CELEBRATING 20 YEARS

GPSSBC

GENERAL PUBLIC SERVICE SECTOR BARGAINING COUNCIL

1999 - 2019

GPSSBC ANNUAL REPORT

2018-2019

TWO DECADES OF PROMOTING SOCIAL JUSTICE IN THE WORKPLACE

POPCRU

NEHAWU

EMPLOYER

PSA

COUNCIL

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FOREWORD BY THE CHAIRPERSON

L. MODISE

This 2018/19 FY Annual Report, details the accomplishments of the General Public Service Sector Bargaining Council (GPSSBC). The Council was inaugurated in September 1999, making 2019 an important year for the Council, being its 20th anniversary year.

In recognition of these two important milestones the Council has adopted a year-long theme of two decades of promoting social justice in the workplace. The GPSSBC has contributed tremendously over the past decades to Labour peace and reform in the General Public Service Sector and continues to play a pivotal role in the public service at large.

In commemoration of the event the Council has held case law seminars across the 9 provinces as well as with all national departments. It is the intention of the Council to convene a National Conference during the month of October 2019 to provide the broader sector with a conference that will respond to the challenges of Collective Bargaining and Dispute Resolution in the Sector, with a view to identify preservation and improvements for the Council to adopt to ensure that the GPSSBC remains responsive to the needs of the Sector.

Coming back to the financial year under review the Council has been busy with the finalisation and implementation of the 2019-2022 Strategic Plan. The Executive Committee has concluded a successful operational plan which will ensure that the Council is able to deliver on the strategic goals identified.

This document provides reports, analysis and information that reflect the good work produced and a detailed analysis on the Council's operations.

It is my honor to thank the Council members, Executive Committee members, Task Team Members, Management and Staff of the GPSSBC for their efforts and contributions to this Council and I look forward to their continued support and initiatives in making FY2019/20 a remarkable success.

Thank you

Lavery Modise

OVERVIEW BY THE SECRETARY TO COUNCIL

S. OODIT

I am pleased to present to you the 20th Annual Report of the GPSSBC.

During this the GPSSBC, 20th Anniversary year it is important to reflect on some of the achievements of the Council. I am proud to report that over the past two decades, the Council has concluded and implemented 55 collective agreements across the sector, on issues ranging from the appointment of fulltime shop stewards to 9 separate Occupational Specific Dispensations or OSD's as they are known, and more recently agreements on organisational rights and special leave.

Through Collective Bargaining, the Council has managed to enter and sign the below agreement for the reporting period:

Resolution 2 of 2018 - Agreement on the Inclusion of an Addendum to Resolution 2 of 2009: Occupational Specific Dispensation (OSD) for Correctional Services Officials

The huge mandate of executing collective bargaining for 86% of the state, takes place mainly through the Council's 56 Chambers. These Chambers have since 2004 collectively reached over 30 000 decisions which ultimately have contributed to a relatively peaceful and productive workplace across the sector, these decisions relate to matters related to Policy, working hours and even enforcement of collective agreements.

The GPSSBC's secondary function is to provide an efficient and effective dispute resolution to over 300 000 employees who reside within the scope. Since 2004 the Council has administered its own Dispute Resolution and statistics indicate that almost 90 000 disputes have been referred since, at an average of 4500 per annum with at least 3000 properly referred matters being administrated annually. This case load accounts for the highest in the Public Service.

GPSSBC was the first Council to be fully automated and 98% paperless since 2008, thereby contributing to improved efficiencies as well as reducing the Council's carbon footprint. In 2014 the Council was also the first to build and occupy office accommodation which is responsive to its administrative needs and those we serve.

The Council has also ensured that the Sector has continuously received training and development in the areas of Labour Relations, Negotiations Skills and Dispute Resolution procedures and processes.

The past financial year has delivered a strategic plan for the 2019-22 strategic cycle. A full overview of the plan is provided in the report. The Executive Committee has also concluded an operational plan in ensuring the implementation of the strategic plan.

The Councils work during the past financial year has once again been substantive and the report provides you with the individual Unit Reports, which contain an overview of the operations for the financial year.

I would like to express my gratitude to our Chairperson, Vice Chairpersons, Council and Executive Committee members for providing great support and direction and leadership to the Council. I would also want to recognize our managers and staff who ensure that the GPSSBC is successful in every aspect.

Thank you

Sharlaine Oodit

OVERVIEW OF THE GPSSBC

The General Public Service Sectoral (GPSSBC) was designated in terms of the PSCBC Resolution 10 of 1999.

Subsequent to its designation by the PSCBC in 1999, the General Public Service Bargaining Council (GPSSBC) was registered with the registrar of Labour Resolutions at the Department of Labour. The registration is effective 28 July 1999. The GPSSBC inaugurated 7th of September 1999. It was accredited to do dispute resolution 1 June 2000.

THE GPSSBC'S CORE OBJECTIVES ARE THE PROMOTION OF:

- Enabling environment for collective bargaining;
- Create and maintain effective and efficient administration;
- Promote effective and expeditious dispute management;
- Improve the governance model by inculcating best practice in all aspects of our work; and
- Develop an effective communication strategy.

OUR VISION

The vision of the GPSSBC is: ***Delivering exceptional service to all we serve.***

OUR MISSION

The vision of the GPSSBC is: ***To promote sound labour relations and ensure industrial stability within the sector.***

OUR VALUES

EFFICIENCY	ACCOUNTABILITY	EQUITY	INTEGRITY
· Productivity · Application of best practices · Excellent services	· Desire to perform well · Accepting accountability for own behavior · Commitment	· No unfair discrimination · Gender equality · Integration of disability issues · Affirmative action	· Honesty · Effective service delivery

COUNCIL MEETINGS

ACTIVITY	NUMBER
Council Meetings	8
Executive Committee Meetings	7
Task Team Meetings	4
Negotiation Committee Meetings	3

SCOPE OF THE GPSSBC

The GPSSBC covers all Public Service employees who do not fall within the scope of the other Sector Councils (i.e. PHSDSBC, SSSBC or the ELRC), and excludes uniformed members in the following institutions:

- Members of the National Defence Force;
- Members of the National Intelligence Agency;
- Members of the South African Secret Service; and
- Members of the South African National Academy of Intelligence.

The GPSSBC therefore covers all national and provincial departments which are not covered by the scopes of other three sector councils.

The GPSSBC has been established as a result of the PSCBC having designated a "general" sector in the public service in terms of section 37 of the LRA, and PSCBC Resolution 10 of 1998, that is, a sector other than education, safety and security and health and social development. The jurisdiction of the GPSSBC is determined by its scope of registration and can be summarized as all those departments (and employees) that are not covered by the other three sectors.

The GPSSBC was registered and inaugurated with the Department of Labour on 7 September 1999. The GPSSBC derives its powers and functions from the Constitution of Council. The powers and functions are defined as follows:

- Conclusion of collective agreements;
- Enforcement of collective agreements;
- Prevention and resolution of labour disputes;
- Performance of the dispute resolution functions referred to section 51 of the *act*;

- Establishment and administration of a fund to be used for resolution of disputes;
- Promotion and establishment of training and education schemes;
- Raising, borrowing, lending, levying and investing funds;
- Development of policy proposals that may affect the sector;
- Determining, by collective agreement, matters that may not be an issue in dispute for the purposes of a strike or a lock-out at a workplace;
- Exercising any other power to perform any other function that may be necessary or desirable to achieve the objectives of council;
- Creation of an environment conducive to the provisioning of operational services by the PSCBC to the council if it contributes to efficiency or administrative convenience and is appropriate for the sharing of skills, expertise or resources.

The objectives of the Council are contained in the GPSSBC Constitution. They are listed to be:

- promote labour peace in the General Public Service Sector;
- promote and maintain sound relationships between the employer and its employees;
- in terms of the Act and this constitution, negotiate and bargain collectively to reach agreement on matters of mutual interest to the employer and employees represented by admitted trade unions in the Council;
- provide mechanisms for the prevention and effective and expeditious 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;

- Conclude, supervise and enforce collective agreements;
- Comply with its powers and duties in terms of the act and this constitution;
- Consider and deal with such other matters as may affect the interests of the parties to the council; and
- Promote the effective delivery of services to the community;

- Promote effective communication between the employer, its employees and the trade unions in the general public service sector.

The GPSSBC is governed by duly elected members to Council, acting as parties to the Council, representing the employer and all trade unions admitted to the GPSSBC. Subject to the direction and control of the Council, the Executive Committee may exercise and perform the powers, functions and duties of the Council relating to the supervision and control of the day-to-day management and administration of the Council.

The composition of the Executive Committee is as follows:

(a) Chairperson and two Vice-Chairpersons;

(b) Three (3) representatives appointed/elected by the employer; and

(c) Three (3) representatives appointed/elected by the admitted trade unions.

(d) The Secretary to Council.

MEMBERSHIP TO THE GPSSBC

As established the parties to the Council are the State as employer and all trade unions admitted to the Council. Unions who meet the following criteria or threshold requirements may apply for admission to the *Council*:

(a) A registered *trade union* which meets the threshold requirement of 30 000 members; or

(b) two or more registered *trade unions* acting together as a single party, (referred to as a combined trade union party), provided their combined membership meets the threshold requirement of 30 000 members**.**

The trade unions meeting these requirements in the GPSSBC are; Police and Prison Civil Rights Union (POPCRU); National Education, Health and Allied Workers Union (NEHAWU) Public Servants Association (PSA).

Government Departments falling under the Scope of GPSSBC	
1.	Dept. of Agriculture, Forestry and Fisheries
2.	Dept. of Arts and Culture
3.	Dept. of Basic Education
4.	Dept. of Higher Education and Training
5.	Further Education and Training Colleges

Government Departments falling under the Scope of GPSSBC	
6.	Dept. of Cooperative Governance
7.	Dept. of Traditional Affairs
8.	Economic Development Department
9.	Dept. of Energy
10.	Dept. of Mineral Resources
11.	Dept. of Defence
12.	Government Communication Information System
13.	Government Printing Works
14.	Government Pension Administration Agency
15.	Dept. of Communications
16.	Dept. of Home Affairs
17.	Dept. of Human Settlements
18.	Dept. of International Relations and Cooperation
19.	Independent Police Investigative Directorate
20.	Dept. of Justice and Constitutional Development
21.	Dept. of Correctional Services
22.	Dept. of Environmental Affairs
23.	Dept. of Tourism
24.	Office of the Public Service Commission
25.	Dept. of Planning, Monitoring and Evaluation
26.	Dept. of Public Enterprises
27.	National School of Government
28.	Dept. of Public Service and Administration

Government Departments falling under the Scope of GPSSBC	
29.	Dept. of Public Works
30.	Dept. of Rural Development and Land Reform
31.	Dept. of Science and Technology
32.	Dept. of Sport and Recreation South Africa
33.	Statistics South Africa
34.	National Treasury
35.	Dept. of Trade and Industry
36.	Dept. of Labour
37.	Dept. of Transport
38.	The Presidency
39.	Dept. of Water and Sanitation
40.	Dept. of Women
41.	Dept. of Military Veterans
42.	Dept. of Telecommunications and Postal Services
43.	Dept. of Small Business Development
44.	Civilian Secretariat for the Police Services
45.	Office of the Chief Justice
46.	Government Advisory Technical Centre
47.	Municipal Infrastructure Support Agent

North West Province	
1.	Office of the Premier
2.	Dept. of Tourism
3.	Dept. of Education and Sport Development
4.	Dept. of Economy Enterprise Development
5.	Dept. of Finance
6.	Dept. of Local Government and Human Settlements
7.	Dept. of Culture, Arts and Traditional Affairs
8.	Dept. of Public Works and Roads
9.	Dept. of Rural, Environment and Agriculture Development

Mpumalanga Province	
1.	Office of the Premier
2.	Dept. of Agriculture, Rural Development, Land and Environmental Affairs
3.	Dept. of Community Safety, Security and Liaison
4.	Dept. of Cooperative Government and Traditional Affairs
5.	Dept. of Culture; Sport and Recreation
6.	Dept. of Economic Development and Tourism
7.	Dept. of Education
8.	Provincial Treasury
9.	Dept. Human Settlements
10.	Dept. of Public Works, Roads and Transport

Gauteng Province	
1.	Office of the Premier
2.	Dept. of Agriculture and Rural Development
3.	Dept. of Community Safety
4.	Dept. of Economic Development
5.	Dept. of Education
6.	Provincial Treasury
7.	E-Government
8.	Dept. of Human Settlements
9.	Dept. of Infrastructure Development
10.	Dept. of Roads and Transport
11.	Dept. of Sport, Arts, Culture and Recreation

Eastern Cape Province	
1.	Office of the Premier
2.	Dept. of Economic Development, Environmental Affairs and Tourism
3.	Dept. of Education
4.	Dept. of Human Settlements
5.	Dept. of Cooperative Governance and Traditional Affairs
6.	Dept. of Provincial Planning and Treasury
7.	Dept. of Roads and Public Works
8.	Dept. of Rural Development and Agrarian Reform
9.	Dept. of Safety and Liaison
10.	Dept. of Sport; Recreation; Arts and Culture
11.	Dept. of Transport

Western Cape Province	
1.	Dept. of the Premier
2.	Dept. of Agriculture
3.	Dept. of Community Safety
4.	Dept. of Cultural Affairs and Sport
5.	Dept. of Economic Development and Tourism
6.	Dept. of Education
7.	Dept. of Environmental Affairs and Dev. Planning
8.	Dept. of Human Settlements
9.	Dept. of Local Government
10.	Dept. of Transport and Public Works
11.	Provincial Treasury

Northern Cape Province	
1.	Office of the Premier
2.	Dept. of Agriculture, Land Reform and Rural Development
3.	Dept. of Cooperative Governance, Human Settlements and Traditional Affairs
4.	Dept. of Education
5.	Dept. of Environment and Nature Conservation
6.	Dept. of Economic Development and Tourism
7.	Dept. of Roads and Public Works
8.	Dept. of Sport, Arts and Culture
9.	Provincial Treasury
10.	Dept. of Transport, Safety and Liaison

Free State Province	
1.	Office of the Premier
2.	Dept. of Agriculture
3.	Dept. of Cooperative Governance and Traditional Affairs
4.	Dept. of Economic Development, Tourism and Environmental Affairs
5.	Dept. of Education
6.	Dept. of Human Settlements
7.	Dept. of Public Works
8.	Dept. of Sport, Arts, Culture and Recreation
9.	Provincial Treasury
10.	Police, Roads and Transport

Limpopo Province	
1.	Office of the Premier
2.	Dept. of Agriculture and Rural Development
3.	Dept. of Economic Development, Environment and Tourism
4.	Dept. of Education
5.	Dept. of Cooperative Governance, Human Settlements and Traditional Affairs
6.	Dept. of Public Works, Roads and Infrastructure
7.	Dept. of Transport
8.	Dept. of Safety; Security and Liaison
9.	Dept. of Sports; Arts and Culture
10.	Dept. of Provincial Treasury

KwaZulu-Natal Province	
1.	Office of the Premier
2.	Dept. of Agriculture and Environmental Affairs
3.	Dept. of Arts and Culture
4.	Dept. of Community Safety and Liaison
5.	Dept. of Cooperative Government and Traditional Affairs
6.	Dept. of Economic Development, Tourism and Environmental Affairs
7.	Dept. of Education
8.	Dept. of Human Settlements
9.	Dept. of Public Works
10.	Dept. of Sport and Recreation
12.	Dept. of Transport
13.	Dept. of Finance

STRATEGIC GOALS AND OBJECTIVES

Strategic Objective1: STRENGTHENING SOCIAL DIALOGUE

Goal statement: Promote and advocate efficient and effective interaction with stakeholders in line with ILO standards.

Key Performance Areas:

1. Promote Social Dialogue amongst all key stakeholders as part of the 20th Anniversary of the GPSSBC.
2. Develop and implement a plan to engage Executive Managers in National and Provincial Government Departments to promote peaceful labour relations.
3. Establish strategic partnerships with Higher Education Institutions; Local and International Research Organisations to conduct research on best practices for benchmarking.

Strategic Objective 2: MAINTAIN AN EFFECTIVE DISPUTE RESOLUTION SYSTEM

Goal statement: Improve the effectiveness of the current dispute resolution mechanisms within the public service.

Key Performance Areas:

1. Obtain approval from the Council for the establishment of an independent panel of Conciliators and Arbitrators through a consultative process for implementation.
2. Obtain a signed resolution on the establishment of a Professional Body for Dispute Resolution Practitioners for implementation.
3. Improve the case management system and implement. Strengthen the implementation of the Rules for the Conduct of Proceedings before the GPSSBC.
4. Strengthen the implementation of the Rules for the Conduct of Proceedings before the GPSSBC.
5. Advocate resolution of disputes in the workplace as a preventative measure and promotion of sound labour relations.

Strategic Objective 3: DEVELOP AN EFFECTIVE INFORMATION COMMUNICATION AND TECHNOLOGY STRATEGY

Goal statement: Improve current ICT system to strengthen communication with stakeholders and to enable reporting.

Key Performance Areas:

1. Develop and implement a strategy for the marketing of the activities of the Council.
2. Develop and implement a Communication Strategy.
3. Improve current Information Technology Systems and Architecture.

Strategic Objective 4: STRENGTHEN GOVERNANCE AND ADMINISTRATION OF THE COUNCIL

Goal statement: Improve governance and administration systems to improve the performance and functioning of the Council.

Key Performance Areas:

1. Develop a scientific funding model for the Council to obtain approval from National Treasury.
2. Review and implement the current structure to ensure effective service delivery.

3. Align governance framework with mandates and good governance models such as the King IV Report on Corporate Governance.
4. Review the Constitution of the GPSSBC in line with current trends and legislative changes.
5. Improve the current Performance Management and Development System for Council employees.
6. Develop and Implement a Risk Management Plan within the sector.

Strategic Objective 5: BUILD AND STRENGTHEN HUMAN CAPITAL

Goal Statement: Develop a training and development strategy to improve the human capacity in the sector and Council.

Key Performance Areas:

1. Conduct a needs analysis for all relevant functionaries in the sector form capacity building.
2. Participate in the Sector Skill Planning process of the relevant SETA's to ensure the allocation of funds for training.
3. Conduct a skills audit to determine the availability of the relevant skills in the sector.
4. Conduct training impact assessment.

Strategic Objective 6: STRENGTHEN COLLECTIVE BARGAIN PROCESSES IN THE SECTOR

Goal Statement: Promote and advocate efficient and effective Collective Bargaining in the Sector.

Key Performance Areas:

1. Conduct research and analysis on Collective Bargaining Trends globally.
2. Strengthen engagements with key stakeholders in the public sector on the importance of effective Collective Bargaining.
3. Strengthen mechanisms of enforcing Collective Bargaining Agreements.
4. Develop and implement a strategy to improve the mandating process for bargaining chambers and Council by the employer.

COUNCIL ACTIVITIES

The table below reflects Council activities outside of Core Business.

Activity	Date
GPAA Chamber Relationship Building Exercise	16-17 May 2018
ILERA Regional Congress – Mauritius	3-11 May 2018
PSETA granted funded training on Discipline Management in the Public Service – 150 Delegates Trained	18 June to 20 July 2018
Annual General Meeting	29 June 2018
ILERA World Congress – Seoul, Korea	23-27 July 2018
Council Strategic Planning Session – Sun City, North West	28-30 October 2018
Staff Heritage Day Celebration – Maropeng, Krugersdorp	9 November 2018
Staff Year-end Function – The Ranch, Limpopo	30 November 2018
Executive Committee (EXCO) Operational Planning Session – Silverstar Casino, Krugersdorp	28 February – 1 March 2019
9 Provincial Seminars – 20th Anniversary Celebration	6 March 2019 – April 2019
Staff Team Building Exercise – Gold Reef City	20 March 2019

COLLECTIVE BARGAINING

INTRODUCTION

It is the purpose of the Labour Relations Act 66 of 1995 as amended to promote and facilitate orderly collective bargaining at the workplace and at sectoral level. Collective bargaining is a means of ensuring motivation, social recognition, respect and dignity, which can harness the commitments undertaken by the Employer and Trade Union organizations to help them implement the core principles of public governance in democratic States, and to serve as an effective instrument for sound human resource management to improve the quality of services provided to the public.

The right to organize and to bargain collectively is closely linked to the other fundamental rights at work. It is the corollary of freedom of association. It is a constructive means of promoting the protection of workers, often in vulnerable situations, and enables the promotion of all of the fundamental rights. It is a key instrument in ensuring non-discrimination and equality, including equal remuneration for men and women for work of equal value, embodying in the world of work the guarantee of fundamental rights at work for all, especially with a view to promoting social justice.

The Collective Bargaining Unit ("CBU") is responsible for amongst others but not limited to the following: • the implementation of the provisions of the GPSSBC Constitution, • the implementation of relevant sections of the Governance Rules, and • to ensure optimal administrative functioning of the various structures of Council and Chambers by:

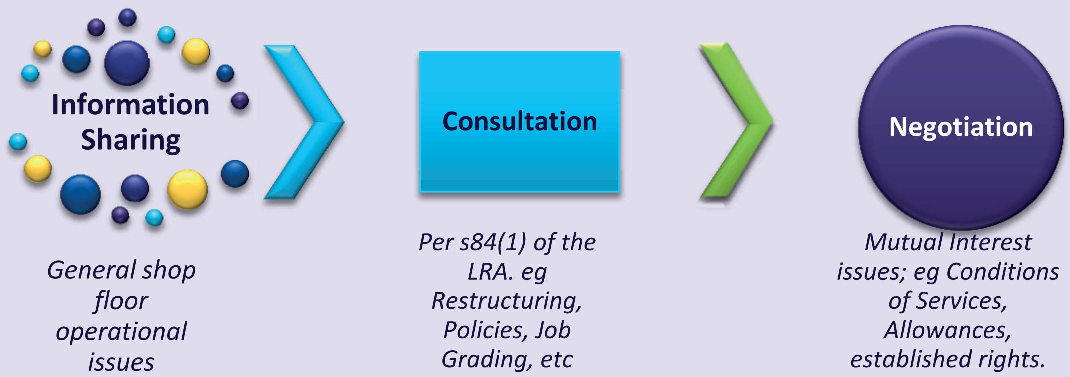
- Managing the logistics relating to all Council, EXCO, Provincial Chambers, National Chambers, Committees and Task Team meetings;
- Organising and preparing agendas for and take minutes of meetings;
- Prepare a Year Planner for Council, Provincial Chambers and National Chamber meetings;
- Responsible for ensuring that decisions from respective meetings are communicated to relevant parties and having in place a follow-up system to ensure implementation.

Consequently, the CBU is obligated to ensure that the aforementioned purpose of the LRA is fulfilled.

The purpose of Provincial and National Chambers is to provide a condusive environment that would expedite processes of information sharing, deliberations, consultation, and negotiation. These processes unfold at National Departmental and Provincial Administration levels respectively.

The core mandate of the CBU is to maintain an enabling environment for collective bargaining, as noted above in Council's strategic objectives. To ensure the efficient functioning of Chambers, the CBU utilises Governance Rules for Chambers, Resolution 1 of 2012.

Healthy collective bargaining generally follows this dialogue process or stages outlined below. Depending on the issue at hand, parties at the start of the collective bargaining process decide which route will be taken. There is typically lower dialogue intensity at information sharing level, medium at consultation, and higher intensity at negotiation process:



The CBU report reflects on the general state of collective bargaining in the general public service inter alia, but not limited to: workshops held, number of meetings, agenda items, Council interventions, and other key administrative processes related to collective bargaining.

Workshops Held

The following workshops were held during this report year.

Chairing of Disciplinary Hearings

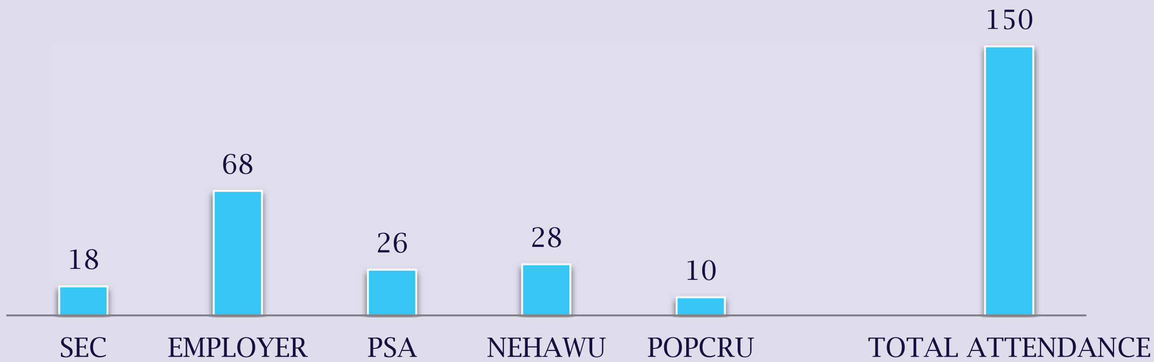
As part of Capacity Building, the Council has conducted Workshop on Chairing of Disciplinary Hearings to the following Bargaining Chambers:

WORKSHOP DATE	CHAMBERS IN ATTENDANCE
18 – 22 June 2018	• SECRETARIAT, DCS, DHET, DHA, DWS, GAUTENG
25 – 29 June 2018	• SECRETARIAT, DOJ
02 – 06 July 2018	• SECRETARIAT, DOE, DPW, CSPS, DWS, DAFF, NDT
09 – 03 July 2018	• SECRETARIAT, DRDLR, DOL
16 – 20 July 2018	• SECRETARIAT, DMR, PRESIDENCY, DTI, DPSA, TREASURY, DEA, MISA, DHS

Attendance per Party to Council

Out of fifty-six chambers, twenty-two were workshopped, and thirty-four chambers are outstanding – workshops will be conducted in the next financial year.

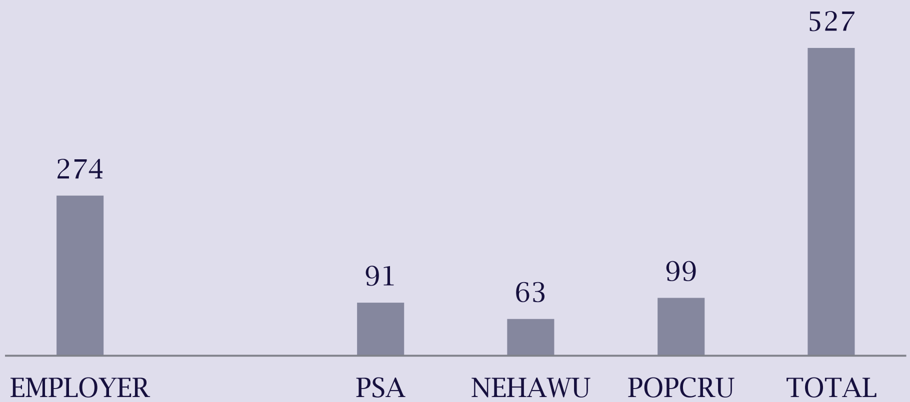
The graph below illustrates the total attendance of the Secretariat, the Employer and Organised Labour:



20th Anniversary Provincial Seminars

As part of the 20th Anniversary celebration, the Council conducted **Case Law Seminars** to all nine provinces to empower and capacitate members of the GPSSBC with the latest developments in Labour and Employment law in the public service.

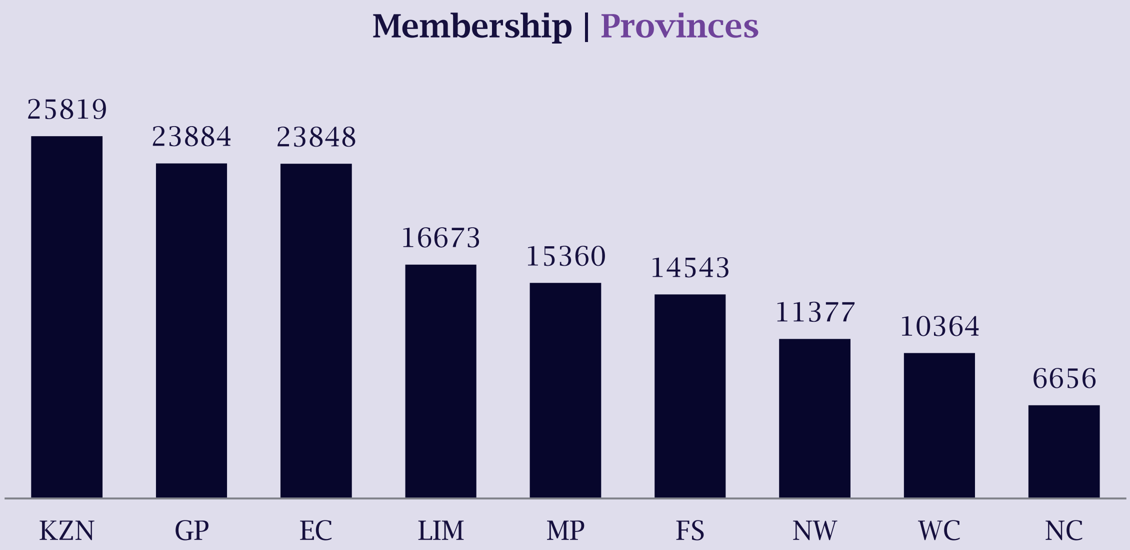
The Graph below illustrates the total attendance of the Employer, PSA, NEHAWU and POPCRU in all provinces:

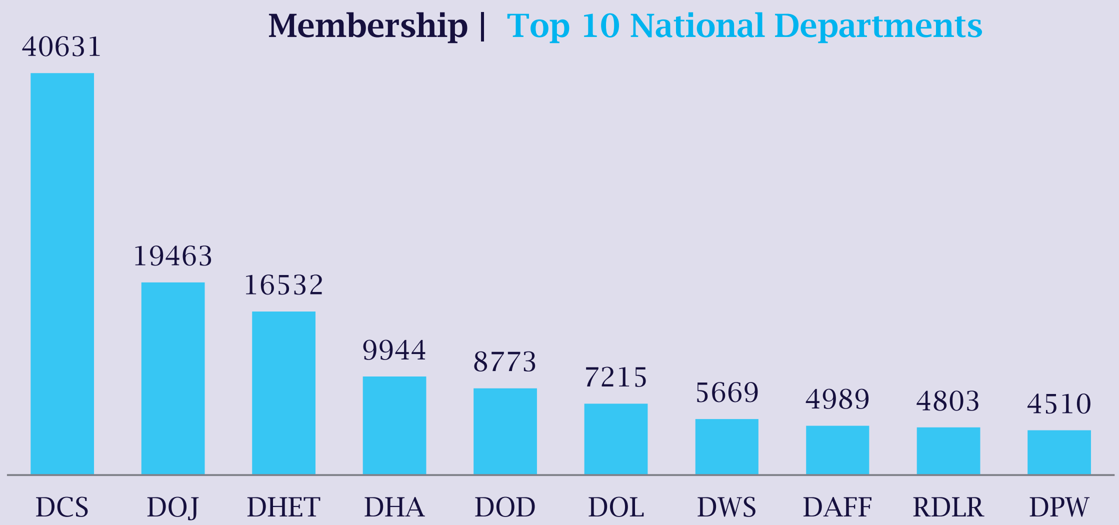


Unionized Employees in the Sector

The vote weights of trade unions admitted to chambers are determined on the basis of actual membership within the area of jurisdiction of the chamber (as reflected by PERSAL figures) in proportion to the membership of all the trade unions admitted to the chamber. Such figures are as at 31 December of the previous year.

The graph below illustrates unionized employees in the GPSSBC [per Province & top 10 National Department]:



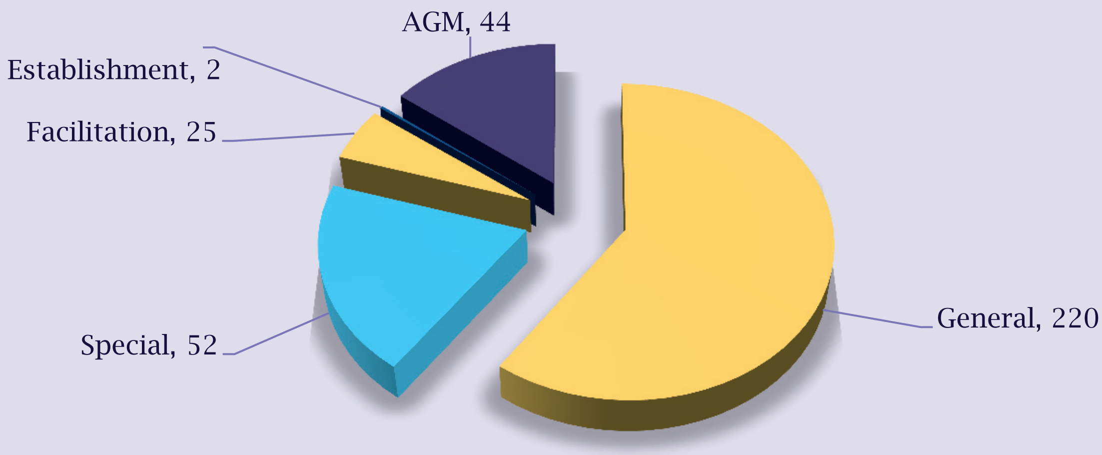


CHAMBERS OPERATIONAL REVIEW

National Departmental Chamber Meeting Engagements

In this reporting year, we saw a significant increase in the demand for bargaining on issues from parties to the chamber. The total actual meetings held were 343 over the past twelve months, averaging at 28.05 meetings per month.

The graph below illustrates the types and number of meetings held:



The Secretariat established Chambers for the Government Technical Advisory Centre (GTAC) as well as the Municipal Infrastructure Suuport Agent (MISA). The Chambers in question are fully operational and functional.

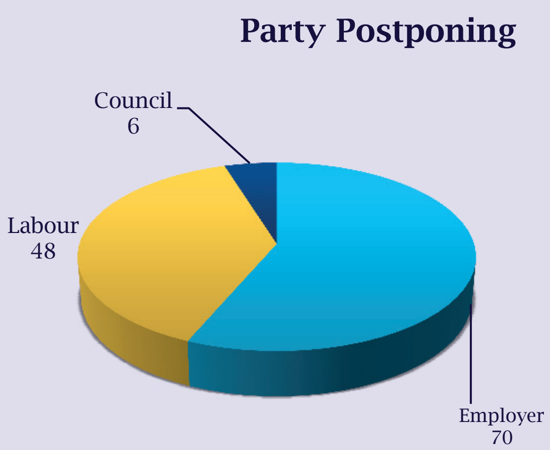
Postponements

The Governance Rules provide in clause 13.7 for the postponements of meetings. A request is submitted to the Secretariat, and must be granted by either the Chamber chairperson or administrator, provided there is an agreement from the Employer and a number of admitted Trade Unions representing a majority of votes on the side of Labour to the Chamber.

Postponements are mostly as a result of the unavailability of parties days before a scheduled meeting.

Parties Responsible for Postponements

In this reporting period, there were one hundred and twenty four (124) requests for postponements. Most of the requests for postponements were received from the Employer (70), with Organized Labour accounting for forty-eight (48) and the Council six (6). Most of the postponements by the Secretariat were for facilitation meetings and some wherein council, due to other commitments, was not available to chair and parties not amenable to either allow vice chairpersons to chair or to elect a chairperson amongst themselves.



It is notable that the Employer leads in all meeting type categories of postponements. The reason that is cited in several instances is unavailability of key representatives due to other pressing commitments. Parties are often very accommodative of postponement requests, though there are instances wherein complaints are raised.

Notwithstanding that there is usually a slight financial loss suffered by Council [catering, flights, car rentals, etc], the biggest setback resulting on postponements is matters staying on the agenda for a protracted period of time and strain relations between parties, which hampers collective bargaining.

Agenda Items and Key Decisions

There was a total of 350 items deliberated on Chamber agendas, averaging to 29 items dealt with per month. Chambers mostly dealt with both consultation and negotiation issues and the following were common agenda items:

- Policies
- Restructuring, Transformation, Realignment, or Modernization
- Payment of Performance Rewards/ Incentives/ Bonuses
- Organisational Structure
- Cost Cutting Measures
- Relocation of Departments
- Parking Space
- Filling of Posts
- Contract workers
- Corporate Clothing/ Wear
  Working Conditions of Security Officers

- Implementation of GPSSBC Resolution 5 of 2014

Council Intervention in Chambers

According to clause 1 of the Governance Rules for Chambers, Resolution 1 of 2012, Council may intervene in the operations of a Chamber, if such intervention is regarded as necessary.

During this reporting period, Council made several interventions to Chambers; these include, inter alia:

- Facilitating engagement between parties
- Taking over the chairing of chamber meetings
- Conducting workshops on pertinent areas
- Offering written advice to parties upon request
- Observing functioning of chambers by attending meetings, and
- Facilitating and mediating settlements on deadlock

Out of fifty six (56) GPSSBC Chambers, Council provides chairpersonship for eighteen (18) National Departmental chambers. The Departmental Bargaining Chambers in question are the following:

•EDD •WOMEN •SRSA •DOC •DBE •DHET •GPW •DTI •STATSSA •DOE •OCJ •MISA •DTPS •CSP •FETC •DSBD •DHA and •NDT

Council was also invited by several Chambers to either –

- Conduct workshops,
- Provide facilitated engagements between parties, or
- Advise parties on issues of mutual interest.

Some of the issues also included assisting parties to understand differences between consultation and negotiation.

A report on deadlocks facilitations and mediations is provided below.

Dispute Prevention – Clause 17 of Governance Rules

Background

Clause 17 of the Governance Rules (Resolution 1 of 2012) is a mechanism for dispute prevention on matters emanating from the chamber agenda, seeking to achieve a facilitated or mediated settlement of deadlocks. This is a measure of attempting to settle matters on deadlock/dispute between parties before they are referred to Council for dispute resolutions processes of Conciliations and Arbitrations.

During this reporting period, there were forty-four (44) clause 17 referrals. This showed a slight increase of facilitation meetings as compared to the last financial year.

Issues on deadlock

Issues on deadlock varied from chamber to chamber, and were referred to Council for facilitations. The Department of Water and Sanitation referred most items. The table below illustrates some of the referrals and issues, settlements, unresolved issues and wherein parties reserved their rights.

Chamber	Issue(s) Referred	Facilitation Outcome
FETC	Labour observer status in the Moderation Committee.	Parties could not reach consensus and Labour reserved its right to take the matter through Council's dispute resolution processes.
	Implementation of Section 198B Permanency for CET Staff.	Parties will convene a bilateral meeting to engage further on the matter.
	Implementation of PSCBC Resolution 3 of 2009.	Parties will convene a multilateral meeting to engage further on the matter.
	Unpaid Benefits as a result of Dual Pay System.	Parties will convene a Task Team meeting to engage further on the matter and for Labour to bring forth its specifics in that meeting for verification purposes.
	Absorption (Section 198B) of 204 employees whose recruitment process are in doubt according to colleges and in Ring Fencing those who are below REQV 13.	Labour will follow the dispute resolution process in finalizing the matter.

Chamber	Issue(s) Referred	Facilitation Outcome
NC	Departmental Structure OTP Northern Cape Job Evaluation Policy EPMDS Policy	The matter was referred back to the Chamber for parties to engage and agree on a way forward. The matter was referred back to the Chamber for parties to engage and Labour will forward inputs on the JE Policy. The matter was referred back to the Chamber for parties to engage and Labour will forward inputs on the Policy.
DOL	Implementation of the UIF Approved Structure. Implementation of the Approved Submission of SR 9 to SR10 and SR 11 to SR 12.	Labour reserved its rights on the matter and declared a dispute. Labour reserved its rights on the matter and declared a dispute.
DAFF	Subsidized Motor Transport. Non – Filling Vacancies. Salary Levels for Lecturers in all Agricultural Colleges under the Department of Agriculture in the Country. Unilateral reduction of Cellphone and 3G Allowance. Incorporation of Conditions of Employment for all Agriculture Colleges in the Public Service to the DAFF DBC.	Labour withdrew the matter from the facilitation process as it was being implemented gradually. The matter was referred back to the chamber for further engagements on it and monitoring. A presentation on the HR and Finance perspective would be made at the special meeting. The Employer would consult the DPSA on the matter and provide feedback. Labour reserved its rights on the matter and would follow the dispute process of the Council. The Employer would consult the DPSA on the matter and provide feedback.

Approximately 20 Chambers have had facilitations, with FETC having referred the most items at fifteen (15). The figure below illustrates the numbers of referrals, issues, settlements and those that were not resolved (wherein parties reserved their rights).

Clause 17 Meetings	Facilitations	Mediations
Number of issues Referred	44	0
Matters Resolved	21	0
Matters not resolved	13	0
Pending	10	0

Organized Labour as a unit and individual unions referred all the items for facilitation. It can also be noted that some issues that are facilitated and settled are as a result of frustration from referring parties, claiming that matters stay too long on chamber agendas without notable progress.

Of great disquiet is that the same parties who are alleged to be delaying progress at chamber level are more than readily amenable to offer settlements to issues once at Council level. *NB: Parties should always approach the collective bargaining structures of Council with mandates and willing to bargain on issues.*

Dispute prevention (Clause 17) was a success: Parties settled many referrals, saving Council thousands of rands in daily fees, rulings and or award fees. In this instance, a total of 21 items were resolved at Facilitation level. Consequently, Council potentially saved approximately R 112 350.00 of Dispute Resolutions fees over this reporting period.

See the illustration below:

<table>
<tr><td>Total Matters Resolved</td><td colspan="2">21</td></tr>
<tr><td>Conciliation Fees Saved</td><td>R 2,350.00</td><td rowspan="3">R 49 350.00</td></tr>
<tr><td>Daily Fees</td><td>R 1,850.00</td></tr>
<tr><td>Rulings</td><td>R 500.00</td></tr>
<tr><td>Arbitration Fees Saved</td><td>R 3000.00</td><td rowspan="4">R 63 000.00</td></tr>
<tr><td>Daily Fees</td><td>R 2,500.00</td></tr>
<tr><td>Rulings</td><td>R 500.00</td></tr>
<tr><td>Award Fees</td><td>R1000.00</td></tr>
<tr><td colspan="2">Estimated Total Amount Saved (resolved items)</td><td>R 112 350.00</td></tr>
</table>

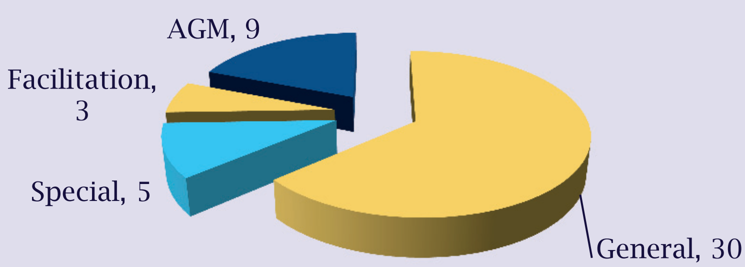
Provincial Administration Chambers

Number of Meetings: Provincial Chambers

The GPSSBC Resolution 3 of 2004 institutionalized the establishment of the Provincial Chambers within their scope of operation in all nine provinces. The GPSSBC provides the secretariat services to seven of the nine provinces except - Free State and Limpopo are serviced by the Employer on consensus with their Organized Labour counterparts.

GPSSBC Resolution 1 of 2012, an amendment to GPSSBC Resolution 2 of 2005, provides guidelines on the functioning of the provincial chambers. The total number of provincial chamber meetings was forty-seven (47), including Special Meetings and Annual General Meetings held. This figure has decreased when compared to last financial year, averaging at 3.9 meetings per chamber; which encapsulates general, special and Annual General Meetings.

The graph that illustrates the types and number of meetings held:



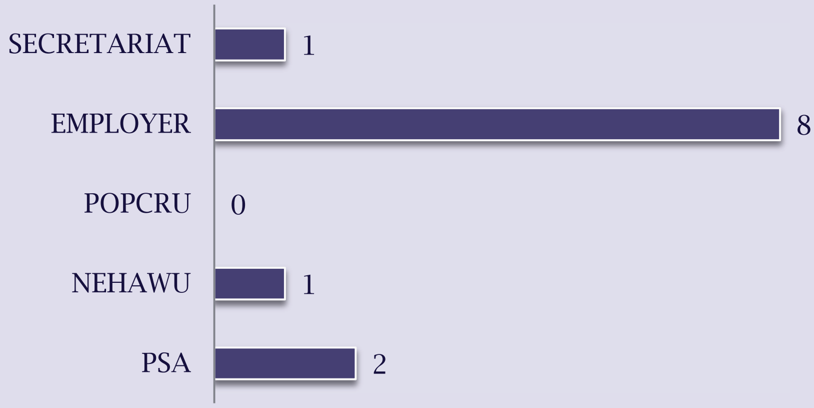
Common Agenda Items dealt with during the period under review by the various provincial chambers are as follows:

- Restructuring in the Departments
- Road Traffic Management Corporation (RTMC) Issues
- Recognition of Improved Qualifications in the Public Service (GPSSBC Resolution 5/2014)
- Policies

Postponements: Provincial Chambers

There were a total of 12 postponements received from Provincial Chambers and most were requested by the Employer due to other commitments, followed by the PSA and NEHAWU.

The Graph below illustrates the number of postponements and responsible parties for postponements:



Matters of Mutual Interest

Below is a depiction of a few matters of mutual interest discussed during this reporting period; however, some of these items have not been concluded. This list also covers the Council ratified agreements;

- Restructuring/ Re-alignment/ Transformation
- PMDS (Payment of Performance Rewards/ Incentives/ Bonuses)
- Implementation of PSCBC Resolution 1 of 2012/ Amendment to PSCBC Resolution 3 of 2009
- Implementation of GPSSBC Resolution 5 of 2014: Agreement on Recognition of Improved Qualifications
- Filling of Positions
- Cost Cutting Measures
- Relocation of Departments

Challenges in Collective Bargaining

The following are some of the notable challenges identified during this reporting period:

- Lack of understanding of chamber's role and non-compliance with its procedures;
- Lack of mandate and commitment by parties;
- Non implementation of collective agreements;
- Non implementation of chamber decisions;
- Issues remain on the chamber agenda for a protracted period of time;
- Non-functional of task teams that fail to finalize issues; and
- Parties influenced by political issues and directly or indirectly undermine the chamber's role, protocols and processes.

Recommendations

These are some of the recommendations for consideration in the ensuing financial year:

- Council should monitor chamber's functionality and performance;
- Parties should revive and improve the functioning of labour and employer caucuses;
- Parties should commit to consistency of representation that is properly mandated;
- Parties should convene priority joint workshops to address interpretation and implementation issues after signing of a collective agreement;
- Chambers should ensure that there is no deviation from collective agreements during implementation;
- Chambers should adopt a flexible approach, whilst improving capacity to expand knowledge of negotiations and develop bargaining skills; and
- Council should develop/improve parties' negotiation skills through joint training.

DISPUTE MANAGEMENT

INTRODUCTION

The GPSSBC derives its statutory power to resolve disputes from Section 52 and Section 127 of the Labour Relations Act 66 of 1995 (as amended). In terms of the aforementioned sections, the Governing Body of the Commission for Conciliation, Mediation and Arbitration (CCMA) accredits the Council to perform the dispute Resolution functions listed in section 51 of the Labour Relations Act. These functions are further limited and/or restricted to parties within the scope of the Council.

Council furthermore derives powers and jurisdiction from its Constitution and GPSSBC Resolution 4/2004 that governs the rules for conduct of proceedings. The Rules were established and written into a Collective Agreement to allow for an expedited and efficient dispute Resolution process within the GPSSBC. The Rules in the main do not deviate from the provisions of the LRA and seek mainly to enhance the fundamentals contained in the Act. The Rules do however assist the Council to deliver an adequate dispute Resolution service to the Sector.

Disputes concerning dismissals and unfair labour practices are the most common disputes that are referred to the Council. The focus of the Dispute Resolution Unit is to ensure an effective and efficient dispute Resolution mechanism to its clients, through implementation of the processes and structures to ensure value adding to Council, thus delivering service excellence.

In accordance to the above values are integrity through honesty and effective service delivery, efficiency through productivity, application of best practices and excellent services, accountability through a desire to perform well, accepting accountability for own behaviour and commitment, equity through no unfair discrimination, gender equality, integration of disability issues and affirmative action.

The Dispute Management Unit ("DMU") is the principal executor of the legal mandate of Council to perform dispute resolution management and prevention. It is assigned with strategic objective to ***Maintain an effective Dispute Resolution System outcomes."*** with a goal statement to advance the effectiveness of the current dispute resolution mechanisms within the Public Service.

It is entrusted with a primary function to implement the effective resolution of labour disputes in a fair, impartial, equitable and without bias, promote and maintain high standard of professional ethics.

KEY STRATEGIC PERFORMANCE AREAS

The DMU is entrusted with the following Strategic Objective:

Review and strengthen the Dispute Resolution Rules and Procedures for greater effectiveness including standard operating procedures

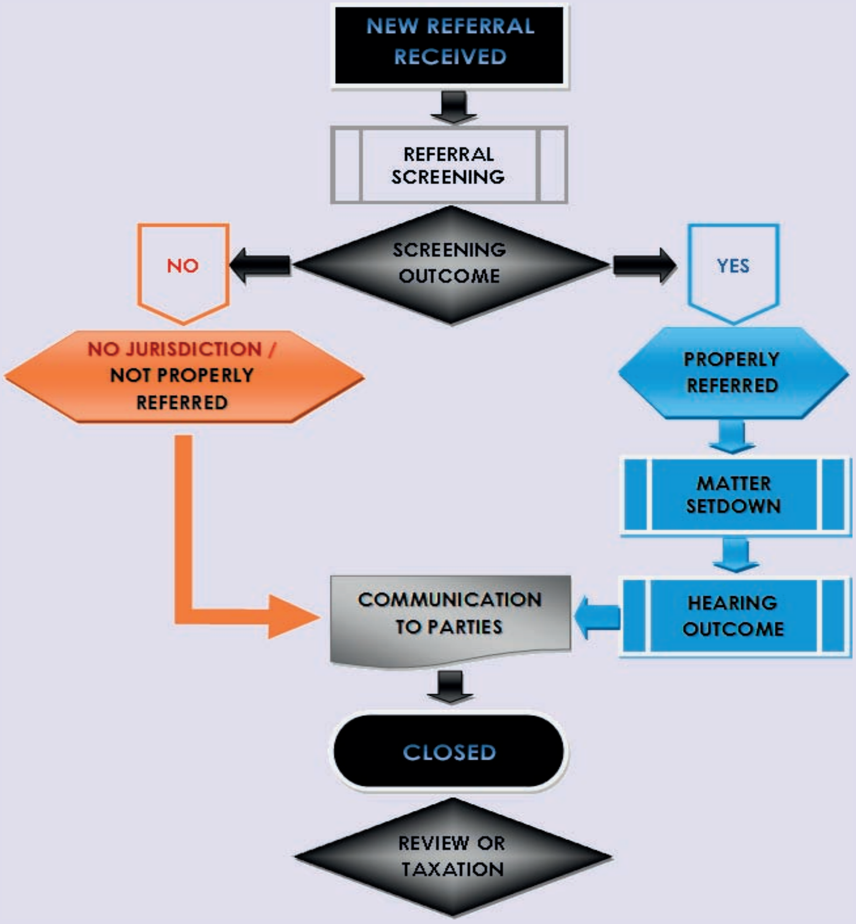
To achieve this goal, the DMU –

- Encourage improvement of the outcome of the conciliation process
- Enrich the constitution and rules of the Council to ensure enforcement of collective agreements
- Enhance dispute prevention strategies through training, interventions and communication amongst others
- Integrate and embrace technology in the Dispute Resolution Administration process. (Integrated Management System).
- Consider the viability of establishing a full time Panel of Conciliators and Arbitrators (Quality / Cost / Control).
- Contribute meaningfully to the establishment of a professional body for Dispute Resolution Practitioners (NABC level).

THE CASE CYCLE

The following workflow Case Cycle model is aligned with natural standardised dispute resolution flows per the act and convenient for monitoring case progressions with easy and precision.

Below is an illustration of the GPSSBC case cycle:



Scheduled Hearings

For the current reporting year, **1815** conciliation hearings and **4784** arbitration hearings were convened. Six (6) hearings set for Con-arb processes, **17** for disciplinary processes and **49** pre-dismissal arbitration enquiries respectively. In limine hearings were counted for **5** while **32** were set down for reconstruction hearing. For quantification **7** hearings were administered, **8** were for taxation process.

Conciliations

The LRA provides that "*when conciliation has failed, or at the end of the 30-day period or any further period agreed between the parties- (a) the commissioner must issue a certificate stating whether or not the dispute has been resolved; (b) the commissioner must serve a copy of that certificate on each party to the dispute or the person who represented a party in the conciliation proceedings; and (c) the commissioner must file the original of that certificate with the Commission".*

Section 135 of the LRA sustained by resolution 3 of 2017 requires Conciliations to be handled within 30 days. In circumstances were it is impractical to conduct hearings like were non availability of dates/Panellists exist within the 30 days period often from far remote areas, certificate will be issued subsequent to consultation with parties.

Alternatively measures are in place to consolidate conciliation disputes to one Panellist to ensure efficiency and speedy handling and for costs effectiveness.

Conciliation hearings in Gauteng are centralised and conducted within the Council's Offices ensuring efficient and effective dispute resolution.

Arbitrations

The Council resolved to centralise all Gauteng matters at the Council facilities to remedy problems related to venues and for monitoring purposes. The decision has yielded positive results in the hearing proceedings as well as costs savings for the Council.

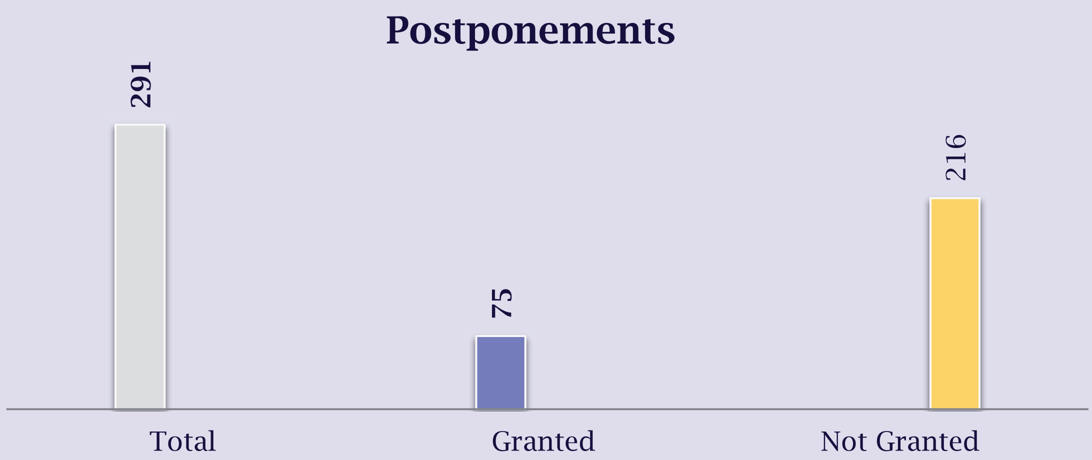
Multiple postponements and adjournments in arbitrations processes continue to be a worrying factor as they escalate costs and expand case lifespans compromising speedy resolution and defeating the primary principle and objective of the Act for speedy dispute resolution. For the current financial year **4784** scheduled arbitration hearings were recorded.

Postponements

Speedy resolution of disputes is a key mandate of the Unit and the Council. Unrelenting postponements of hearings pose an impediment to this important imperative and contribute to lengthy processes and exacerbation of high costs in management of dispute resolution.

Most postponements are those elicited during hearings in a forms of adjournments owing to many reasons advanced by parties, these are attributed to being not properly served with notices, availability of legal representation, as well as technical liabilities of our system Collaborator etc.

Postponements are also applied for in terms of rules of Council (resolution 3 of 2017) prior to hearings in writing, these postponements although not encouraged have a lower impact on the finances of the Council and assists to minimise and mitigate escalation of costs against the Council. For the current financial year two hundred and ninety one (291) postponement applications were filed in terms of rule **32** of Resolution 3 of 2017. Of the two hundred and ninety one applications**, 75** were not granted while **216** applications were granted.



AWARDS RENDERED

During current financial year **554** awards are recorded with **546** awards rendered within 14 days period. Eight (**8)** were issued outside 14 days period. Reasons for late submission can be owed to many reasons among others granted extensions or non-compliance with time frames by the Commissioner which is mostly remedied through SLA prescripts. Of the **554** awards issued, **283** were in favour of employee while **271** are recorded to be in favour of employer.

The following table shows awards rendered per province:

Provinces	Employer	Employee	Totals
Eastern Cape	28	27	55
Free State	16	9	25
Gauteng	48	66	114
Kwazulu-Natal	48	40	88
Limpopo	24	20	44
Mpumalanga	12	16	28
Northwest	16	18	34
Northern Cape	17	15	32
Western Cape	34	33	67
Unclassified	00	00	67
Totals	**283**	**271**	**554**

Management of Applications

- Enforcement application (s143) - 201
- Rescission/Variation applications (s144) - 193
- S142A applications - 48
- s142 enforcement of contempt ruling – 3
- Taxation applications – 7
- Management of compelling application - 17

Management of Reviews

The key focus of the work station is for handling and monitoring of reviews/applications, processes beyond the rules and case cycle within the Council. To ensure timeous and adequate compliance to notice of motions and notices filed with the Council.

For the financial year **2018/2019** hundred and eleven (**111**) notice of motions in terms of **s145** and **s158** of the LRA were administered. Of the **111** review applications, **78** of them were filed from the employee party whereas **33** filed by the employer party.

REVIEWS	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Employee	6	5	5	9	8	1	8	11	2	2	7	10	74
Employer	1	4	2	1	2	4	5	7	2	2	5	2	37
Total	7	9	7	10	10	5	13	18	4	4	12	12	111

Records Keeping

The new storage facility for physical archiving of records abridged the process and made it easier to retrieve and file records. The DMU ensures that records are timeously collated and properly filed for compliance, within time frames in accordance with Court Rules to curb and prevent compelling applications and litigations against the Council

Five hundred and four (504) records of proceedings were collated subsequent to issuing of awards. Two hundred and five (205) records of proceedings were filed through notices of compliance to Labour Court proceedings.

PANELLISTS

Panellists are the most primary asset and service providers to the dispute resolution processes. They enable the Council to meet its legal obligations. The total number of Panellists registered in the Council database is 142, with 116 being active and participative.

The principal requirements to qualify as a Panellist is CCMA accreditation in order to conduct dispute resolution processes, which is also per CCMA set terms for Council accreditation in terms of s127. All listed Panellists are CCMA accredited as required.

The Council has entered in to Service Level Agreement (SLA) with all Panellists for monitoring and evaluation of the relationship, payments and performance of panellists.

Illustration of active Panellists per Province below:

PROVINCE	NUMBER
Eastern Cape	13
Free State	4
Gauteng	27
Kwa-Zulu Natal	30
Limpopo	13
Mpumalanga	4
North West	3
Western Cape	23
Northern Cape	4
TOTAL	**116**

ALLOCATION OF CASES IN THE UNIT

Properly referred cases (within Council's jurisdiction) are allocated through an automated collaborator system, through which models/norms for allocation of cases were introduced – these included inter alia, scheduling, outcomes, reviews, applications, records and set down matters.

Factors informing allocation and scheduling of matters

- Nature of the dispute
- Complexity of the matter also influences the calibre of the Commissioner to be allocated.
- The red lined matters as identified via screening receive special attention by allocating them to most experienced Commissioners

- High Profile/Senior Personnel with sensitive complicated cases are allocated to most experienced Commissioners
- Cases are allocated equivalently among Commissioners of cause informed by their availability and performance.
- Timelines are considered when allocating cases.
- Geographic origin of the disputes are as well considered

PRIORITIZING DISPUTE PREVENTION

The principle of dispute prevention conforms to a strategy to empower and build capacity of stakeholders as an enhancement to handle workplace relations and possible arising disputes within their workplaces. Capacity building conducted involves interventions, training and workshops for parties to Council. The Council provided various training interventions in Labour Relations Training, Negotiation Skill Developments, Dispute Resolution Rules workshops, Relationship Building Interventions and Panellists Workshop.

Further, inherently collective bargaining through chamber processes entails a dispute prevention mechanism package as it creates space for parties to exchange on interests/rights issues among themselves. Such processes have positive effect to dispute resolution in the general.

DISPUTE RESOLUTION RULES WORKSHOPS

SESSIONS	NUMBER	TOTAL
National Departments Session 1	40	
National Departments Session 2	60	
National Departments Session 3	65	
National Departments Session 4	30	**195**
KwaZulu Natal	30	
Western Cape	30	
Gauteng	90	
Mpumalanga	28	
Limpopo	15	
Northwest	58	
Eastern Cape	38	
Northern Cape	15	
Free State	20	**324**

PRIMARY OPERATIONAL STANDING CHALLENGES FOR ATTENTION

- Growing trend of Panellists who abandons our process without delivering the outcomes resulting to half heard matter and litigations against the Council.
- Increasing reluctance by Panellists to work or to provide dates for hearings to Council but remaining on the Panel.
- The inability to meet the set CCMA efficiency performance targets of 70% settlement rate and the 60 days turnaround time for arbitrations.
- The absence of an adequate working tool system aligned to dispute resolution mainstream efficiency targets for Council's accreditation commitments, data integrity and subsidies.
- Adequate staffing equivalent to the scope and work volumes in hand.
- Review and re-alignment of Resolution 2 of 2003 (Constitution) to the modern developments in dispute resolution processes

IN SUMMARY

The Unit with the business mandate to improve and maintain effective dispute processes and prevention, with a role central contributing to the overall achievement of objectives to Council. It remain an ongoing process for the Unit to keep evolving in line with new dispute resolution trends by reviewing and observing its processes continually to remain relevant within the dispute resolution industry in the quest for social justice.

It continually evaluates and assesses its structure and staff complements for relevancy to ensure exceptional service delivery to those it serves while adding value to the processes of dispute resolution and prevention within the sector.

RESIDENT PANELLIST

INTRODUCTION

The key function of the Resident Panellist Unit ("RPU") is to provide effective labour relations support to the Council, stakeholders and to assist in enhancing the dispute prevention initiatives of the Council.

KEY PERFORMANCE AREAS OF THIS UNIT

The Unit functions are listed as follows.

- The classification, capturing and screening for jurisdiction all new referrals.
- Conducting all conciliations arising from the provinces of Gauteng, North West, Mpumalanga and now Northern Cape.
- Processing of various applications and issuance of rulings regarding the applications.
- Perusal & Quality Control of Awards.
- Issuance of certificates of non-resolution as per the request from parties.
- Compilation and analysis of statistical reports.
- Monitoring of case law on labour matters.
- Assists walk-ins who visit our offices for services for social justice.

RESIDENT PANELLIST OPERATIONAL OVERVIEW

New Referrals

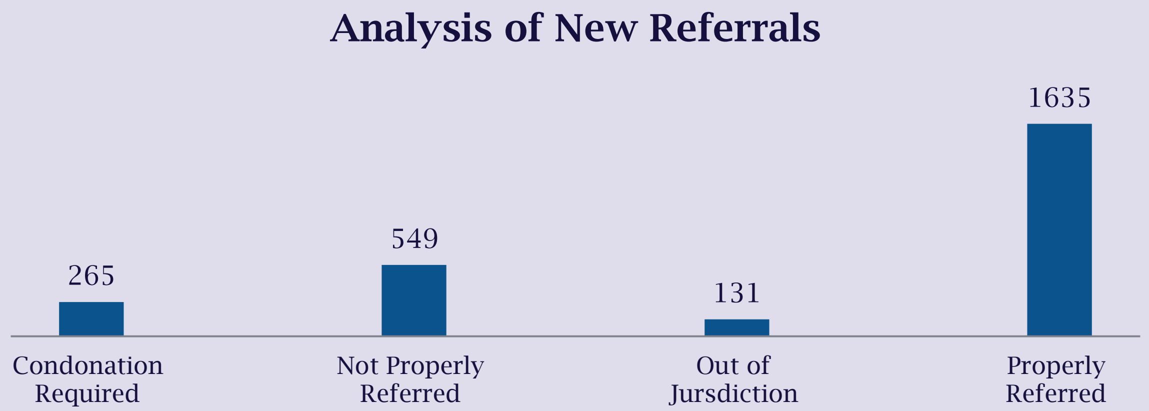
A total of **2580** new referrals for conciliation were received by the Council for the 2018/2019 financial year, of which 1635 were processed as properly referred compared with 1494 referrals received in the previous financial year 2017/2018. This is indicative of an increase of properly referred conciliation disputes (new referrals) properly referred by 8.2% as compared to previous financial year. This could be attributed to the unresolved internal grievances by departments and results into disputes declared to the Council. Council also received 1466 new arbitration referrals during this period, of which 1322 were found to be properly referred.

Analysis of New referrals (Conciliations)

Of the **2580 referrals received**: 549 were screened as not properly referred as compared with 562 referrals which were found to have not been properly referred during the 2017/2018 financial year. There is a slight decrease of 13 in the number of referrals not properly referred, as compared with 2017/2018, previous financial year it remains a significantly high number and poses an undue administrative burden for the Council, because it must respond in writing to all 549 not properly referred referrals. A total of 131 referrals were found to be out of jurisdiction and were closed. A total of 265 referrals had condonation applications.

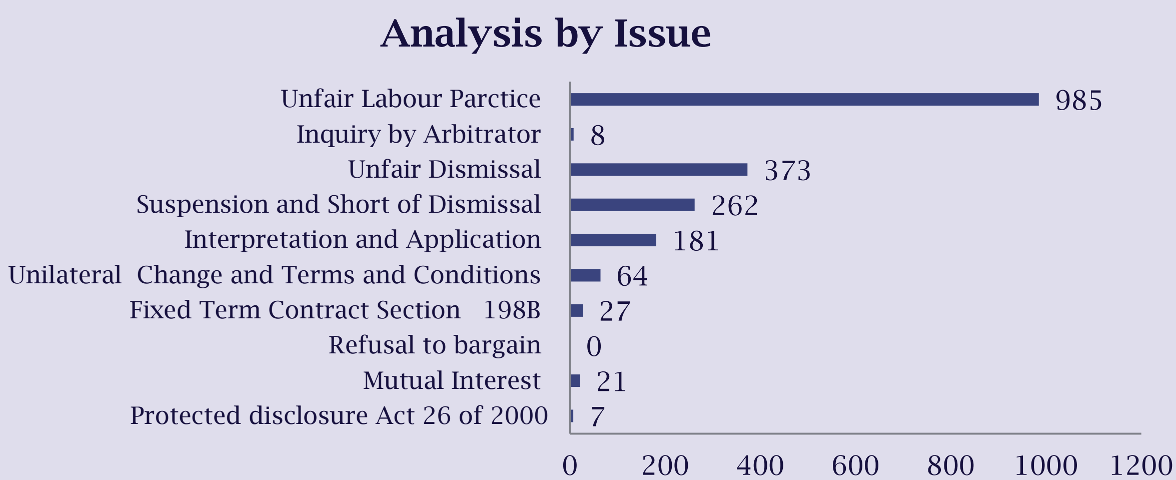
Factors which contributed to referrals being found not to have been properly referred are:

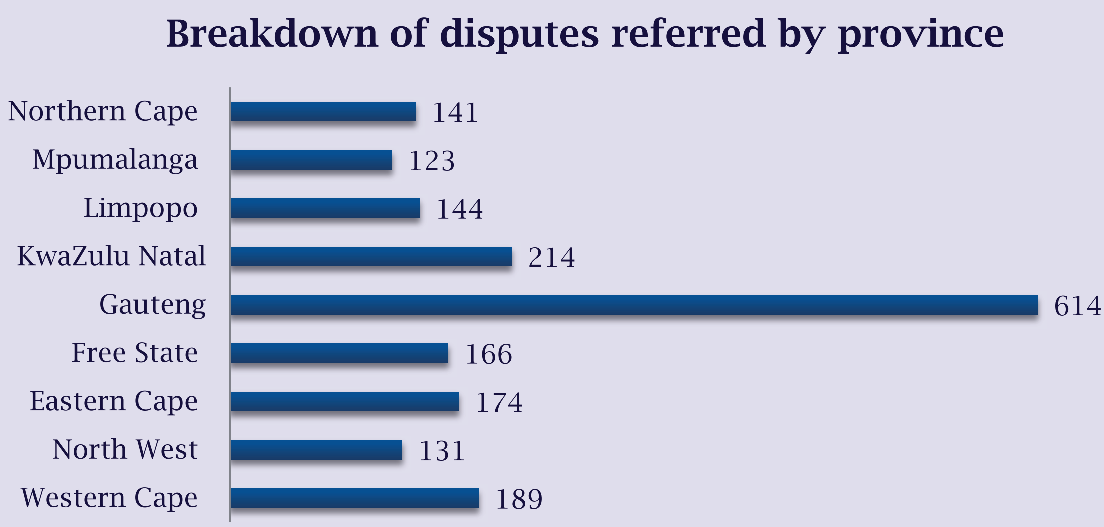
- Matters were found to have been referred outside the stipulated time frame section 191 of the LRA without the required condonation applications;
- Matters referred without the mandatory proof of service on the other party;
- Incomplete referrals;
- Unsigned referrals forms by referring party, with missing information such as e.g. date of the dispute, town where dispute arose;
- In certain instances applicants ticked more than one “nature of dispute” category and sometimes they even ‘invented’ their own nature of dispute;
- In certain instances applicants use the incorrect conciliation form instead of GPSSBC G1 prescribed referral form.

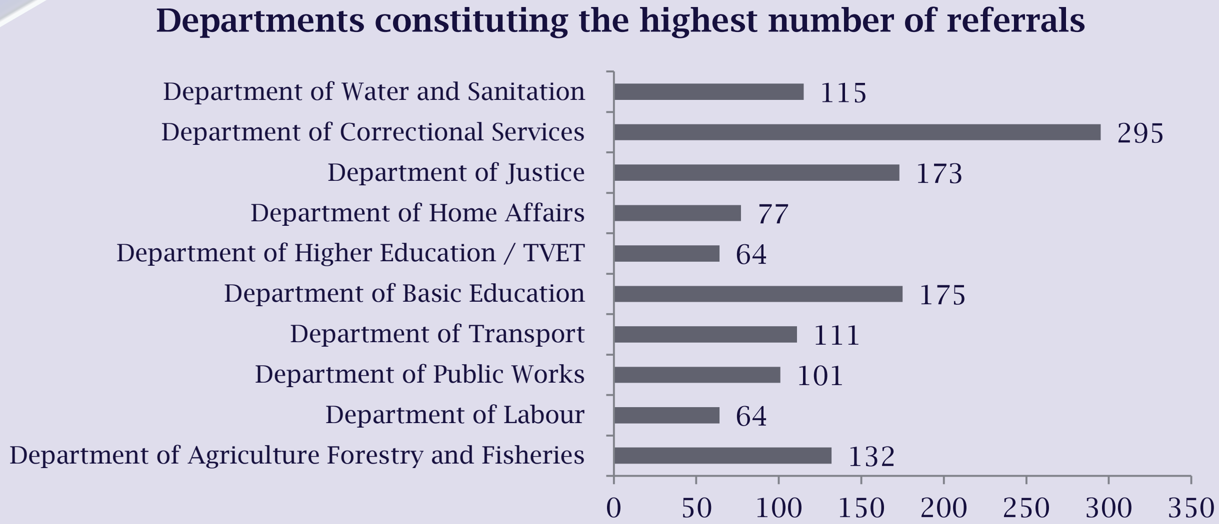


Referral by Issue

The breakdown of 'properly referred matters' for Conciliation received revealed that 985 matters were classified as unfair labour practice disputes, followed by 373 that were classified as unfair dismissal disputes. Significantly, 262 referrals were classified as "unfair suspension short of dismissal" disputes. There were 181 "Interpretation and/ or application of a collective agreement" disputes. Unilateral changes to terms and conditions constituted 64 disputes, and referrals related to section 198B constituted 27. A total of 21 referrals were classified as "disputes that related to matters of mutual interest", and there were 8 disputes referral classified as Inquiry by the Arbitrator and in respect of the *Protected Disclosure Act 26 of 2000* were 7 dispute referrals and none dispute related to Refusal to Bargain.







It is important to indicate that even during the 2017/2018 financial year; the Department of Correctional Services (DCS) is once again registering the highest number of referrals in the GPSSBC sector followed by the Department of Basic Education (DBE) and the Department of Agriculture, Forestry and Fisheries (DAFF) respectively. It is important to highlight that although DCS is the highest referring department because of its size, the Department's referrals have decreased from 473 referrals in the 2017/ 2018 financial period to 295 in the 2018/2019 period, registering a 38% reduction in the referrals.

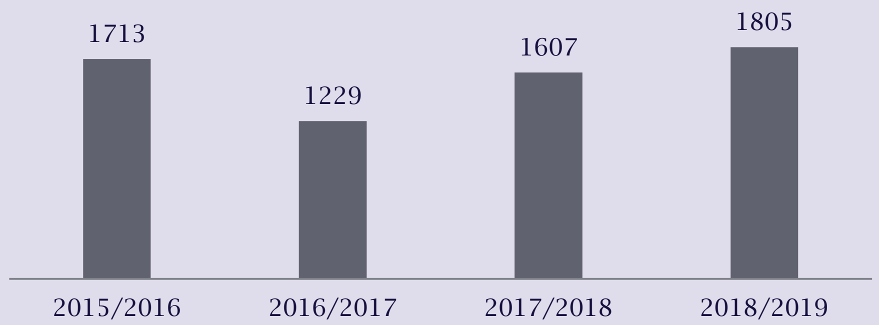
The reduction in referrals could be attributed to:

- The efforts of the Parties at the Departmental Chamber level to improve relations.
- The success of the task team that was set up to consider of the disputes lodged in terms of the Implementation of the Settlement Agreement on Recognition of Experience (Phase 2) of the OSD for Correctional Services Officials.
- The Relationship by Objectives (RBO) intervention brought in by the Dispute Resolution Management of the GPSSBC in an effort to improve relations between Parties.

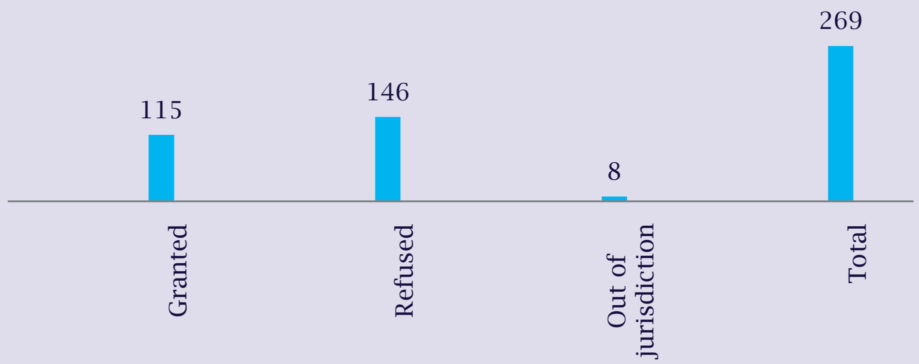
Hearings conducted – Conciliations

During the reporting period a total of 1805 statutory conciliations were conducted throughout the nine provinces as compared to 1607 in the previous financial year. The Council has noted an improvement in the number of conciliations hearings conducted as compared with the last financial year. This could be attributed to the Council's improvement on the 30-days turnaround time for conciliations. It should also be noted that at least 1190 of these conciliations were conducted by the Resident Panellist and Dispute Management Units of the Council, in Gauteng, North West, Mpumalanga and Northern Cape.

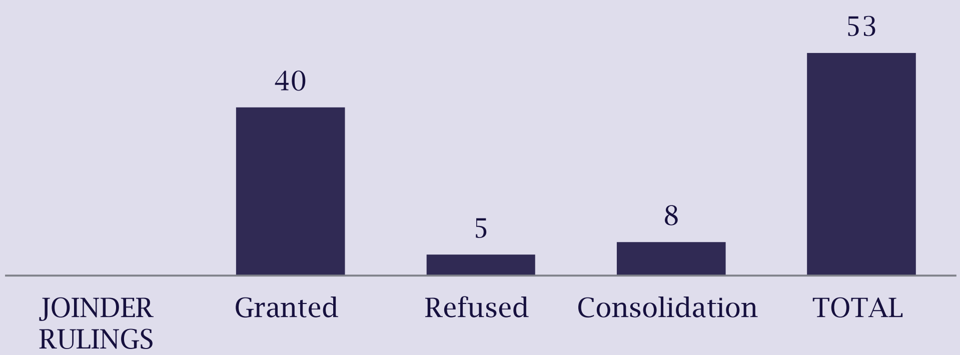
Four Year Comparison of Conciliations Conducted



Rule 9 Condonation Applications



Rule 27 Joinder Applications



CORPORATE SERVICES

INTRODUCTION

The Corporate Service ensures that the Council adheres to the principles of good governance and is responsible for the efficient and effective management Council's resources through internal control and risk management. It renders support services to all units that are responsible core functions. Making up corporate services are finance, resources management (incl. IT&C), and human resources management sub-units.

FINANCE SUB-UNIT

The responsibility of the finance section need to be more transparent and accountable so that the roles, outputs and functions are provided at a high standard effectively and efficiently in accordance with auditing and accounting standards.

The Council adheres to the following internal financial control systems which is essential to the integrity of financial reporting.

Audit Committee

The audit committee is responsible for the Council internal controls and financial systems. The committee meets on a quarterly basis to oversee the council's financials and operations related to finances. Its duties also include the following:

- Selecting and overseeing external auditors.
- Ensuring regulatory compliance.
- Monitoring the council's internal controls.
- Overseeing risk management.

External Auditors

During this financial year Council appointed Nexia SAB & T as its auditors to ensure rotation of the function in terms of good governance.

As external auditors have in accordance with specific laws and rules have conducted an independent audit of the Council, as such they were responsible for auditing the Council's financial statements and providing reasonable assurance that they are presented fairly.

Their duties include the following:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the use of the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures.

The parties to council are responsible for ensuring that the management fulfills its responsibilities for financial reporting and finally responsible for reviewing and approving the annual financial statements.

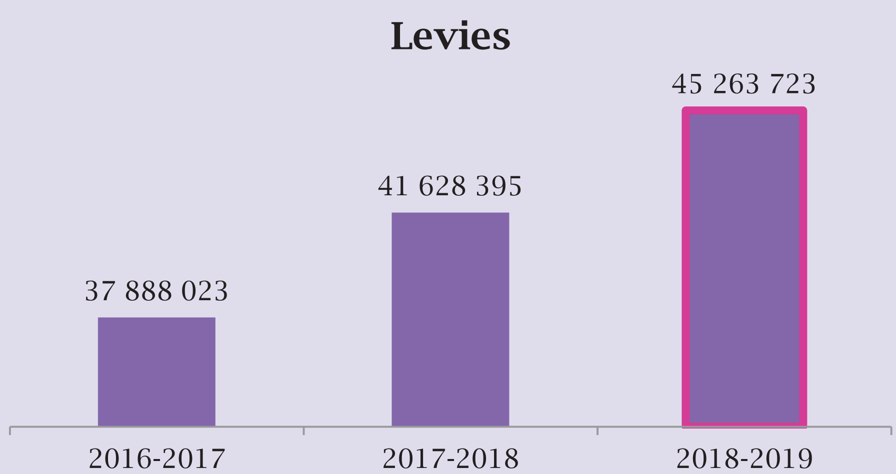
The full audited financials of the GPSSBC are contained in this report and the audit opinion expressed is unqualified.

Revenue and Expenditure Analysis

Revenue

Revenue is the amount recorded by the organization associated with increases in economic resources related to its operating activities. Revenue is income received by an organization in the form of cash or cash equivalents. The Council receives its revenue through levy contributions made by all employees and an equal contribution from the employer.

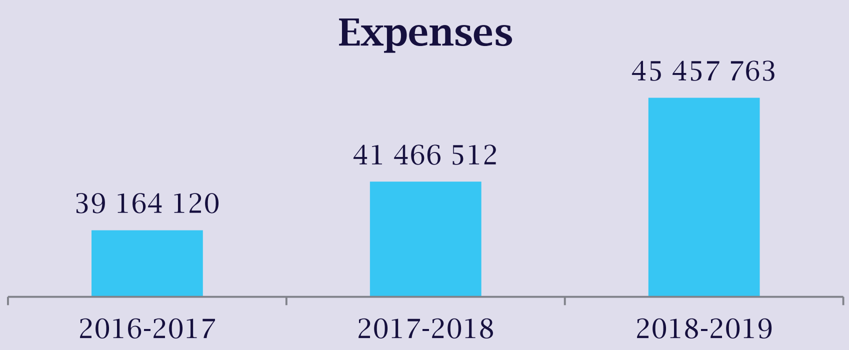
The table and graph below represents revenue collection over the past 3 financial years



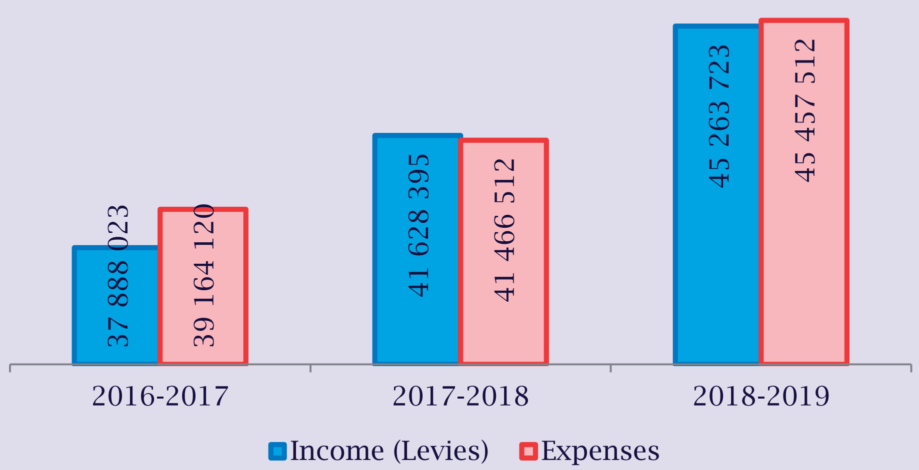
The Council levy is administrated through GPSSBC Resolution 1 of 2017 which provides for an annual increase of R0.25 per party as well as an increase of CPI. The combined levy for the 2018/2019 financial year was R12.30.

Expenditure

The graph below represents expenditure of the Council over the past 3 financial years

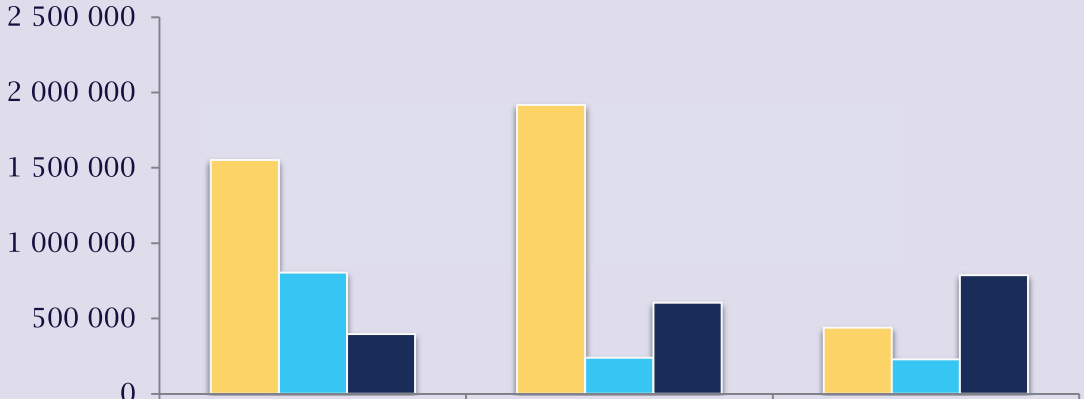


The graph below represents an analysis of revenue/expenditure of the Council over the past 3 financial years



Debtors Analysis

The table and graph below represents the Council debtors over the past 3 financial years



	2016-2017	2017-2018	2018-2019
Debtors	1 552 328	1 917 454	439 780
Invoices issued	804 001	239 571	229 463
Cost recovered	396 824.00	604 697.00	786 956.00

The graph shows total debtors at the end of 31 March 2019. Total debtors includes invoices created as per outcome of the hearings wherein the department, the union, or the applicant bear the cost and reduced by amount collected or paid by departments or union as per advisory of the commissioner (these amounts also include disciplinary hearings).

Human Resource Management

Human Resource Management ("HRM") is the strategic approach to the effective management of people in an organization so that they help the business to gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives.

Training and Development

Training presents a prime opportunity to expand the knowledge base of all employees. Despite the potential drawbacks, training and development provides both the organization as a whole and the individual employees with benefits that make the cost and time a worthwhile investment.

During the period under review Council sustained its commitment in terms developing staff.

Bursaries Granted

COURSE	BUSINESS UNIT
Certificate in Labour Dispute Resolution Practice	DMU X2
LLB	CBU
Postgraduate Public Service Accounting	CSU
Postgraduate HRD	CSU
BCom Communications	CSU
Advanced Labour Law	CBU
Chartered Secretaries	CBU

Short Courses, Workshops and Seminars Attended

SHORT COURSE	WORKSHOPS/SEMINARS
Interpersonal Skills & Cleaning Services	Annual Labour Law
First Aid	Sage Pastel
Fire Fighting	Sexual harassment workshop
Cost & Management Accounting	Tax Year End Workshop
Financial management for non-financial	
Supply Chain Management	

ABET/AET Basic Education and Training

ABET/AET Basic Education and Training for adults who want to finish or improve their basic education. In this financial year two (2) of our employees took initiative to finish their matric and registered with ABET/AET.

Recruitment and Selection

One (1) employee resigned during the period under review and the following positions were filled:

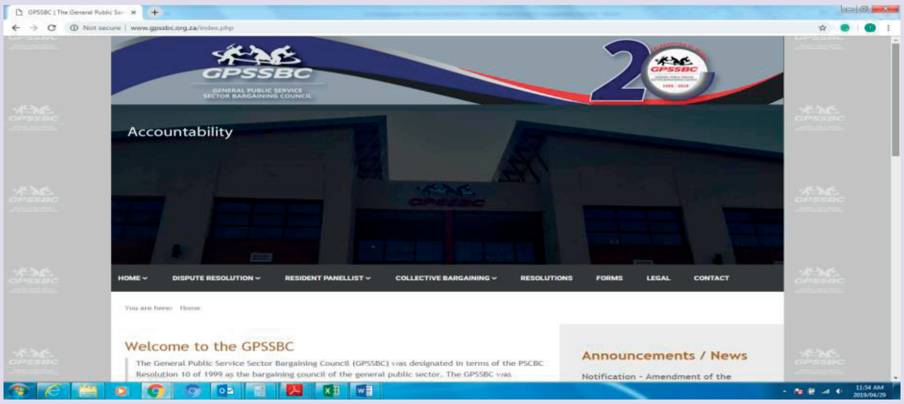
- Office of the Secretary to Council – Personal Assistant
- Collective Bargaining – Administrator x 1
- Dispute Management – Administrator x 2
- Resident Panellist – Administrator x 1

Resource Management

The Resource Management sub-unit is mainly responsible for the management of Councils IT&C infrastructure, procurement processes, archives, and office facilities. The sub-unit follows established Council policies in the execution of its duties.

GPSSBC Website

With our active and informative website (www.gpssbc.org.za) we are able to reach a vast number of the people we serve.



Our website contains important documents for easy access and downloads, such as Resolutions and Forms.

Below is a statistics table of forms downloaded:

Document Name and Description	Count
Application in Terms of Section 142A	1244
Application to Certify Bargaining Council Award, LRA Form 7.18A	799
Request for Appointment of a Chairperson in a Disciplinary Hearing	899
Request for Arbitration (GPSSBC Referral form G2)	6247
Application to Certify Council Award and writ of execution	1367
Referring a Dispute to the GPSSBC for Conciliation, plus Application for Condonation	15860
Inquiry by Arbitrator (Pre Dismissal Application G6)	1104
Application in Terms of Section 142a (making a settlement agreement an award)	1398
Settlement Agreement Template	969
Certificate of outcome	742
Award template	797
Attendance register	733
TOTAL	**32159**

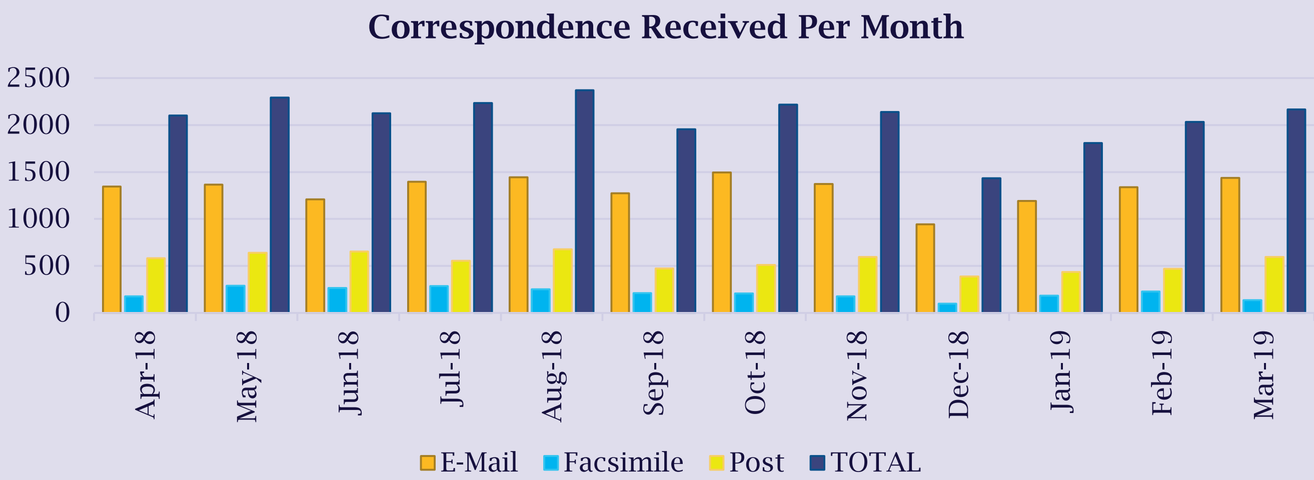
This table above illustrates the stability and reliability of the system.

Correspondence Received: 01 Apr. '18 to 31 Mar. '19

The below table and graph are an indication of the types and volume of correspondences the GPSSBC deals with on a monthly basis.

Type	18-Apr	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar
E-Mail	1346	1366	1209	1398	1445	1275	1497	1373	945	1191	1338	1437
Fax	176	288	266	284	250	210	208	176	99	182	227	136
Post	582	641	653	554	677	472	512	595	389	437	470	595
TOTAL	2104	2295	2128	2236	2372	1957	2217	2144	1433	1810	2035	2168

This table shows that the communication method of choice from the sector is Emails followed by Posts.



COUNCIL ACTIVITIES IN PICTURES

ILERA Regional Congress – Mauritius

Dispute Resolution Rules Workshop


GPSSBC


GPSSBC


GPSSBC


GPSSBC


GPSSBC

GPSSBC STAFF IN PICTURES

ANNUAL FINANCIAL STATEMENTS

General Public Service Sector Bargaining Council
(Registration number LR2/6/6/143)
Annual Financial Statements
for the year ended 31 March 2019

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
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	Public sector collective bargaining (Established in terms of the Labour Relations Act No 66 of 1995)
Members of the Executive Council	L. Modise (Chairperson) S.M. Ndlovu (Vice Chairperson - Employer) N. Malinga (Vice Chairperson - Labour) S. Oodit M. Letsatsi D. Mosikili S.V. Mawela I. Kuhn T. Maepa C. Nanto A. Makape M. Molongoana S.P. Masemola
Registered office	260 Basden Avenue Public Service Bargaining Centre Centurion 0140
Business address	260 Basden Avenue Public Service Bargaining Centre Centurion 0140
Postal address	PO Box 16663 Lyttelton 0140
Bankers	Standard Bank ABSA
Auditors	Nexia SAB&T Charterd Accountants Incorporated Chartered Accountants (SA) Registered Auditor
Secretary	Sharlaine Oodit
Company registration number	LR2/6/6/143
Level of assurance	Audit
Preparer	The annual financial statements were externally prepared by Moyana and Associates Chartered Accountants

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
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 Council:

	Page
Secretary's Responsibilities and Approval	61
Independent Auditor's Report	62 – 64
Report of the Secretary to Council	65
Statement of Financial Position	66
Statement of Comprehensive Income	67
Statement of Changes in Equity	68
Statement of Cash Flows	69
Accounting Policies	70 – 72
Notes to the Annual Financial Statements	73 – 77
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	78 - 79

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Labour Relations Act of South Africa.

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

SECRETARY'S RESPONSIBILITIES AND APPROVAL

The secretary is required 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 her responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Council 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 Standard for Small and Medium-sized Entities. 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 Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The secretary acknowledges that she is ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the secretary to meet these responsibilities, the executive committee 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The secretary 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 secretary has reviewed the Council’s cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, she is satisfied that the Council has or 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 Council's Annual Financial Statements.

The Annual Financial Statements have been examined by the Council's external auditors and their report is presented on pages 62 - 64.

The Annual Financial Statements set out on pages 65 to 79, which have been prepared on the going concern basis, were approved by the AGM on 12 July 2019 and were signed on its behalf by:

Approval of financial statements

S.Oodit

INDEPENDENT AUDITOR'S REPORT

To the members of General Public Service Sector Bargaining Council

Opinion

We have audited the financial statements of General Public Service Sector Bargaining Council set out on pages 66 to 77, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of General Public Service Sector Bargaining Council as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Labour relations Act, 1995 (Act No.66 of 1995).

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

Other information

The Councillors are responsible for the other information. The other information comprises the information included in the document titled "General Public Service Sector Bargaining Council Annual Financial Statements for the year ended 31 March 2019", which includes the Report of the Secretary to Council and the supplementary information set out on pages 78 to 79). 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 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Council for the Annual Financial Statements

The council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Labour relations Act, 1995 (Act No.66 of 1995), and for such internal control as the council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council is responsible for assessing the its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intend to liquidate the 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 annual 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 directors.
- Conclude on the appropriateness of the directors' 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

We communicate with the secretary 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.

Nexia SAB&T

Nexia SAB&T
A. Ramasike
Director
Registered Auditor
12 July 2019

Nexia SAB&T

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

Report of The Secretary to Council

The secretary has pleasure in submitting her report on the annual financial statements of General Public Service Sector Bargaining Council for the year ended 31 March 2019.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Council revenue increased by 9% from R41 628 395 in the prior year to R45 263 723 for the year ended 31 March 2019.

Council cash flows from operating activities decreased by 67% from R3 210 454 in the prior year to R1 059 125 for the year ended 31 March 2019.

2. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the council or in the policy regarding their use.

At 31 March 2019 the council's investment in property, plant and equipment amounted to R26 245 415 (2018: R26 153 986), of which R651 334 (2018: R773 295) was added in the current year through additions.

3. Events after the reporting period

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

4. Secretary

The secretary is Sharlaine Oodit.

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	26 245 415	26 153 986
Current Assets			
Trade and other receivables	4	498 704	287 434
Cash and cash equivalents	5	7 076 170	7 180 783
		7 574 874	**7 468 217**
Total Assets		**33 820 289**	**33 622 203**
Equity and Liabilities			
Equity			
Retained income		23 888 881	23 140 024
Liabilities			
Non-Current Liabilities			
Standard Bank Loan	6	6 293 015	7 099 107
Finance lease liabilities	7	184 713	46 898
		6 477 728	**7 146 005**
Current Liabilities			
Trade and other payables	8	2 415 370	2 456 237
Standard Bank Loan	6	907 988	798 225
Finance lease liabilities	7	130 322	81 712
		3 453 680	**3 336 174**
Total Liabilities		**9 931 408**	**10 482 179**
Total Equity and Liabilities		**33 820 289**	**33 622 203**

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2019	2018
Revenue	11	45 263 723	41 628 395
Other income	12	1 577 121	660 956
Operating expenses		(45 457 763)	(41 466 512)
Operating profit		**1 383 081**	**822 839**
Interest Income	13	225 837	248 796
Finance costs	14	(860 061)	(953 299)
Profit for the year		**748 857**	**118 336**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**748 857**	**118 336**

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2017	**23 021 688**	**23 021 688**
Profit for the year	118 336	118 336
Other comprehensive income	-	-
Total comprehensive income for the year	**118 336**	**118 336**
Balance at 01 April 2018	**23 140 024**	**23 140 024**
Profit for the year	748 857	748 857
Other comprehensive income	-	-
Total comprehensive income for the year	**748 857**	**748 857**
Balance at 31 March 2019	**23 888 881**	**23 888 881**

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
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 operations	17	1 693 349	3 914 957
Interest Income		225 837	248 796
Finance costs		(860 061)	(953 299)
Net cash from operating activities		**1 059 125**	**3 210 454**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(333 804)	(773 295)
Sale of property, plant and equipment	2	500	-
Net cash (to)/ from financing activities		**(333 304)**	**(773 295)**
Cash flows from financing activities			
Net movements in standard bank loan		(696 329)	(562 918)
Finance lease payments		(134 105)	(128 423)
Net cash from financing activities		**(830 434)**	**(691 341)**
Total cash movement for the year		**(104 613)**	**1 745 818**
Cash at the beginning of the year		7 180 783	5 434 965
Total cash at end of the year	5	**7 076 170**	**7 180 783**

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2019

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	5 - 14 years
Motor vehicles	Straight line	5 - 15 years
Office equipment	Straight line	5 - 11 years
Computer equipment	Straight line	3 - 8 years
Kitchen Equipment	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from previous estimate.

Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

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

Item	Useful life
Computer software	2 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

Accounting Policies

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Trade receivables and trade payables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and other financial institutions, as well as short term call deposits with financial institutions. Cash and cash equivalents are recognised at fair value.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor’s expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

Accounting Policies

1.6 Impairment of assets

The council assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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 leave pay 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.

1.9 Provisions and contingencies

Provisions are recognised when the council has an obligation at the reporting date as a result of a past event; it is probable that the council will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue

Revenue is recognised to the extent that the council has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the council. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Levy income is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by services performed to date as a percentage of total services to be performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Levies are recognised when there is reasonable assurance that:
- the organisation will comply with the conditions attaching to them; and
- the levies will be received.

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

1.11 Borrowing costs

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

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018

2. Property, plant and equipment

	2019			2018		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	6 948 391	-	6 948 391	6 948 391	-	6 948 391
Buildings	20 049 850	(2 693 299)	17 356 551	19 923 191	(2 725 166))	17 198 025
Furniture and fixtures	2 382 618	(1 459 247)	923 371	2 397 218	(1 314 695)	1 082 523
Motor vehicles	838 053	(248 914)	589 139	821 229	(188 310)	632 919
Office equipment	600 901	(244 925)	355 976	1 648 588	(1 524 693)	123 895
Computer equipment	422 622	(351 732)	70 890	700 998	(536 572)	164 426
Kitchen Equipment	13 552	(12 455)	1 097	13 552	(9 745)	3 807
Total	**31 255 987**	**(5 010 572)**	**26 245 415**	**32 453 167**	**(6 299 181)**	**26 153 986**

Reconciliation of property, plant and equipment - 2019

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Closing balance**
Land	6 948 391	-	-	-	6 948 391
Buildings	17 198 025	284 688	(123 790)	(2 372)	17 356 551
Furniture and Fixtures	1 082 523	-	(1 217)	(157 935)	923 371
Motor Vehicles	632 919	16 824	-	(60 604)	589 139
Office Equipment	123 895	336 939	-	(104 858)	355 976
Computer Equipment	164 426	12 883	1 655	(104 764)	70 890
Kitchen Equipment	3 807	-	-	(2 710)	1 097
	26 153 986	**651 334**	**(126 662)**	**(433 243)**	**26 245 415**

Reconciliation of property, plant and equipment - 2018

	Opening balance	**Additions**	**Depreciation**	**Closing balance**
Land	6 948 391	-	-	6 948 391
Buildings	17 938 853	5 150	(745 978)	17 198 025
Furniture and Fixtures	1 689 768	-	(607 245)	1 082 523
Computer equipment	70 000	590 899	(27 980)	632 919
Office Equipment	530 842	84 358	(491 305)	123 895
Computer Equipment	217 225	92 888	(145 687)	164 426
Kitchen Equipment	6 550	-	(2 743)	3 807
	27 401 629	**773 295**	**(2 020 938)**	**26 153 986**

Property, plant and equipment encumbered as security

Details of properties:		
Land and buildings	24 307 314	24 146 416
	2019	**2018**
- Purchase price	6 948 391	6 948 391
- Additions since purchase	20 049 851	19 923 191
	26 998 242	**26 871 582**

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Figures in Rand	2019	2018

3. Intangable Assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	652 606	(652 606)	-	652 606	(652 606)	-

Reclassification of Intangible assets

The computer software was reclassified from property, plant and equipment to intangible assets. This reclassification was done to correctly present and disclose the computer software for 2019 and 2018 financial years.

4. Trade and other receivables

	2019	2018
Trade receivables	439 780	1 917 454
Provision for doubtful debts	(195 125)	(1 707 025)
Prepaid Expense	144 876	67 547
Staff loan	6 087	5 087
Study loan	42 045	1 502
Sundry Debtors	61 041	2 869
	498 704	**287 434**

Aging of trade and other receivables

Trade and other receivables which are less than 3 months past due are not considered to be impaired.
At 31 March 2019 R 68 691 (2018: R 2 869) were past due but not impaired.

Reconciliation of provision of bad debts	**2019**	**2018**
Opening balance	(1 707 025)	(631 273)
(Increase) / decrease in the provision	(1 511 900)	(1 075 752)
Closing balance	**(195 125)**	**(1 707 025)**

The aging of the trade and other receivables is as follows:

	2019	**2018**
Current	204 950	15 500
30 days	35 990	143 851
60 days	152 132	-
90 days	7 000	-
120 days	68 691	1 707 025
	468 763	**1 866 376**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018
Cash on hand	1 284	150
Bank balances	7 074 886	7 180 633
	7 076 170	**7 180 783**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018

6. Standard Bank Loan

At amortised cost		
Standard Bank Loan	7 201 003	7 897 332

Terms and conditions
The loan of R7 201 003 (2018: R7 897 332) bears interest at prime rate plus 1%. The loan was taken out to finance the building that was completed in September 2014 and the capital repayments were due and payable thereafter. The monthly instalment on the loan amount to R123 589. The loan will be repaid by 28 February 2025.

Non-current liabilities		
At amortised cost	6 293 015	7 099 107
Current liabilities		
At amortised cost	907 988	798 225
	7 201 003	**7 897 332**

The carrying value of other financial assets are assumed to approximate their fair values due to the short term nature thereof.

7. Finance lease liabilities

Minimum lease payments which fall due		
- within one year	166 355	92 464
- in second to fifth year inclusive	203 479	52 675
	369 834	145 139
Less: future finance charges	(54 789)	(16 529)
Present value of minimum lease payments	**315 045**	**128 610**
Non-current liabilities	184 713	46 898
Current liabilities	130 322	81 712
	315 035	**128 610**

It is Council policy to lease certain motor vehicles and equipment under finance leases. The average lease term is 5 years (2018: 5 years) and the average effective borrowing rate is 11% (2018: 11%). Interest rates are linked to prime at the contract date. The new leases entered into by the Council in July 2015 do not have an escalation clauses and the lease rental will be increased by lessor as the exchange rate increases. The older leases expiring in September 2017 escalate at 15% per annum and no arrangements have been entered into for contingent rent. The Council's obligations under finance leases are secured by the leased assets.

8. Trade and other payables

Trade payables	52 704	-
Income received in advance	47 375	39 875
Accrued expense	246 581	599 212
PAYE, SDL and UIF	845 189	718 336
Accrued leave pay	613 503	554 203
Bonus provision - 13th cheque	217 168	196 469
Provident fund	267 047	240 002
Medical aid contribution	125 803	108 140
	2 415 370	**2 456 237**

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018

9. 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	483 383	483 383
Cash and cash equivalents	7 076 170	7 076 170
	7 559 553	**7 559 553**

2018	Loans and receivables	Total
Trade and other receivables	219 937	219 937
Cash and cash equivalents	7 180 783	7 180 783
	7 400 720	**7 400 720**

10. Financial liabilities by category

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

2019	Financial liabilities at amortised cost	Total
Trade and other payables	2 367 995	2 367 995
Standard Bank loan	7 207 003	7 207 003
Finance lease liabilities	315 035	315 035
	9 890 033	**9 890 033**

2018	Financial liabilities at amortised cost	Total
Trade and other payables	2 416 362	2 416 362
Standard Bank loan	7 897 332	7 897 332
Finance lease liabilities	128 610	128 610
	10 442 304	**10 442 304**

11. Revenue

Levies collected from Government Departments	45 263 723	41 628 395

12. Other income

Cost orders	786 956	604 697
Grant received from PSETA	655 210	33 163
Bursary recovery	60 213	-
Sundry income	74 742	23 096
	1 577 121	**660 956**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018
13. Investment revenue		
Interest revenue		
Bank	225 837	248 796
14. Finance costs		
Standard bank bond interest	825 147	930 376
Finance lease interest	34 914	22 923
	860 061	**953 299**

15. Taxation

The council is exempt from income tax in terms of Section 10(1)(cA)(i) of the Income Tax No. 58 of 1962.

16. Auditor's remuneration		
Audit Fees	**409 534**	**389 868**
17. Cash generated from operations		
Profit before taxation	748 857	118 336
Adjustments for:		
Depreciation and amortisation	433 243	2 020 938
Loss on sale of assets	129 164	-
Interest received	(225 837)	(248 796)
Finance costs	860 061	953 299
Changes in working capital:		
Trade and other receivables	(211 272)	731 259
Trade and other payables	(40 867)	339 921
	1 693 349	**3 914 957**

18. Related parties

Relationships
The following are related parties:
Members of the council are principal decision makers:

- **Secretary of Council:** S.Oodit,
- **The Chairperson:** L. Modise;
- **Vice Chairpersons:** R. Mahlake and S.M. Ndlovu

Related party balances and transactions with other related parties

Related party transactions

	2019	2018
Compensation to members of the Executive Committee		
Chairperson's fees	117 852	104 923

General Public Service Sector Bargaining Council
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Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Levies Collected from Government Departments		45 263 723	41 628 395
Other income			
Cost orders		786 956	604 697
Grant received from PSETA		655 210	33 163
Bursary recovery		60 213	-
Sundry income		74 742	23 096
Interest received from investment	13	225 837	248 796
		1 802 958	**909 752**
Expenses (Refer to page 79)		**(45 457 763)**	**(41 466 512)**
Operating profit		**1 608 918**	**1 071 635**
Finance costs	14	(860 061)	(953 299)
Profit / (loss) for the year		**748 857**	**118 336**

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

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Annual Financial Statements for the year ended 31 March 2019

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Operating expenses			
AGM costs		(234 525)	(296 739)
Accounting fees		(71 250))	(45 000)
Auditors remuneration	16	(409 534)	(389 868)
Bad debts		(1 826 061)	(1 075 752)
Bank Charges		(44 346)	(39 385)
Body Corporate-levy charges		(287 552)	(59 854)
Bursaries		(113 671)	(135 891)
Cellphone expenses		(64 640)	(51 640)
Chairperson fees		(117 852)	(104 923)
Cleaning material		(7 853)	-
Compensation Commissioner		(38 673)	(38 722)
Consulting fees		(85 397)	(168 950)
Depreciation, amortisation and impairments		(433 243)	(2 020 938)
Dispute Resolution		(14 323 470)	(11 959 061)
EXCO Operational planning costs		-	(70 411)
Employee costs		(19 172 844)	(17 439 904)
FETC's Meetings and Workshop		(3 300)	(100)
Insurance		(170 778)	(131 101)
Lease rentals on finance lease		(184 190)	(194 492)
Leave Annual & termination		(106 691)	(202 454)
Legal expenses		(359 785)	(581 866)
Levies Refund		(2 223)	(132)
Licence renewals		(60 035)	(42 763)
Loss - Asset Disposal		(108 334)	-
Marketing and communication		(53 497)	(44 172)
Meetings		(42 106)	(59 682)
Municipal expenses - property rates and electricity		(671 063)	(580 557)
National Departmental Chambers		(364 755)	(431 885)
Office security		(64 560)	(8 618)
Operating costs		(78 674)	(98 455)
Postage		(78 218)	(92 934)
Printing and Stationery		(97 885)	(97 885)
Provincial Chambers		(409 187)	(351 864)
Provision for doubtful debts Adjustment		1 511 900	-
Recruitment		(47 049)	(5 730)
Repair and Maintenance		(1 045 294)	(1 049 454)
Special Events		(2 509)	(7 460)
Staff welfare		(56 153)	(144 710)
Staff's travelling costs & accommodation secretariat		(46 875)	(115 522)
Stationery		(110 054)	-
Strategic partnership		(2 053 050)	(879 097)
Strategic planning costs		(181 084)	(2 342)
Strategic project		(1 381 160)	-
Subscriptions		(16 811)	(25 669)
Telephone and fax		(424 208)	(468 923)
Training and development		(180 538)	(164 486)
Warranty Costs		(771)	(6 514)
Water and Sanitation		(39 559)	(14 642)
Workshops (Dispute Resolution and Chambers)		(1 138 223)	(1 573 055)
Year end function and Team building		(258 018)	(192 910)
		(45 457 763)	**(41 466 512)**

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