GPSSBC

GENERAL PUBLIC SERVICE
SECTOR BARGAINING COUNCIL

ANNUAL REPORT 2019-2020

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1. FOREWORD BY THE CHAIRPERSON: MR L MODISE

This FY2019/20 Annual Report, details the accomplishments of the General Public Service Sector Bargaining Council (GPSSBC). The Council was inaugurated on 9 September 1999, making 2019 an important year for the Council, being its 20th anniversary year.

In recognition of this important milestone, the Council adopted a year-long theme of 2 decades of promoting social justice in the workplace. The GPSSBC has contributed tremendously over the past 2 decades to Labour peace and reform in the General Public Services Sector and continues to play a pivotal role in the public service at large.

In commemoration of the event the Council held case law seminars across the 9 provinces as well as with all national departments. The Council also convened a National Conference during the month of October 2019 to provide the broader the sector with a conference that responds to the challenges of Collective Bargaining and Dispute Resolution in the Sector. The Conference centred on the theme of Labour Relations in the Digital Era and successfully brought to life the challenges and opportunities within the 4th Industrial Revolution.

During financial year under review the Council has commenced with the implementation of the 2019-2022 Strategic Plan. The Executive Committee is now well on its way into ensuring that the operational plan of Council is achieved.

This report 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 the financial year 2020/2021 a remarkable success.

Thank you

L Modise

2. EXECUTIVE SUMMARY FROM THE SECRETARY TO COUNCIL: MS S OODIT

I am pleased to present to you the 21st Annual Report of the GPSSBC.

During this past year the GPSSBC, celebrated and commemorated its 20th Anniversary. The year provided the Council with the opportunity to reflect on some of the achievements of the Council as well the work conducted by the GPSSBC. I am proud to report that the Council has as part of these celebrations convened 10 Labour Law Seminars across the Country, delivering a case law update to more than 600 delegates.

The Seminars were exceptionally well received and the engagements that flowed from these processes have gone a long way in capacitating the sector on the latest developments in our law as well as Council processes. It was however evident that such sessions are necessary to ensure that the sector is consistently receiving case law updates to ensure the highest levels of engagements and dispute resolution.

Another highlight of the year was a 3 day Conference held by the GPSSBC under the theme; "The Future of Collective Bargaining and Social Justice in the Digital Era". The Conference attracted more than 800 attendees and was a huge success in bringing together key roles players to share experiences and knowledge with our sector. A celebratory dinner held during the conference provided the Council with an opportunity to celebrate 20 years of existence. The function also provided the GPSSBC with an opportunity to reflect on the 20 years past and appreciate all the contributions made by the Parties to Council over these years. The Council was honoured to have as the guest of honour, the hourable Deputy Minister for the Department of Public Service and Administration. The hourable Deputy Minister also provided the keynote address of the evening.

The Council's work during the past financial year has once again been substantive and the report provides you 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, Deputy 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


GPSSBC


CELEBRATING 20 YEARS
GPSSBC


THE FUTURE OF COLLE
ARGAINING
AND SOCIAL JUSTICE
GITAL ERA
GPSSBC





GPSSBC
1999 - 2019

















3. OVERVIEW OF THE GPSSBC

The General Public Service Sector Bargaining Council (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 has as its core objectives the promotion of:

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

Vision

The vision of the General Public Service Sector Bargaining Council is as follows: **"Delivering exceptional service to all we serve."**

Mission

The mission statement of Council is: **"To promote sound labour relations and to ensure industrial stability within the sector.**

GPSSBC Values

Integrity through:

- Honesty
- Effective Service Delivery

Efficiency through:

- Productivity
- Application of best practices
- Excellent services

Accountability through:

- Desire to perform well
- Accepting accountability for own behavior
- Commitment

Equity through:

- No unfair discrimination
- Gender equality
- Integration of disability issues
- Affirmative action

Scope

The GPSSBC covers all Public Service employees who do not fall within the scope of the above Sector Councils (PHSDSBC, SSSBC or the ELRC) excluding uniform 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.

4. 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
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 Systems
13.	Government Printing Works
14.	Government Pensions 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
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 Agency
48.	Centre for Public Service Innovation

	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

5. 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 Area

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 Area:

1. Obtain approval from 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 EFFECTICVE 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 DMINISTRATION 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 III 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
Visit Delegation from General Trade Union of Administration and Social Services of Egypt (GTUASS)	9 April 2019
Panellists Workshop - Premier Hotel, OR Tambo	12 April 2019
National Seminar 20th Anniversary Celebration – Sheraton Hotel Pretoria	17 May 2019
National Seminar 20th Anniversary Celebration – Southern Hotel Pretoria	24 May 2019
Labour Law Conference - Mauritius	19 – 21 June 2019
NEHAWU National Policy Conference – Birchwood Conference Centre	26 – 29 June 2019
Annual General Meeting – Silverstar Casino	12 July 2019
Social Responsibility Mandela Day – Hikhensile Home Care Centre, Olifantsfontein	18 July 2019
12th ILERA European Congress 2019	5 – 7 September 2019
NEHAWU National Games Festival – Curries Fountain Stadium Durban	21 – 23 September 2019
Activity	**Date**
6th Seminar on International and Comparative Labour Law – The Future of Work/ ILO Centenary Celebration – Pretoria	4 – 5 October 2019
20th Anniversary Conference & Gala Dinner – Emperors Palace	30, 31 October & 1 November 2019
POPCRU 9th National Congress – Durban ICC	5 – 9 November 2019
Staff Year-end Function	6 December 2019

6. 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.

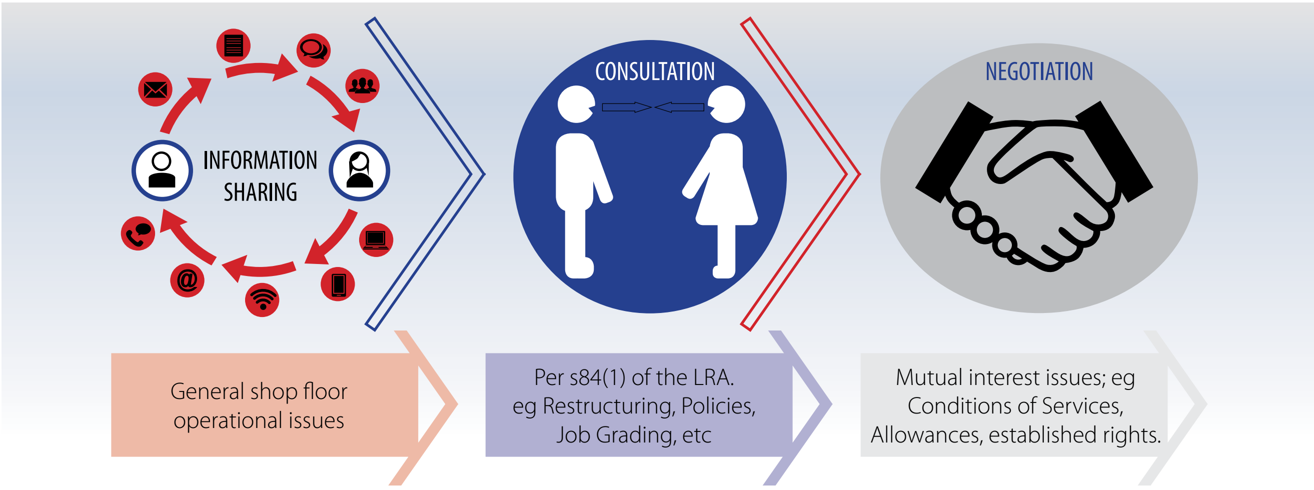
The Collective Bargaining Unit is responsible for amongst others but not limited to the following; the implementation of the provisions of the GPSSBC Constitution, the implementation of relevant sections of the Governance Rules, and to ensure optimal administrative functioning of the various structures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

- Managing the logistics relating to all Council, EXCO, Provincial Chambers, National Chambers, Committees and Task Team meetings;
- Organise , prepares 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.

The purpose of Provincial and National Chambers is to provide a conducive environment that would expedite processes of information sharing, deliberations, consultation, and negotiation. This processes unfold at National Departmental and Provincial Administration levels respectively. Consequently, the CBU is obligated to ensure that the aforementioned purpose of the LRA is fulfilled.

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.

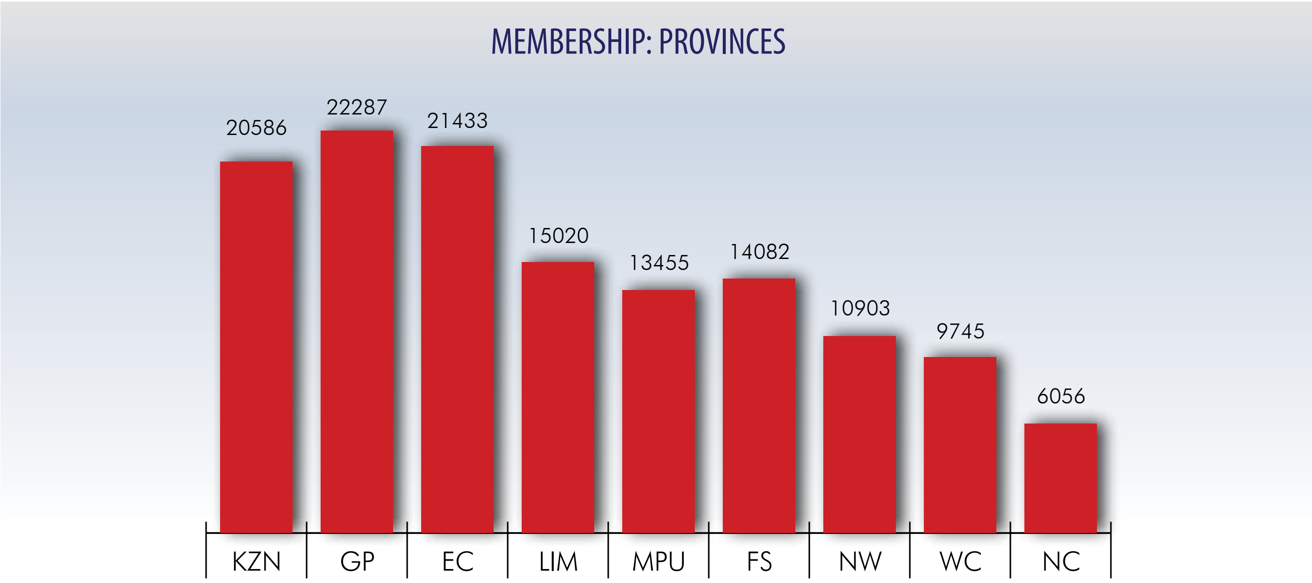


The CBU report reflects on the general state of collective bargaining in the General Public Service amongst others but not limited to; workshops held, number of meetings, agenda items, council interventions and other key administrative processes related to collective bargaining.

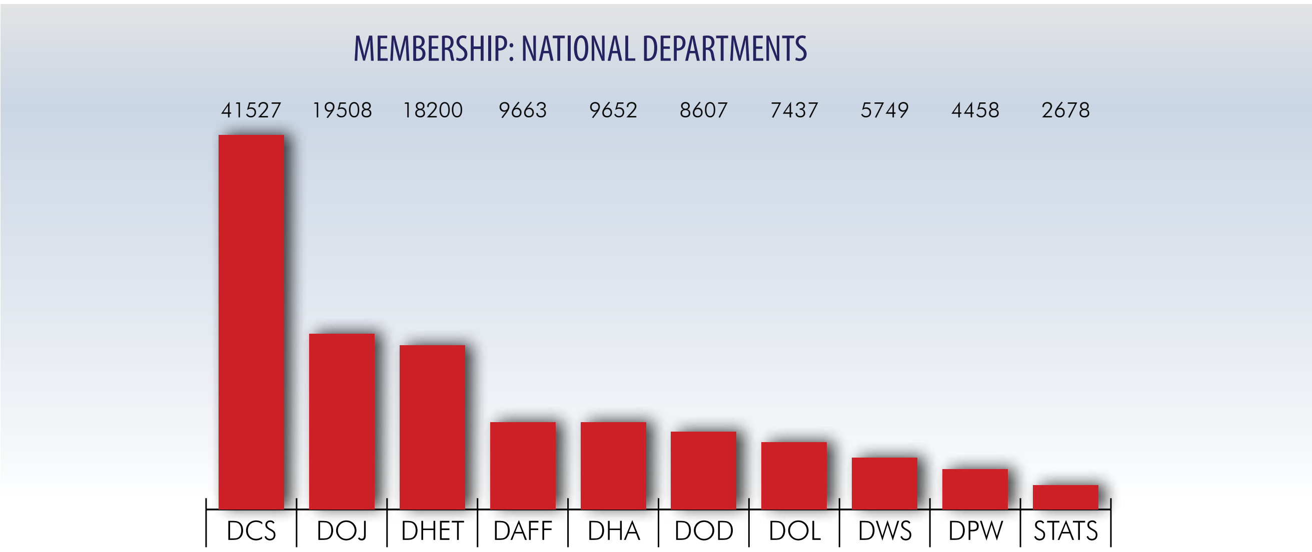
Unionized Employees in the Sector

The vote weights of trade unions admitted to the council 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 the Provincial sizes of unionized employees in the GPSSBC



The graph below illustrates the ten biggest National Departments in the GPSSBC Sector:



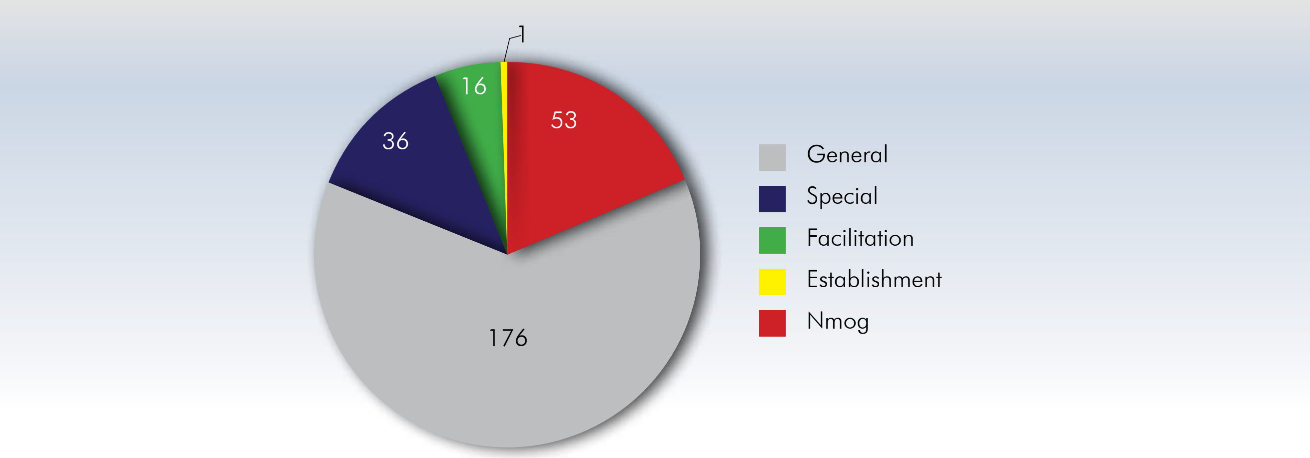
Chambers Operational Review

National Departmental Chamber Meetings

In this reporting year, there has been a slight decrease in the demand for bargaining on issues from parties to the chamber.

The total actual meetings held were 282 over the past twelve months, averaging at 23.05 meetings per month.

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



The Secretariat had established a Chambers for Centre for Public Service Innovation (CPSI). The Chamber in question is operational.

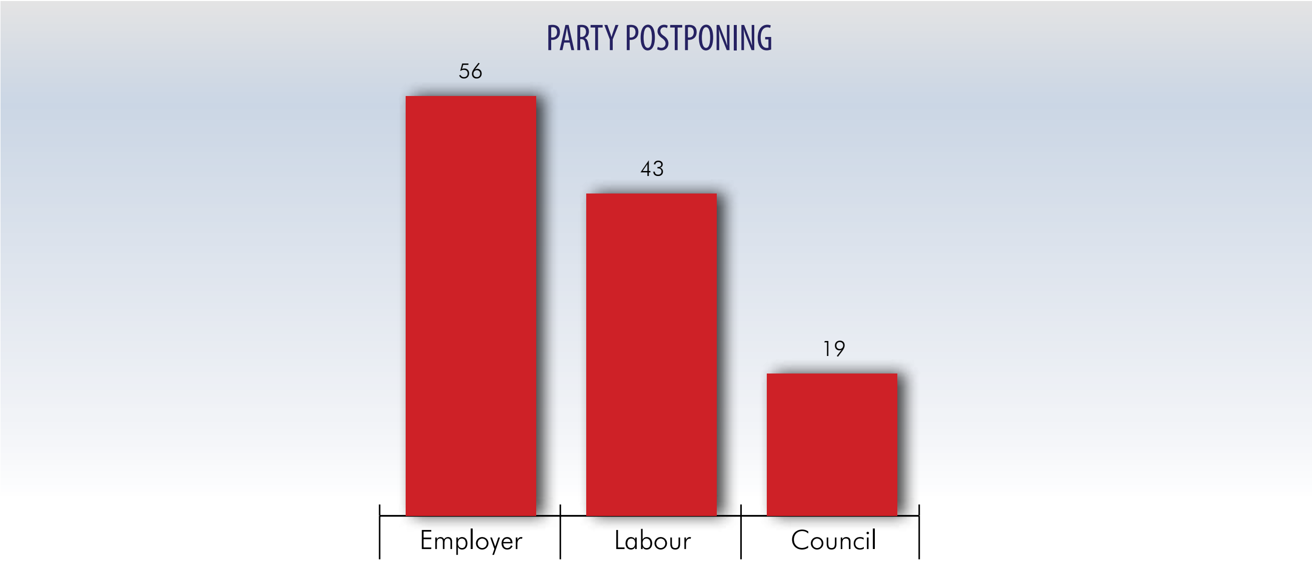
Postponements

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 mostly resulted by the unavailability of parties days before a scheduled meeting.

In this reporting period, there were one hundred and eighteen (118) requests for postponements. Most of the requests for postponements are received from the Employer (56); Organized Labour accounts for (43) and the Council accounts for (19) postponements. 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.

The graph below illustrates responsible parties for postponements:



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 has been an additional 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/ 2014
- National Micro of Government Departments (NMOG)
- Monitoring Compliance with Occupational Health & Safety Legislative Framework

Out of fifty seven (57) Chambers, the Council provides chairpersonship for eighteen (18) National Departments. The Departmental Bargaining Chambers in question are the following: DTI, EDD, DOW, SRSA, DTPS, DBE, DHET, FETC, GPW, STATSSA, DOE, OCJ, MISA, CSPS, DSBD, CPSI, DHA, and TOURISM.

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 deadlocks.

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.

Dispute Prevention – Clause 17 of GRA

Background

Clause 17 of the Governance Rules (Resolution 1 of 2012) is a mechanism for dispute prevention of 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, emanating from the Chamber agendas, before they are referred to Council for dispute resolutions processes of Conciliations and Arbitrations.

During this reporting period, there have been forty-four (44) clause seventeen referrals. There is a slight increase of facilitation meetings as compared to the last financial year.

Issues on deadlock

Issues on deadlock varies from chamber to chamber and were referred to Council for facilitations with the Department of Water and Sanitation having referred most items.

The table below illustrate some of the referrals and issues, settlements, unresolved issues and wherein parties reserved their rights.

Chamber	Issue(s) Referred	Facilitation Outcome
Presidency	Branding Of Cars	The Employer would consult its principals regarding Labour's demand to discontinue the branding of cars and provide feedback by 15 January 2020. In the event that the Employer continue with branding of car, Labour would refer the matter to dispute processes.
IPID	Staffing Levels, Human Resource Costs and Other Expenditure	Labour could access the information through the Council by requesting the matter to be placed on its agenda so that it could approach DPSA on its behalf; or Labour could follow the dispute resolution process.
FETC	Permanent Appointment of Council Paid Employees.	PSA is currently busy with the mandate to sign off the agreement NEHAWU will sign off the agreement by end of the week The matter was deferred to the chamber for further reporting.
	Mechanism to address Payment of 37% in lieu of benefits to Eastern Cape CET College.	Parties could not reach an agreement on the matter. Labour reserved its rights and will follow the dispute resolution process in finalizing the matter. Parties agreed to remove the matter from the agenda of the Bargaining Unit going forward.
DPW	Security Levels	Labour will provide the Employer with a list of security officers who were appointed in 2016 and 2017 and were appointed on different salary levels, when they were appointed and their salary levels. Thereafter, the Employer will investigate if there are discrepancies with employees appointed in the same year but on different salary levels. The matter was referred back to the chamber. However, if Labour is still not happy after this process, it can refer the matter to Dispute Resolution process either individually or as a collective.
	Non OSD Grade Progression.	PSA will provide the Employer with the specifics on the matter. The matter was referred back to the chamber.
	Non-renewal of contracts of Employment	The matter was withdrawn from the agenda as NEHAWU had already referred the matter for Dispute Resolution process.

DST	Health and Safety Issues in the DST	The Employer requested an extension of 30 days (working days) on the issue, until the 3 April 2020 for feedback to Labour. The Employer will update Labour on progress made to obtain the occupation certificate on or before 28 February 2020. The Employer will facilitate a meeting between Labour and the APEX leadership. The Employer will issue a circular to employees by 28 February 2020 updating them on progress made regarding the matter. The Employer will establish a Task Team in order to provide progress reports to Labour. Each Party will submit three names to form part of the Task Team to be established on 24 February 2020 through the Secretariat.
CSPS	Relocation of the CSPS to new building	The Employer would seek a mandate regarding Labour's request for an interim building whilst it was busy with the process of getting a new building and provide feedback on 18 March 2020 through the Chamber Administrator. Labour reserved its right on the matter.
DHA	Home Affairs Contact Centre First Tier	The matter was referred back to the chamber and PSA will meet with its members on 28 February 2020 as agreed in the meeting with the DG; thereafter, provide feedback to the Employer.
	DHA Deployment to Foreign Missions: Applications for Pool of Officials for possible consideration for Deployment to Foreign Missions Selection Policy.	The matter was referred back to the chamber and Labour will also consult its counterparts at DIRCO on the matter.
	Vaccination at Ports of Entry	The matter was referred back to the chamber as a standing item and the Employer will provide a progress report to the chamber on the matter.

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

Clause 17 Meetings	Facilitations	Mediations
Number of issues Referred	21	0
Matters Resolved	09	0
Matters not resolved	05	0
Pending	07	0

Labour unions as a unit or individually have 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. Parties should always approach the collective bargaining structures of Council with mandates and willing to bargain on issues.

Dispute prevention (Clause 17) has also worked as parties settled a lot of referrals, saving Council thousands in daily fees, rulings and or award fees. In this instance, a total of 09 items were resolved at Facilitation level. Consequently, Council potentially saved approximately R48, 150.00 of Dispute Resolutions fees over this reporting period.

See the illustration below:

Total Matters Resolved	**09**	
Conciliation Fees Saved	**R 2,350.00**	R 21 150.00
Daily Fees	R 1,850.00	
Rulings	R 500.00	
Arbitration Fees Saved	**R 3000.00**	R 27 000.00
Daily Fees	R 2,500.00	
Rulings	R 500.00	
Award Fees	R1000.00	
Estimated Total Amount Saved (resolved items)		**R 48 150.00**

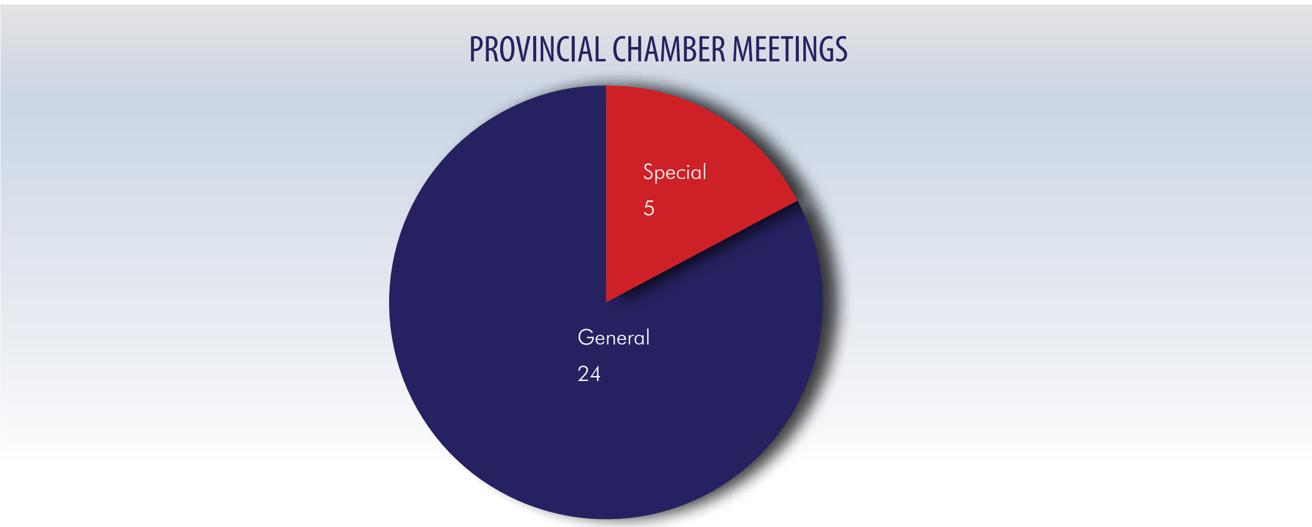
Provincial Administration Chambers

The GPSSBC Resolution 3 of 2004 institutionalised the establishment of the Provincial Chambers within their scope of operation in all nine provinces. The GPSSBC provides the secretariat services to all the provinces except for Free State and Limpopo, which are serviced by the Employer on consensus with their Organised 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 twenty - nine (29), including the special meetings and AGMs held. This figure has decreased when compared to the last financial year, averaging for 2.4 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:

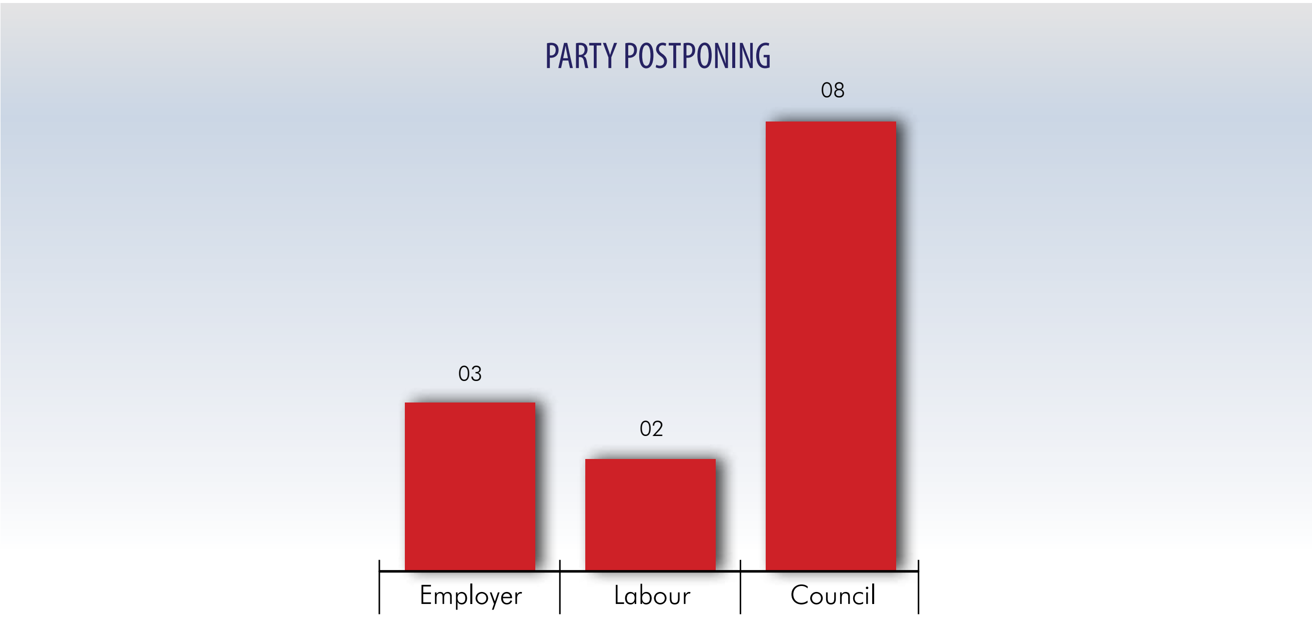
- Restructuring in the Departments
- Road Traffic Management Corporation (RTMC) Issues
- Recognition of Improved Qualifications in the Public Service (GPSSBC Resolution 5/2014)
- Policies

Postponements

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 agreement from the Employer and a number of admitted Trade Unions representing a majority of votes on the side of Labour to the Chamber.

There were a total of 13 postponements received in provinces and most were requested by the Council, due to other commitments followed by the Employer and Organised Labour.

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

Council Intervention in Chamber

The Governance Rules for Chambers (GPSSBC Resolution 1 of 2012); states that 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 the Chambers, however not limited to the following:

- Taking over the chairing of chamber meetings,
- Observing functioning of chambers by attending meetings,
- Conducting workshops on Governance Rules for the Chambers,
- Offering written advice to parties upon request on Collective Bargaining Issues, and
- Facilitating Settlements on Deadlocks reached in the chamber meetings.

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 finalise issues;
- Parties influenced by political issues and directly or indirectly undermine the Chamber's role, protocols and processes.

Recommendations:

- 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.

National Micro Organisation of Government (NMOG)

The PSCBC on 25 October 2019 concluded and signed an Agreement on the 2019 Reconfiguration of Government Departments (PSCBC Resolution 1 of 2019). Subsequent to that, workshops to all the affected National Departments and Provinces were roll out during November and December 2019.

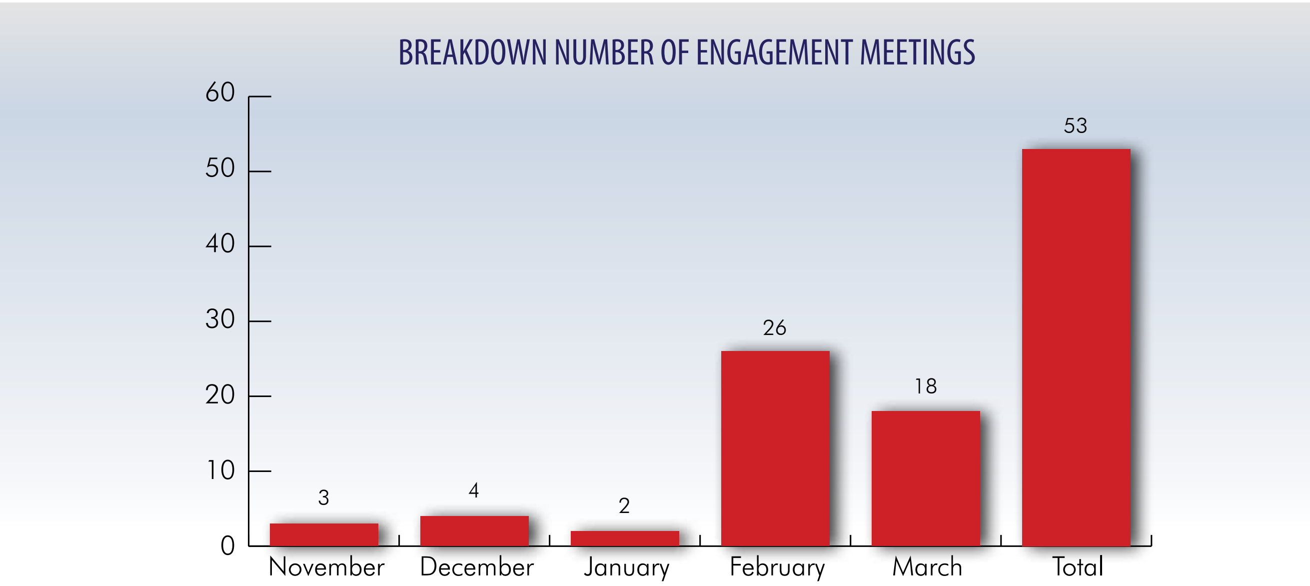
It can be reported that some Departments/ Provinces were affected through a process of merger, transfer and others name change.

Below is the list of the affected National Departments and Provinces:

No.	National Departments	Process
1	Department of Mineral Resource Department of Energy	Merger
2	Department of Trade and Industry Economic Development Department	Merger
3	Department of Arts and Culture Sport and Recreation South Africa	Merger
4	Department of Communications Department of Telecommunications and Postal Services	Merger
5	Department of Agriculture, Forestry and Fisheries Department of Rural Development and Land Reform	Merger
6	Department of Agriculture, Forestry and Fisheries Department of Environmental Affairs	Transfer
7	Department of Women Department of Planning Monitoring and Evaluation	Transfer
8	Department of Public Works National Treasury	Transfer
9	Department of Public Works (DPW) Economic Development Department (EDD)	Transfer
10	Department of Planning, Monitoring and Evaluation (DPME) Presidency	Transfer
11	Department of Communications Government Communication and Information System Presidency	Transfer
12	Department of Social Development Department of Basic Education	Transfer
13	Limpopo	Merger
14	North West	Transfer

15	Northern Cape	Merger
16	Gauteng	Transfer
17	Department of Labour	Name Change
	Department of Public Works	
	Department of Science and Technology	
	Department of Agriculture, Forestry and Fisheries Department of Rural Development and Land Reform	
	Department of Environmental Affairs	
	Department of Mineral Resource	
	Department of Energy	
	Department of Trade and Industry	
	Economic Development Department	
	Department of Communications	
	Department of Telecommunications and Postal Services	
	Department of Arts and Culture	
	Sport and Recreation South Africa	
	Department of Women	

The Secretariat established and convened 53 engagement meetings giving effect to Clause 8.2 of the PSCBC Resolution.



It can be reported that the process was progressively ongoing although there was a dissatisfaction from Labour regarding the start-up structures that are already approved, as it defeated the process of consultation.

7. DISPUTE MANAGEMENT UNIT

The Unit is entrusted with a primary function to implement the effective resolution of labour disputes in a fair, impartial, equitable and without bias, with a high standard of professional ethics been promoted and maintained.

The powers to perform this functions is derived from sections 52 and section 127 of the Labour Relations Act 66 of 1995 (as amended) and its processes are based in line with provisions entrenched in the Bill of Rights, Chapter 2 of the Constitution of the Republic of South Africa, 1996.

The Unit carries the Strategic Objective *"to maintain an effective Dispute Resolution System outcomes"*.

The Council is established and accredited by CCMA (s52 and s127) to perform dispute resolution functions mainly conciliations and arbitrations as well as preventions.

With the nature of the strategic objective to "Maintain an effective Dispute Resolution System outcomes."

The prominence of the objective supports the following key performance areas:

- Continuous reviewing and strengthen the Dispute Resolution Rules and Procedures for greater effectiveness including standard operating procedures;
- Embolden and vitalise improvement of the outcome of the conciliation process;
- Progress the constitution and rules of the Council to ensure enforcement of collective agreements;
- Heighten dispute prevention strategies through Training and Communication amongst others;
- Consider the viability of establishing a full time Panel of Conciliators and Arbitrators (Quality / Cost / Control);
- Integrate and embrace technology in the Dispute Resolution Administration process. (Integrated Management System);
- Contribute meaningfully to the establishment of a professional body for Dispute Resolution Practitioners.

For the purpose to succeed with the committed strategic objective, continuous refinement of stakeholder participation, prioritisation of dispute prevention, constant insurance of effective dispute resolution, sophisticating client focus and enhancing the quality of service providers should always be maintained.

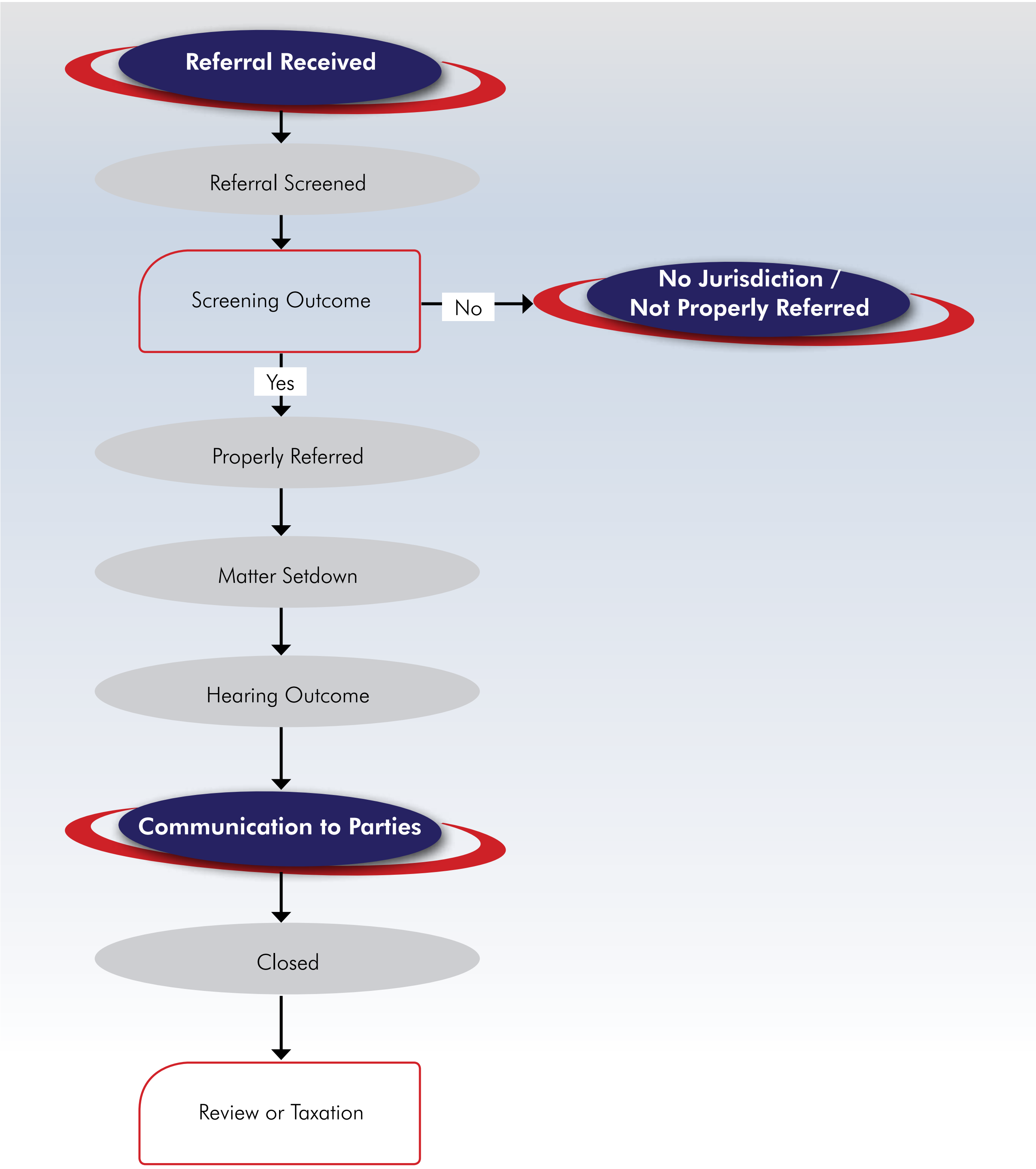
Regular fundamental activities of the Unit entails:

- Scheduling/rescheduling of cases
- Amendment of Dispute Resolution Rules
- Development of Standard Operating Procedures
- Management of Postponements
- Management of Outcomes
- Management of various applications
- Performance Management of Panellists
- Ensuring availability of Interpreters for hearings

- Liaise and provide Statistics to CCMA
- Handling of notice of motions for review applications
- Manage and administer records of proceedings
- Filing notices of compliance/ explanatory affidavits to Labour Courts
- Response and accounting to LC motions and enquiries.
- Present and represent Council against costs compelling applications in LC.
- Applications for Enforcement of Contempt Rulings in LC (s142)
- Ensuring implementation of courts judgements
- Monitoring and analysis of awards on review
- Quality control of outcomes
- Conducting of Conciliation hearings
- Record keeping and filing
- Management of Taxation processes
- Reconstruction hearings
- Handling of complaints/enquiries/walk-ins etc.

The Unit Workflow

The model is convenient for confirming and monitoring of workflow stages.



The model is handy in confirming and monitoring of workflows with easy and precision to date.

Client Focus

The Council provides in service training and develop communication to parties on matters such as general awareness of GPSSBC dispute resolution function, jurisdiction of GPSSBC, non-compliance to GPSSBC rules and referrals.

SMSes notices are sent in addition to set down notices reminding parties of the dates/time and venues of the hearings for their matters. Helpdesk Workstation has been established, operational and assisting parties on general enquiries and monitoring of dispute hearings on daily basis as a mechanism to ensure progress on our hearings, reducing unnecessary postponements.

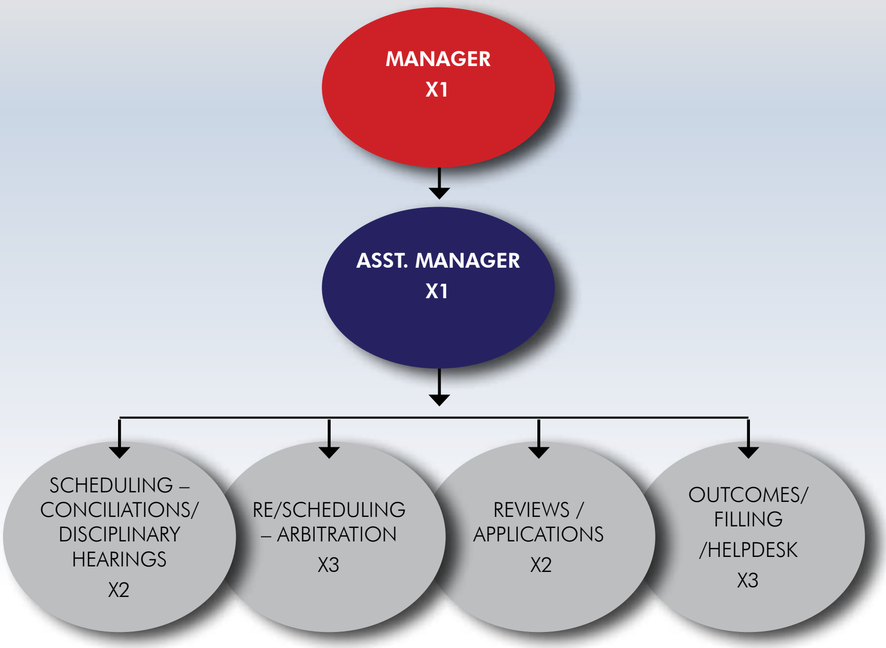
Service Level agreement is introduced in practice to manage and regulate performance of Commissioners for expedition of dispute resolution and managing panellist performance to realise the core obejct of the Act, for social justice.

Increased Stakeholder Participation

Legal Review Committee has been revived and so far made great advancement in processes improve efficiencies of the Unit. Through this stakeholder participation process, parties commit in attendance to dispute resolution meeting were long outstanding aspects of dispute resolution are conferred, i.e. review of rules, exodus of panellists owed to low daily/travelling fees, collaborator (electronic system) problems etc. This commitment and participation enhance prospects for achievement of performance indicators (PI) as per the assigned strategic objective e.g. Legal Review Committee, Role Players Forums, etc.

The Unit Operational Structure

The Unit is composed of 12 staff members as outlined below



Scheduled of Hearings

For the current financial year 7204 scheduled hearings are recorded. The total 7204 is formed of 1606 conciliation hearings and 5473 arbitration hearings. Fourteen 14 hearings set for Con-arb processes, 15 for disciplinary processes and 38 pre-dismissal arbitration enquiries respectively. In limine hearings are counted for 8 while 30 were set down for reconstruction hearing. For quantification 9 hearings were administered, 11 were for taxation process.

Scheduled hearings	Total
Conciliation	1606
Arbitrations	5473
Con/arb	14
Disciplinary hearing	15
Pre-dismissal arbitration	38
In limine hearings	08
Reconstruction hearings	30
Quantification hearings	09
Taxation hearings	11

Conciliations

Conciliations are conducted in acquiescence with the legislative requirements in particular the LRA and Resolutions. Section 135 of the LRA is useful were non availability of dates and Panellists within the 30days period are inhibiting the process and/or were geographic origin of the disputes makes it impractical to reach in far remote areas exist. Section 135 of 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 Commission".

Conciliation hearings in Gauteng are centralised within the Council premises conducted by the in-house Commissioners (staff) thus mitigating exuberant dispute costs. Such arrangements accelerate efficiency and handling of referred conciliation matters. In the current financial year 1217 conciliations hearings were recorded and conducted in-house and certificates issued for remote areas thus substantially mitigating ever growing dispute costs profoundly.

Arbitrations

Council's decision to centralise all Gauteng matters at the Council facilities to remedy problems related to venues and for monitoring purposes remains beneficial to the course. The resolution yields positive results as most hearing are proceeding to progress in a costs saving system.

Multiple postponements and adjournments in arbitration processes are a persevering worrying factor as they escalate costs and expand case lifespans compromising speedy resolution and defeating the primary objective of the LRA. For the current financial year 5473 scheduled arbitration hearings were recorded.

Postponements

In their nature postponements are the impediment and the prime malefactors to lengthy processes and aggravating factor towards the high costs in management of dispute resolution. Unrelenting postponements overthrow the key principal objective to ensure speedy resolution of dispute referred within its jurisdiction.

Most expensive postponements are those incurred during hearings in a forms of adjournments owing to many reasons parties advances like, alleging to be not properly served with notices, processes turned legalistic and sometimes due to technical liabilities of our system Collaborator, lack of interpretersetc.

Awards Rendered

During current financial year 587 awards are recorded with 576 awards rendered within 14 days period. Thirty one 11 were issued outside 14 days period. Reasons for late submission can be owed to various reasons like granted extensions or non-compliance with time frames by the Commissioner which is mostly remedied through SLA prescripts. Of the 587 awards issued, 297 were in favour of employee while 251 are recorded to be in favour of employer.

Figure 1 Total awards per Province

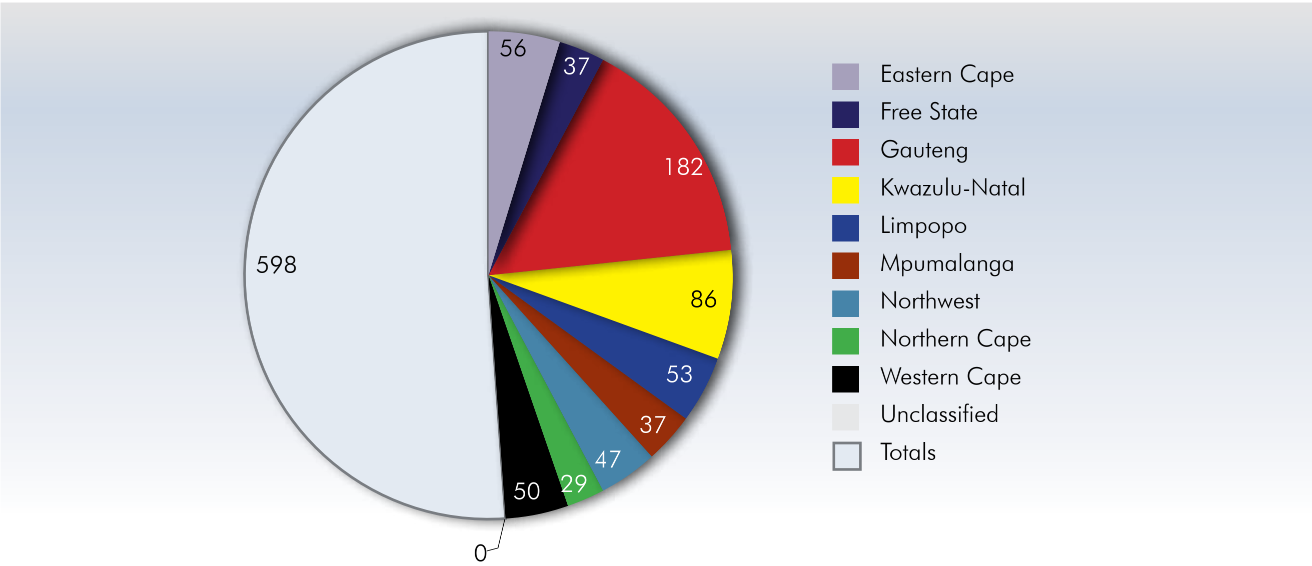


Table Awards per Party

PROVINCES	EMPLOYER	EMPLOYEE
Eastern Cape	40	16
Free State	25	12
Gauteng	102	80
Kwazulu-Natal	37	49
Limpopo	23	30
Mpumalanga	27	10
Northwest	22	25
Northern Cape	14	15
Western Cape	46	14
Unclassified	00	00
Totals	**263**	**260**

Management of Reviews

This is a high risky process beyond and over the rules of the Council with far potential high costs and intergrity /reputational implications if not correctly managed. The process is managed internally contrary to other Councils having outsourced the function to legal firms to handle their review applications.

Given above contextual and numerous recourses provided in LRA to review Council awards/rulings, the Unit introduced monitoring process to ensure compliance to Labour Court notices and motions in terms of Labour Court Rules by introducing to its case cycle a Workstation Review and applications. The special attention of the work station is in handling and monitoring of reviews/applications at the LC.

Since the conception of the workstation, problems experienced with compliance to Labour Court notices, directives, judgments and motions are accounted and reduced to the minimum. Procurement and introduction of the new storage facility for physical archiving of records abridged the process and made it feasible to uplift and filing of records. The workstation ensures compliance within time frames in accordance with Court Rules to curb and prevent compelling applications and costs against the Council.

The workstation is further involved in initiating processes in s142 (8) and (9) for contempt application for subpoenas.

The Unit is gratified and thrilled with its performance and record that in the previous consecutive five financial years that no costs compelling application succeeded against its processes.

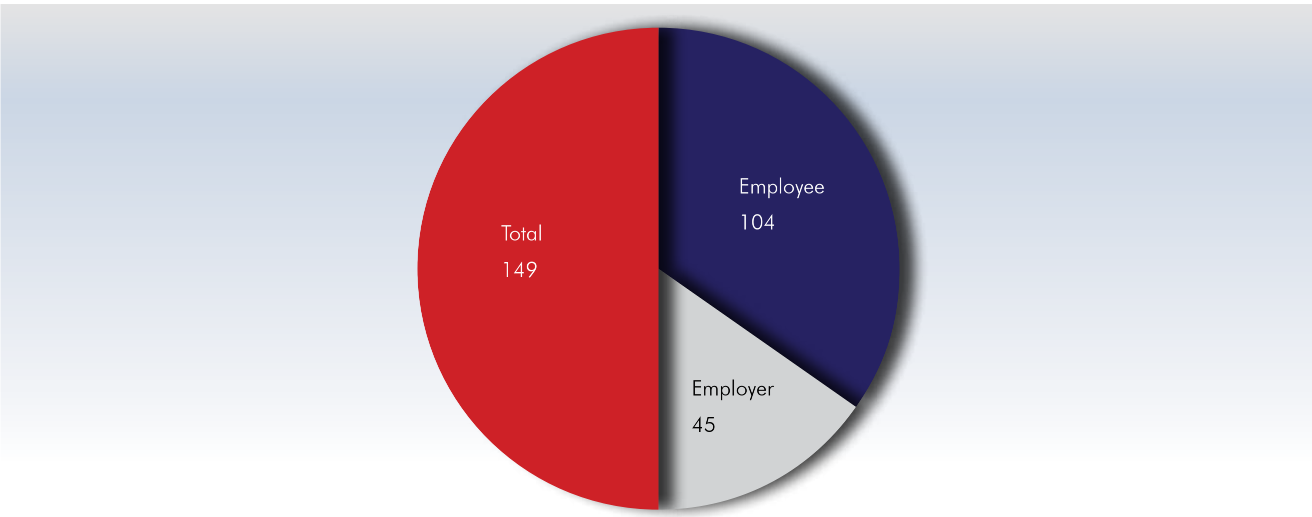
For the financial year 2019/2020 hundred and four (149) notice of motions in terms of s145 and s158 of the LRA were administered.

Of the 149 review applications, 104 of them were filed from the employee party whereas 45 filed by the employer party.

Monthly Reviews

PARTY		May, 2019	June, 2019	July, 2019	August, 2019	September, 2019	October, 2019	November, 2019	January, 2020	February, 2020	March, 2020
Employee	5	8	14	10	15	11	6	14	9	5	7
Employer	1	4	1	8	8	2	9	2	3	4	3
Total	**6**	**12**	**15**	**18**	**23**	**13**	**15**	**16**	**12**	**9**	**10**

Figure 2 Total reviews per Party



Service Providers -

Panellists

The greatest resource of our work assets providing the prime essential service to Council is the part-time Commissioners conducting our dispute resolution processes. As a results the Council is on continuing basis embarking on recruitment endeavour to refresh and muscle its panel of Panellists yearly. The principal requirements to qualify as a Panelist is to be CCMA accredited in order to conduct our dispute resolution processes, that is also per CCMA set terms for our accreditation as a Council.

Lately the Council took a decision to consider and introduce non accredited and individuals completed and in possessionof dispute resolution certificates to form part of the Panelsts to conduct hearings for Council. A list from PSCBC recruitment was handed in to be considered and incoporated to form list of our Commissioners. Our record reflect a total of 80 who rae considered from the provided PSCBC list.

The process resulted in Council appointing substantial pool of commissioners nationally. As it happens naturally that some appointed Commissioners will resign, passover or get inactive resultant to the list been continually updated. For provinces like Mpumalanga, Northwest, Free State, Northern Cape were entirely in shortage of Commissioners thus consequential for process to accept new applications of CCMA accredited Commissioners.

The Council has entered in to Service Level Agreement (SLA) with all Panellists for regulation of relationship, payments and performance of panellists, it has been endorsed and in operation. The SLA further addresses work operational factors such as recordings, controlling of processes fairly and humanely, postponements, late awards and quality of awards, conduct, rates, punitive measures etc.

Table of Panellists

PROVINCE	OLD	NEW
EASTERN CAPE	22	14
FREE STATE	02	03
GAUTENG	32	28
KWA-ZULU NATAL	33	10
LIMPOPO	12	08
MPUMALANGA	04	05
NORTH WEST	03	05
NORTHERN CAPE	04	02
WESTERN CAPE	20	05
TOTAL	**132**	**80**

Interpreters

Interpreters plays cardinal role in dispute resolution processes ensuring advancement to meaningful social justice in our processes. They are currently utilised on ad hoc basis as no SLA been concluded with them. We are in process endeavouring the practical model to formalise their services. Namelist of the utilised interpreters in our service is hereby attached.

Allocation of Cases in the Unit

The Unit introduced mode/norms for allocation of cases. The Unit operates in a Case Cycle System through Workstation Format.

Processes are centralised according to respective Workstations.

Allocation of cases to Commissioners is centralised within five scheduling Workstations to set down matters.

The following features are considered for allocation and scheduling:

- 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.

Prioritising Dispute Prevention

The principle of dispute prevention conforms to a strategy to empower and for capacity building of stakeholders as an enhancement to handle workplace relations and possible arising disputes within their workplaces. Capacity building involves training and workshops to parties to councils. The Council provided various training interventions in Labour Relations Training, Negotiation Skill Developments, and Panellists Workshop. Collective bargaining by its right forms a dispute prevention mechanism package as it creates space for parties to bargain issues among themselves. Such processes have positive effect to dispute resolution in general.

Conclusion

Council dispute resolution services in the Public Service remains a cardinal mission in fulfilling aspirations to the constitution and legislative object of fair labour practice in advancing social justice and labour peace in the Sector. The Unit role is central contributing to the overall achievement of objectives of the Council and the sector at large. It is an ongoing process for the Unit to keep on evolving in line with the ever reforming employment relations trends. It continually evaluate and assesses systems for relevancy as to make certain of exceptional service delivery to those it serves.

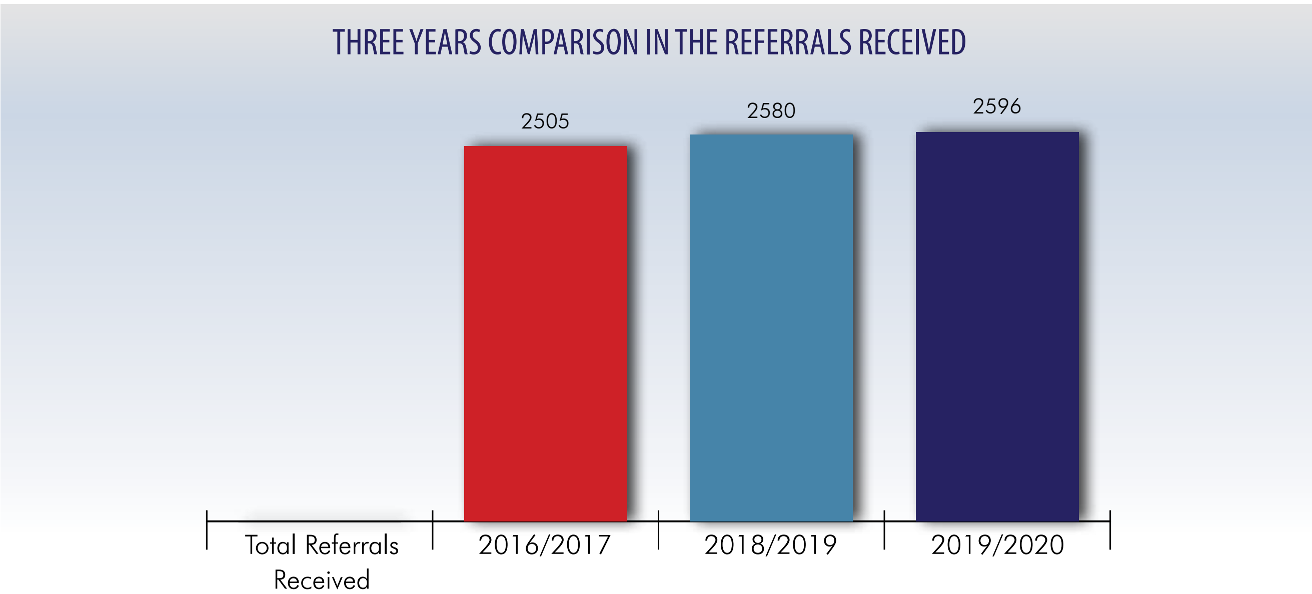
8. Resident Panellist Unit

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.

The Unit key functions are listed as follows:

- The classification, capturing of case file and screening of referrals for jurisdiction.
- Conducting all statutory conciliations arising from the provinces Gauteng, North West, Mpumalanga and Northern Cape and National Departments.
- Processing of various applications brought by parties on paper and issuance of rulings regarding the applications.
- Quality checking and vetting of the awards and rulings.
- Issuance of certificates in terms of section 135(5) of the Labour Relations Act (LRA)
- Compilation and analysis of statistical reports on cases.
- Monitoring of case law and case law monitor on labour matters.
- Assists walk-ins and parties who visit our offices for services.

Figure 1 New Referrals



New Referrals

A total of **2596** new referrals for conciliation were received by the Council for the 2019/2020 financial year, of which 1707 were processed as properly referred (In jurisdiction) compared with 1635 referrals received in the previous financial year 2018/2019. This is indicative of an increase of properly referred conciliation disputes (new referrals) property referred by 10% as compared to previous financial year. This could be attributed to the unresolved internal grievances by departments as a result dissatisfied with the outcome employees declared disputes to the Council.

Council also received **1035** new arbitration referrals during this period, of which **1290** were found to be properly referred.

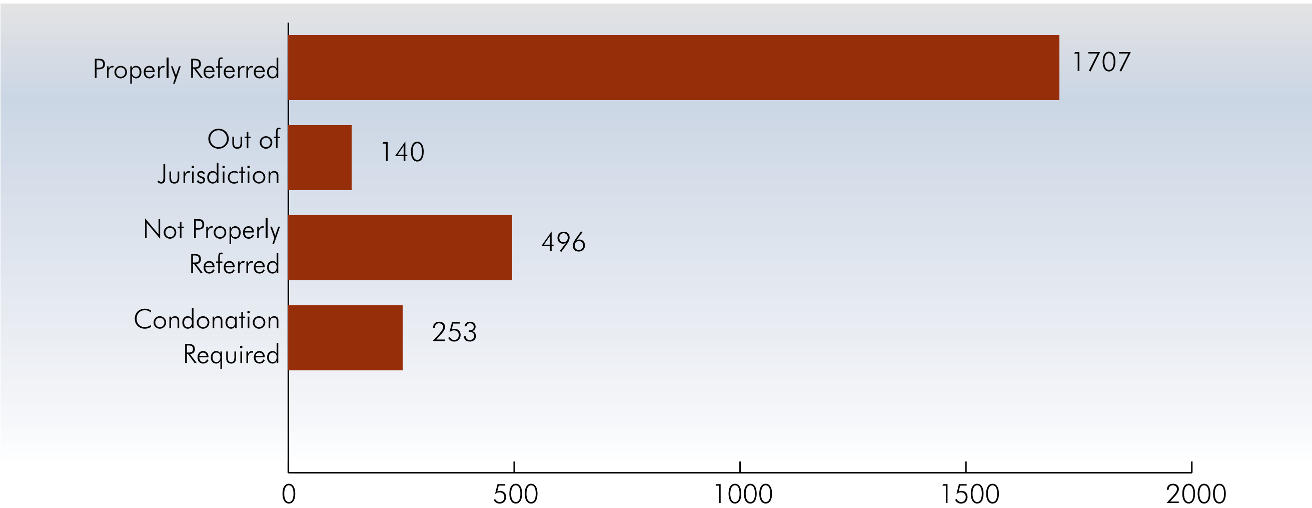
Analysis of New Referrals (Conciliations)

Of the **2596 referrals received**: 496 were screened as not properly referred as compared with 549 referrals which were found to have not been properly referred during the 2018/2019 financial year. There is a significant decrease of 53 in the number of referrals not properly referred, as compared with 2018/2019, 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 496 not properly referred referrals.

Factors which contributed to referrals being found not to have properly ref financial year erred are:

- Matters were found to have been referred outside the stipulated time frame in terms 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 such as CCMA 7.11 instead of GPSSBC G1 prescribed referral form.

Figure: 2 Analysis of New Referrals



Referral by Issue

The breakdown of 'properly referred matters' for Conciliation received revealed that 890 of were classified as unfair labour practice disputes, followed by 367 that were classified as unfair dismissal disputes. Significantly, 201 referrals were classified as "unfair suspension disciplinary short of dismissal" disputes.

There were 165 “Interpretation and/ or application of a collective agreement” disputes. Unilateral changes to terms and conditions constituted 34 disputes, and referrals related to section 198B constituted 26. A total of 9 referrals were classified as “disputes that related to matters of mutual interest”, and there were 8 disputes referral classified as Inquiry by Arbitrator and, in respect of the Protected Disclosure Act 26 of 2000 were 4 dispute referrals and 2 were classified as Equal pay for work of Equal Value and 1 classified as Severance pay none dispute related to Refusal to bargain.

Figure: 3 Analysis of New Referrals by issue

Graph below is an indication of the breakdown of referrals referred by issue

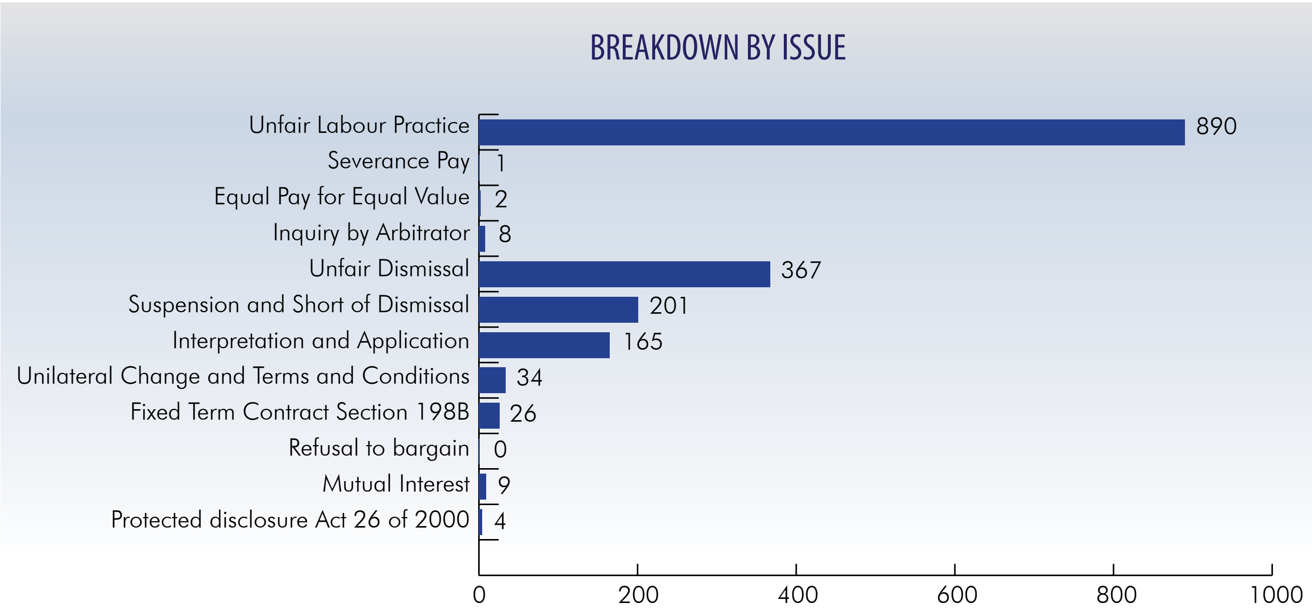
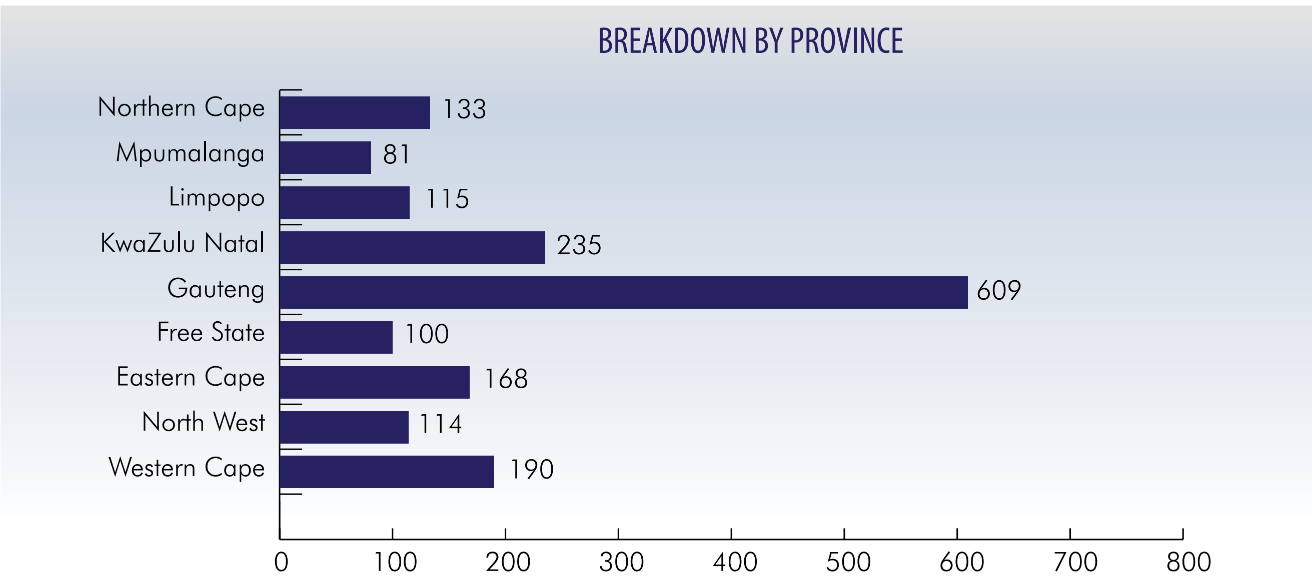


Figure: 4 Breakdown of disputes referred per Province

Graph below is an indication of the breakdown of referrals referred per Province.



Departments constituting the highest number of referrals

It is important to indicate that even 2018/2019 financial year; the Department of Correctional Services (DSC) is once again registering the highest number of referrals in the sector, in this instance recorded an increase by 11 referrals, as compared to previous financial year 2018-2019, followed by the Department of Basic Education (DBE) and the Department of Justice and Constitutional Development (DOJ) and Department of Water and Sanitation. The Department of Agriculture, Forestry and Fisheries (DAFF) and Department of Public Works (DPW) respectively recorded the same number of referrals. The lowest number of referrals emanated from the Department of Home Affairs (DHA), Department of Higher Education and Training (DHET), Department of Labour and Employment (DOL) as well as Department of Transport.

Figure: 5 Departments constituting the highest number of referrals

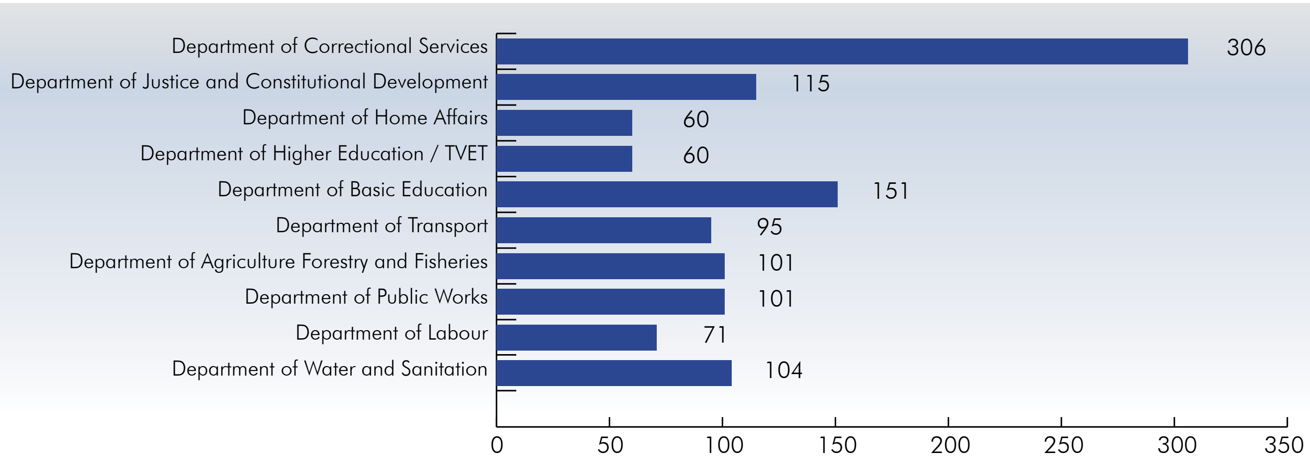
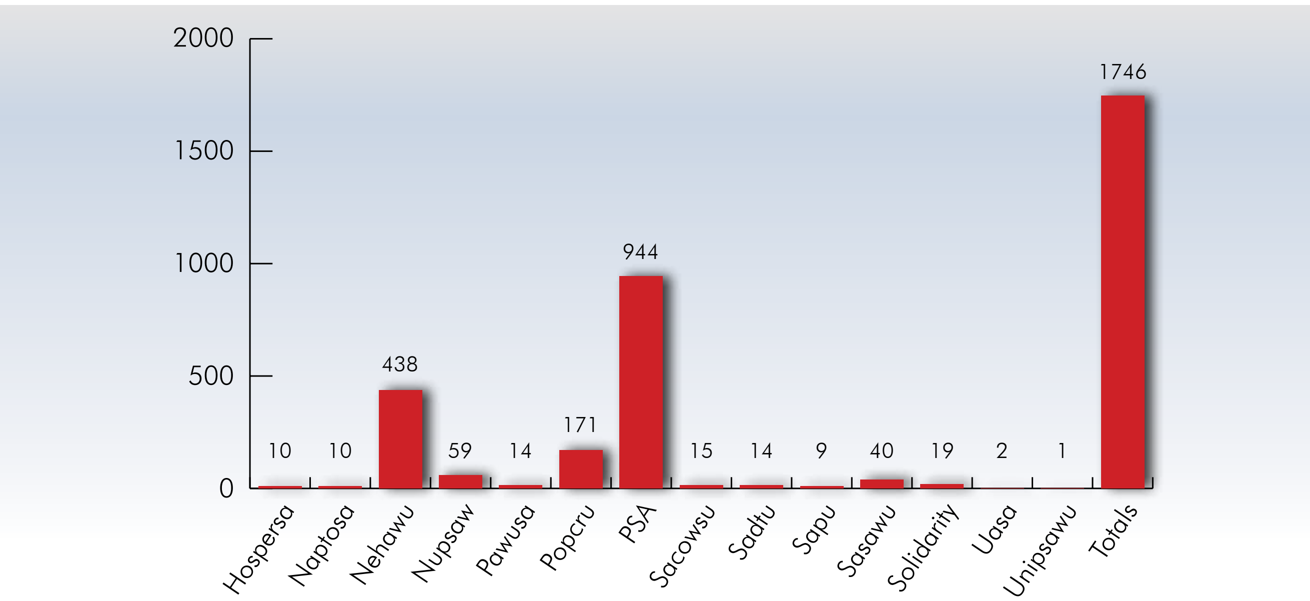


Figure: 6 Unions constituting the highest number of referrals



A total of 1746 referrals were referred by the Trade Unions, with PSA the highest referring union 944, followed by NEHAWU 438 and POPCRU 171.

Hearings conducted – Conciliation

During the reporting period a total of 1598 statutory conciliations were conducted throughout the nine provinces as compared to 1805 in the previous financial year. The Council has recorded a decrease in the number of conciliations processes conducted as compared with the previous financial year 2018/2019.

This could be attributed to the Coronavirus (COVID -19) global pandemic impact on Council operations and processes during the reporting period.

It should also be noted that at 1244 of these conciliations were conducted by the Resident Panellist and Dispute Management Unit of the Council, as a cost saving strategy on conciliation processes.

Figure: 7 Five Years Comparison of Conciliations Conducted

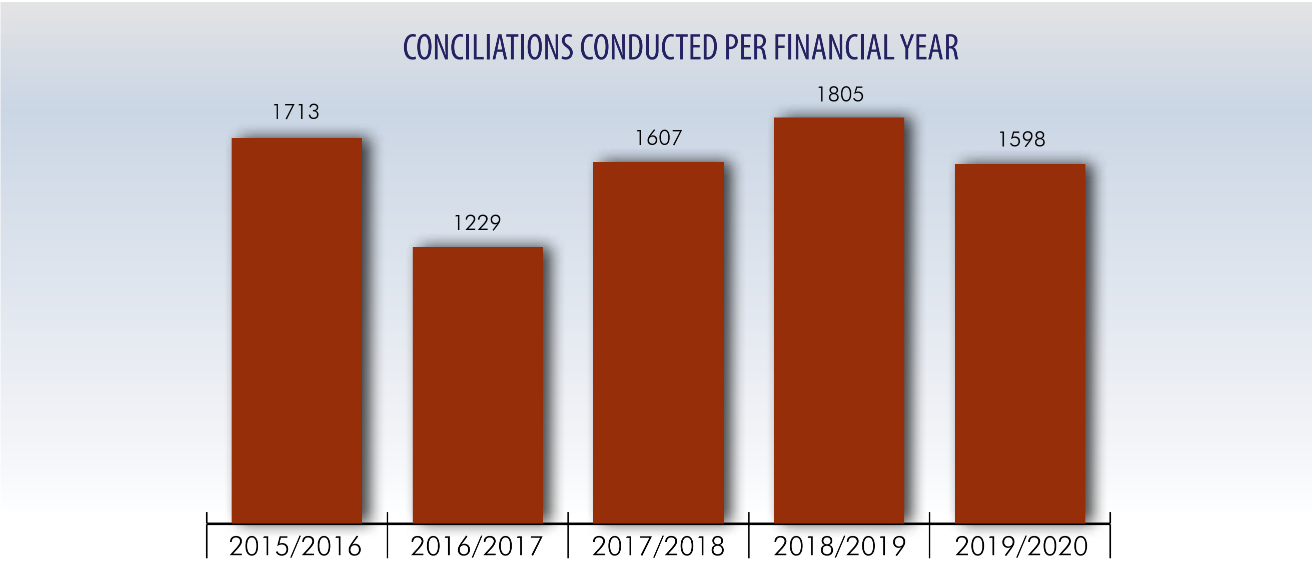
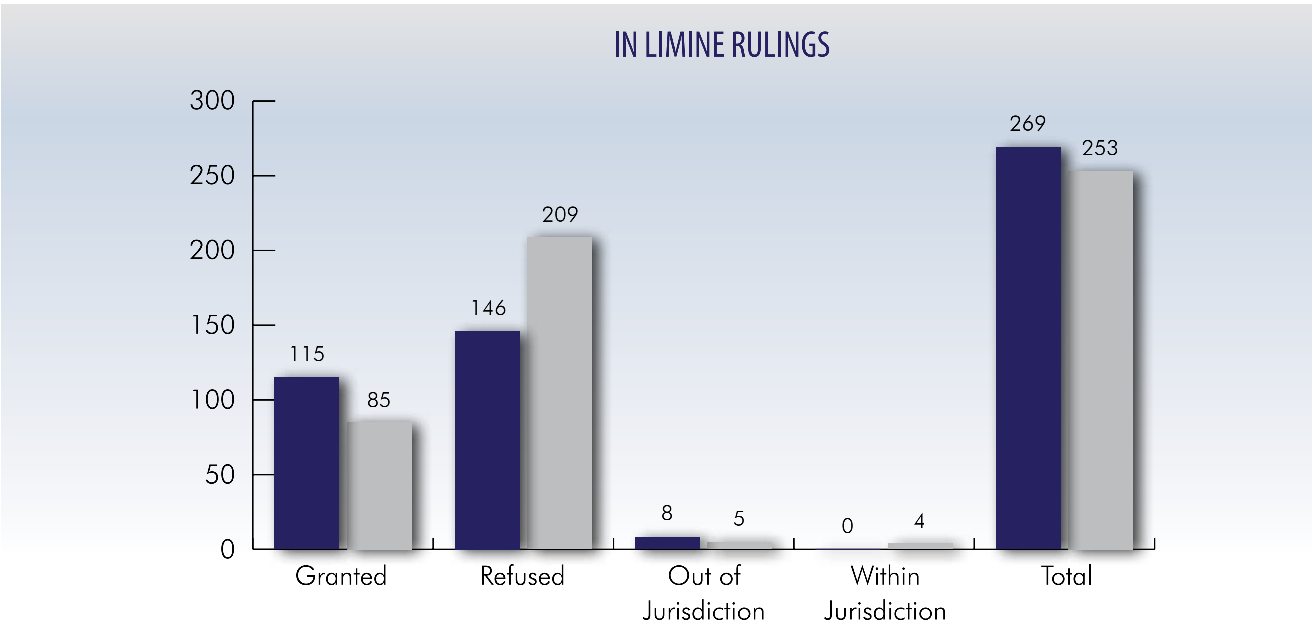
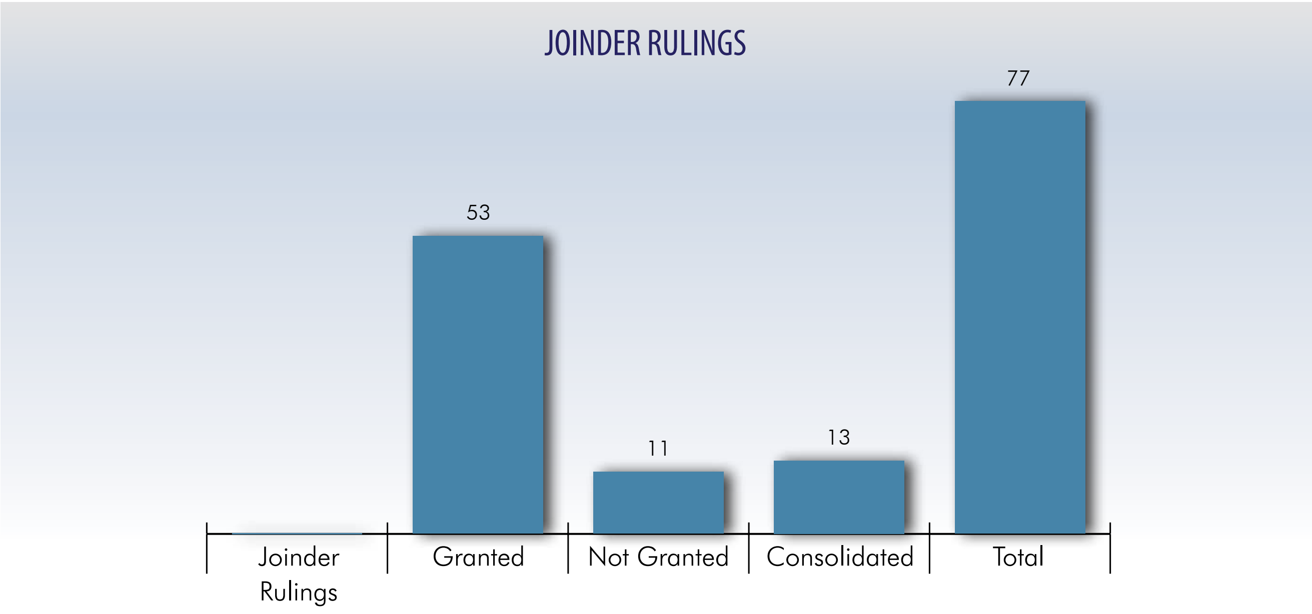


Figure: 8 Rule 9 In limine/ Condonation Rulings



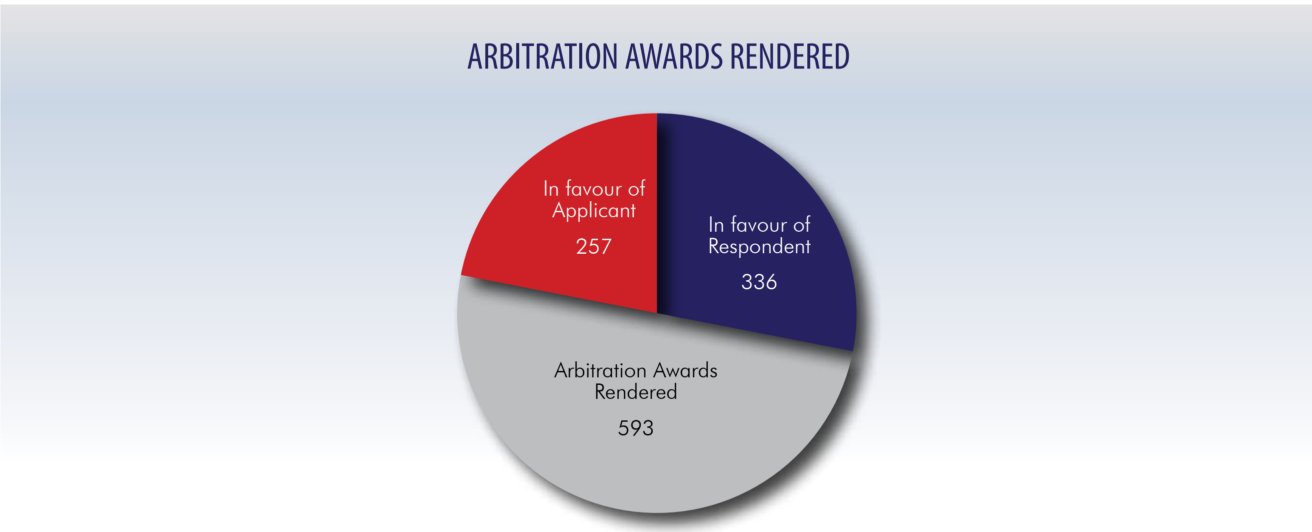
A total of 253 Condonation were received by the Council during the reporting period, out this 85 were granted and 209 were refused, 5 were out of jurisdiction, 4 were in jurisdiction.

Figure: 9 Rule 27 Applications for joinder of parties



A total of 77 Joinder and consolidation applications were received by the Council during the reporting period. Out of these 53 joinder rulings were granted and 11 were refused, 10 consolidation were granted and 3 were refused.

Figure: 10 Arbitration Awards Rendered



A total of 593 arbitration awards were rendered and out of these 257 were in favour of the applicants and 336 were in favour of the respondents.

SUMMARY

During the reporting period the Resident Panelist Unit has recorded an improvement in efficiencies, on turnaround times on classifications and screening for jurisdiction of referrals.

The Unit has achieved in conducting conciliation hearings in Gauteng, North West, Mpumalanga and Northern Cape in resolving dispute to comply with statutory requirements.

The Unit will focus and improve its efficiencies on turn-around times in processing of condornation applications in the new financial year.

The challenges is the poor settlement rate during conciliations process. One of the reasons we think is because parties come to conciliation not fully prepared and without a mandate to settle and lack of trust between the parties.

9. CORPORATE SERVICES UNIT

The primary function of the Corporate Service Unit is to ensure 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.

The Unit is the support service unit to all the units within the sector. 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:

This is the committee responsible for monitoring the council internal control and financial systems. The committee complies by ensuring to meet quarterly to oversee the council's financials and operations related to finances. Other duties 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 changed auditors to ensure rotation of the function in terms of good governance. The current auditors are Nexia SAB & T.

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

- Ensures compliance with established internal control procedures by examining records, reports, operating practices, and documentation.
- Verifies assets and liabilities by comparing items to documentation.
- Completes audit work papers by documenting audit tests and findings.

The full audited financials of the GPSSBC are contained in this report.

The audit opinion expressed is unqualified.

Human Resource Management

Human Resource Management 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 objective.

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 organisation 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 of developing staff in the following categories:

Training and Development	No. of Staff
Bursaries granted	8
Short courses attended	7
Workshops and Seminars	2

Recruitment and Selection

Four (4) employees resigned during the period under review and the following position was filled:

- Collective Bargaining – Officer X 1

Resource Management

GPSSBC 20th Anniversary Celebration

On 30, 31 October and 1 November 2019, the GPSSBC celebrated its 20th anniversary of existence and of delivering exceptional service to all we serve. The event was held at the Emperors Palace Convention Centre and it was organised and arranged by the GPSSBC staff. The theme of the event was *"THE FUTURE OF COLLECTIVE BARGAINING AND SOCIAL JUSTICE IN THE DIGITAL ERA"*.

The Resource Management unit was responsible for logistics amongst other activities;

Branding of the venue,

Audio and visual,

Photography,

Interacting with the sponsors,

Setting up the stalls,

Transportation of guests.

The presentations made on the event can be viewed and downloaded from the website www.gpssbc.org.za under GPSSBC 20th Anniversary Conference.

The GPSSBC is thankful to the sponsors to have made the event a success.

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, and over the last financial year we have witnessed a growth in the numbers visiting and downloading document from our website.

2018 - 2019 we had 32827 downloads

2019 - 2020 we had 45151 downloads

Our website contains important documents for easy access and downloads, such as:

Resolutions and Forms:

We have also introduced an email address referrals@gpssbc.org.za where referral application can be sent to in order to reduce the turnaround time, to increase productivity and deliver exceptional service.

Below is a statistical table of forms downloaded:

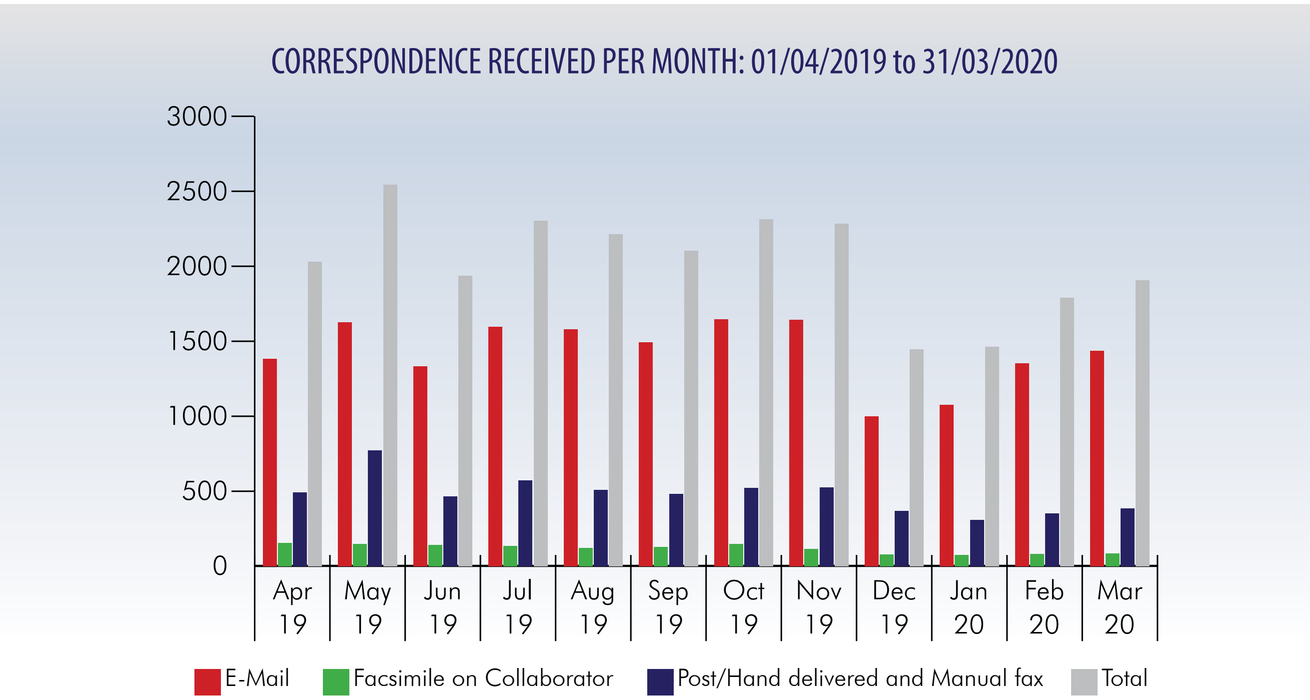
Document Name and Description	Number of downloads
Application in Terms of Section 142A	2098
Application to Certify Bargaining Council Award, LRA Form 7.18A	1690
Request for appointment of a chairperson in a disciplinary hearing	1232
Request for arbitration (GPSSBC Referral form G2)	8610
Application to certify council award and writ of execution	471
Referring a dispute to the GPSSBC for conciliation, plus Application for Condonation	22770
Inquiry by Arbitrator (Pre Dismissal Application G6)	1496
Application in terms of section 142a (making a settlement agreement an award)	1398

Document Name and Description	Number of downloads
Settlement agreement template	1357
Ruling template	919
Certificate of outcome	1008
Award template	1061
Attendance register	1041
TOTAL	**45151**

CORRESPONDENCE RECEIVED PER MONTH: 01/04/2019 to 31/03/2020

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

Type	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020
E-Mail	1384	1626	1332	1596	1579	1492	1645	1644	999	1077	1354	1436
Facsimile on Collaborator	154	148	141	136	123	130	148	115	78	76	83	84
Post/Hand delivered and Manual fax	491	771	464	572	510	481	522	524	370	309	353	386
TOTAL	**2029**	**2545**	**1937**	**2304**	**2212**	**2103**	**2315**	**2283**	**1447**	**1462**	**1790**	**1906**



GPSSBC

GENERAL PUBLIC SERVICE
SECTOR BARGAINING COUNCIL

General Public Service Sector Bargaining Council

(Registration number LR2/6/6/143)
Annual Financial Statements
for the year ended 31 March 2020

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 SV Mawela A Al-Anani C Nanto M Molongoana
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 Lyttleton 0140
Bankers	Standard Bank ABSA
Auditors	Nexia SAB&T Charterd Accountants Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Sharlaine Oodit
Company registration number	LR2/6/6/143
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Labour Relations Act No 66 of 1995.
Preparer	The annual financial statements were independently compiled by: Moyana and Associates Chartered Accountants (Pty) Ltd
Issued	30 June 2020

Index

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

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 acknowledge 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 2021 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 4 - 6.

The Annual Financial Statements set out on pages 7 to 23, which have been prepared on the going concern basis, were approved by the AGM on 30 June 2020 and were signed on its behalf by:

Approval of financial statements

S Oodit

Nexia SAB&T
accountants | auditors | consultants

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Centurion
0046
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F: +27 (0) 12 682 8801
www.nexia-sabt.co.za

INDEPENDENT AUDITOR'S REPORT

To the members of General Public Service Sector Bargaining Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of General Public Service Sector Bargaining Council set out on pages 9 to 21, which comprise the statement of financial position as at 31 March 2020, and the statement of 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 2020, 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 Council members 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 2020", which includes the Secretary's Responsibilities and Approval set out on page 3 and the Report of the Secretary to Council set out on pages 7 to 8). 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.

Responsibilities of the Council members for the Financial Statements

The council members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councilors.
- Conclude on the appropriateness of the use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nexia SAB&T

Nexia SAB&T
A. Ramasike
Director
Registered auditor
23 July 2020

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 2020.

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 Labour relations Act, 1995 (Act No.66 of 1995). The accounting policies have been applied consistently compared to the prior year.

Council revenue increased by 8% from R45 263 723 in the prior year to R48 983 222 for the year ended 31 March 2020.

Council cash flows from operating activities increased by 78% from R1 059 127 in the prior year to R1 890 221 for the year ended 31 March 2020.

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 2020 the council's investment in property, plant and equipment amounted to R26 293 867 (2019:R26 245 415), of which R631 212 (2019: R651 334) was added in the current year through additions.

3. Events after the reporting period

Nature of event

The COVID-19 pandemic in South Africa is part of the ongoing pandemic. On 15 March, the President of South Africa, Cyril Ramaphosa, declared the pandemic as a national state of disaster. On 23 March 2020, the President declared a national lockdown which started on 26 March 2020. The lockdown required businesses to work remotely until further notice.

After year end, the employees of GPSSBC have been working at the office on a rotation basis to limited to spread of the pandemic. The rotation has not affected the operations of the GPSSBC after year end.

Estimate of the financial impact of COVID-19

General Public Service Sector Bargaining Council financial year end is 31 March 2020. The council has assessed the impact of COVID-19 and has concluded that the pandemic would not materially affect the current financial year under audit and GPSSBC's mandate to serve its constituency and its ability to operate in the foreseeable future. The GPSSBC is funded by the State and the employees are employed by the State. The State as the Employer is stable and is not under any financial or employment constraints and therefore the GPSSBC does not forsee any adverse effect on its finances due to COVID-19.

4. Going concern

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

5. Litigation statement

Contingent liability
A litigation is in process against GPSSBC relating to a dispute that may lead to a possible obligation.

Legal Matter:
Nature: One of the parties lodged a dispute before the Commissioner. They brought an application to compel GPSSBC to deliver the arbitration award and record of arbitration proceedings that the Commissioner was required to provide. The Labour Court granted the application to compel. The Applicant's attorneys have demand that GPSSBC comply with the court order in the application to compel, failing which they will institute contempt of court proceedings against the General Secretary of the GPSSBC. The GPSSBC denies that it is in contempt of court and has done everything possible to attempt to comply with the application to compel. The Applicant has not yet delivered an application to hold the General Secretary in comtempt of Court.

Financial impact: Possible legal fees and disbursement amounting to R250 000. The possible fees set are only an estimate and is dependent on the Applicant bringing an application to hold the General Secretary of GPSSBC in comtempt of court.

Report of The Secretary to Council

6. Auditors

Nexia SAB&T Charterd Accountants Incorporated continued as auditors for the council for 2020.

At the AGM, the council will be requested to reappoint Nexia SAB&T Charterd Accountants Incorporated as the independent external auditors of the council and to confirm A. Ramasike as the designated lead audit partner for the 2021 financial year.

7. Secretary

The secretary is Sharlaine Oodit.

Statement of Financial Position as at 31 March 2020

Figures in Rand	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	26 293 867	26 245 415
Intangible assets	3	17 595	-
		26 311 462	**26 245 415**
Current Assets			
Trade and other receivables	4	494 990	498 707
Cash and cash equivalents	5	7 227 199	7 076 170
		7 722 189	**7 574 877**
Total Assets		**34 033 651**	**33 820 292**
Equity and Liabilities			
Equity			
Retained income		25 333 962	23 888 884
Liabilities			
Non-Current Liabilities			
Standard Bank Loan	6	5 281 618	6 293 015
Finance lease liabilities	7	52 836	184 713
		5 334 454	**6 477 728**
Current Liabilities			
Trade and other payables	8	2 263 623	2 415 370
Standard Bank Loan	6	969 726	907 988
Finance lease liabilities	7	131 886	130 322
		3 365 235	**3 453 680**
Total Liabilities		**8 699 689**	**9 931 408**
Total Equity and Liabilities		**34 033 651**	**33 820 292**

Statement of Cash Flows

Figures in Rand	Notes	2020	2019
Cash flows from operating activities			
Cash generated from operations	17	2 392 769	1 693 351
Interest Income		272 143	225 837
Finance costs		(774 691)	(860 061)
Net cash from operating activities		**1 890 221**	**1 059 127**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(631 212)	(333 804)
Sale of property, plant and equipment	2	153	500
Purchase of other intangible assets	3	(28 152)	-
Net cash (to) from investing activities		**(659 211)**	**(333 304)**
Cash flows from financing activities			
Net movements in standard bank loan		(949 659)	(696 329)
Finance lease payments		(130 322)	(134 107)
Net cash from financing activities		**(1 079 981)**	**(830 436)**
Total cash movement for the year		**151 029**	**(104 613)**
Cash at the beginning of the year		7 076 170	7 180 783
Total cash at end of the year	5	**7 227 199**	**7 076 170**

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 is 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		Infinite
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.

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	20 049 850	(2 707 534)	17 342 316	20 049 850	(2 693 299)	17 356 551
Land	6 948 391	-	6 948 391	6 948 391	-	6 948 391
Furniture and fixtures	2 465 943	(1 627 242)	838 701	2 382 618	(1 459 247)	923 371
Motor vehicles	838 069	(309 518)	528 551	838 053	(248 914)	589 139
Office equipment	604 500	(395 470)	209 030	600 901	(244 925)	355 976
Computer equipment	966 900	(540 430)	426 470	422 622	(351 732)	70 890
Kitchen Equipment	10 153	(9 745)	408	13 552	(12 455)	1 097
Total	**31 883 806**	**(5 589 939)**	**26 293 867**	**31 255 987**	**(5 010 572)**	**26 245 415**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	17 356 551	-	-	(14 235)	17 342 316
Land	6 948 391	-	-	-	6 948 391
Furniture and fixtures	923 371	83 325	-	(167 995)	838 701
Motor Vehicles	589 139	-	-	(60 588)	528 551
Office equipment	355 976	3 600	-	(150 546)	209 030
Computer equipment	70 890	544 287	-	(188 707)	426 470
Kitchen Equipment	1 097	-	(153)	(536)	408
	26 245 415	**631 212**	**(153)**	**(582 607)**	**26 293 867**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	17 198 025	284 688	(123 790)	(2 372)	17 356 551
Land	6 948 391	-	-	-	6 948 391
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**

Property, plant and equipment encumbered as security

Details of properties: Refer to note 6

Land and buildings: Cost	26 998 241	26 998 241

	2020	**2019**
- Purchase price	6 948 391	6 948 391
- Additions since purchase	20 049 850	20 049 850
	26 998 241	**26 998 241**

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

3. Intangible assets

	2020			2019		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	680 758	(663 163)	17 595	652 606	(652 606)	-

Reconciliation of intangible assets - 2020

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	-	28 152	(10 557)	17 595

4. Trade and other receivables

	2020	2019
Trade receivables	415 917	439 783
Provision for doubtful debts	(47 245)	(195 125)
Prepaid Expense	92 893	144 876
Staff loan	2 087	6 087
Study loan	28 469	42 045
Sundry Debtors	2 869	61 041
	494 990	**498 707**

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 2020 R 130 083 (2019: R 68 691) were past due but not impaired.

Reconciliation of provision of bad debts	**2020**	**2019**
Opening balance	(195 125)	(1 707 025)
(Increase)/decrease in the provision	147 880	1 511 900
	(47 245)	**(195 125)**

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

	2020	**2019**
Current	-	204 950
30 days	38 515	35 990
60 days	91 568	152 132
90 days	-	7 000
120 days	285 834	39 711
	415 917	**439 783**

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	672	1 284
Bank balances	7 226 527	7 074 886
	7 227 199	**7 076 170**

6. Standard Bank Loan

At amortised cost		
Standard Bank Loan	6 251 344	7 201 003

Terms and conditions

The loan of R6 251 344 (2019: R7 201 003) 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 repayment was due and payable thereafter. The monthly instalment on the loan amount to R123 599. The loan will be repaid by 28 February 2025.

The loan is secured over the land and buildings (Refer note 2).

Non-current liabilities		
At amortised cost	5 281 618	6 293 015
Current liabilities		
At amortised cost	969 726	907 988
	6 251 344	**7 201 003**

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	148 796	166 355
- in second to fifth year inclusive	54 683	203 479
	203 479	369 834
Less: future finance charges	(18 757)	(54 789)
Present value of minimum lease payments	**184 722**	**315 045**
Non-current liabilities	52 836	184 713
Current liabilities	131 886	130 322
	184 722	**315 035**

It is Council policy to lease certain motor vehicles and equipment under finance leases. The average lease term is 5 years (2019: 5 years) and the average effective borrowing rate is 9.75% (2019: 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 clause, the lease rental will be increased by lessor as the exchange rate increases. The Council's obligations under finance leases are secured by the leased assets.

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

12. Other income

Cost orders	354 328	786 956
Grant received from PSETA	273 186	655 210
Sponsorship received	455 000	-
Bursary recovery	-	60 213
Sundry income	88 238	74 743
	1 170 752	**1 577 122**

13. Investment revenue

Interest revenue		
Bank	272 143	225 837

14. Finance costs

Standard bank bond interest	738 659	825 147
Finance lease interest	36 032	34 914
	774 691	**860 061**

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	362 250	409 534

17. Cash generated from operations

Profit before taxation	1 445 078	748 860
Adjustments for:		
Depreciation and amortisation	593 170	433 243
Loss on sale of assets	-	129 164
Interest received	(272 143)	(225 837)
Finance costs	774 691	860 061
Changes in working capital:		
Trade and other receivables	3 720	(211 272)
Trade and other payables	(151 747)	(40 868)
	2 392 769	**1 693 351**

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

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 N. Malinga S.M. Ndlovu

Related party balances and transactions with other related parties

Related party transactions

	2020	2019
Compensation to members of the Executive Committee		
Chairperson's fees	126 789	117 852

19. Events after the reporting period

Nature of event

The COVID-19 pandemic in South Africa is part of the ongoing pandemic. On 15 March, the President of South Africa, Cyril Ramaphosa, declared the pandemic as a national state of disaster. On 23 March 2020, the President declared a national lockdown which started on 26 March 2020. The lockdown required businesses to work remotely until further notice.

After year end, the employees of GPSSBC have been working at the office on a rotation basis to limited to spread of the pandemic. The rotation has not affected the operations of the GPSSBC after year end.

Estimate of the financial impact of COVID-19

General Public Service Sector Bargaining Council financial year end is 31 March 2020. The council have assessed the impact of COVID-19 and have concluded that the pandemic would not materially affect the current financial year under audit and GPSSBC's mandate to serve its constituency and its ability to operate in the foreseeable future. The GPSSBC is funded by the State and the employees are employed by the State. The State as the Employer is stable and is not under any financial or employment constraints and therefore the GPSSBC does not forsee any adverse effect on its finances due to COVID-19.

20. Contingencies

Contingent liability
A litigation is in process against GPSSBC relating to a dispute that may lead to a possible obligation.

Legal Matter:
Nature: One of the parties lodged a dispute before the Commissioner. They brought an application to compel GPSSBC to deliver the arbitration award and record of arbitration proceedings that the Commissioner was required to provide. The Labour Court granted the application to compel. The Applicant's attorneys have demand that GPSSBC comply with the court order in the application to compel, failing which they will institute contempt of court proceedings against the General Secretary of the GPSSBC. The GPSSBC denies that it is in contempt of court and has done everything possible to attempt to comply with the application to compel. The Applicant has not yet delivered an application to hold the General Secretary in comtempt of Court.

Financial impact: Possible legal fees and disbursement amounting to R250 000. The possible fees set are only an estimate and is dependent on the Applicant bringing an application to hold the General Secretary of GPSSBC in comtempt of court.

Detailed Income Statement

Figures in Rand	Notes	2020	2019
Revenue			
Levies Collected from Government Departments		48 983 222	45 263 723
Other income			
Cost orders		354 328	786 956
Grant received from PSETA		273 186	655 210
Sponsorship received		455 000	-
Bursary recovery		-	60 213
Sundry income		88 238	74 743
Interest received from investment	13	272 143	225 837
		1 442 895	**1 802 959**
Expenses (Refer to page 23)		**(48 206 348)**	**(45 457 761)**
Operating profit		**2 219 769**	**1 608 921**
Finance costs	14	(774 691)	(860 061)
Profit for the year		**1 445 078**	**748 860**

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

Detailed Income Statement

Figures in Rand	Notes	2020	2019
Operating expenses			
AGM costs		(260 770)	(234 525)
Accounting fees		(26 750)	(71 250)
Auditors fees	16	(362 250)	(409 534)
Bad debts		(179 493)	(1 826 061)
Bank Charges		(46 808)	(44 346)
Body Corporate-levy charges		(205 675)	(287 552)
Bursaries		(143 532)	(113 671)
Cellphone expenses		(64 857)	(64 640)
Chairperson fees		(126 789)	(117 852)
Compensation Commissioner		(38 510)	(38 673)
Consulting fees		(526 047)	(85 397)
Depreciation and amortisation		(593 170)	(433 243)
Dispute Resolution		(16 350 288)	(14 323 469)
EXCO Operational planning costs		(23 982)	-
Employee costs		(20 369 325)	(19 172 844)
FETC's Meetings and Workshop		(359)	(3 300)
Insurance		(187 789)	(170 778)
Lease rentals on finance lease		(124 735)	(184 190)
Leave Annual & termination		69 766	(106 691)
Legal expenses		(344 636)	(359 785)
Levies Refund		(60)	(2 223)
Licence renewals		(64 978)	(60 035)
Loss - Asset Disposal		-	(108 334)
Marketing and communication		(107 310)	(53 497)
Meetings		(88 482)	(42 106)
Municipal expenses - property rates and electricity		(386 069)	(671 063)
National Departmental Chambers		(322 129)	(364 755)
Office security		(217 031)	(64 560)
Operating costs		(83 152)	(86 527)
Postage		(142 650)	(78 218)
Corporate uniform		(239 102)	-
Provincial Chambers		(389 733)	(409 187)
Provision for doubtful debts Adjustment		147 880	1 511 900
Recruitment		(72 452)	(47 049)
Repair and Maintenance		(896 515)	(1 045 295)
Special Events		(2 261)	(2 509)
Staff welfare		(92 109)	(56 153)
Staff's travelling costs & accomodation secretariat		(68 579)	(46 875)
Stationery		(119 789)	(110 054)
Strategic partnership		(684 222)	(2 234 133)
Strategic project		(2 759 321)	(1 381 160)
Subscriptions		(23 188)	(16 811)
Telephone and fax		(423 552)	(424 208)
Training and development		(181 384)	(180 538)
Warranty Costs		(4 498)	(771)
Water and Sanitation		(320 520)	(39 559)
Workshops (Dispute Resolution and Chambers)		(502 059)	(1 138 223)
Year end function and Team building		(257 084)	(258 017)
		(48 206 348)	**(45 457 761)**

Notes

GPSSBC

GENERAL PUBLIC SERVICE
SECTOR BARGAINING COUNCIL

**GENERAL PUBLIC SERVICE
SECTOR BARGAINING COUNCIL**

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