- Prioritise the fight against the killing of policemen and the safety of public servants in sectors such as Safety & Security, Health and Education.

- Implementation of the PSCBC Resolution 7 of 2015.

- Ensure transformation of GEMS and its board of trustees to be reflective of its membership, and enhance and expedite the provision for the implementation of the NHI.

- Develop an enforcement mechanism to ensure proper implementation of collective agreements in the Public Service.

- Conduct a review of Misty Hills Manifesto to address the conduct of parties during the process of negotiations.

- Develop policies and processes on issues of transverse nature that require uniform rules, norms and standards.

- Capacity building for negotiators.

- Conclude the review of the PMDS and submit such review to the PSCBC for negotiations.

- Develop a detailed implementation plan on the resolution 6 of 2010 and be tabled as such at the first Council meeting of 2019 for adoption.

- Expedite and harmonise the conditions of service of those employees employed in the ECD / AET and TVET structures.
- Reduce negotiation times on matters of mutual interest and follow a more focused approach to address issues.
- Expedite the implementation of the Public Service Summit Agreement.
- Develop an implementation strategy for the 10-point plan of the Department of Health as adopted in PSCBC Resolution 6 of 2010.
- Engage in negotiations to discuss the permanent employment of Community Health Workers, considering the possible limitations of the scope of the PHSDSBC.
- Devolve administrative powers to institutions (such as hospitals) with the necessary budget allocated in order to eliminate the delays in provincial departments.
- Conduct discussions on the transformation of the National Health Laboratory Services (NHLS) and the integration of a transformed NHLS into the Department of Health.
- Conduct a comprehensive review on the approach to human resources, inclusive of studies on human ratios, introduction of flexi hours, targeting of learners before leaving school, and ensuring that a balance of knowledge, skills, experience and diversity is maintained.
- Develop mechanisms to reduce overcrowding in health facilities.
- Establish working relationships within SADC to address overcrowding due to the influx of people.
- Support the full implementation of the National Health Insurance (NHI).
- Strengthening of collective bargaining by addressing the challenges in the complexity of a multi-discipline sector, and ensuring that similar norms, rules and standards are implemented across the sector.
- Conduct research on best practice modalities in addressing the challenges of a multi-disciplinary sector to deliver quality service.
- Re-assess the effectiveness of the grievance procedure.
- Ensure that dispute management in the public service is applied uniformly within the same norms and standards.
- Conduct a feasibility study in order to assess all challenges related to CCMA efficiencies.
- Commit to capacity building by appointing a sufficient number of panellists to address critical service delivery initiatives, and ensure that training of those panellists is undertaken to build capacity.
- Commence social dialogue to consider the implications of the Forth Industrial Revolution in the Public Service and identifying the potential of how the public service can embrace it, duly considering the potential and challenges it may pose.
- Collate and interrogate additional statistics to back up the rejection of Outsourcing and Agentisation practices in the public service, in order to make a more informed decision.

- Develop an implementation plan to ensure the in-sourcing of services, considering best practice models.
- Commission the development of a decent work agenda for the public service.

Council will finalize the implementation plan in the next financial year.

5.8 Debriefing on Salary Negotiations

The PSCBC held a debriefing session at the Olive Convention Centre in Durban, on 21-22 November 2018, which was attended by all parties to Council and facilitated by Mr Alfred Tsetsane, an independent consultant. The purpose of the session was to analyze the previous salary negotiations process with a view to improve on and strengthen those processes and develop an implementation plan for future salary negotiations.

The deliverables of the session were as follows:

- Plot different scenarios and negotiating approaches.
- Improve sharing of relevant and verified information.
- Improve on turn-around times in all processes.
- Enforce the existing and improving negotiations protocol based on Resolution 3 of 2017.
- Align the process of negotiations with the budgetary process.
- Develop a risk management plan at the start of each negotiation period.
- Agree on the economic outlook long before the commencement of negotiations – agree on the type of information and sources of statistics.
- Conduct research from time to time, including the impact of its wage settlements on the poorest households, and also the indebtedness of civil servants.
- Adherence to the timetable to manage the anxiety of employees.
- Implementation of agreements as signed without delay.
- Establish a mechanism to enforce the implementation of signed resolutions.
- Established Change and Performance Management Systems regarding agreements and resolutions, including change of mind set and ways of doing things.
- Accommodation must be organised for negotiators close to the negotiations venue to avoid travelling in the middle of the night.
- Overall physical security at the PSCBC premises must be improved.
- Adopt Social Partnership as a paradigm for negotiations (Adopt a Win-Win negotiations approach).
- Review and implement Misty Hills Manifesto.
- Parties must keep the continuity of services to the public in mind at all times.
- Parties must observe and aspire at all times to adhere to Misty Hills Manifesto.

- Cultivate the common interest in beneficiaries –the communities and the nation to safeguard continuity of state services.

5.9 EXCO Operational Planning Session

PSCBC held its EXCO operational planning session on 05-07 February 2019 at the Capital Pearls Hotel in Durban.

The purpose of the Operational Planning Session was for EXCO to reflect on the state of the organisation, the implementation plan for the Collective Bargaining Indaba Accord, the implementation plan for the Debriefing on salary negotiations, and the organisation's business plan. The sessions were facilitated by the Chairperson and the Vice-Chairpersons of Council. The main EXCO members, as well as their alternates, were invited to attend the session.

On the first day of the session, the General Secretary provided a brief introduction on the state of the organisation.

The General Secretary's presentation included a refresher on the current strategy of the PSCBC, the Country's Constitutional mandate, the enabling legislation and its provisions, the National Development Plan, Birchwood 1 & 2 Resolutions, the Public Summit Declaration, and the Service Charter.

The General Secretary further reported on the operational review, whereby Council agreed and undertook specific programmes and initiatives to give effect to the strategic objectives. It was reported that the programmes also incorporate the operational functioning of Council, ensuring that the day-to-day business of Council is addressed. He outlined what was achieved, what was still in progress, and the challenges. The Council business plan was tabled.

The development of the PSCBC business plan began with a management planning session on 16-17 January 2019, during which the PSCBC management deliberated on the key milestones, and the possible areas of focus within the financial year.

From each Unit, a consolidated Business Plan was developed and shared with EXCO during the Operational Planning Session, where EXCO deliberated, made comments and recommendations from Collective Bargaining, Dispute Resolution, Marketing and Communication, Corporate Services to Executive Services.

Ms Joyce Nkopane, an independent consultant, navigated EXCO through the amendments to the Labour Relations Act (LRA), 66 of 1995 as amended.

5.10 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.

5.10.1 Provincial Management Committees

The Management Committees of Chambers comprise the following: Chairperson, Vice-Chairperson (Employer), Vice-Chairperson (Labour), and Chamber Secretary. Broadly, the role of the management committee is to ensure that the Chamber complies with the provisions of Resolution 9 of 2003 as amended by Resolution 2 of 2005, manage the financial matters of the Chamber in liaison with the PSCBC, manage the day-to-day business of the Chamber, and ensure that reports for each Chamber are produced and distributed.

Members of the management committee must reach decisions through consensus. In the event that decisions cannot be reached through consensus, such matters shall be referred directly to the Chamber.

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

Figure: A

Province	Management Committee Members
Gauteng	Chairperson: V Mbense Vice-Chairperson: (Employer) Vice- Chairperson: J James (Labour) Secretariat: T Mphahlele (PSCBC)
North West	Chairperson: T Modiboa Vice-Chairperson: Vacant (Employer) Vice- Chairperson: Vacant (Labour) Secretariat: M Mphahlele (PSCBC)
Western Cape	Chairperson: E Mfingwana Vice-Chairperson: C Esau (Employer) Vice- Chairperson: A Mosetic (Labour) Secretariat: T Mphahlele (PSCBC)
Eastern Cape	Chairperson: Vice-Chairperson: Vacant (Employer) Vice- Chairperson: T Koya (Labour) Secretariat: T Mphahlele (PSCBC)

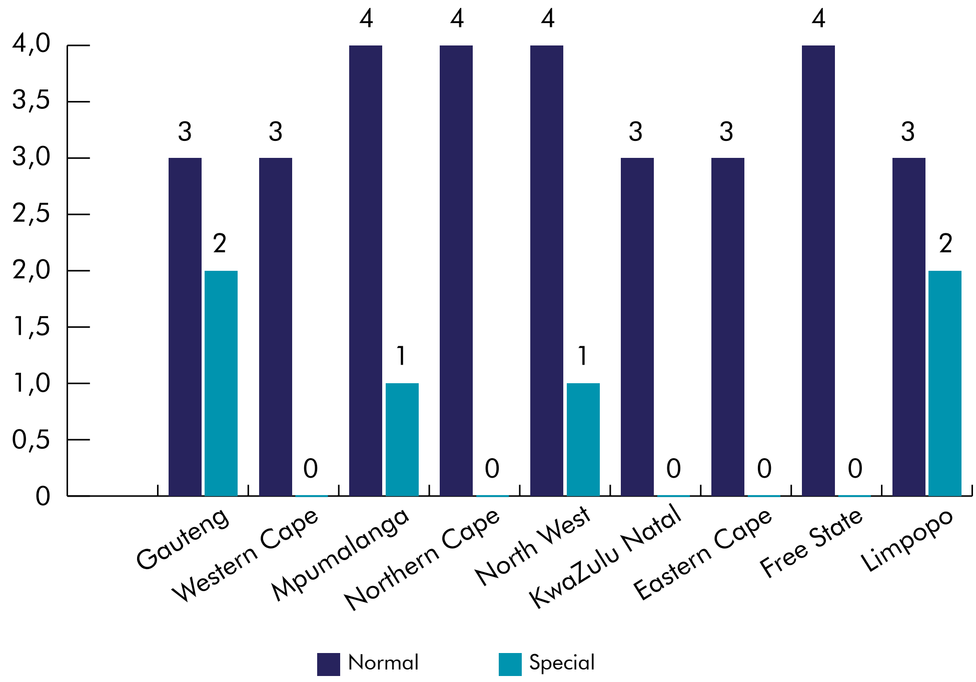
Province	Management Committee Members
Northern-Cape	Chairperson: Vacant Vice-Chairperson: T Ntsheno (Employer) Vice- Chairperson: Vacant (Labour) Secretariat: T Mphahlele (PSCBC)
Kwazulu-Natal	Chairperson: Vacant Vice-Chairperson: Vacant (Employer) Vice- Chairperson: S Nene(Labour) Secretariat: T Mphahlele (PSCBC)
Mpumalanga	Chairperson: M Mabasa Vice-Chairperson: Vacant (Employer) Vice- Chairperson: P Malomane (Labour). Secretariat: T Mphahlele (PSCBC)
Limpopo	Chairperson: M Chilwane Vice-Chairperson: S Ntwampe (Employer) Vice- Chairperson: J Marumo (Labour). Secretary: M Shirindza (Seconded by Employer)
Free State	Chairperson: P Maqina Vice-Chairperson: A Matiwane (Employer) Vice- Chairperson: P.J Mpiti (Labour). Secretary: R Thurston (Seconded by Employer)

5.10.2 Chamber meetings

Chamber meetings from 1 April 2018 to 31 March 2019

The figures below illustrate the number of meetings held at various Provincial Chambers.

CHAMBER MEETINGS 01/04/2018 - 31/03/2019



5.10.3 Common Agenda Items

Common agenda items discussed within Chambers from 1 April 2018 to 31 March 2019

AGENDA ITEM	CHAMBERS
FILLING OF FUNDED POSTS **North West** The Employer provided a presentation on the matter in the last meeting, which Labour has noted. **Mpumalanga** A provincial moratorium on filling of all posts, including posts at the head office and circuit offices, was instituted as from 1 February 2015. The moratorium is still in place, but a provision was made for the Department of Health to fill 551 critical posts, and 370 posts for the Department of Education. In the last meeting, a status report was submitted on the number of posts already filled. The Employer also indicated that acting allowances had been paid to the majority of departments, and the matter was being engaged at the Department of Public Works and the Department of Health. **Eastern Cape** During the recent meeting, it was agreed that the employer would give a progress report regarding filling of funded vacant posts at the next meeting.	North West, Mpumalanga, Eastern Cape
None	Western Cape, Eastern Cape

AGENDA ITEM	CHAMBERS
REVIEW OF PMDS POLICY **Gauteng** The CCPGP recently held a workshop on PMDS on 21 February 2019, during which Labour and the Employer engaged on the new PDMS Policy Framework. **Mpumalanga** The PMDS policy is approved for implementation with certain conditions, such as the scoring that is yet to be discussed and finalized. **Eastern Cape** Labour indicated at a recent meeting that the Provincial Administration was not adhering to the PMDS policy regarding the payment of benefits with effect from 1st of July annually and that this was causing unnecessary grievances. They also indicated that there was no uniformity on how the policy was implemented and applied within Departments. Labour also Requested that training on PDMS be provided to all stakeholders.	Gauteng, Mpumalanga, Eastern Cape
PERFORMANCE AND INCENTIVE BONUS **Gauteng** The Employer tabled a report during the reporting period, indicating that they had paid the performance bonuses, and the item was removed from the agenda. **Mpumalanga** Labour was mandated to allow the employer to proceed with the implementation of the PMDS policy on condition that issues identified at the previous meetings should remain on the agenda.	Gauteng, Mpumalanga,
APPOINTMENT OF CONTRACT WORKERS **Kwa-Zulu Natal** A legal opinion on the matter was forwarded to all parties for consideration. **Western Cape** A Circular on the matter was issued on 14 February 2019, and Labour was to proceed with consultative processes with their principals and respond in the next reporting period. **Free State** The item remains on the agenda whilst the Employer engages in bilateral meetings with NEHAWU to resolve the matter.	Kwa-Zulu Natal, Western Cape, Free State
ENDING OUTSOURCING, PRIVATIZATION, LABOUR BROKERS **North West** Labour registered their dissatisfaction on the matter and reserved their right to recourse on the matter. **Mpumalanga** Parties agreed to await the report on the matter from the PSCBC.	North West, Mpumalanga

AGENDA ITEM	CHAMBERS
PROVINCIAL BURSARY POLICY **Gauteng** The task team has been established to look into the matter. **Mpumalanga** At the recent meeting, the Employer indicated that the current situation in the country does not allow for the employer to cover certain costs. Labour to seek a mandate on the Employer's response and report at the next meeting.	Gauteng, Mpumalanga
LEAVE POLICY **Gauteng** The task team has been established to look into the matter. **Northern Cape** Parties suspended discussion on Special leave policy until it was finalised at the National Level.	Gauteng, Northern Cape
PRIVATE LEGAL REPRESENTATION IN DISCIPLINARY HEARINGS OF WORKERS LEVELS 1-12 **Eastern Cape** The Employer reminded the departments to comply with the disciplinary procedure. **Free State** Chamber agreed that the Employer would issue an instruction to HODs to abide by the Disciplinary Code.	Eastern Cape, Free State

5.11 CBU Research

5.11.1 Overview

CBU Research is a component within the Collective Bargaining Unit. Its primary objective is to assist the Council to conduct research and provide reports with findings and recommendations to support decision making by the Council.

The Unit's responsibilities include:

- 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.
- Analysis of statistical data to support the Councils decision making.

During this reporting period, the research component worked on the following:

5.11.2 Multiple Union Membership Statistics Report

The report was an analysis of trade union members in the public service, who belong to more than one trade union.

Key findings:

The total number of employees with multiple union membership both in the provincial and national departments amounted to 121 418, which is 9.94% of the total workforce of public servants. The 121 418 public servants are responsible for 251 169 trade union membership due to these employees belonging to more than one trade union. The 251 769 of membership also include less than 4 700 membership belonging to Non-PSCBC trade unions, of which it only makes 1.87% of these memberships. The top 8 unions as per the data account for 85.93% of these multiple trade union membership, with PSA having the highest number at 21.64% of the total. Other unions forming the top 8 include NEHAWU with 15.64%, POPCRU with 11.99%, SAPU with 8.80%, SADTU with 8.81%, HOSPERSA with 7.34%, DENOSA with 6.91% and NUPSAW with 5.48%.

5.11.3 Agency Fee Payers Report

The report was developed in order to provide an overview of public servants who do not belong to trade unions. The report compare numbers between year 2017 and 2018. The report also breaks down the data by provincial departments amongst all provinces.

Key Findings:

In terms of National Departments, the Department of Higher Education had the highest number of non-unionised employees in 2018, although there was a slight decline from 2017 to 2018. The Department of Justice and Constitutional Development had the second largest number of non-unionised public servants.

Provincially, the Department of Education and the Department of Health dominated in all provinces in numbers of non-unionised employees, together accounting for an average of 80% of staff members not belonging to trade unions.

The findings also show that the number of non-unionised staff members in the public service declined from 152 798 in 2017 to 151 757 by the end of 2018.

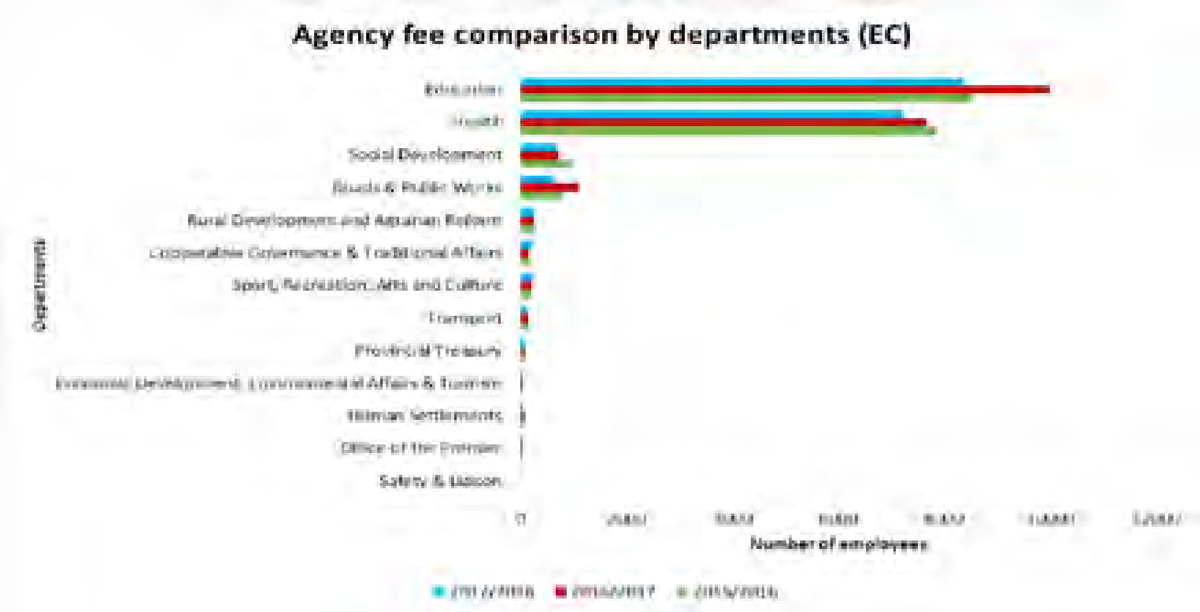
The following table provides a holistic overview of the number of public servants not unionised in each province and national departments.

National/Provincial department	Year 2018	Year 2017
National Departments	27 066	28 439
Eastern Cape	19 897	18 056
Free State	7 498	6 998
Gauteng	29 728	33 845
KwaZulu-Natal	21 758	23 302
Limpopo	6 752	6 584
Mpumalanga	7 457	8 651

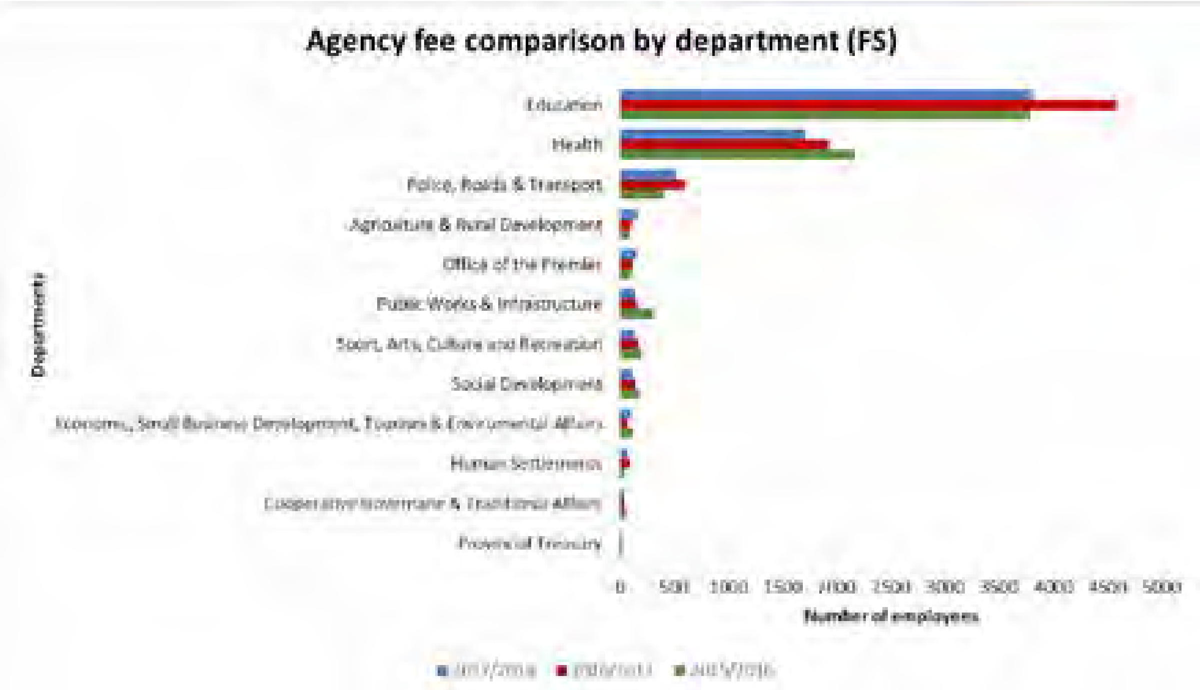
National/Provincial department	Year 2018	Year 2017
North West	13 551	9 387
Northern Cape	3 794	3 330
Western Cape	14 256	14 206
Total	**151 757**	**152 798**

Agency fee breakdown by provincial departments

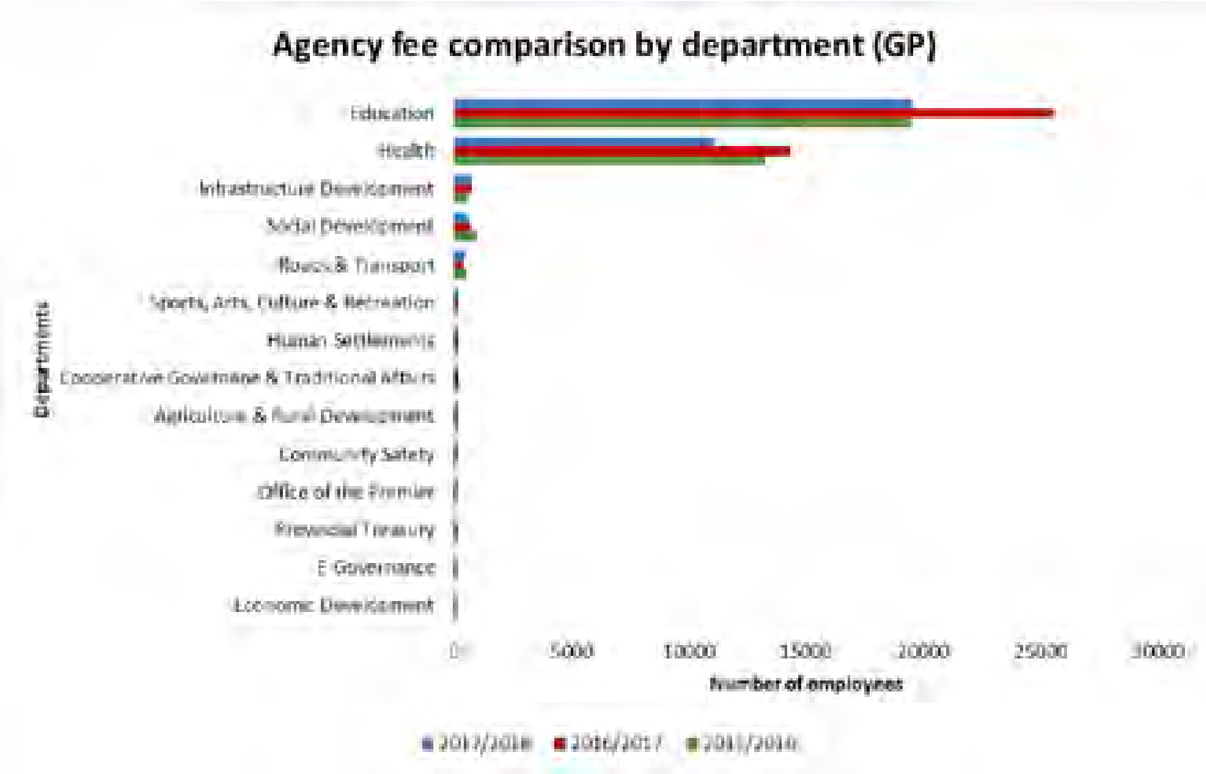
Eastern Cape



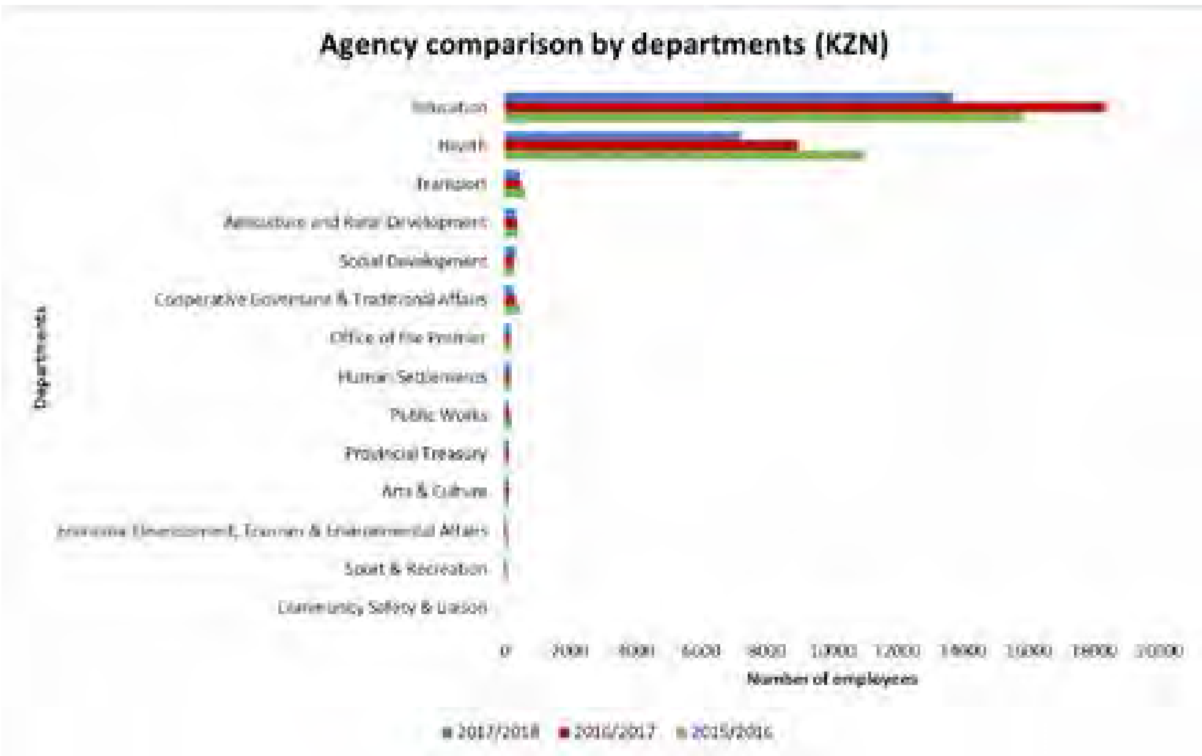
Free State



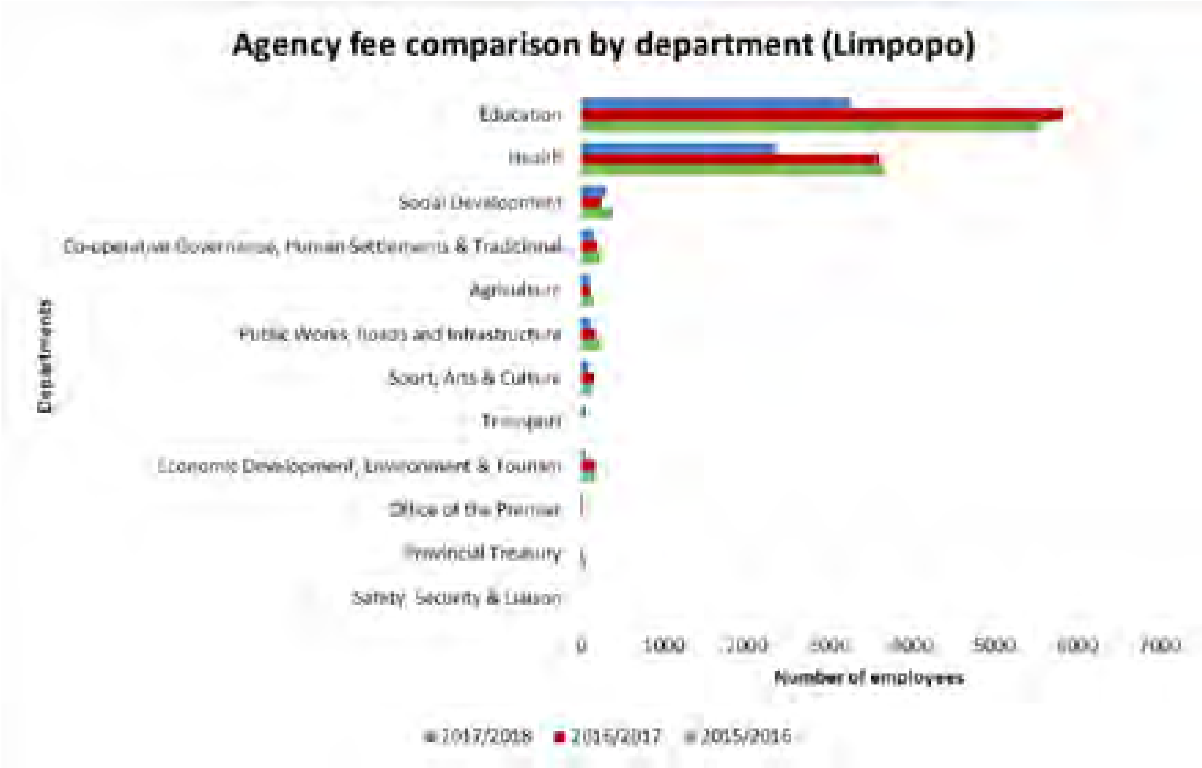
Gauteng



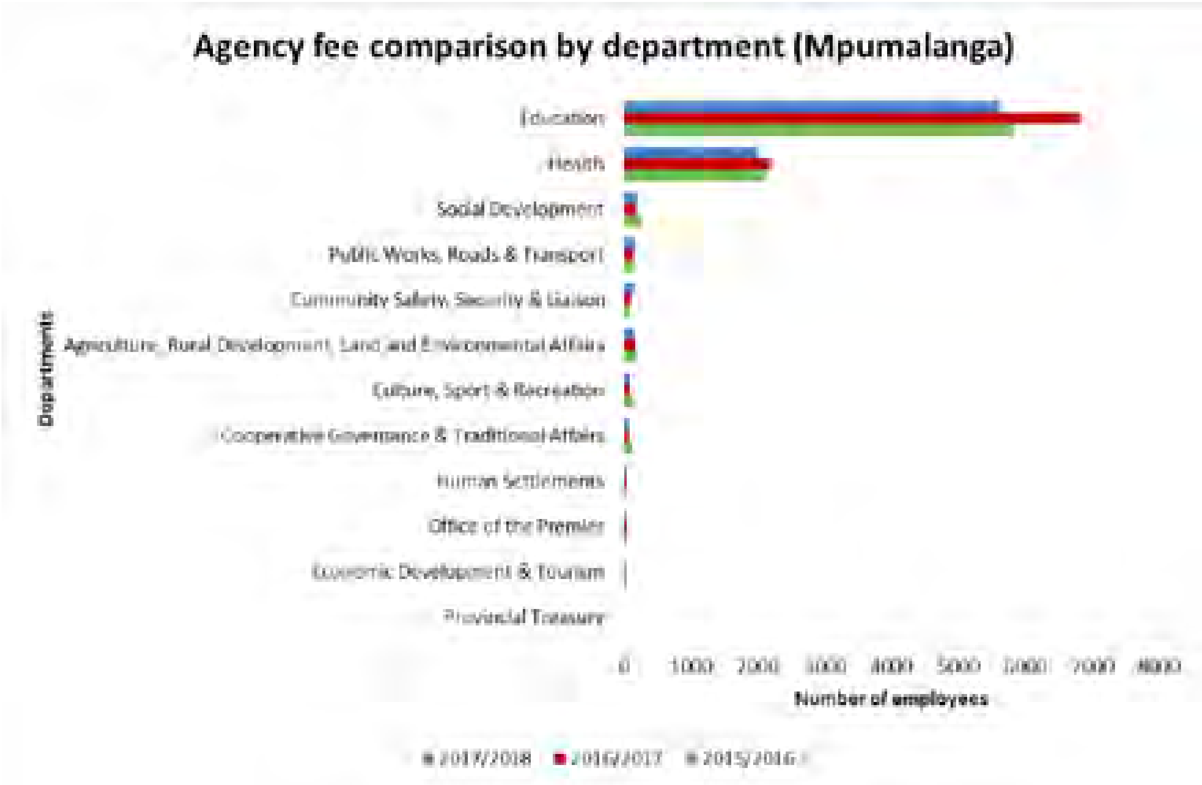
Kwazulu-Natal



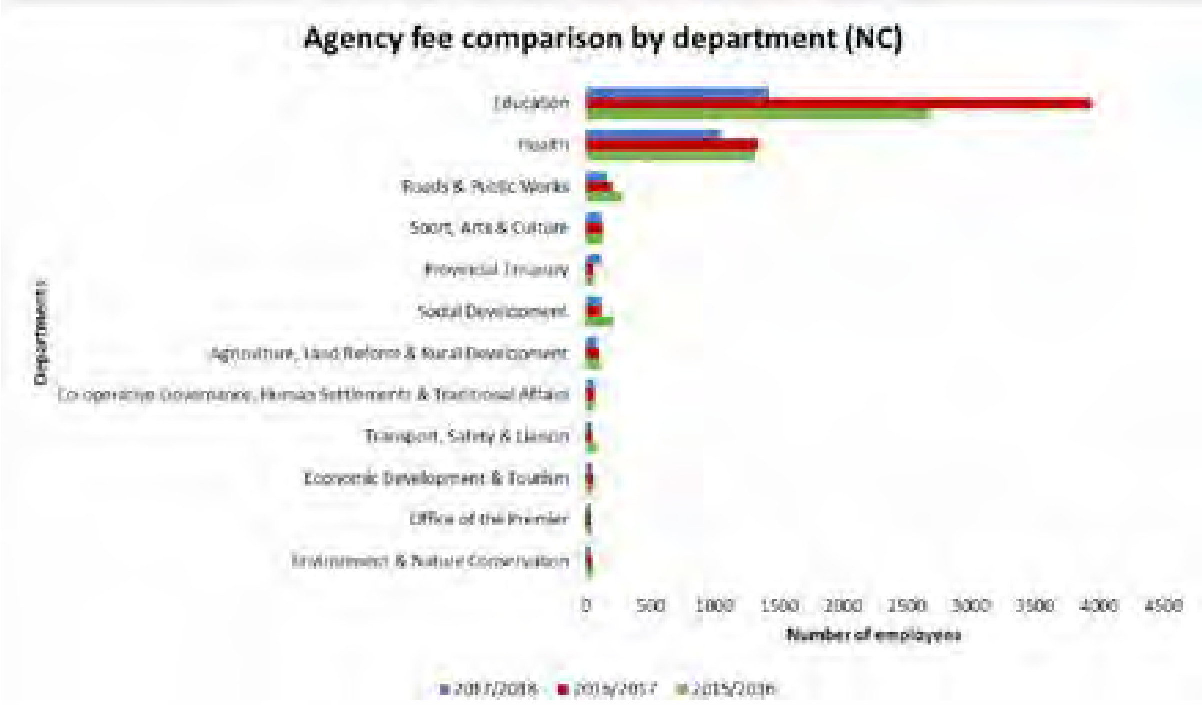
Limpopo



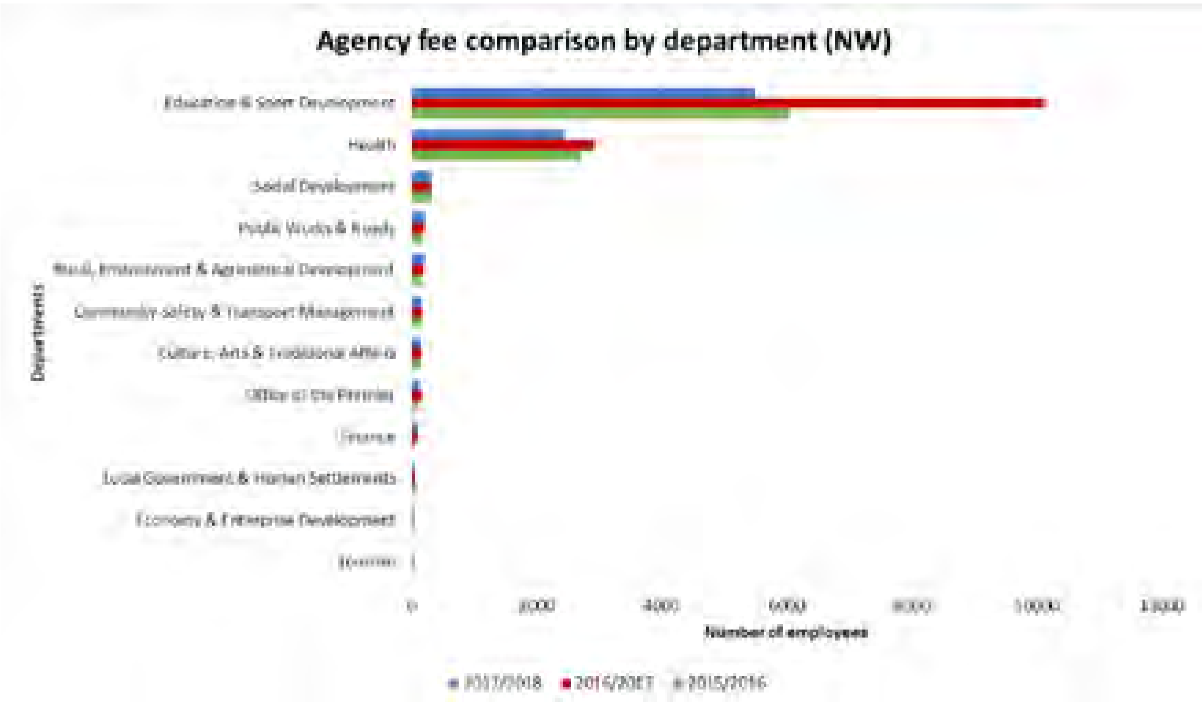
Mpumalanga



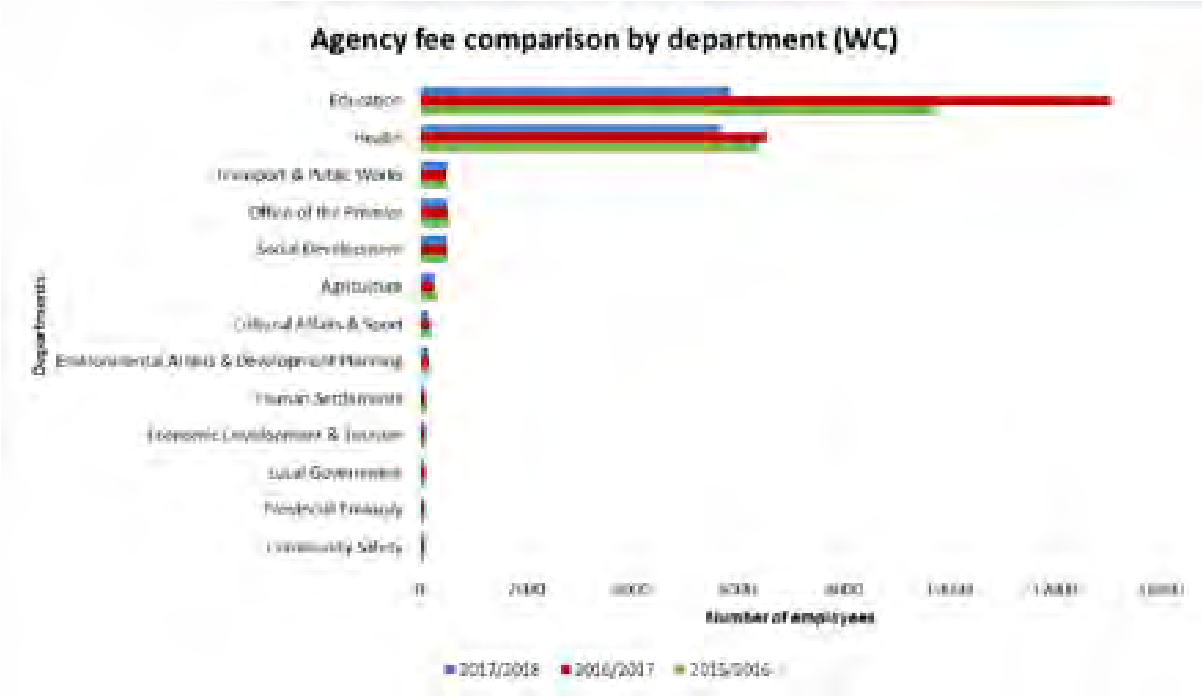
Northern Cape



North West



Western Cape



5.11.4 Levy Payers Report

The purpose of the analysis was to gauge retrenchment trends in the public service and gain insights into staff movement. The analysis was conducted for January to December 2018.

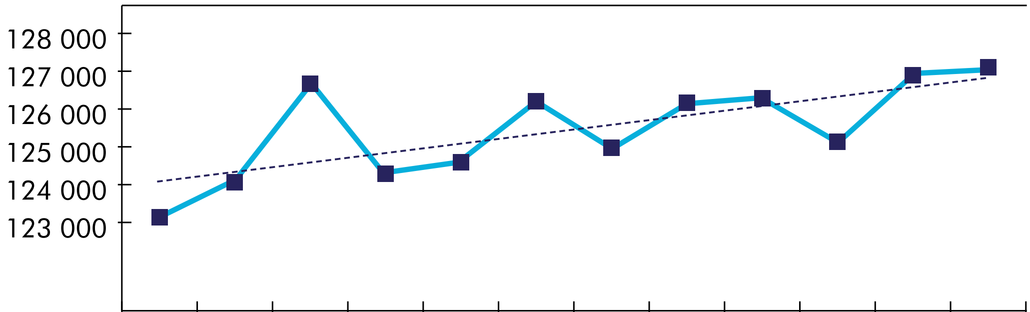
Key findings:

The data showed no abnormal decline trends in the staff movement within the public service to suggest any retrenchment trends. The findings suggested that there was a reasonable staff complement, which suggest normal staff loss and replacements.

The following graphs depict the public service employment trends in all the nine provinces:

The line graph below shows the employment trend in the EC province. The year started with the number of employees just above 123 000, and by the end of the year, the overall number of employees was above 127 000, showing an increase of 3 961 in all EC departments, and, as shown in the graph, the trend line is skewed upwards.

EASTERN CAPE

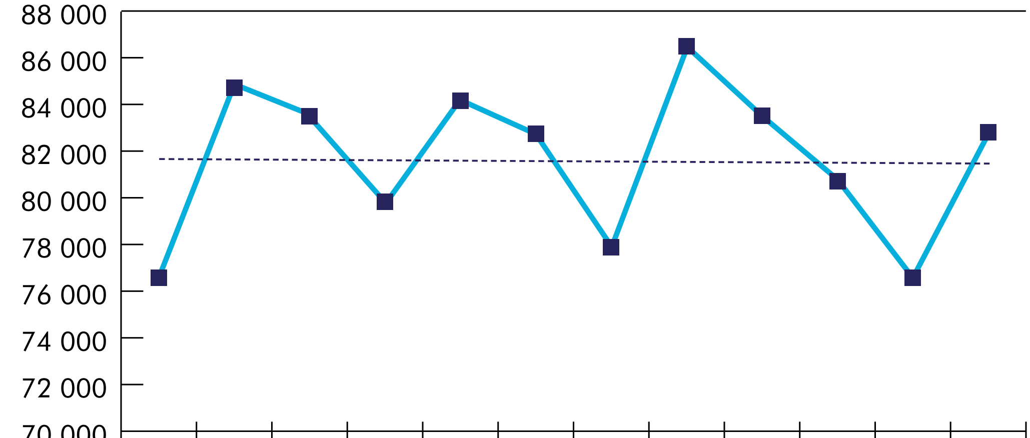


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	123 173	124 102	126 701	124 365	124 606	126 243	124 959	126 172	126 298	125 094	126 957	127 134

Western Cape

As mentioned above, the graph below shows overall consistency in the number of employees for the Western Cape Provincial Departments throughout the year.

WESTERN CAPE

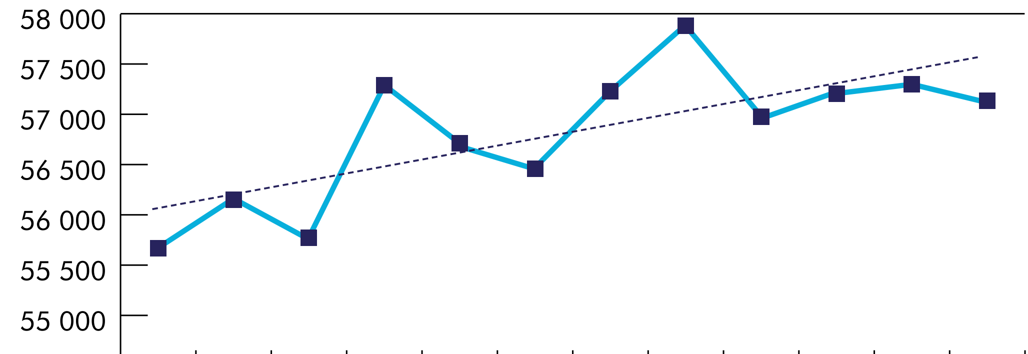


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	96 329	84 868	83 535	79 811	84 224	82 743	77 878	86 480	83 471	80 721	76 329	82 874

Free State

The graph below shows an overall fractional increase in the number of employees in the provincial departments of the Western Cape Province. None of the departments shows any drastic changes to suggest retrenchments.

FREE STATE

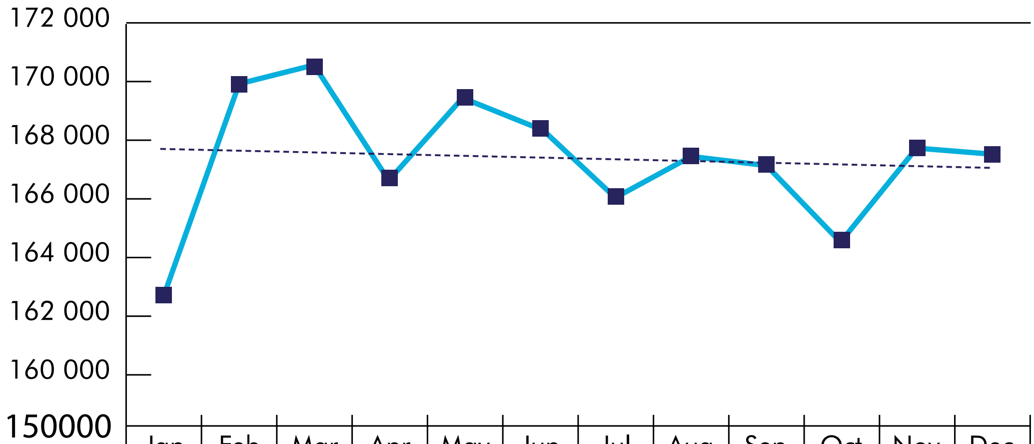


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	55 681	56 169	55 793	57 314	56 747	56 483	57 155	57 891	57 000	57 213	57 336	57 153

Gauteng

Depicted in the graph below is the overall staff complement in the Gauteng Provincial Departments. The graph shows a slight downward shift, which suggests a decline in the number of employees. The decrease is mainly due to the steady decline in numbers in the Department of Education from March onwards.

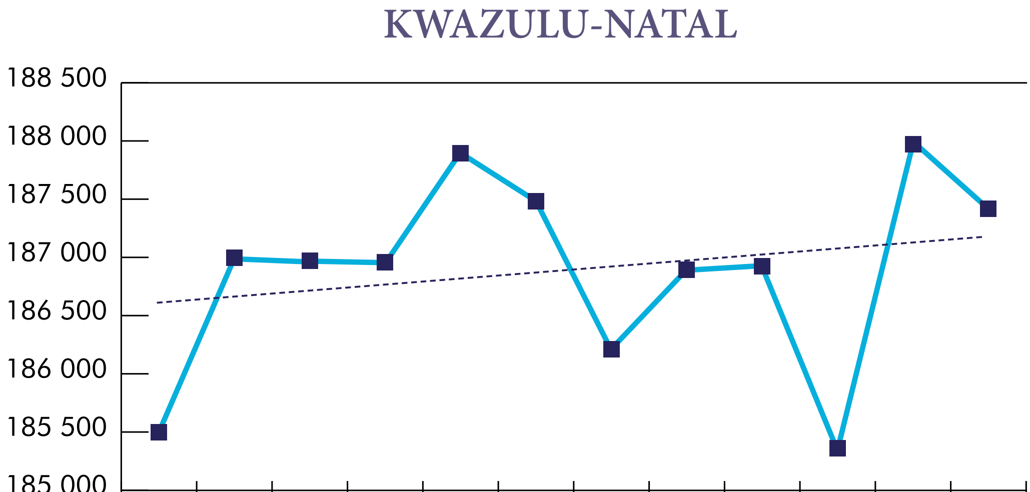
GAUTENG



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	162 777	169 953	170 605	166 731	169 549	168 459	166 114	167 480	167158.5	164 550	167 849	167 568

Kwazulu-Natal

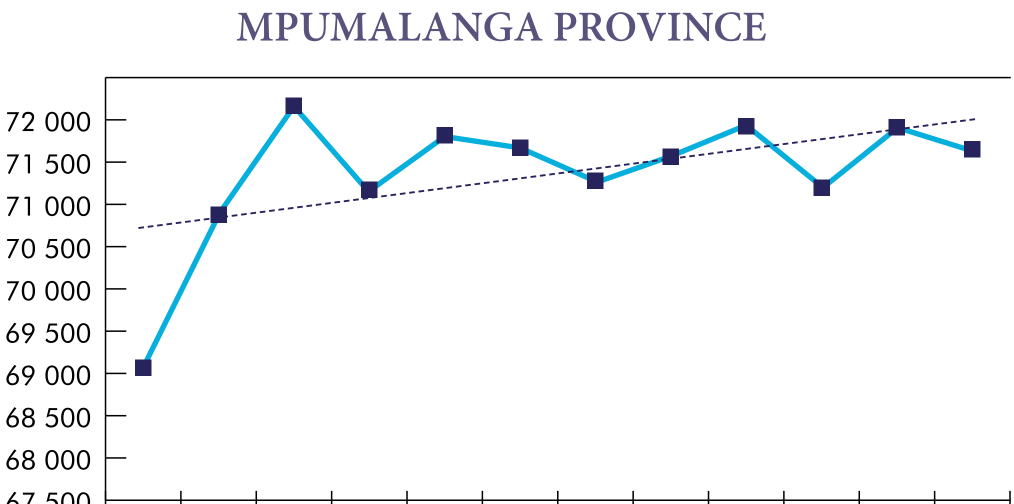
The graph below shows changes in the number of employees in the KZN provincial Departments. There is a slight upward shift in the trend line, which suggest that the number of employees has increased in 2018.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	185 504	187 019	186 976	186 965	187 909	187 510	186 229	186 914	186 947	185359.5	187 987	187 446

Mpumalanga

The graph below depicts an annual growth trend in the Mpumalanga Province. The Province has gained more employees in 2018, as can be seen on the graph below. In March, the number of employees were at their highest peak, with 72 146 of them across the province. Although the numbers have decreased, it is not a drastic decline.

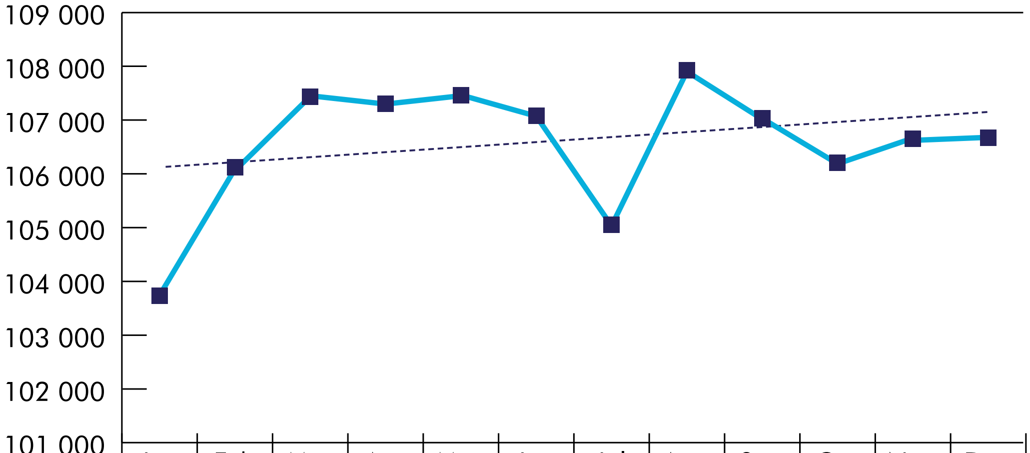


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	69 097	70 872	72 146	71 156	71 805	71 660	71 261	71 584	71 938	71 173	71 919	71 641

Limpopo

The graph below depicts annual growth trend in employment in Limpopo Province. There has been a great influx in the number of employees from January to June, however July took a drastic turn and experienced a decline in the number of employees by 2 032.We can only assume that it could have been caused by resignation or Retrenchment. Nonetheless the province has kept a good record in the year 2018.

LIMPOPO PROVINCE

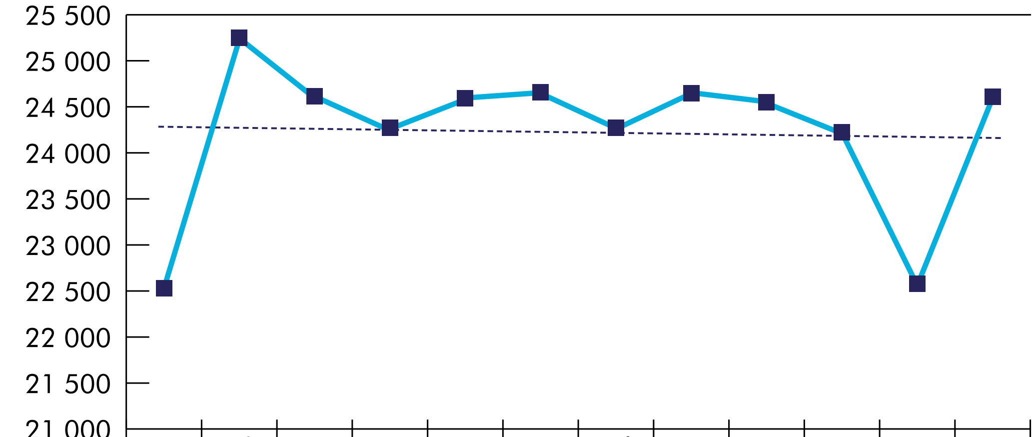


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	103 773	106 069	107 459	107 315	107 465	107 092	105 060	107 965	107 037	106 181	106 668	106 708

Northern Cape

The graph below depicts the growth trend in employment annually in the Northern Cape. The graph clearly shows that the trend has been consistent across borders with minimal irregularities in the loss of employees.

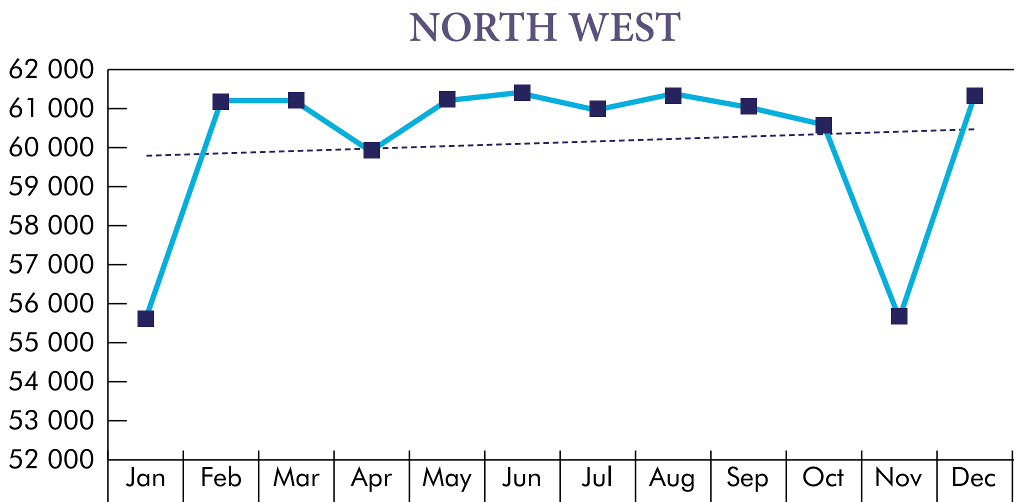
NORTHERN CAPE



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	22 539	25 240	24 611	24 256	24 559	24 637	24 224	24 640	24 540	24 200	22 543	24 571

North West

The graph below depicts the growth trend in employment annually in the North West. The graph clearly shows that the employment trend has grown in 2018, except in the month of November were a drastic decline was experienced in the number of employees by 4 966.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL	55 681	61 205	61 216	59 929	61 246	61 480	61 028	61 394	61 120	60 627	55 661	61 345

5.11.5 Consolidated Report on Building Workplace Relationship

In 2017-2018, the Council implemented relationship building workshops (Building Workplace Relations) to gain more insight into the effectiveness of chambers. The purpose of the relationship building workshops was to give a platform for parties to chamber to reflect on their current relationship and to review the value add of chambers to collective bargaining in provinces in harmony with the PSCBC and as per the relevant legislation in order to create a positive space that serves parties' interests.

Objectives

- To manage inherent conflicts with a view to maintaining institutional stability
- To promote communication and dialogue among stakeholders
- To ensure development and maintenance of harmonious relations among stakeholders.

The report was produced in order to consolidate insights obtained in these provincial workshops.

5.11.6 Comprehensive Danger Insurance

The Comprehensive danger insurance emanates from clause 7 of PSCBC Resolution 1 of 2018. The PSCBC was then tasked to undertake a research on a comprehensive danger insurance to cover employees who, in the course of their employment, experienced a genuine risk to their lives and who are employed in specified occupational categories in the public service.

The Research component was tasked to assist the Council in drafting the terms of reference for the proposed independent study into the feasibility of a Comprehensive Danger Insurance for the qualifying public servant categories.

The request for a proposal for the appointment of the independent researcher/s has also been drafted.

The research project will be finalized in the next financial year.

5.11.7 Parliamentary Submissions

During the reporting year, PSCBC developed two Parliamentary Portfolio submissions on the following Bills:

5.11.7.1 The Medical Scheme Amendment Bill

Submissions were invited by the Minister of Health. The PSCBC submitted its comments on 21 September 2018, and the Bill has not yet progressed to parliamentary stages.

5.11.7.2 The Public Investment Corporation Amendment Bill

The PSCBC submitted its comments on 31 July 2018. The Bill has been adopted by all relevant committees and is currently awaiting the signature of the President.

5.11.7.3 The Foreign Service Amendment Bill

The Council submitted its input on the Foreign Service Amendment Bill in November 2018. The DIRCO confirmed that the PSCBC submissions were being considered in the final draft. The Bill is currently under consideration by the National Assembly.

5.11.7.4 Labour Relations Amendment Bill

The Council submitted its comments to the Portfolio Committee on Labour on 7 March 2018. On 29 May 2018, the Bill was passed by the National Assembly and was transmitted to the NCOP for concurrence. On 21 August 2018, the Bill was passed by the NCOP and sent to the President for assent. On 23 November 2018, the Bill was signed by the President and becomes Act 8 of 2018. The Act commenced on 1 January 2018.

6. DISPUTE RESOLUTION UNIT

6.1 Overview

The dispute resolution and prevention function is core in attaining labour peace. The Dispute Resolution Unit provides essential support to the Council in achieving its strategic objectives, which include the review of the dispute resolution procedures; rules and admin processes; the recruitment of panellists; monitoring of compliance by panellists with the Service Level Agreement; and development of dispute prevention training programmes to assist in the monitoring and evaluation of collective agreements in order to ensure compliance. The report reflects on the referrals received by the Council from 01 April 2018 to 31 March 2019, with a comparison of the referrals received in the previous reporting period.

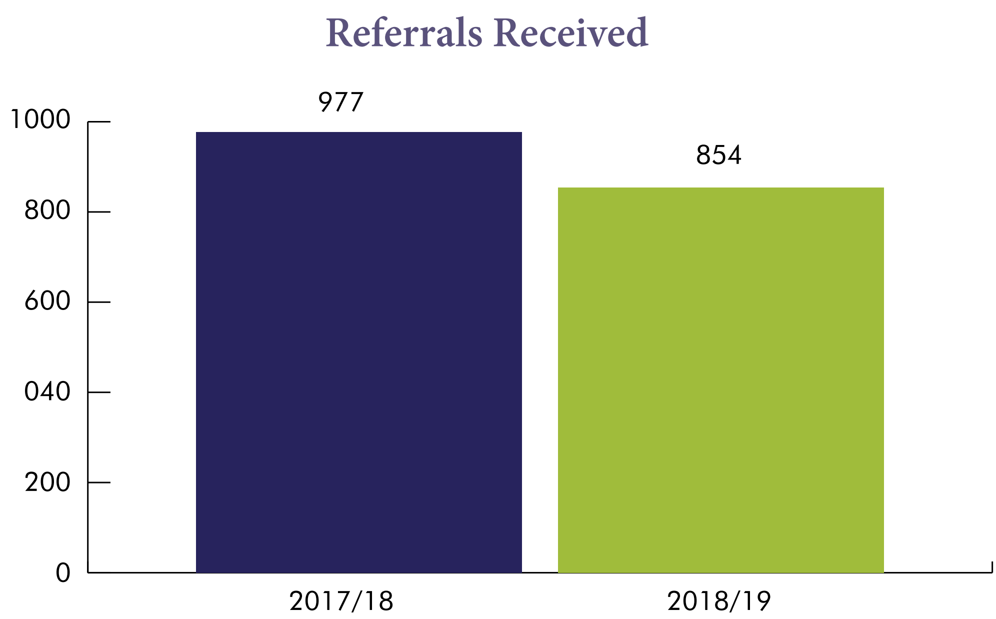
6.2 Statistics

Listed below are the relevant statistics:

6.2.1 Number of referrals received

A total number of 854 referrals was received from 01 April 2018 to 31 March 2019 in comparison with 977 referrals received in the previous reporting period, resulting in a 12,5% decrease in the referral rate.

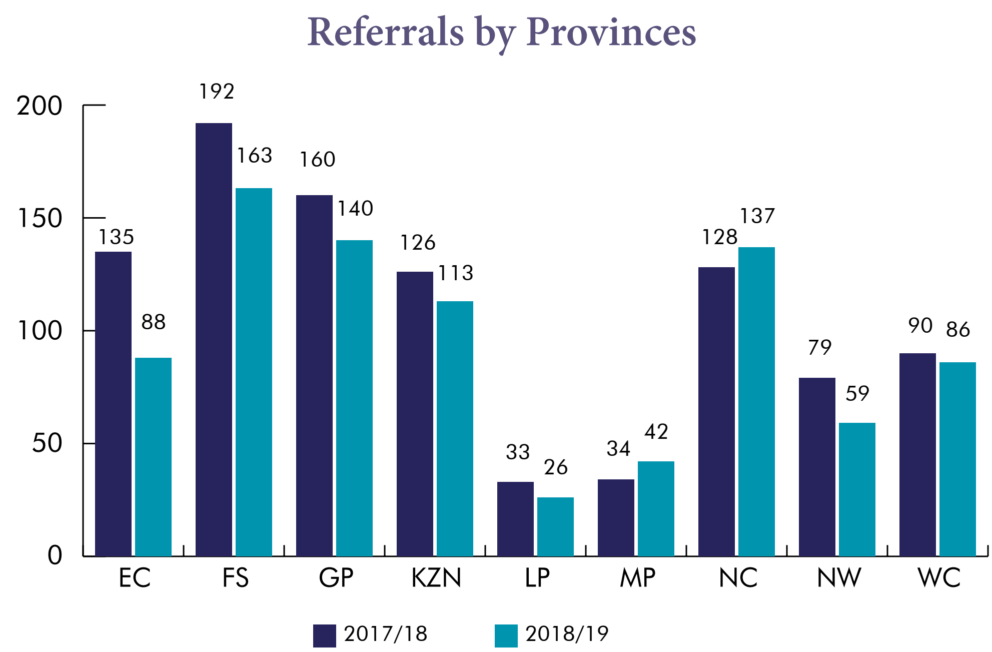
Graph One: Annual comparison in the referrals received



6.2.2 A breakdown of cases referred by Provinces

There is an overall decrease in the referral rate of cases. However, the Northern Cape recorded an increase in the referral rate of 7% and Mpumalanga an increase in the referral rate of 24%. The Free State Province remains the highest referring Province, with a referral rate of 19%, followed by the Gauteng Province, which referred 16% of the cases. Mpumalanga and Limpopo remain the least referring Provinces.

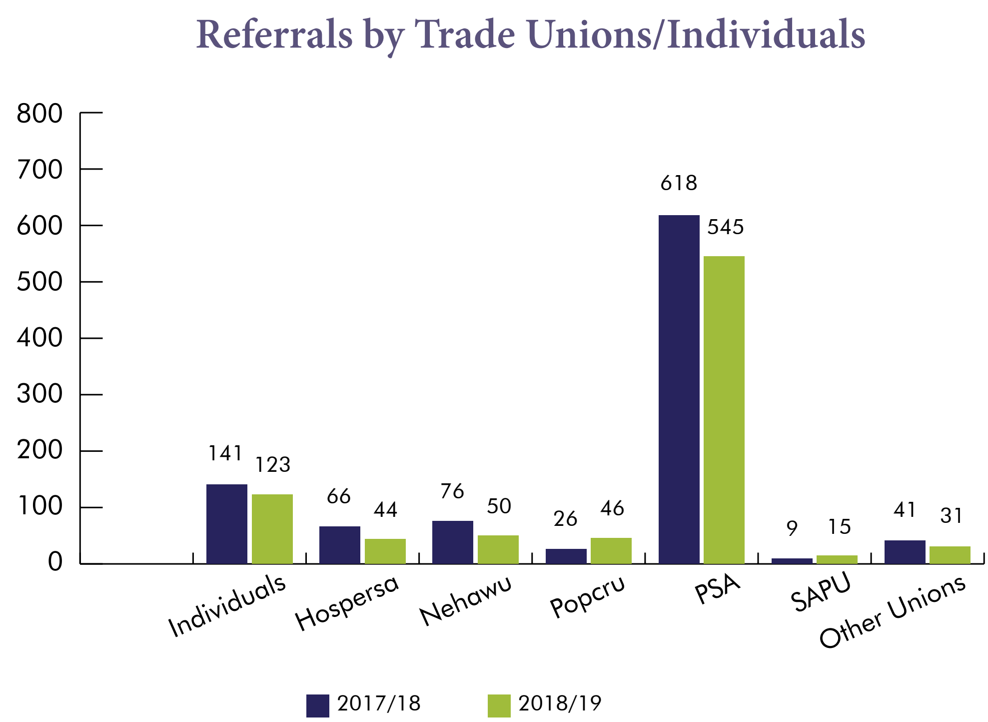
Graph Two: A breakdown of referrals by Provinces



6.2.3 Referrals by Trade unions/individuals

The PSA referred 63% of the total referrals received, which remains the same when compared to the previous reporting period. The disputes referred by individuals are at 14%.

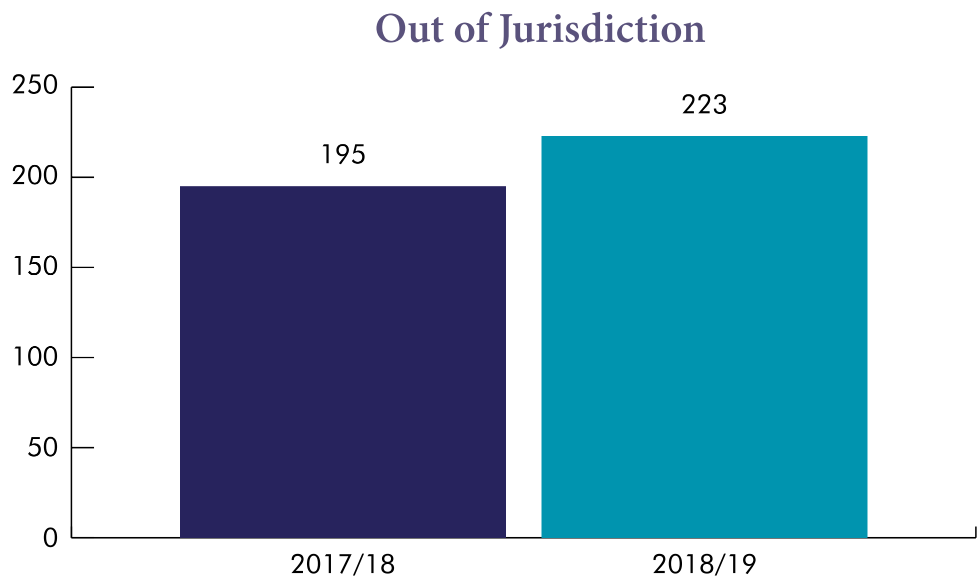
Graph Three: Referrals by unions/individuals



6.2.4 Out of jurisdiction referred cases[1]

Of the 854 referrals received, 26% were screened out of jurisdiction prior to any process, compared to 20% of the 977 referrals in the previous reporting period.

Graph Four: Out of jurisdiction



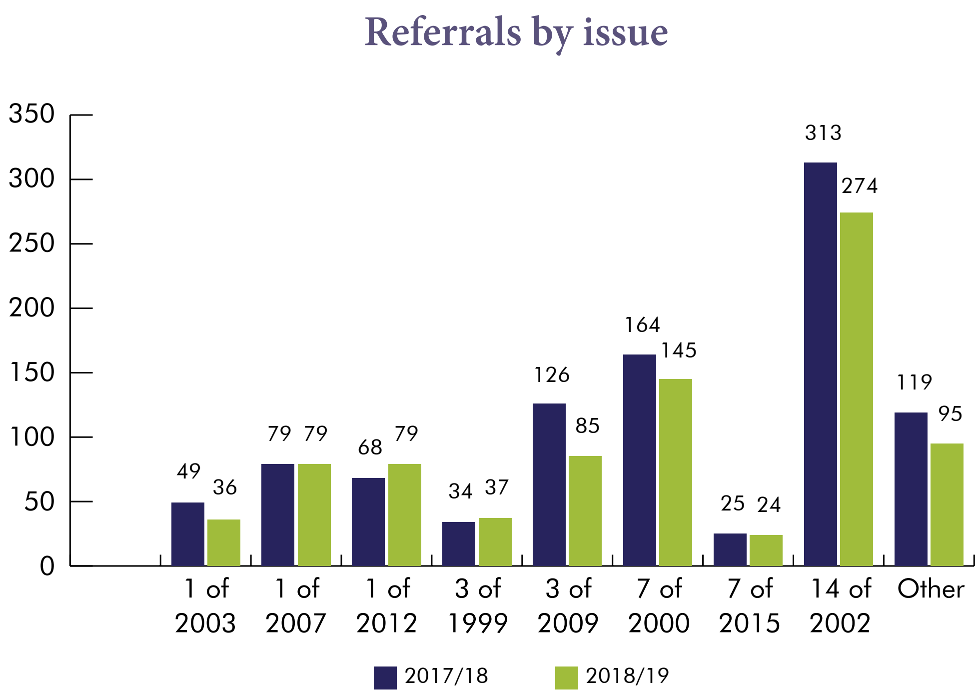
6.2.5 Disputes referred to conciliation by issue

The following PSCBC Resolutions are major contributors in the cases referred:-

- Disputes referred in terms of Resolution 14 of 2002[2] constitute 32% of the caseload in comparison with 32% in the previous reporting period.
- Disputes relating to Resolution 7 of 2000[3] account for 18% against 17% in the previous reporting period.
- Disputes relating to Resolution 3 of 2009[4] read with Resolution 1 of 2012 account for 19% and 13% in the previous reporting period.

1 Disputes relating to unfair labour practice, unfair dismissals, unilateral change to terms and conditions of employment, Sector resolutions and not properly referred, etc.
2 Grievance rules for the Public Service
3 Improvement in the conditions of service of the Public Service employees
4 Revised salary structure for employees on salary levels 1-12 not covered by OSD

Graph Five: Referrals by issue



6.2.6 Referrals by issue in Provinces

Disputes relating to Resolution 14 of 2002: the grievance rules are referred predominantly in the Free State and Northern Cape Provinces.

Disputes relating to Resolution 7 of 2000: conditions of service are received mainly in the Western Cape, Gauteng and Eastern Cape Provinces.

A significant referral increase in disputes relating to Resolution 3 of 2009; revised salary structure for employees not covered by the OSD is reported in the Gauteng and Kwa-Zulu Natal Provinces.

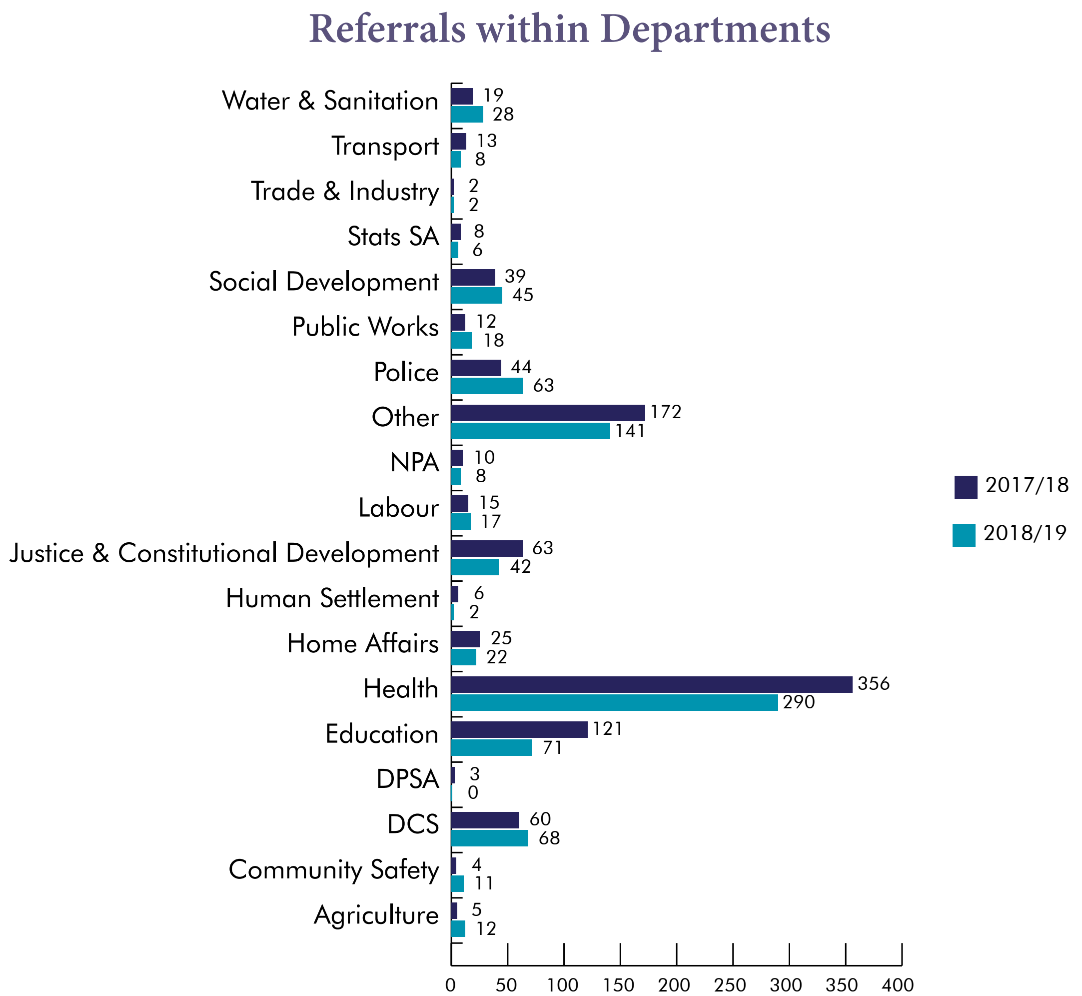
Table A: A breakdown of referrals by Issue in Provinces

Issue	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
1 of 2003	4	9	9	6	4	0	2	1	1	**36**
1 of 2007	9	15	16	17	6	1	4	3	8	**79**
1 of 2012	16	1	21	7	3	15	9	2	5	**79**
3 of 1999	2	6	3	5	1	2	10	3	5	**37**
3 of 2009	7	3	19	27	5	8	4	10	2	**85**
7 of 2000	24	8	24	19	2	1	12	9	46	**145**
7 of 2015	2	1	0	13	0	2	1	1	4	**24**
14 of 2002	7	107	22	6	1	12	92	26	1	**274**
Other	17	13	26	13	4	1	3	4	14	**95**
Total	**88**	**163**	**140**	**113**	**26**	**42**	**137**	**59**	**86**	**854**

6.2.7 Referrals in respect of the Departments

Below is a breakdown of referrals received within the Departments. The highest number of referrals is received within the Department of Health at 34%.

Graph Six: Referrals against National Departments



6.2.8 Processes conducted/scheduled

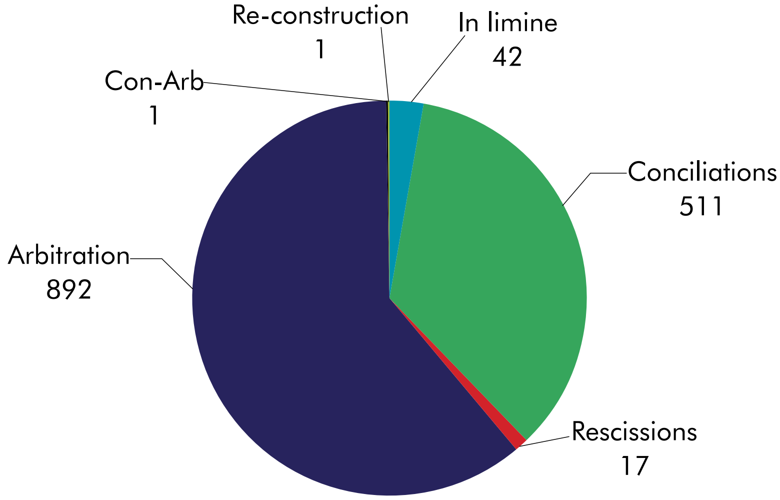
A total of 1464 processes were scheduled/conducted in comparison to 1825 in the previous reporting period, resulting in a 20% decrease.

The processes which were conducted/scheduled include 42 in limine[5], 17 rescissions in terms of Section 144 of the LRA, 511 conciliations, 1 re-construction hearing, 1 con-arb and 892 arbitrations.

5 A hearing on a specific legal point, which takes place before the actual case referred, can be heard

Diagram A: A breakdown of processes conducted

Processes Conducted



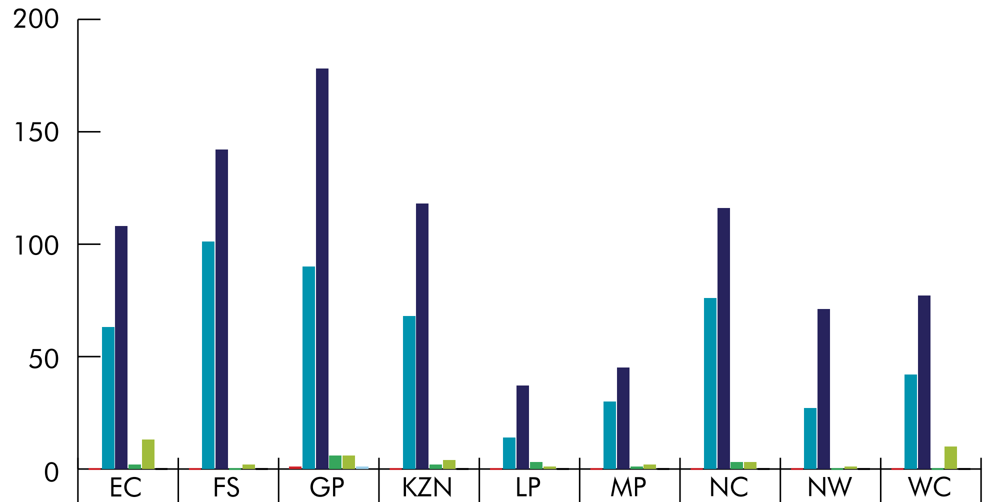
6.2.9 Number of processes scheduled/set down by Provinces

Of the 511 conciliations conducted, 101 were conducted in the Free State, followed by the Gauteng, Northern Cape and Kwa-Zulu Natal Provinces.

The number of arbitration hearings scheduled in Gauteng is high because of the rescheduling of arbitration processes, which is linked to the number of postponements and part-heard matters.

Graph Seven: Number of Processes by Provinces

Processes Conducted by Provinces



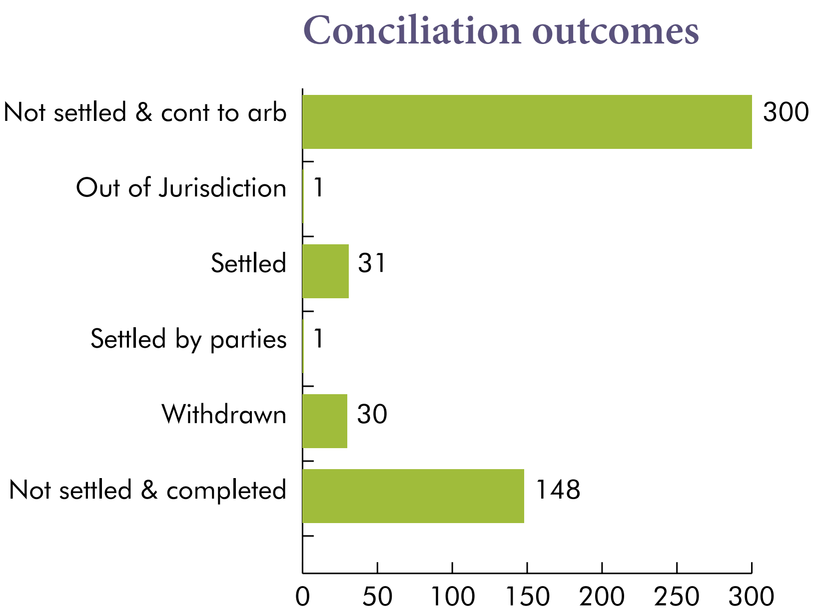
	EC	FS	GP	KZN	LP	MP	NC	NW	WC
2017/18	0	0	1	0	0	0	0	0	0
2017/18	63	101	90	68	14	30	76	27	42
2017/18	108	142	178	118	37	45	116	71	77
2017/18	2	0	6	2	3	1	3	0	0
2017/18	13	2	6	4	1	2	3	1	10
2017/18	0	0	1	0	0	0	0	0	0

6.3 Process outcomes

6.3.1 Conciliation outcomes

At the conciliation phase, 28% of conciliations remain unresolved. The rate of withdrawals is at 6% and the settlements at 6% at the conciliation phase.

Graph Eight: A breakdown of conciliation processes outcomes



6.3.2 A breakdown of conciliation outcomes by Provinces

Overall, the statistics indicate that there is a relatively low settlement rate at the conciliation level.

Table B: A breakdown of conciliation outcomes by Provinces

	Not settled & cont. to arb	Settled by Parties	Withdrawn	Out of Jurisdiction	Settled	Not settled & Completed	Total
EC	39	1	0	0	0	23	**63**
FS	68	0	13	1	7	12	**101**
GP	49	0	5	0	3	33	**90**
KZN	48	0	2	0	1	17	**68**
LP	9	0	2	0	0	3	**14**
MP	20	0	0	0	2	8	**30**
NC	27	0	5	0	18	26	**76**
NW	19	0	1	0	0	7	**27**
WC	21	0	2	0	0	19	**42**
Total	**300**	**1**	**30**	**1**	**31**	**148**	**511**

6.3.3 Arbitration and con-arb outcomes

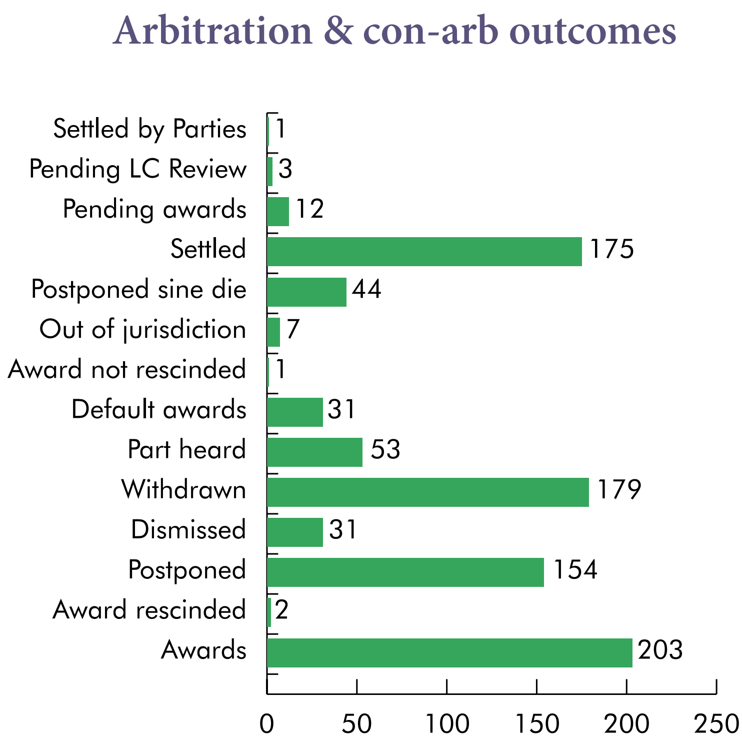
The Council conducted 893 arbitrations/con-arb, 203 arbitrations awards were rendered, 154 postponements, 179 withdrawals, and 175 settlements.

It is to be noted that 20% of the disputes were withdrawn at arbitration level. The statistics indicate a 17% rate of postponement. 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 DR Procedure is barely used by the parties[6]. A very low usage of less than 1% has been recorded.

Graph Nine: The graph below illustrates the outcomes of the arbitrations/con-arb scheduled/conducted



6 Clause 5.4 of the PSCBC DR Procedure

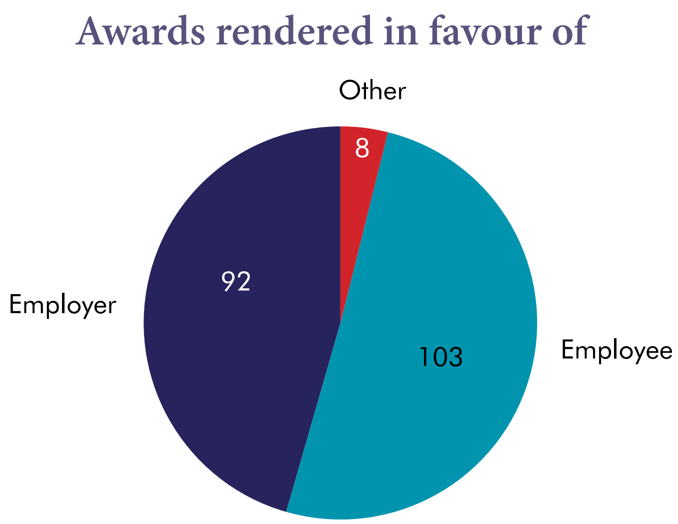
Table C: A breakdown of arbitration/con-arb outcomes by Provinces

OUTCOMES	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
Award rescinded	0	0	0	0	0	1	1	0	0	**2**
Awards	17	25	52	42	4	11	14	19	19	**203**
Award not rescinded	0	0	1	0	0	0	0	0	0	**1**
Default Award	9	3	2	3	1	1	7	4	1	**31**
Dismissed	9	1	7	4	3	3	3	1	0	**31**
Part heard	6	5	22	5	3	2	2	2	6	**53**
Postponed	24	13	37	22	14	7	5	12	20	**154**
Out of Jurisdiction	0	2	0	3	1	0	1	0	0	**7**
Withdrawn	25	35	27	13	2	7	31	20	19	**179**
Settled	6	54	19	14	9	8	50	7	8	**175**
Settled by Parties	0	0	1	0	0	0	0	0	0	**1**
Postponed sine die	12	3	8	7	0	5	2	3	4	**44**
Pending Award	0	1	3	5	0	0	0	3	0	**12**
Total	**108**	**142**	**179**	**118**	**37**	**45**	**116**	**71**	**77**	**893**

6.3.4 Arbitration awards in favour of employee, employer and out of jurisdiction

A total of 203 arbitration awards were rendered, 103 were found in favour of the unions/ employees, which represent 51% of the award rendered and 92 awards in favour of the employer, which makes up 45% of the awards rendered. Other: 8 awards which were neither in favour of employee nor the employer which ruled that Council does not have jurisdiction, make up 4% of the award received.

Diagram B: A breakdown of arbitration award in favour of



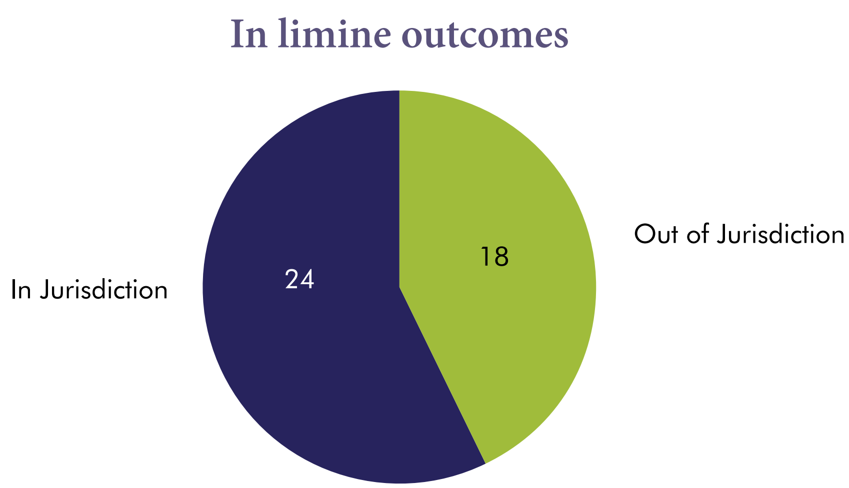
6.3.4.1 A breakdown of award by Issue

- 58 awards were issued in relation to Resolution 7 of 2000 - improvement in the conditions of service; 24 awards were in favour of the employer, 32 in favour of employee and 2 were ruled out of jurisdiction.
- 25 awards were issued in relation to Resolution 14 of 2002 – grievance rules: 21 awards were in favour of the employee, 1 award was in favour of the employer, and 3 were ruled out of jurisdiction.
- 35 awards were issued in relation to Resolution 3 of 2009 – revised salary structure of employees not covered by the OSD on level 1 to 12: 28 awards were in favour of the employer, 7 in favour of employee.
- 33 awards were issued in relation to Resolution 1 of 2012 – amendment to allow employees whose posts are graded on levels 10 & 12…: 12 awards were in favour of the employee and 21 in favour of the employer.
- 15 awards were issued in relation to Resolution 1 of 2007 – improvements in salaries and other conditions of service (overtime): 12 awards were in favour of the employee, and 3 in favour of the employer.

6.4 Outcomes of in limine processes

Of the 42 in limine processes conducted, 24 ruled in jurisdiction, and 18 ruled out of jurisdiction.

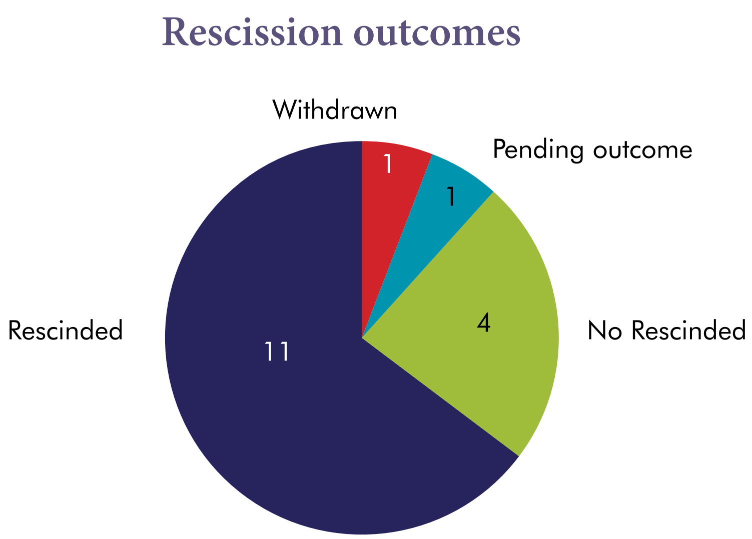
Diagram C: A breakdown of in limine outcomes



6.5 Outcomes of rescission processes

Of the 17 rescissions in terms of Section 144 of the LRA, 4 were not rescinded, 11 were rescinded, 1 withdrawn, and 1 pending ruling.

Diagram D: A breakdown of in rescission outcomes



6.6 Application to certify arbitration awards

The Council observed an increase in the number of applications to have arbitration awards certified in terms of S143 of the LRA, with 23 applications being received in this reporting period.

6.7 Cases on review

A total of 27 cases has been taken on review in this reporting period. The statistics indicate that the employee party has taken on review 56% of the awards, and the employer party 44% of awards to the Labour Court.

Diagram E: A breakdown of party reviewing matters at the Labour Court in terms of Section 145 of the LRA

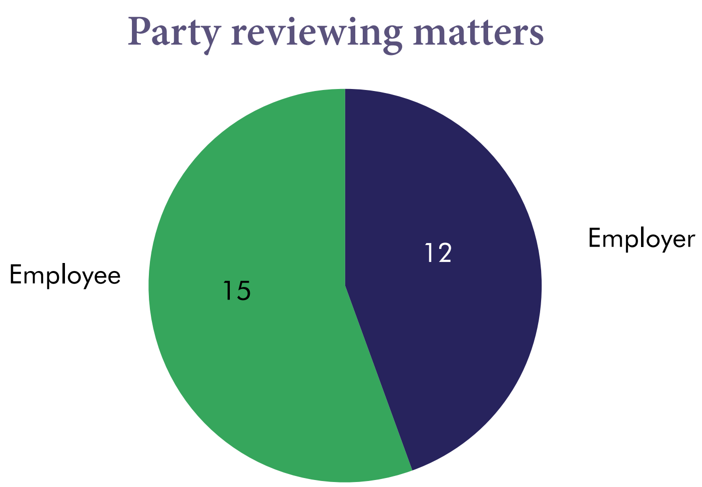


Table D: Matters taken to Labour Court review in the period 2018/19

Case Number	Outcome	LC Number	PSCBC Resolution/Issue	Reviewed By
PSCB120-17/18	Pending Labour Court Appeal	JR1216/2018	Res 1 of 2012 – Clause 18.1	Employee party
PSCB611-16/17	Pending Labour Court Appeal	JR2888/17	Res 7 of 2000 – Annual leave	Employer party
PSCB494-16/17	Pending Labour Court Appeal	JR1148/18	Res 3 of 2009 – Salary levels	Employee party
PSCB234-17/18	Pending Labour Court Appeal	JR430/18	Res 3 of 2009 – Salary levels	Employer party
PSCB458-16/17	Pending Labour Court Appeal	C423/2018	Res 1 of 2012 – Clause 18.1	Employer party
PSCB662-16/17	Pending Labour Court Appeal	JR31/18	Res 1 of 2012 – Clause 18.1	Employee party
PSCB398-17/18	Pending Labour Court Appeal	JR758/18	Res 1 of 2012 – Clause 18.1	Employee party
PSCB481-13/14	Pending Labour Court Appeal	JR564/18	Res 3 of 2009 – Salary levels	Employer party
PSCB118-17/18	Pending Labour Court Appeal	JR1050/18	Res 1 of 2007 – Leave provisions	Employer party
PSCB483-17/18	Pending Labour Court Appeal	C850/2018	Res 1 of 2007 – Overtime payment	Employee party
PSCB747-16/17	Pending Labour Court Appeal	D1362/18	Res 3 of 2009 – Salary levels	Employee party
PSCB837-14/15	Pending Labour Court Appeal	JR1305/2018	Res 1 of 2007 – Pay progression	Employee party
PSCB130-12/13	Pending Labour Court Appeal	JR1652/2018	Res 1 of 2007 – Overtime payment	Employer party
PSCB497-17/18	Pending Labour Court Appeal	JR1739/2018	Res 3 of 2009 – Salary levels	Employer party
PSCB643-17/18	Pending Labour Court Appeal	JR1831/2018	Res 7 of 2000 - TIL	Employee party
PSCB371-17/18	Pending Labour Court Appeal	D1359/18	Res 3 of 2009 – Salary levels	Employee party
PSCB771-17/18	Pending Labour Court Appeal	D1645/18	R 3 of 1999 - Job evaluation	Employer party
PSCB345-17/18	Pending Labour Court Appeal	C500/18	Res 3 of 2009 – Salary levels	Employee party
PSCB774-17/18	Pending Labour Court Appeal	D1867/2018	Res 3 of 1999 - Job evaluation	Employer party
PSCB166-12/13	Pending Labour Court Appeal	JR119/19	Res 1 of 2003 – Disc Procedure	Employee party
PSCB496-17/18	Pending Labour Court Appeal	JR1983/2018	Res 3 of 2009 – Salary levels	Employer party
PSCB390-17/18	Pending Labour Court Appeal	JR2199/18	Res 7 of 2000 – Leave provisions	Employee party
PSCB110-17/18	Pending Labour Court Appeal	JR1498/18	Res 3 of 1999 – Travel allowance	Employee party
PSCB35-17/18	Pending Labour Court Appeal	D2121/18	Res 3 of 2009 – Salary levels	Employer party
PSCB631-16/17	Pending Labour Court Appeal	JR2221/2018	Res 1 of 2012 – Clause 18.1	Employee party
PSCB52-15/16	Pending Labour Court Appeal	PR257/18	Res 1 of 2007 - Overtime	Employee party
PSCB847-14/15	Pending Labour Court Appeal	JR2348/2018	Res 1 of 2012 – Clause 18.1	Employer party

7. CORPORATE SERVICES UNIT

7.1 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.

7.2 Financial Committee

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

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

- Formulate financial policies and procedures;
- Recommend practical ways of implementing these policies;
- Review budgets and recommend to the Council;
- Review financial statements and ensure that financial policies and procedures are adhered to;
- Discuss the audited financial statements and management report with the auditors;
- Consider and recommend the acquisition of capital expenditure items within the budget;
- Discuss and manage the expenditure of special projects; and
- Cash flow management (including treasury functions).

7.3 Meetings

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

	5 JUNE 2018	30-31 AUGUST 2018	4 OCTOBER 2018	31 JANUARY 2019
Ms I. Dimo	☒	✓	✓	✓
Mr M. Phophi (Vice-Chairperson Employer)	✓	✓	☒	✓
Ms. R. Msibi (Vice-Chairperson Labour)	☒	☒	☒	☒
Mr P. Ndala (NEHAWU)	✓	☒	✓	✓
Ms T. Ngwena (POPCRU)	✓	☒	☒	☒
Ms L. Motshwane (SADTU)	✓	☒	☒	☒
Mr.T. Sonyathi (DENOSA)	✓	✓	✓	✓
Mr. H. Brynard (DPSA)	✓	☒	✓	✓
Mr V. Sakala (DPSA)	✓	✓	✓	✓
Ms D. Mogane (National Treasury)	✓	✓	✓	✓

7.4 Financial analysis

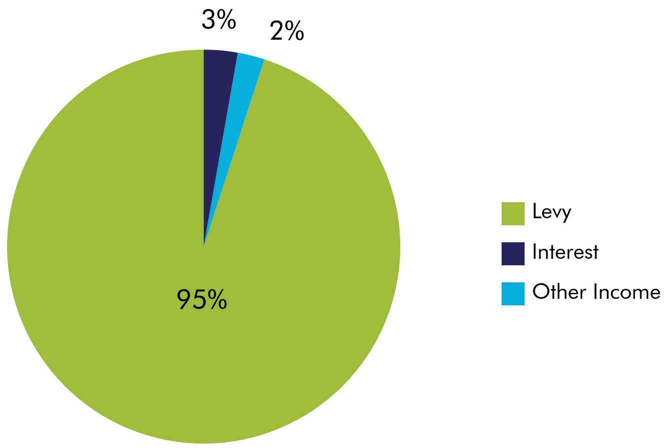
7.4.1 Total Income – Levy Account

The overall income for the Council during the 2018/2019 financial year was R40,996,569, of which:

- 95% was generated out of the levies from the public service as per Resolution 2 of 2013,
- 3% was generated from interest earned on levies and reserves,
- 2% was generated from other income.

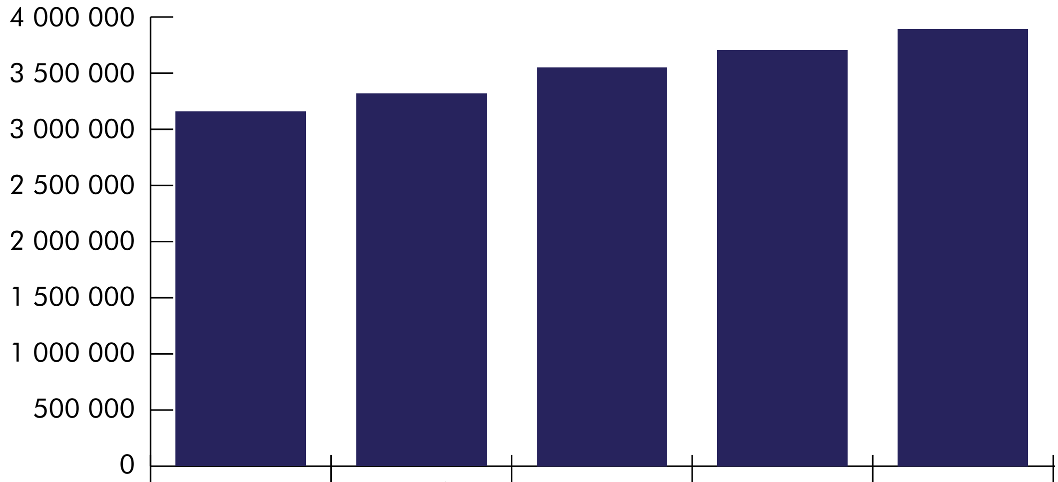
The levies of R38,920,988 received were slightly lower than the projected income of R39,119,997. Other income was higher in the current year due to sponsorships received for the Collective Bargaining Indaba event. A slight increase is recorded in interest income received as compared to budget, due to surplus funds reinvested in the current year.

TOTAL INCOME for the period 01/04/2018 - 31/03/2019



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. The agreement lapses in 2019/2020.

Annual Levy Income



	2015	2016	2017	2018	2019
Levies	3 156 758	3 317 854	3 550 196	3 708 056	3 892 098

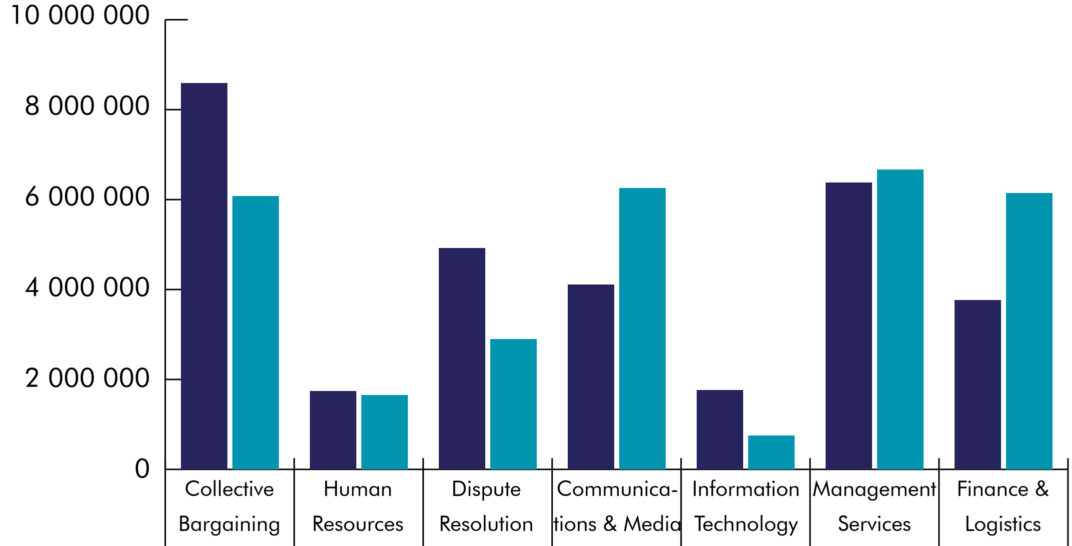
7.4.2 Total Expenditure – Levy Account

The overall expenditure for the Council during the 2018/2019 financial year amounts to R45,295,934, which was lower than the projected expenditure of R 46,945,040.

The graph below depicts the departmental expenditures:

Actual expenses per department were lower than budget, except for Communications and Corporate Services. Included in the Communications actual expenditure is an amount of R1,546,957, which was paid in the previous year for the venue booking for the Collective Bargaining Indaba event, thus an overstatement on actual versas budget. Corporate Services budget is understated by the non-inclusion of a depreciation amount of R1,702,174, being a non-cash item.

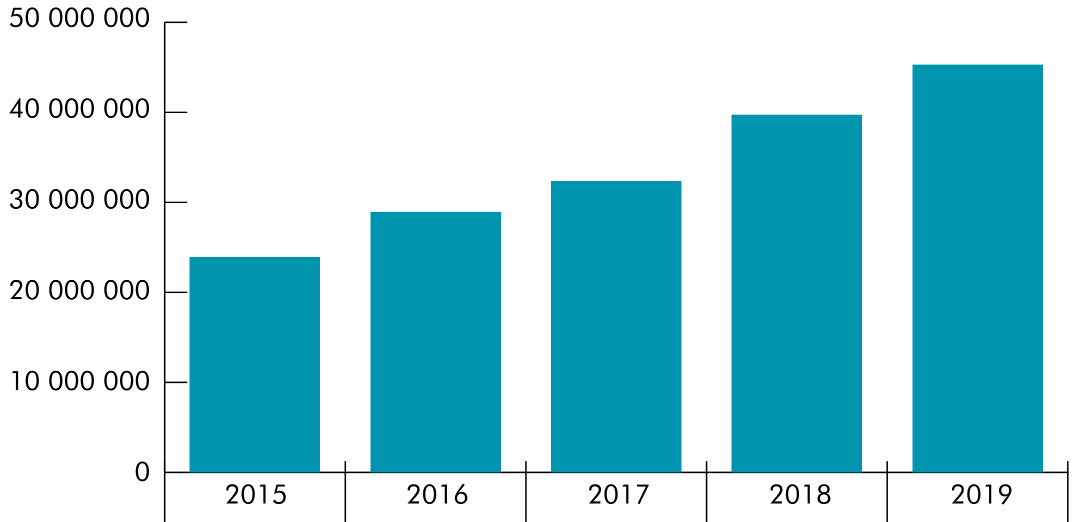
Budget versus Expenditure YE2019



	Collective Bargaining	Human Resources	Dispute Resolution	Communications & Media	Information Technology	Management Services	Finance & Logistics
Budget	8 589 783	1 741 975	4 920 376	4 103 739	1 766 953	6 377 924	3 767 512
Actual	6 077 023	1 651 230	2 894 982	6 254 586	750 129	6 662 528	6 144 385

The graph below indicates the expenditure over the last five years. An increase in the expenditure graph in 2018 is expected, due to the levy increase therefore allowing Council to implement its strategic objectives with the available funds.

Annual Expenditure

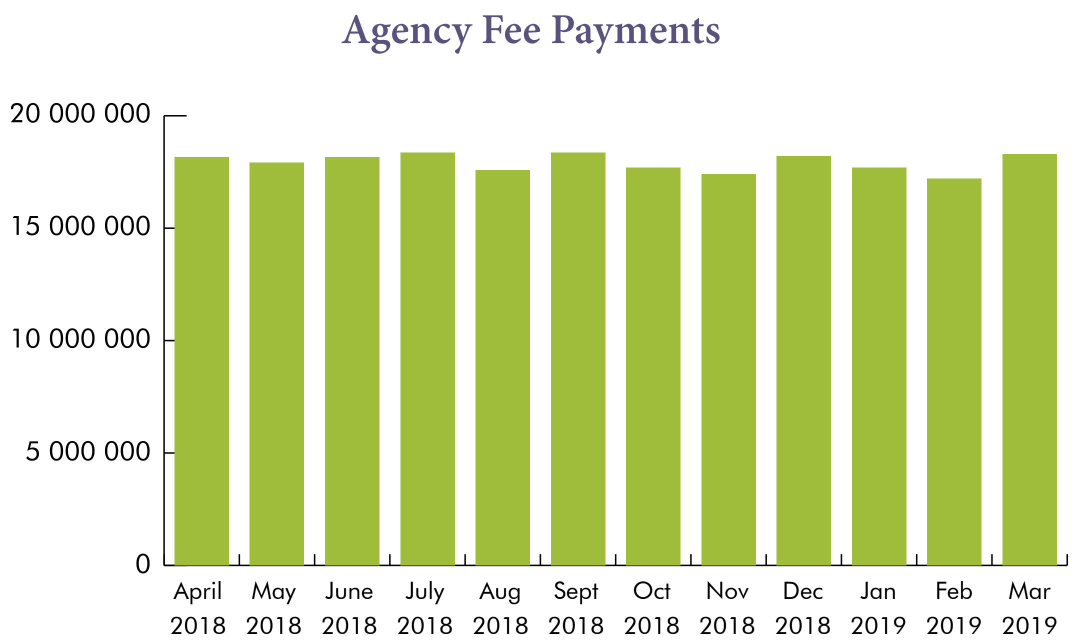


	2015	2016	2017	2018	2019
Series 1	23 864 154	28 945 547	32 323 806	39 719 996	45 295 934

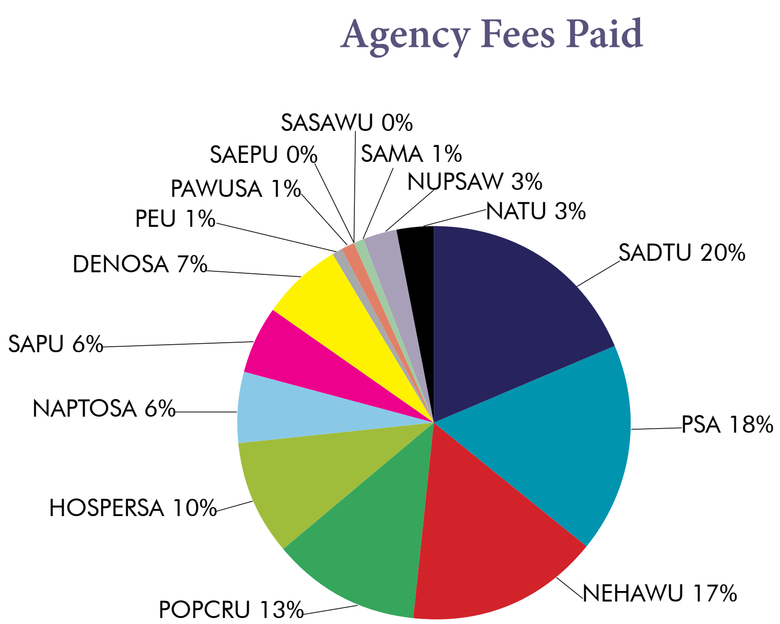
7.4.3 Agency Shop Fee Account – Disbursements to Admitted Trade Unions

An amount of R215,148,617 was received for the 2019 financial year for distributions to the unions. Included in this distribution amount, is an amount of R447,647 (inclusive of capital and interest portion payabe to SAMA at the required time of disbursement), which was allocated and payable to SAMA. These funds are currently withheld, pending compliance to Resolution 1 of 2005 regarding the submission of Agency Fee audited financial statements for the year ended March 2018.

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.

7.5 Property Development; Die Hoewes Ext 213

The successful purchase of the last erven 552 resulted in the PSCBC owning the entire vacant land, measuring approximametly approximately 10 992 square metres, for future office park development.

The next process was to consolidate, register the vacant land into one ERF, and rezone from residential to commercial property upon receipt of Town Planning and Township Ordinance,15 of 1986 Regulation 38. The entire vacant land(ERF 546 – 565) was consolidated and registered onto one ERF 882 in January 2018. The total number of ERFs combined to form one big ERF 882 is twenty(20).

For the ERF 882 to be rezoned from residential to commercial, Regulation 38 for energy, electricity, water and sewage were to be obtained from the City of Tshwane, Town Planning and Township Ordinance. The rezoning process also requires, among others, the following engineering reports to be provided prior to endorsement:

- Services impact assessment and services provision detail report for roads and storm water services,
- Services report and services agreement for water, sanitation and electrical engineering services

PSCBC is in the process of obtaining these reports for submission to the City of Tshwane.

The PSCBC also advertised a Tender in the Sunday Times for the development of the Office Park. In the tender, prospective service providers were requested to indicate as to whether they are tendering for one of the following/combination thereof:

- Architect
- Quantity Surveyor and
- Structural & Civil Engineer

The total number of applications received was one hundred and two(102). While seventeen(17) applications were receivedFor Architect, and twenty-five (25) for Quantity Surveyor, Structural & Civil Engineer drew twenty-three(23) applications. For the multi-disciplines, only five(5) applications were received.

The tender is not yet adjudicated by Council.

The Year Ahead

The overall status of Council's finance is good. The budget for the 2020 financial year indicates that there will be sufficient funds for the rollout of Council's strategic objectives and programmes. The long-term focus is that the current year deficit will be less with a review of the expiring Levy Collective Agreement.

8. HUMAN RESOURCES UNIT

8.1 Overview

The PSCBC's Human Resource Unit has remained committed to staff retention, organisational growth through filling of vacancies in line with the organisational structure, promotions, as well as employee wellness.

8.2 Staff Retention

In 2018, seven staff members were acknowledged for long-service awards. As a continuation, the following staff member was recognized at our 21st Annual General Meeting:

Name and Surname	Years of Service	Current Position
Bianca Singh	10 Years	Officer Finance: Creditors

8.2.1 Resignations

Council received the following resignations:

Name	Position	From
Keegan Tobin	Administrator: Communications	31 October 2018
Ntsako Sibiya	Officer: Negotiation Support Chambers	31 December 2018

8.2.2 Appointments

The following appointments were made, and same included two promotions of internal staff members, as well as the addition of three new individuals to the PSCBC team, and capacity building in the form of experiential training for one willing learner.

Name	Position	From
Petunia Bhengani	Senior Manager: Dispute Management	01 November 2018
Mmathapelo Mongwe	Officer: Research	01 November 2018
Mbulaheni Netshifhefhe	Resident Panellist	01 November 2018
Tseke Mphahlele	Officer: Negotiation Support Chambers	01 November 2018
Christopher Phiri	Manager: Strategic Monitoring and Evaluation	01 January 2019
Lebogang Mabena	Experiential learner: Corporate Services Finance Unit	25 February 2019

8.2.3 Vacant Positions

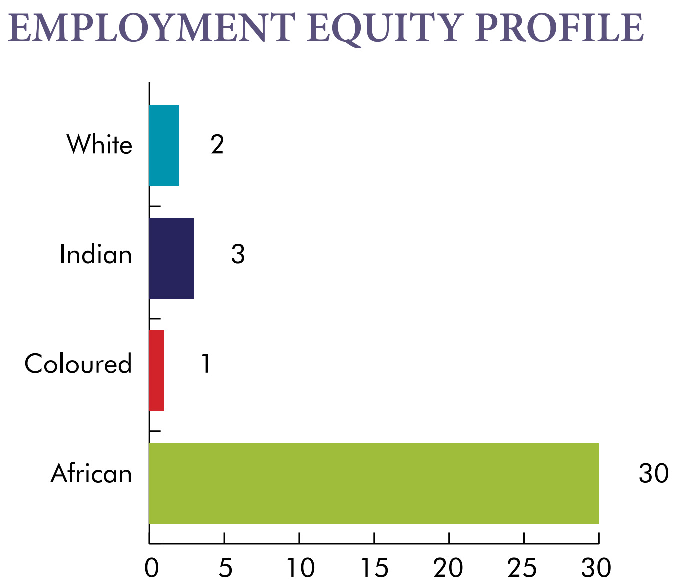
The following positions are vacant, and the Council is in the process of filling them to ensure that organisational and operational obligations are met. Four of the below-mentioned vacancies are envisaged to be filled within the first quarter of the new financial year.

The process for the appointment of officials for the remaining vacancies will be put into motion once structural requirements, such as office space, have been finalised.

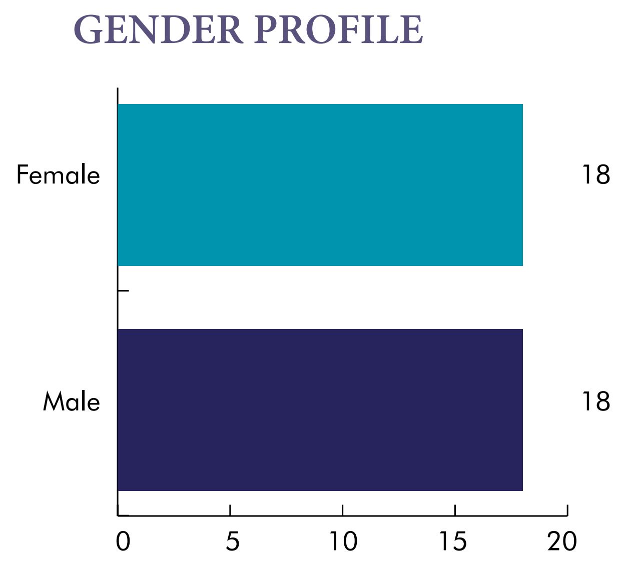
1. Manager: Internal Audit
2. Senior Officer: Case Management
3. Senior Officer: Monitoring and Evaluation
4. Officer: Negotiation Support Chambers
5. Officer: Marketing, International Relations and Strategic Partnerships
6. Senior Administrator Task Teams and Committees
7. Administrator: Communications
8. Administrator: Enforcement
9. Administrator: Research

8.3 Profile Representation

8.3.1 Employment Equity Profile



8.3.2 Gender Profile



8.4 Skills Development

During the period under review, Council continued to demonstrate its commitment to the Skills Development Act.

The following bursaries were awarded:

Bursaries awarded	Employees
Diploma in marketing management (IMM Graduate School)	Shana Trail
Bachelor of Law (UNISA)	Petunia Bhengani
Diploma in Labour Relations (Intec College)	Lebogang Papo
Certificate in Office Administration (Damelin – Institute of Certified Bookkeepers)	Evelyn Molaudzi
National Certificate in Supply Chain Management (Intec College)	Divine Ngwenya
MSc Engineering Project Management (University of Portsmouth –UK)	Olumuyiwa Olomo
Bachelor of Arts, Honours in Development Studies (UNISA)	Makwena Ramaru

The following short courses were attended:

Short courses attended	Employees
Further Education & Training Certificate in Administration Management (NQF level 4) This programme was an initiative of the National Association of Bargaining Councils (NABC), in partnership with the Services Sector Education And Training Authority (SSETA). The programme was facilitated by Yellow Media Publishers.	Bianca Singh Divine Ngwenya Keegan Tobin Lebogang Papo Ntsako Sibiya Phillip Kgoadi Refilwe Msiza Rekha Sooknunan Ruth Molaudzi Setshaba Mashifane Shana Trail Tseke Mphahlele Tsumbedzo Tshinavha Zanele Zwane
Certificate Programme In Labour Dispute Resolution Practice (University of Stellenbosch)	Wandile Mgobhozi Dineo Choshi

The following workshops and seminars were attended:

Workshops and seminars	Employee
Juta's Annual Labour Law Seminar (Juta and Company)	Frikkie De Bruin Oomang Parag Petunia Bhengani Valencia Kola Wandile Mgobhozi Dineo Choshi
IFRS & IAS 2017: Upcoming Updates and Changes (Spectacular Training and Conferences)	Wandile Mgobhozi Portia Seeletso
Training on Disciplinary Hearing in the Public Service (The General Public Service Sectoral Bargaining Council)	Valencia Kola Wandile Mgobhozi Oomang Parag Xolani Magagula
Mid-Year Payroll Seminar (SAGE)	Xolani Magagula Zanele Zwane
SASLAW 21ST Annual Conference (South African Society for Labour Law)	Petunia Bhengani

Workshops and seminars	Employee
Workshop on Sexual Harassment (Farisanani and Associates)	All PSCBC Staff members attended the workshop
Labour Law Amendments for 2019 (Labour Smart)	Mbulaheni Netshifhefhe
Combating Sexual Harassment in the Workplace (Mediate Works)	Petunia Bhengani Christopher Phiri Xolani Magagula
Annual Payroll Tax Seminar (SAGE)	Wandile Mgobhozi Portia Seeletso Xolani Magagula Zanele Zwane
SASLAW 3rd Annual Women's Breakfast	Petunia Bhengani Dineo Choshi Ruth Molaudzi Lebogang Papo Shana Trail

In addition to the above training and development programmes engaged by the PSCBC staff, the PSCBC received approval of its first Public Service Sector Education and Training Authority (SETA) Workplace Skills Plan (WSP) for the 2018 – 2019 financial year.

8.5 Employee Wellness

For the year under review, staff members took a different approach to the 2017 MTN Walk the Talk, as the focus was shifted from individual endurance and power of mind to "Esprit De Corps", which saw all staff members taking part in the 8 kilometer walk and finishing together as a team, with the General Secretary leading the team under the theme "A team that walks together works together". The walk was a resounding success, with the PSCBC staff members dominating the 2018 walk billboards and flying the PSCBC flag even higher.

The 2018 year-end function saw staff members traveling off-site to engage in activities that would evoke and enhance team spirit, and through this, their creativity, technical and driving abilities were tested. Two teams were formed and each had to build a wire car, design an audio visual promotion for this car and delegate a driver for a race with the competing team. This allowed staff members to deviate from their normal way of understanding and to rely solely on their imagination And creativity. Team work, delegation of tasks, and time management were the core criteria used to evaluate and measure the overall team's performances and outcomes.

Staff members also engaged in the Council's traditional exchanging of gifts, which is aimed at breaking any barriers, as staff members participate in the appreciation of one another as valuable members of the PSCBC team. Organisational gifts were also presented as a form of appreciation to staff.

The Year Ahead

The unit maintains its commitment to review the HR policy so as to ensure that it meets organisational objectives and further mitigates identified risks.

The PSCBC's policy on Leave and Disciplinary Code and Procedure Policy have been reviewed and are at an advanced stage of finalization prior to submission to the General Secretary for final inputs and sign-off.

With the growth of the Council, the policy on Sexual Harassment has been prioritized along with other policies, such as the Protection of Personal Information as introduced by the POPI Act, and the policy on the Use of Social Media in the Workplace.

The PSCBC as a Skills Development Levy contributor in good standing seeks to maintain its relations with the Public Service Sector Education and Training Authority through ensuring compliance with the annual training report and workplace skills plan submissions for the year ahead.

8.6 Secretariat Profile 2018/19

OFFICE OF THE GENERAL SECRETARY

Frikkie De Bruin
General Secretary

Makwena Ramaru
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

Tseke Mphahlele
Officer
Negotiations Support Chambers

Mmathapelo Mongwe
Officer
Research

Refilwe Msiza
Senior Administrator
Council & EXCO Support

Setshaba Mashifane
Administrator
Collective Bargaining

DISPUTE MANAGEMENT

Petunia Bhengani
Senior Manager
Dispute Management

Manus Netshifhefhe
Resident Panellist

Dineo Choshi
Officer
Dispute Management

Lebogang 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

Cwayita Mbaba
Officer
Information Technology

Rekha Sooknunan
Administrator
Corporate Services

Tsumbedzo Tshinavha
Registry Clerk

Phillip Kgoadi
Driver

Debra Kutumela
Receptionist

Evelyn Molaudzi
Cleaner

Busi Makgaretsa
Cleaner

STRATEGIC MONITORING AND EVALUATION

Christopher Phiri
Manager
Strategic Monitoring & Evaluation

COMMUNICATIONS

Oomang Parag
Manager
Communications

Kwena Manamela
Senior Officer
Communications

Shana Trail
Administrator
Communications

Keegan Tobin
Administrator
Communications

9. COMMUNICATIONS UNIT

9.1 Overview

The strategic objective of the Communications Sections is to refine and enhance the liaison, marketing and communication strategy, and to develop the organizational brand both nationally and internationally. In order to achieve the strategic objectives, the component focuses on the following areas: branding, marketing, media, communication, resource centre, events and strategic partnerships, and stakeholder relations.

Critical to the operations of the section are the policies and procedures, which are used as the guiding instruments in ensuring that business activities are executed in a uniform manner. This ensures that interaction with stakeholders and the general public is in a coordinated and coherent manner and consequently, preserves the image of the Council.

This part of the report will describe in detail the key activities performed by the Section for the 2018/2019 financial year.

9.2 Website

The website continues to be a powerful instrument for us to establish and strengthen our online presence. The website assists in disseminating the latest information speedily whilst building brand awareness. Our website is used interchangeably with our social media platforms, in order to ensure that when information is updated on the website, it is depicted on social media and vice versa.

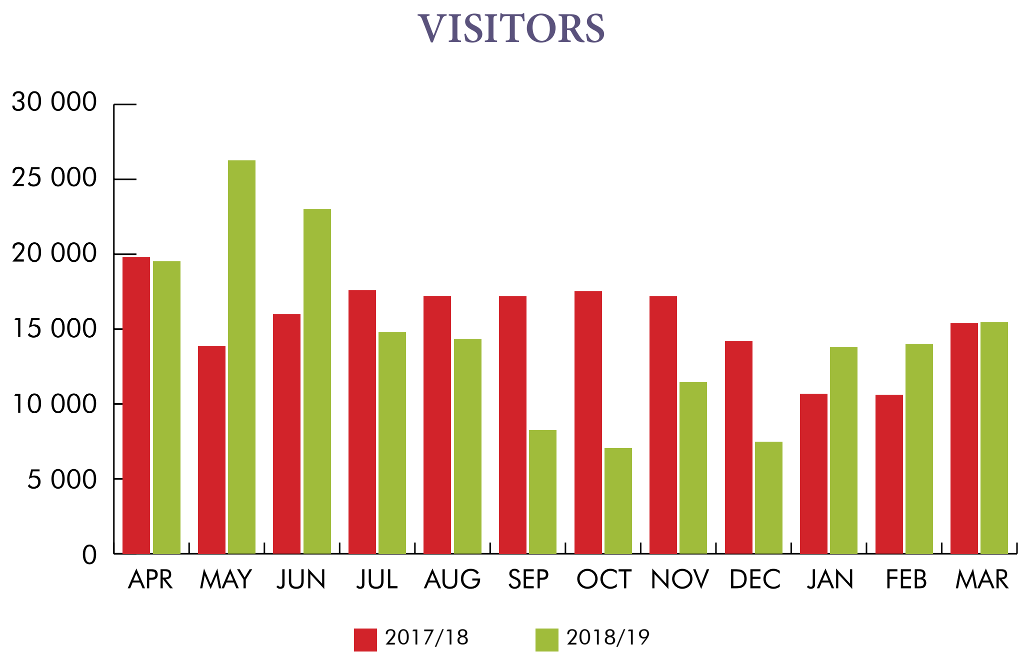
The table and graphs below provide a summary of the statistics regarding our website usage. The number of unique visitors, the number of visits, and pages are included. "Unique visitor" is a term used in web analytics to refer to a person who visits a site at least once within the reporting period. Each visitor to the site is only counted once during the reporting period. So, if the same IP (internet protocol) address accesses the site many times, it still only counts as one visitor. Visitors are the total number of people who have accessed the website. Pages refer to the number of pages opened within the website. These include links that are contained within pages.

2018/19	UNIQUE VISITORS	No. OF VISITORS	PAGE
APR 18	15 324	19 517	85 925
MAY 18	20 268	26 254	120 340
JUN 18	16 697	23 012	124 532
JUL 18	11 088	14 799	55 426
AUG 18	11 824	14 336	50 213
SEP 18	6 566	8 256	27 018
OCT 18	5 876	7 041	18 854
NOV 18	9 651	11 439	31 508
DEC 18	6 277	7 472	18 763
JAN 19	12 000	13 781	37 278
FEB 19	12 064	14 016	35 412
MAR 19	17 783	15 446	47 781
	143 073	**150 220**	**653 053**

2017/18	UNIQUE VISITORS	NO OF VISITORS	PAGE
APR 17	13 072	19 825	194 007
MAY 17	8 732	13 845	138 748
JUN 17	10 111	15 977	148 814
JUL 17	11 145	17 588	170 410
AUG 17	10 948	17 232	168 156
SEP 17	10 766	17 184	140 280
OCT 17	10 494	17 516	147 250
NOV 17	9 740	17 195	139 387
DEC 17	8 769	14 175	108 565
JAN 18	5 976	10 679	88 610
FEB 18	5 924	10 605	94 625
MAR 18	9 071	15 385	146 152
	114 748	**187 206**	**1 685 004**

9.2.1 Summary of Visitors

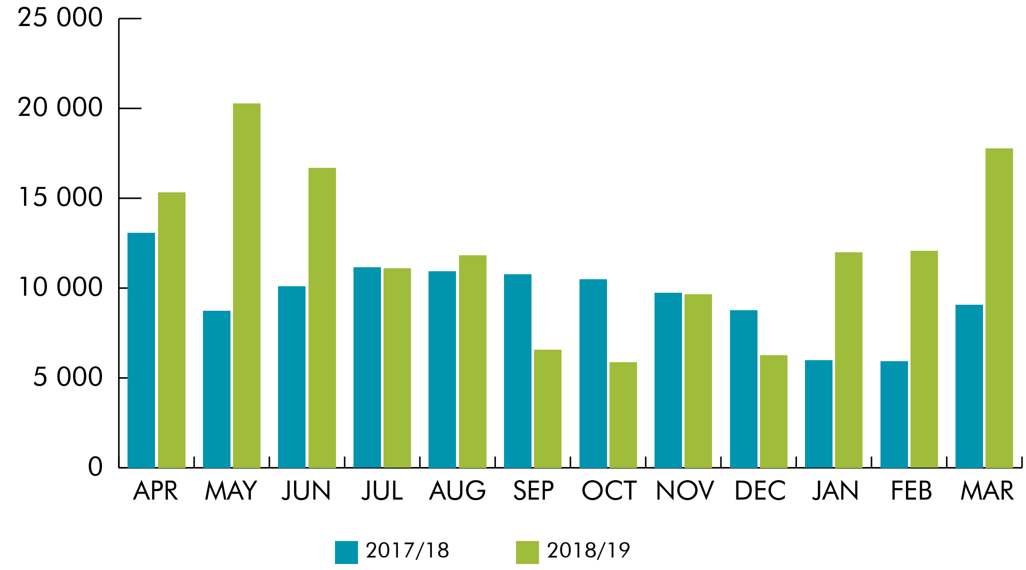
The graph below illustrates the number of visitors to the website- comparative summary for the 2017/18 and 2018/19 Financial Years.



9.2.2 Summary of Unique Visitors

The graph below illustrates the number of unique visitors to the website- comparative summary for the 2017/18 and 2018/19 Financial Years.

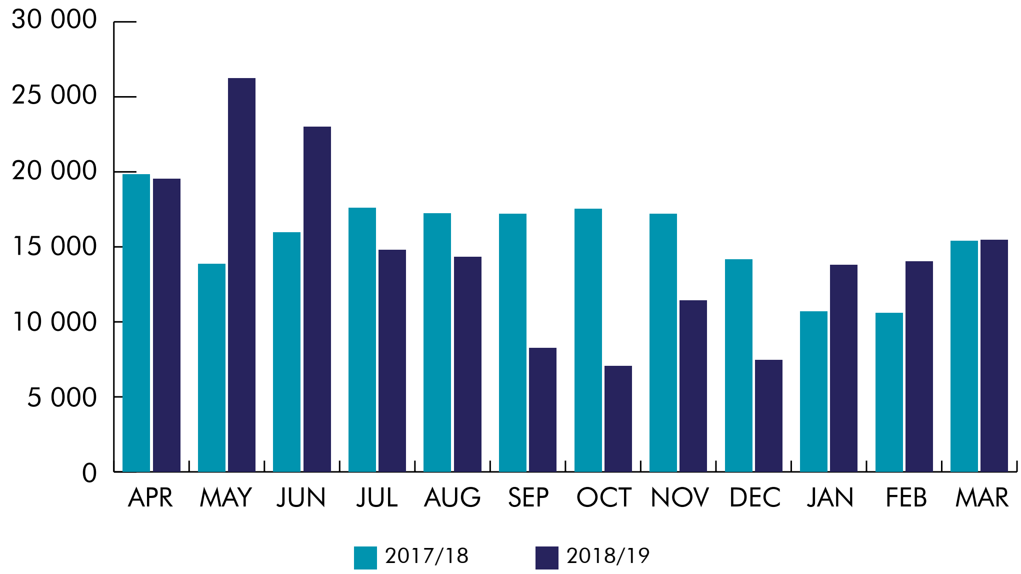
UNIQUE VISITORS



9.2.3 Summary of pages

The graph below illustrates the number of pages accessed - summary for the 2017/18 and 2018/19 Financial Years.

PAGES



9.3 Social Media

During the 2018/2019 financial year, we observed a tremendous growth in terms of followers on all of our social media platforms. These platforms played a pivotal role in disseminating information and informing all of the Council's stakeholders and the public at large of our activities and developments within the labour relations arena. The growth is attributed to an intensified effort to conduct daily posts, which resulted in the higher number of followers.

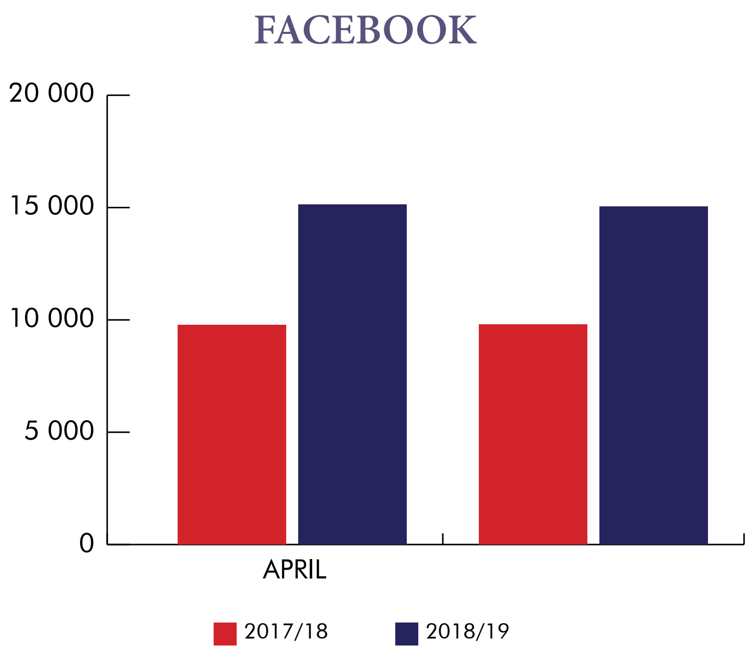
Facebook was used as our predominant social media platform. We maintained synergy between our website and social media pages, and information posted on Facebook and Twitter forums automatically appear on the website. This is conducted so that website users who do not have access or do not subscribe to social media may be kept informed of the latest information updates. Listed below are statistics and information on our Social Media platforms:

9.3.1 Facebook https://www.facebook.com/pscbc.council?fref=ts

Listed below are the number of likes and followers on our Facebook page for the current and past Financial Year.

Facebook	2017/18	2018/19
Likes	9767	15130
Followers	9794	15041

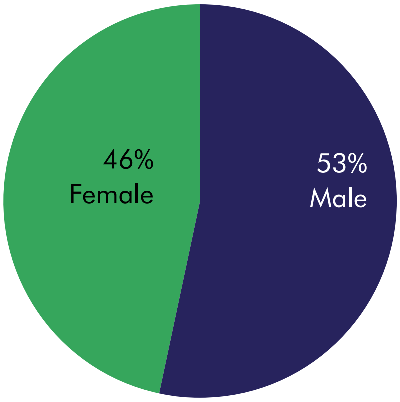
The graph below illustrates the comparison between likes and followers for the 2017/18 and 2018/19 Financial Years.



Summarised below is the aggregate demographic data of people who like our Facebook page. Countries of origin and cities within South Africa are also included. This is based on the age and gender information that subscribers to social media provide in their user profiles:

Ages	Male	Female	Total
18-24	2%	2%	**4%**
25-34	13%	11%	**24%**
35-44	18%	14%	**32%**
45-54	10%	8%	**18%**
55-64	2%	3%	**5%**
65+	8%	9%	**17%**
	53%	**46%**	**100%**

DEMOGRAPHIC DATA



Country	PSCBC Followers
South Africa	11 043
Botswana	141
India	70
Bangladesh	13
Nepal	9
United States of America	8
Zimbabwe	8
Lesotho	7
United Kingdom	5
Ghana	5
Total	**11 309**

City	PSCBC Followers
Cape Town, Western Cape	1 214
Johannesburg, Gauteng	1 107
Pretoria, Gauteng	1 060
Durban, KwaZulu-Natal	737
East London, Eastern Cape	328
Polokwane, Limpopo	315
Bloemfontein, Free State	313
Port Elizabeth, Eastern Cape	307
Pietermaritzburg, KwaZulu-Natal	261
Kimberley, Northern Cape	218
Total	**5 860**

9.3.2 Twitter @pscbcnews https://twitter.com/pscbcnews

Listed below are the number of followers on our twitter page for the current and past financial years.

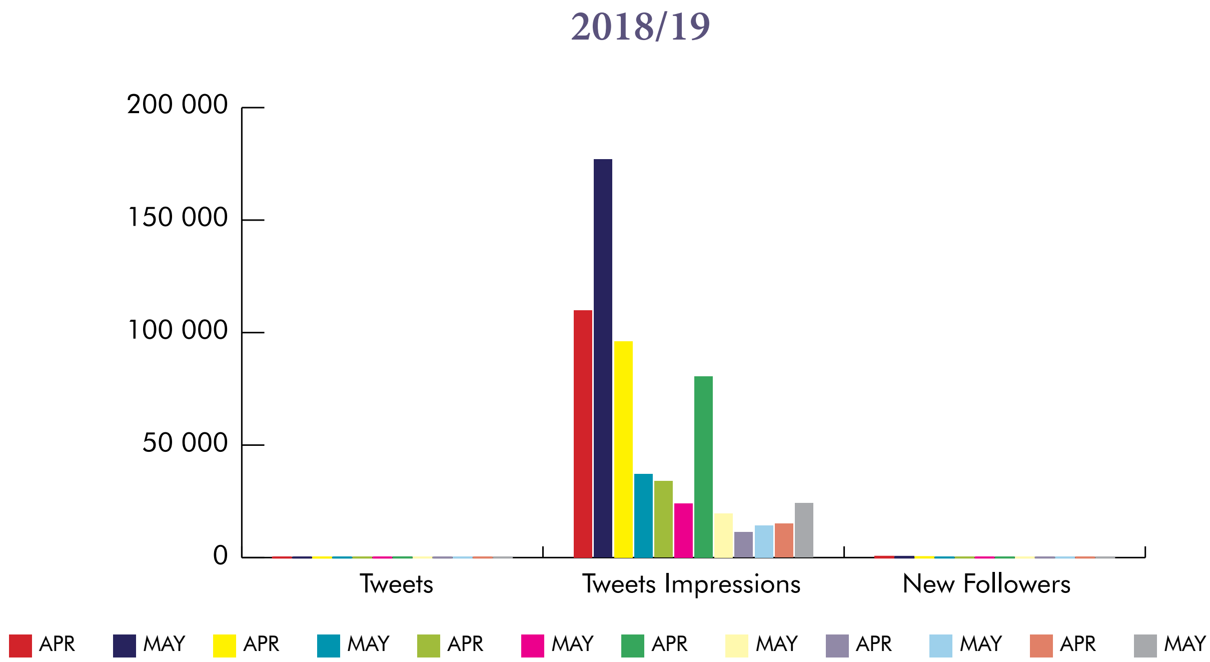
Twitter	2017/18	2018/19
Followers	2813	3658

The statistics below highlights the number of tweets, tweets impressions (number of times users saw the tweet on Twitter) and new followers of twitter:

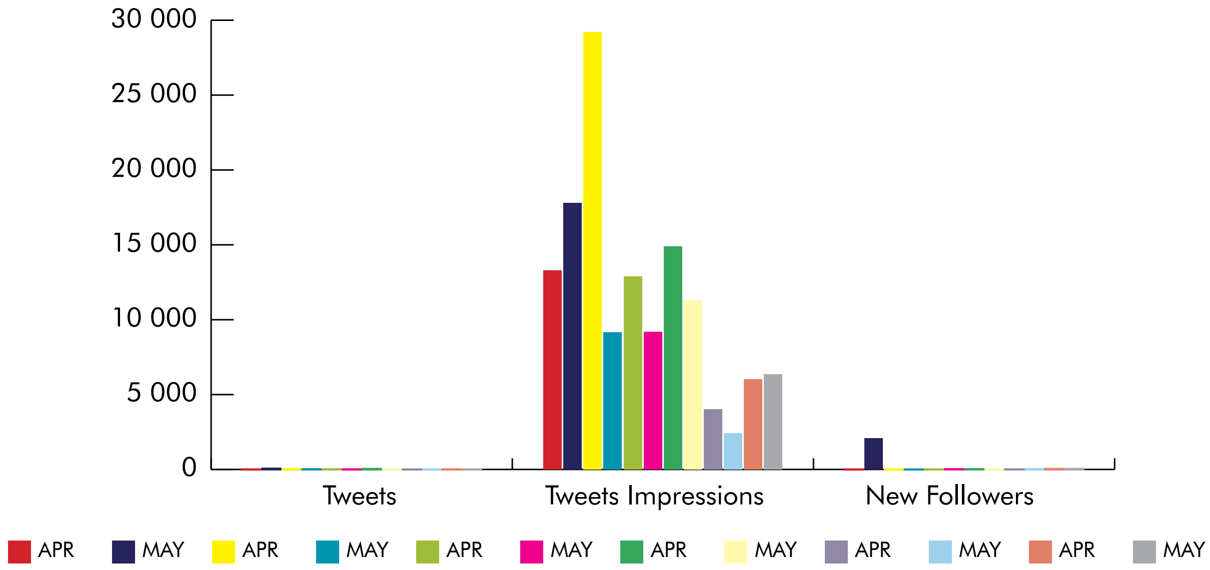
2018/19	Tweets	Tweets Impressions	New Followers
APR	26	110 000	377
MAY	23	177 000	334
JUN	12	96 200	218
JUL	24	37 200	65
AUG	34	34 000	46
SEP	30	24 100	47
OCT	127	80 600	74
NOV	31	19 700	11
DEC	13	11 300	38
JAN	28	14 300	25
FEB	31	15 100	33
MAR	45	24 200	36
	424	**643 700**	**1 304**

2017/18	Tweets	Tweets Impressions	New Followers
APR	7	13 300	7
MAY	63	17 800	2 096
JUN	29	29 200	10
JUL	20	9 147	6
AUG	19	12 900	6
SEP	9	9 196	27
OCT	43	14 900	23
NOV	30	11 300	16
DEC	4	4 026	9
JAN	1	2 422	24
FEB	10	6 024	41
MAR	8	6 348	42
	243	**136 563**	**2 307**

The diagram below illustrates graphically the statistics for the period 2018/2019 and 2017/2018 respectively:



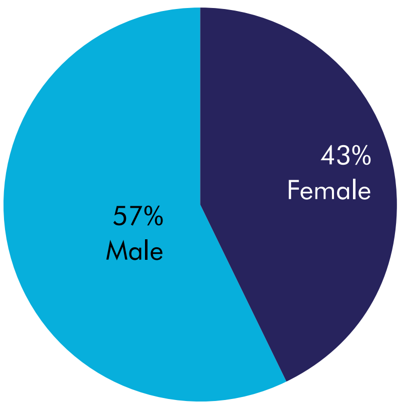
2017/18



Listed below are the demographics and countries of origin of our followers on Twitter:

Male	Female
43%	57%

DEMOGRAPHIC DATA



Country	% of audience
South Africa	96%
Russia	1%
United States	< 1%
United Kingdom	< 1%
Zimbabwe	< 1%
Brazil	< 1%
Botswana	< 1%
Kenya	< 1%
Zambia	< 1%
Turkey	< 1%

9.4 Events

To market and promote its brand both nationally and internationally, the PSCBC exhibited and addressed congresses organised by its stakeholders and social partners, and implemented staff wellness and Corporate Social Responsibility programmes, as shown below:

9.4.1 Collective Bargaining Indaba

The PSCBC is pleased to announce that we have successfully hosted another milestone event. The PSCBC Collective Bargaining Indaba was held from 16—19 October 2018 at the Gallagher Convention Centre in Midrand, Gauteng. This indaba was held at a time critical to the conceptualization of how we continue to build and strengthen the notion of democratization of the workplace, social dialogue, economic development and labour peace.

The parties to the PSCBC in 2009 entered into an agreement commonly referred to as "Birchwood 1." This agreement in principle required parties to develop and/or strengthen collective bargaining so as to underline the importance of the characteristics of a developmental state. Parties reconfirmed their support to the "Birchwood 1" agreement with the "Declaration of the Public Service Summit" signed in 2010.

The Collective Bargaining Indaba was hosted under the theme: "Advancing and protecting workplace democratization through strengthening collective bargaining as to ensure economic development, social justice and labour peace within the public service."

The four-day Indaba was attended by over 600 dignitaries from Government, Trade Unions, Labour Organisations and other key stakeholders within the labour fraternity.

The Indaba began with the Public Service Bargaining Council Choir opening the session with our National Anthem, which they rendered with distinct professionalism. The Praise singer then showered praises and blessings on all organisations and individuals that attended the Indaba. Consistent with the lively atmosphere, strobe lighting and the thunderous sound of fireworks signalled the opening of the Indaba.

The PSCBC Vice-Chairperson (Labour), Ms. Thandeka Msibi, was the programme director, and the PSCBC Chairperson, Ms. Ingrid Dimo, cordially welcomed delegates and officially opened the Indaba. The PSCBC General Secretary, Mr. Frikkie de Bruin, then delivered congress remarks and articulated the purpose of the Indaba. He then concluded by encouraging attendees to debate robustly, openly and frankly in the plenaries and commission sessions of the Indaba. He further emphasised that delegates consider the assessments which have been previously made: the achievements of the Council, the failures of Council, the relationship between the PSCBC and Sector Councils, the current challenges that collective bargaining faces, and identify possible future threats to labour relations and centralized collective bargaining.

Equally importantly, he urged that the Indaba should propose workable solutions that would build and strengthen the notion of a collective democratized workplace, enhance social dialogue, promote better economic development, and ensure sustainable labour peace. A brief theatrical play was conducted to highlight the importance of the PSCBC and the role which unions and government play in the labour relations sector in addressing the needs of employees.

The key Partners to the PSCBC delivered messages of support, expressing their respective organization's support, dedication and commitment to the PSCBC. These messages were conveyed by: Mr Joni Musabayana (International Labour Organisation), Mr Basil Manuel (Independent Labour Caucas), and Ms Zingiswa Losi (Congress of South African Trade Unions).

The Minister of Labour, Honorable Mildred Olifand, presented the keynote address on behalf of the Honourable President Cyril Ramaphosa. The Minister closed her address with the following words, "Let this Indaba signify hope for the nation and its people, as we live the values of the Public Service Charter. Let this Indaba emerge with the toolbox that is designed to ramp-up transformation that makes a real difference in the lives of those we serve."

The first day's session ended on a vibrant note as our traditional dancers conducted a dance item.

The second day began with a plenary session on "Approaching Collective Bargaining in ensuring the continuation/strengthening of workplace democratisation, economic development, social justice and labour peace" which was chaired by Ms Thandeka Msibi. Dr Geoffry Heald from WITS University and Mr Ebrahim Patelia from Mediate Works conducted excellent presentations on: "why collective bargaining is failing in South Africa," and "approaches to collective bargaining" respectively.

The Minister for Public Service & Administration, Honourable Ayanda Dlodlo, attended the second day of the Indaba and delivered the keynote address. In her address, she commended the leadership of the PSCBC for hosting the Indaba and also spoke about the important role which the PSCBC and the Unions play in the Collective Bargaining process. This address paved the way for delegates to break into commissions.

After the Minister delivered the keynote address, delegates broke into the following four Commissions: "The effectiveness of collective bargaining in the education sector, addressing the areas of basic education, TVET and CET colleges in strengthening, democratization of the workplace"

- "Strengthening unity within the safety and security sector, by consolidating collective bargaining within all spheres of law enforcement for a more democratized environment"
- "Optimising the health and social development sphere by adopting a uniformed approach towards a democratized workplace"
- Configuration of the broader administrative functioning of government as to ensure optimal effectiveness and addressing the quality of service in the workplace"

The Commissions continued until the end of the day.

The third day proved to be very fruitful as delegates showed a keen interest in the issues discussed in the plenary session.

The theme for the session was "promoting constructive approaches to the management of disputes in the public service, ensuring social justice and labour peace". This session was facilitated by the PSCBC Vice-Chairperson- (Employer), Mr Phophi, who introduced the three speakers; Mr. Trenton Elsley from Labour Research Services, Dr Bruno Luthuli from Public Service Commission, and Prof Richard Levin, DG at the Department of Public Service and Administration. The presentations were thought provoking and informative as they provided delegates with comprehensive information to engage on during the afternoon commissions.

On the third day, the commissions engaged on the following issues:

- "Efficient dispute resolution contributing to the democratization of the workplace ensuring social justice and labour peace"
- "The impact of the 4th Industrial Revolution on Public Service delivery"
- "Considering the impact of outsourcing and agentisation on the public service through the establishment of agencies and or entering into public private partnerships"
- "Decent Work Agenda"

A gala dinner was held in the evening at the Gallagher Estate to celebrate the 21 years of advancing worker interest through economic development, social justice and labour peace in the public service. The PSCBC Chairperson, Ms Ingrid Dimo, officially welcomed the guests at the dinner, and the General Secretary, Mr. Frikkie De Bruin, presented the opening remarks, thanking everyone for attending. PSCBC Mr Basil Manuel, Executive Director of NAPTOSA, delivered the message of support on behalf of the Independent Labour Caucus (ILC). This was followed by the First Deputy President of COSATU, Mr Mike Shingange, who spoke on behalf of Congress of South African Trade Unions (COSATU). The Deputy Minister for Public Service & Administration, Honourable Chana Pilane-Majake, delivered an inspiring Key Note Address. The programme concluded with a vote of thanks by the Vice-Chairperson Labour: Ms Thandeka Msibi, who thanked all the guests for attending. The successful gala dinner was attended by over 400 people, who really enjoyed themselves.

On the fourth and final day of the Indaba, all commissions reported back on the various issues discussed in their relevant commissions.

The PSCBC General Secretary, Mr Frikkie De Bruin, then read and proposed the adoption of the "Collective Bargaining Accord", which was adopted by members attending the Indaba.

In presenting the vote of thanks, Ms Ingrid Dimo, the PSCBC Chairperson, thanked delegates and all stakeholders for their meaningful contribution during the congress. She then officially closed the Indaba.

The PSCBC thanks all attendees for their meaningful contributions during the Indaba.

All presentations, together with the Accord, can be downloaded from the PSCBC website- (www.pscbc.org.za) under the Collective Bargaining tab.


REGISTRATION DESK
PSCBC


PSCBC
PSCBC


PSCBC
PSCBC

9.4.2 PSCBC's 21st Annual General Meeting

On 28 June 2018, the PSCBC held its 21st Annual General Meeting (AGM) at Valley Lodge in Magaliesburg. The theme for the AGM was *"Celebrating 21 years of advancing worker interest through economic development, social justice and labour peace in the Public Service."* The meeting was well attended by PSCBC Council members and other relevant stakeholders.

The General Secretary of the PSCBC, Mr Frikkie De Bruin, presented the Annual Report, which included the Annual Financial Statements and the budget for the next 3 years.

We are pleased to report that the PSCBC received another unqualified audit report this year. The Finance Department was commended for their efforts in attaining this accolade. The Council members expressed their gratitude to the General Secretary for the outstanding work conducted during the financial year 2017/18.

The AGM concluded with the outgoing PSCBC Chairperson, Adv. Luvuyo Bono, being thanked for his commitment, and the leadership provided during his tenure as PSCBC Chairperson. Ms Bianca Singh, a PSCBC staff member of the Finance Department, was awarded a Certificate in recognition of her 10 years of Service to the PSCBC.

A Gala Dinner was held in the evening to celebrate 21 years of the PSCBC in advancing worker interest through economic development, social justice and labour peace in the Public Sector. The event was attended by approximately 100 dignitaries from Government, Labour Organisations and other special guests. Mr Frikkie De Bruin, the GS of the PSCBC, in his opening and welcome address, thanked guests for their attendance.

Mr Basil Manuel (Independent Labour Caucus – ILC) and Mr Sidumo Dlamini (Congress of South African Trade Unions – COSATU) delivered inspirational addresses on behalf of their respective organisations. The advisor to Minister Ayanda Dlodlo (DPSA), Adv. Themba Langa, presented the keynote address on behalf of the Minister for Public Service and Administration.

Council used the opportunity to give recognition to individuals who served in the PSCBC for the past 21 years. The following individuals were recognised:

Astrid Al-Anani

Mr Herman Brynard

Mr Frikkie De Bruin

Mr Salie Faker

Mr Mompati Galorale

Mr Leon Gilbert

Mr Phillip Kgoadi

Ms Valencia Kola

Mr Andrew William Kutumela

Mr Nkosinathi J. Mabhida

Mr Tahir Maepa

Mr Clement Marule

Mr Rifos Mahlake

Mr Mugwena Maluleka

Mr Basie Malwane

Mr Success Mataitsane

Mrs Ruth Molaudzi (in absentia)

Mr Mzi Ndlovu

Mr Oomang Parag

Mr Mpfariseni Phophi


9.4.3 EXCO Planning Session

The Executive Committee (EXCO) of the PSCBC held an operational planning session from 05-07 February 2019 in Durban. The enlightening sessions were facilitated by the Chairperson, Ms Ingrid Dimo, and Vice Chairpersons, Mr Mpfariseni Phophi and Ms Thandeka Msibi of the Council.

The General Secretary presented various strategic documents, which included the wage negotiations debriefing and outcomes from the PSCBC Collective Bargaining Indaba to members of the meeting. He thereafter presented the Council's business plans per Department. Ms Joyce Nkopane, an Independent Consultant, unpacked the amendments to the Labour Relations Act, 66 of 1995 as amended.

Members of EXCO were given an opportunity to discuss, deliberate and suggest changes to the plans. This session was very fruitful as it allowed for EXCO to conduct adequate planning for the year.

9.4.4 MANCO Planning Session

The PSCBC held a Management Committee (MANCO) operational planning session in Hartebeespoort on 09 & 10 January 2019 in order to plan accordingly for the year. The session, which was attended by Departmental Managers and Senior Officers, was facilitated by the General Secretary.

Mr De Bruin provided an all-encompassing overview of the Council's strategic documents and plans, after which, the Managers conducted an overview of their departmental plans for the year. The various departments thereafter worked in their individual groups, developing their operational plans as the basis to map out their daily tasks. The process was guided by the newly appointed Manager: Strategic Monitoring & Evaluation, Dr Christopher Phiri, who will develop a Monitoring and Evaluation Framework in order to measure the progress of the PSCBC towards achieving its high level objectives, as well as its overall purpose.

The session concluded with the GS expressing his appreciation to the team members for their concerted effort in developing the operational plans. The developed operational plans form a fundamental part of the reporting structure of the PSCBC, and will serve as a blueprint for business processes going forward.

9.4.5 DENOSA 8th National Congress

The PSCBC attended and exhibited at the 8th National Congress of the Democratic Nursing Organisation of South Africa (DENOSA). The Congress, whose theme was "Strengthening unity and cohesion in the organisation for optimal member servicing", was held at the Olive Convention Centre in Durban from 13-15 March 2019.

The PSCBC General Secretary, Mr Frikkie De Bruin, delivered a message of support at the Congress. DENOSA was congratulated on hosting the 8th National Congress. The General Secretary stated "the Congress is held at a critical time in the conceptualization of how we continue to build and strengthen the pillars of our labour legislation being democratization of the work-place, social dialogue, economic development and labour peace." The challenges regarding collective bargaining in the Public Service was highlighted. The General Secretary further wished delegates well with their Congress deliberations and urged them to ensure that DENOSA emerges from this Congress more united and energised.

The purpose of exhibiting at the Congress was to promote the scope of services offered by the Council to Civil Servants and Nurses in particular. The exhibition stand drew many visitors, and in excess of 600 promotional pamphlets and branded gifts were handed out to delegates.

The PSCBC congratulates the newly-appointed leadership of DENOSA: Mr Simon Hlungwani (President), Prof. Mavis Mulaudzi (1st Deputy President), Ms Thandeka Msibi (2nd Deputy President), and Ms Alida Portland (National Treasurer), and wish them all the very best for the next 4 years in steering DENOSA to greater heights. DENOSA expressed their gratitude to the PSCBC for attending and supporting the Congress.

9.4.6 HOSPERSA National Congress

The PSCBC attended and manned an exhibition stand at the HOSPERSA National Elective Congress held at Saint Georges Hotel in Irene, Pretoria, from 27-29 November 2018. HOSPERSA also celebrated its 60th anniversary under the theme "60 years of turning vision into action." In his address at the Congress, the PSCBC General Secretary, Mr Frikkie De Bruin, congratulatedHOSPERSA on its 60th Anniversary. He also paid tribute to the outgoing President, Godfrey Selemetsela, describing him as "A man of principle, a leader, a communicator, a strategist, a thinker, a doer, and most importantly, always remaining a worker".

The PSCBC congratulates Mr Simon Mahlangu (President), Ms Tselane Mbotshane (National Treasurer), Mr Gregg Rafferty (Vice-President), Mr Thabo Raphadu (Vice-President), and Mr Basil Pillay (Vice-President), as the newly elected leadership of HOSPERSA, and wishes them all the best in their quest to steer the organisation to greater heights.

The delegates at the congress expressed their appreciation to the PSCBC for attending and exhibiting, as they were able to receive valuable information about the Council. Visitors to the PSCBC exhibition stand received PSCBC branded promotional materials and an information brochure.



9.4.7 SAPU 6th National Congress

The PSCBC attended and participated in SAPU's 6th National Congress at the St. Georges Hotel in Pretoria from 29-30 November 2018. The PSCBC General Secretary delivered an inspiring message of support at the Congress. The PSCBC wishes the newly elected leadership every success.


9.4.8 PSCBC Hosts Mauritian Delegation

On 04 March 2019, the PSCBC welcomed a delegation from Mauritius. The delegation comprised representatives from the Government Services Employees Association (GSEA), led by Mr Radhakrishna Sadien, President of the GSEA. The GSEA is an association of a large group of employees from different segments of the public sector, of all of the Ministries and Departments in Mauritius. The purpose of the visit was for delegates to get a general understanding of the PSCBC, its work and processes.

The delegation was welcomed by Mr Frikkie De Bruin, the General Secretary of the PSCBC. In his presentation, he outlined the core duties and responsibilities of the PSCBC, which is Collective Bargaining and Dispute Resolution.

The delegation wholeheartedly expressed their appreciation to the PSCBC for hosting them and for the information that was presented, they looked forward to further engagements with the PSCBC.

9.4.9 PSCBC Hosts Egyptian Delegation

The PSCBC hosted a delegation from Egypt on 09 April 2019 at the PSCBC offices in Centurion. The delegation was from the General Trade Union of Administration and Social Services of Egypt (GTUASS). The delegation was accompanied by Mr Mohammed Mostafa Ahmed of the Egyptian Trade Union Federation (ETUF) International Relations Department as an Interpreter.

The delegation was welcomed by the Chairperson of the PSCBC, Ms Ingrid Dimo, and a comprehensive presentation was made on Collective Bargaining and Dispute Management. Members of the delegation were afforded an opportunity to attend a GPSSBC Chamber Meeting and an Arbitration in order to observe how the proceedings transpire. An interesting question and answer session was subsequently held to address all the concerns of the delegation.

The delegation was grateful for the volume of information received within such a short period of time, and looked forward to further engagements with the Council.

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL

Ref: W.Mgobhozi
Tel: 012 644 8100
Email: finance@pscbc.org.za
Date: 1 August 2019

Registrar of Labour
Laboria House
215 Schoeman Street
Pretoria

Dear Sir/Madam

REF: LR 2/6/6/126

ACKNOWLEDGEMENT OF RECEIPT OF THE PSCBC AUDITED FINANCIAL STATEMENTS FOR THE YEAR END 31st MARCH 2019

This letter serves as an acknowledgement of receipt of the following documents:

PSCBC Audited Financial Statement Year Ended 31 March 2019

Acknowledgement of receipt by:

Name: Precious Phokela

Date: 01/08/2019

Signature:

Time: 10:44

Company Stamp:

DEPT OF LABOUR
PRIVATE BAG / PRIVAATSAK X117
2019 -08- 01
PRETORIA 0001

Kind Regards

Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements
for the year ended 31 March 2019

Public Service Co-ordinating Bargaining Council
(Registration number: LR2/6/5/126)
Annual Financial Statements for the year ended 31 March 2019

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	PO Box 3123 Lyttelton South Centurion 0176
Auditors	PricewaterhouseCoopers Inc. Registered Auditors
Physical address	4 Lisbon Lane Waterfall City Jukskei View 2090
Company registration number	LR2/6/5/126
Level of assurance	These financial statements have been audited in compliance with the applicable requirement of Section 53 of the Labour Relations Act, No 66 of 1995.
Preparer	These financial statements were independently compiled by: Moyana and Associates Chartered Accountants (Pty) Ltd
Published	12 June 2019

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Public Service Co-ordinating Bargaining Council
(Registration number LR2/6/6/126)
Annual Financial Statements for the year ended 31 March 2019

Index

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

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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 the 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 the 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 place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the PSCBC and all employees are required to maintain the highest ethical standards in ensuring the Council's 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 2020 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 5-7.

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 28, which have been prepared on the going concern basis, were approved by the Council on 12 June 2019 and were signed on its behalf by:

Approval of financial statements

E de Bruin	I Dimo
General Secretary	Chairperson of Council
T Maibi	M Phophi
Vice Chairperson Labour	Vice Chairperson Employer

Council's Report

1. Introduction

The Council has pleasure in submitting their report on the financial statements of Public Service Co-ordinating Bargaining Council for the year ended 31 March 2019.

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 financial statements and do not in our opinion require any further comment.

Net deficit of the Council was R 4 299 328 (2018: R 158 869 deficit).

3. Going concern

The 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.

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Independent auditor's report

To the Council Members of Public Service Co-ordinating Bargaining

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Public Service Co-operating Bargaining Council (the Council) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Public Service Co-operating Bargaining Council's financial statements set out on pages 8 to 27 comprise:

- the statement of financial position as at 31 March 2019;
- the statement of profit or loss and 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 Council in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

We are independent of the Council 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Other information

The council members are responsible for the other information. The other information comprises the information included in the document titled "Public Service Co-ordinating Bargaining Council Annual Financial Statements for the year ended 31 March 2019", which includes the Council's Report. The 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 members for the financial statements

The council members are 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 members 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 members are responsible for assessing the Council'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 members either intend to liquidate the Council 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 Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

- Conclude on the appropriateness of the council members' 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 Council'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 Council 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 members 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 54 (2) (b) of the Labour Relations Act, 1995, we report that we have not identified significant exceptions in respect of the Council's compliance with the provisions contained in its constitution relating to financial matters.

PricewaterhouseCoopers Inc.
Director: Raj Dhanlall
Registered Auditor

Johannesburg
31 July 2019

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/6/6/120)
Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	4	22 847 890	23 722 460
Intangible assets	5	3 202 388	3 559 370
		26 050 278	27 281 830
Current Assets			
Trade and other receivables	6	855 983	1 774 572
Cash and cash equivalents	7	24 104 460	25 785 248
Trust Bank Account: Agency fees	6	21 915 686	19 163 178
		46 876 129	46 722 998
Total Assets		72 926 407	74 004 828
Equity and Liabilities			
Equity			
Accumulated surplus		48 554 566	52 853 934
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	9	124 799	122 213
Current Liabilities			
Trade and other payables	10	2 118 144	1 694 071
Finance lease liabilities	9	157 921	167 701
Corporate card	7	55 281	3 731
Agency fees held in trust	11	21 915 696	19 163 178
		24 247 042	21 028 681
Total Liabilities		24 371 841	21 150 894
Total Equity and Liabilities		72 926 407	74 004 828

The accounting policies on pages 12 to 17 and the notes on pages 18 to 28 form an integral part of the financial statements.

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/6/5/128)
Annual Financial Statements for the year ended 31 March 2019

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2019	2018
Revenue	15	38 920 388	37 080 565
Other operating income	16	795 447	287 788
Other operating expenses		(45 237 709)	(39 645 018)
Operating (deficit) surplus		**(5 521 874)**	**(2 276 665)**
Interest received	17	1 280 134	2 192 748
Finance costs	18	(57 629)	(74 972)
(Deficit) / Surplus for the year		**(4 299 369)**	**(158 889)**
Other comprehensive surplus / (deficit)		-	-
Total comprehensive surplus / (deficit) for the year		**(4 299 369)**	**(158 889)**

The accounting policies on pages 11 to 17 and the notes on pages 17 to 25 form an integral part of the financial statements.

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/2/6/126)
Annual Financial Statements for the year ended 31 March 2019

Statement of Changes in Funds

Figures in Rand	Retained surplus	Total equity
Balance at 01 April 2017	53 012 823	53 012 823
Deficit for the year	(158 889)	(158 889)
Other comprehensive income	-	-
Total comprehensive loss for the year	(158 889)	(158 889)
Balance at 01 April 2018	52 853 934	52 853 934
Deficit for the year	(4 299 368)	(4 299 368)
Other comprehensive income		
Total comprehensive loss for the year	(4 299 368)	(4 299 368)
Balance at 31 March 2019	48 554 566	48 554 566

The accounting policies on pages 11 to 17 and the notes on pages 17 to 25 form an integral part of the financial statements.

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/6/5/126)
Annual Financial Statements for the year ended 31 March 2019

Statement of Cash Flows

Figures in Rand	Notes	2019	2018
Cash flows from operating activities			
Cash generated from (used in) operations	21	(2 507 039)	(2 074 170)
Interest received		1 280 134	2 192 748
Finance costs		(57 628)	(74 972)
Net cash from operating activities		(1 284 572)	43 606
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(453 923)	(271 075)
Sale of property, plant and equipment	4	1 374	-
Purchase of intangible assets	5	(18 073)	(1 742 338)
Net cash to investing activities		(470 622)	(2 013 482)
Cash flows from financing activities			
Finance lease payments		22 806	(170 526)
Total cash movement for the year		(1 732 349)	(2 149 304)
Cash at the beginning of the year		25 761 617	27 930 921
Total cash at end of the year	7	24 049 169	25 761 617

The accounting policies on pages 12 to 17 and the notes on pages 18 to 29 form an integral part of the annual financial statements.

RTM

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 Significant accounting policies

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

These accounting policies are consistent with the previous period.

1.2 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards ("IFRS") and Section 53 of the Labour Relations Act.

The financial statements have been prepared on the historic cost convention, except for the measurement of investment properties of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Rands, which is the organisation's functional currency.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of 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 estimate is 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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Summary of Significant Accounting Policies

1.4 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.

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	2-6 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.

Summary of Significant Accounting Policies

1.5 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	2-10 years

1.6 Financial instruments

Classification

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

- Financial liabilities measured at amortised cost.
- Loans and receivables

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.

Summary of Significant Accounting Policies

1.6 Financial instruments (continued)

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.

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.

1.7 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.

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Summary of Significant Accounting Policies

1.7 Leases (continued)

Operating leases - lessor

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

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

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

1.8 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.

1.9 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.

1.10 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.

1.11 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.

Summary of Significant Accounting Policies

1.12 Borrowing costs

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

1.13 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

Figures in Rand	2019	2018

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:

- **Amendment to IFRS 9 -'Financial Instruments' on general hedge accounting**

  Annual periods beginning on or after 1 January 2018

  The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-basedapproach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

  Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

  The own credit risk requirements for financial liabilities.
  Classification and measurement (C&M) requirements for financial assets.
  C&M requirements for financial assets and financial liabilities.
  The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting)

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.

- **IFRS 15 Revenue from Contracts Customer**

  Annual periods beginning on or after 1 January 2018

  The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer (published May 2014).

- **Amendments to IFRS 15: Contracts with Customers.**

  Annual periods beginning on or after 1 January 2018 (published April 2016)

  The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

- **IFRS 16 Lease**

  Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied (published January 2016).

  This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.

  Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

  For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

  At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018

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 2019	Less than 1 year	Between 1 and 2 year
Trade and other payables	2 298 144	-
Finance lease	197 921	121 759

At 31 March 2018	Less than 1 year	Between 1 and 2 year
Trade and other payables	1 534 071	-
Finance lease	167 701	178 528

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.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

4. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	11 903 728	-	11 903 728	11 903 728	-	11 903 728
Buildings	11 715 041	(2 058 084)	9 657 957	11 715 041	(1 667 548)	10 048 492
Office furniture and fixtures	2 504 599	(2 209 897)	294 702	2 562 401	(2 158 963)	403 438
Motor vehicles	247 999	(247 998)	1	247 999	(247 998)	1
Leased office equipment	590 164	(302 636)	287 528	587 030	(325 772)	261 258
IT equipment	4 161 591	(3 457 917)	703 674	4 372 680	(3 266 137)	1 106 543
Total	31 124 122	(8 276 232)	22 847 890	31 388 879	(7 666 419)	23 722 460

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	11 903 728		-	-	11 903 728
Buildings	10 048 492	-	-	(390 535)	9 657 957
Office furniture and fixtures	403 438	90 460	(1 374)	(197 822)	294 702
Motor Vehicles	1		-	-	1
Leased office equipment	261 258	222 468	-	(196 198)	287 528
IT equipment	1 105 543	140 995	-	(542 864)	703 674
	23 722 460	453 923	(1 374)	(1 327 119)	22 847 890

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	11 903 728	-	-	11 903 728
Buildings	10 439 026	-	(390 534)	10 048 492
Office furniture and fixtures	553 670	58 649	(208 881)	403 438
Motor vehicles	1	-	-	-
Leased office equipment	456 935	-	(195 677)	261 258
IT equipment	1 456 059	212 424	(562 940)	1 105 543
	24 809 419	271 073	(1 358 032)	23 722 460

Property, plant and equipment encumbered as security

Leased assets with a carrying amount of R 287 528 (2018: R 261 258), consist of office equipment and are encumbered by finance lease liabilities in the amount of R 312 723 (2018: R 289 914) (note 9).

Land with a carrying amount of R11 903 728 has been earmarked for the development of the new office building.

As at the approval date of the AFS no contractual obligations have been entered into by the Council.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

5. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4 041 703	(839 315)	3 202 388	4 258 440	(699 070)	3 559 370

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	3 559 370	18 073	(375 055)	3 202 388

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	2 144 014	1 743 309	(327 953)	3 559 370

6. Trade and other receivables

	2019	2018
Trade receivables	144 246	171 942
Prepaid expenditure	530 000	1 546 958
Other current assets	2 300	1 925
Other receivables	179 437	53 749
	855 983	1 774 572

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 2019 R 60 859 (2018: R 73 185) were past due but not impaired.

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

	2019	2018
Not past due	70 356	103 245
2 months past due	13 050	120
3 months past due	-	-
4 months past due	60 859	73 185
	144 246	176 550

7. 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.

	2019	2018
Cash on hand	1 000	1 000
Bank balances	898 124	3 087 873
Short-term deposits	23 205 326	22 695 375
Corporate card	(55 261)	(2 731)
	24 049 189	25 781 517

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

7. Cash and cash equivalents (continued)

Current assets	24 104 450	25 785 248
Current liabilities	(55 281)	(3 731)
	24 049 169	**25 781 517**

Standard bank corporate card

Standard Bank Corporate cards have a limit amount of R55 000.00 per month.

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

P-3	24 043 280	25 711 041

8. Trust Bank Account: Agency fees

This relates to agency fees administered by the PSCBC in terms of an Agency shop agreement (Resolution 1 of 1999) and section 25 of the Labour Relations Act.

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. As at 31 March 2019, the following are the admitted trade unions on whose behalf the subject funds are collected and held in trust bank account and disbursed on a monthly basis: DENOSA, HOSPERSA, NATU, NAPTOSA, NUPSAW, NEHAWU, NPSWU, PAWUSA, POPCRU, PEU, PSA, SADTU, SAEPU, SAMA, SAOU, SAPU, SASAWU and UNIPSAWU (Refer to Note 11)

The trust monies are held with Standard Bank Limited.

Agency fees held in trust	21 810 898	19 165 179

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

9. Finance lease liabilities

Minimum lease payments which fall due		
- within one year	229 513	207 092
- in second to fifth year inclusive	144 279	133 751
	373 792	340 843
Less: future finance charges	(61 072)	(50 929)
Present value of minimum lease payments	312 720	289 914
Present value of minimum lease payments due		
- no later than one year	187 921	167 701
- later than one year and no later than five years	124 799	122 213
	312 720	289 914
Non-current liabilities	124 799	122 213
Current liabilities	187 921	167 701
	312 720	289 914

Office equipment is leases under two non-cancellable lease agreements for terms of 3 years each 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 R 237 628 (2018: R 281 259) serve as security for the liabilities (Refer to Note 4).

Office equipment lease commenced on the 04 October 2018 and it is due to expire on the 03 October 2021 (i.e. 36 month period).

10. Trade and other payables

Trade payables	314 935	27 589
Accrued leave pay	942 782	938 152
Accrued bonus	460 368	401 563
Accrued expenses	275 471	215 323
Medical aid contribution	90 605	111 453
	2 088 144	1 694 071

11. Agency fees held in trust

This relates to agency fees administered by the PSCBC in terms of Agency shop agreement (Resolution 1 of 1998) and section 25 of the Labour Relations Act (Refer to Note 8)

Agency fees held in trust	21 915 996	19 163 178
Breakdown of agency fees held in trust:		
Opening balance	19 163 178	16 982 281
Interest received (Net)	294 700	310 535
Less: Expenditure Incurred	(14 903)	(63 159)
Agency fees received	217 506 914	217 880 178
Agency fees paid	(215 033 893)	(217 957 162)
	21 915 996	19 163 178

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

12. Financial assets by category

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

2019	Loans and receivables	Total
Trade and other receivables	855 983	855 983
Cash and cash equivalents	24 049 280	24 049 280
Agency fees held in trust	21 915 656	21 915 656
	46 820 919	46 820 919

2018	Loans and receivables	Total
Trade and other receivables	1 774 572	1 774 572
Cash and cash equivalents	26 781 517	26 781 517
Agency fees held in trust	18 163 178	18 163 178
	46 719 267	46 719 267

13. Financial liabilities by category

2019	Financial liabilities at amortised cost	Total
Finance lease liabilities	312 720	312 720
Trade and other payables	2 088 149	2 088 149
	2 400 869	2 400 869

2018	Financial liabilities at amortised cost	Total
Finance lease liabilities	289 914	289 914
Trade and other payables	1 694 071	1 694 071
	1 983 985	1 983 985

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

14. Post retirement benefits

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

15. Revenue

Levy income	38 930 900	37 060 268

16. Other operating income

Subsidy received	162 127	148 556
Insurance, sponsorships, recoveries and services seta income	606 120	130 332
Administration fees	7 200	7 200
	785 447	287 788

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

17. Interest received

Interest income		
Levy account	1 280 134	2 192 748

18. Finance costs

Interest paid - Finance lease	57 423	74 972
Interest paid - Tax & Fuel	201	-
	57 624	74 972

19. Taxation

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

20. Other operating expenses

Amortisation	375 055	327 605
Audit Fees	471 023	462 325
Depreciation	1 327 119	1 358 022
Employee cost	15 808 147	14 062 137
Legal fees	2 218 265	952 241
Travel - local	301 239	115 898
	20 500 848	17 288 236

21. Cash generated from (used in) operations

Loss before taxation	(4 259 558)	(158 889)
Adjustments for:		
Amortisation	375 055	327 605
Depreciation	1 327 119	1 358 022
Interest received	(1 280 134)	(2 192 748)
Finance costs	57 624	74 972
Changes in working capital:		
Trade and other receivables	918 589	(1 411 022)
Trade and other payables	354 073	(72 348)
	(2 507 038)	(2 074 170)

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

22. Related parties

Relationships	
The following are related parties	
Senior management	Key Senior Management: Remuneration
Chairperson of Council	Council member: Attendance of meeting and reimbursement of cost

Balances and transactions with other related parties

Related party		
Senior management		
Remuneration	4 500 655	2 665 873
Chairperson of Council		
Attendance of meetings and cost reimbursement	480 777	427 002

23. 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.

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/6/5/126)
Annual Financial Statements for the year ended 31 March 2019

Detailed Income Statement

Figures in Rand	Notes	2019	2018
Revenue			
Levy income		38 920 588	37 080 556
Other income			
Subsidy received		192 127	149 660
Insurance, sponsorships, recoveries and services seta income		536 120	130 933
Administration fees		7 200	7 200
Interest received	17	1 280 134	2 182 748
		2 075 581	2 400 536
Expenses (Refer to page 30)		(45 238 309)	(39 645 019)
Operating (deficit) surplus		(4 241 740)	(83 917)
Finance costs	18	(57 628)	(74 972)
(Deficit) Surplus for the year		(4 299 368)	(158 889)

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

Public Service Co-ordinating Bargaining Council

(Registration number: LR2/6/6/125)
Annual Financial Statements for the year ended 31 March 2019

Detailed Income Statement

Figures in Rand	Notes	2019	2018
Operating expenses			
20th Anniversary/CBI		(5 117 837)	(5 633 841)
Alarm security		(10 970)	(10 247)
Amortisation		(375 056)	(327 833)
Arbitration and conciliation		(2 334 622)	(2 438 165)
Auditors remuneration	20	(471 623)	(462 525)
Bank Charges		(37 898)	(36 590)
Body corporate levies		(1 375 784)	(526 560)
Books and subscriptions		(35 346)	(12 726)
Case Management Systems and reports		(32 000)	(48 000)
Cleaning		(152 958)	(107 305)
Collaborator System		(296 183)	(260 637)
Conferences, meetings and seminars		(6 197 446)	(2 404 035)
Corporate wear		(66 618)	(59 326)
Depreciation		(1 327 116)	(1 358 032)
Electricity expense		(297 480)	(274 757)
Employee costs		(15 623 147)	(14 052 107)
Information technology		(412 643)	(452 875)
Insurance		(191 593)	(236 853)
Lease rentals on operating lease		(22 800)	(18 157)
Legal expenses		(2 218 266)	(662 241)
Licences		(12 186)	(9 620)
Management services		(716 165)	(250 821)
Marketing and communications		(1 178 725)	(1 500 216)
Motor vehicle expenses		(47 794)	(47 000)
Office refreshments		(58 503)	(53 534)
Pensions redress project		(1 014 125)	(475 008)
Postage		(23 762)	(15 271)
Printing and Stationery		(375 205)	(320 930)
Provincial Chamber costs		(876 563)	(1 858 711)
Rates and taxes		(577 141)	(524 086)
Repair and Maintenance		(369 717)	(183 102)
Research and development costs		(130 000)	61 202
Sewerage		(8 521)	(9 462)
Strategic partnerships		(240 352)	(729 493)
Telephone and fax		(292 270)	(310 191)
Temporary wages		-	(8 408)
Training		(1 550 784)	(3 570 691)
Travel - local		(301 239)	(115 690)
Waste management		(12 221)	(27 525)
Water		(20 566)	(31 705)
		(45 238 309)	(39 645 019)

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

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