GPSSBC

GENERAL PUBLIC SERVICE
SECTOR BARGAINING COUNCIL

ANNUAL REPORT
2020-2021

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1. FOREWORD BY THE CHAIRPERSON:

MR L MODISE

This 2020/21 Annual Report details the accomplishments of the General Public Service Sector Bargaining Council (GPSSBC).

The global COVID-19 pandemic has impacted all organisations across the country and the world. At the time of writing, the number of cases continues to increase every day. While our country and others around the world grapple with how to respond, businesses should be supporting the health and well-being of their employees and initiatives to help "flatten the curve". None of us can predict the true impact of the pandemic on the globe, but there are clear choices to be made at this pivotal point.

The way in which organisations do their work at this time is a critical factor in an organisation's ability to emerge from the current crisis and push forward into a new era of economic recovery and opportunity for the benefit of all stakeholders.

During the financial year under review, the Council had to make some drastic adjustments and choices in terms of how we deliver our services in the wake of the pandemic. To this end, I must applaud the Council in respect of its response and ability to move operations onto the virtual platform.

I can appreciate that the move was not without its challenges and our constituency may not have been prepared for this way of work, but the situation being what it is, we have all had to adapt and embrace change.

The situation has required the Council to conduct an assessment of the implementation of the 2019-2022 Strategic Plan. The Executive Committee responded by conducting a review of the Plan and putting in place mechanisms to assist the Council to ensure achievement to the Plan where possible.

This report will provide analysis and information that reflects the good work produced under difficult circumstance, and will detail the Council's operations and achievements during the year under review.

I am honored to have steered the Council through a global crisis, and although the future has never been this uncertain before, I am confident that the Council will weather this storm. I would therefore want to take this opportunity to thank the Council members, Executive Committee members, Task Team Members, Management, and Staff of the GPSSBC for their commitment and contributions to this Council and I look forward to their continued support.

Thank you

L Modise

2. EXECUTIVE SUMMARY FROM THE SECRETARY TO COUNCIL:

MS S OODIT

It is my honour once again to have the opportunity to present the achievements of the GPSSBC through this annual report.

In doing so, there's no escaping the issue that has over-shadowed all else for the past twelve months - the COVID-19 pandemic. The onset of COVID-19 means 2020 will be remembered as one of the most unsettled and difficult years in living memory. The impacts have been significant and will continue to reverberate around the world for a considerable period ahead.

In South Africa, we first started experiencing noticeable impacts around March 2020; however, at GPSSBC we heeded the early signs of the virus overseas and started our planning in January.

That early action proved valuable as we were already on the front foot by the time the entire country started feeling the brunt of the pandemic and the lockdown process. Swift action by our Council to introduce 'work from home' processes cushioned the initial shock for the GPSSBC to keep operating during the pandemic.

It's clear that the COVID-19 virus will be with us for an extended period. As an organisation, our initial focus has been on addressing the immediate operating challenges brought on by the pandemic's arrival. The challenge ahead is to implement a longer-term strategy that acknowledges the reality of living with COVID-19.

The strength of our organisation and our absolute commitment to our members has seen us weather every storm that has come our way. COVID-19 will be no exception. On the other hand, some positives emerged from the adversity of the pandemic. Our staff adapted amazingly well to our changed circumstances, with about 70% of normally office-based staff having to work from home. Despite that, our productivity remained unaffected. A key reason for that is the absolute commitment our staff have to serving our members.

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 finish by thanking our Chairperson, Vice Chairpersons, and Council members for their efforts throughout the year. I also thank our management and staff for their support and commitment through what has been a year like no other.

Thank you

Sharlaine Oodit

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."**

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

Mission

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

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 the 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 summarised 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; and
- 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;
- promote the effective delivery of services to the community; and
- 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;

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

(d) The Secretary to Council.

4. MEMBERSHIP TO THE GPSSBC

As previously 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), and Public Servants Association (PSA).

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, as well as 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.

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 in the workplace and at sectorial 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 organisations 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 organise 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, and embodying in the world of work the guarantee of fundamental rights at work for all, especially with a view to promoting social justice.

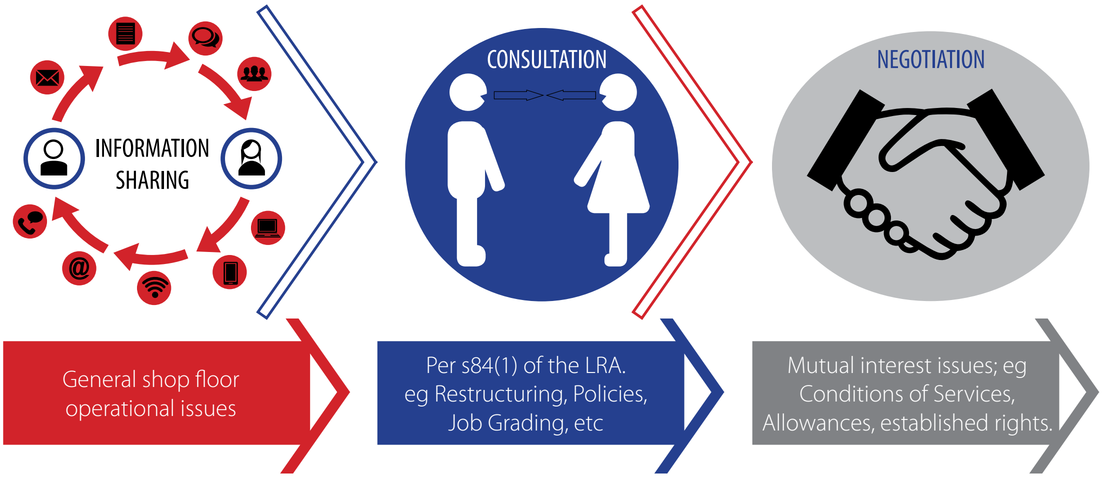
The Collective Bargaining Unit is responsible for, amongst others but not limited to, the following; the implementation of the provisions of the GPSSBC Constitution, the implementation of relevant sections of the Governance Rules, and to ensure optimal administrative functioning of the various structures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

- Managing the logistics relating to all Council, EXCO, Provincial Chambers, National Chambers, Committees and Task Team meetings;
- Organising, preparing agendas for, and taking minutes of meetings;
- Preparing a year planner for the Provincial Chambers and National Chamber meetings; and
- 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. These 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.

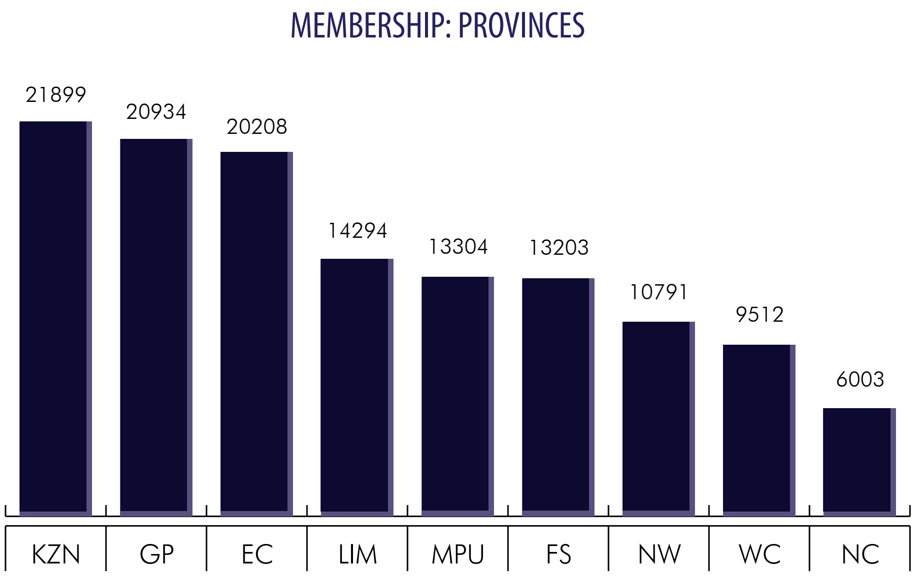


The CBU report reflects on the general state of collective bargaining in the General Public Service, amongst others but not limited to; workshops held, number of meetings, agenda items, council interventions, and other key administrative processes related to collective bargaining.

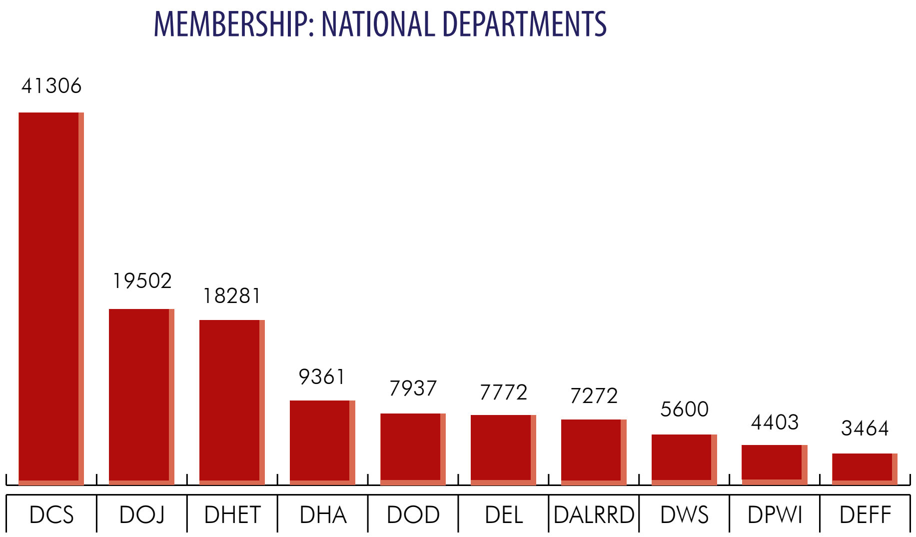
Unionised Employees in the Sector

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 unionised employees in the GPSSBC



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



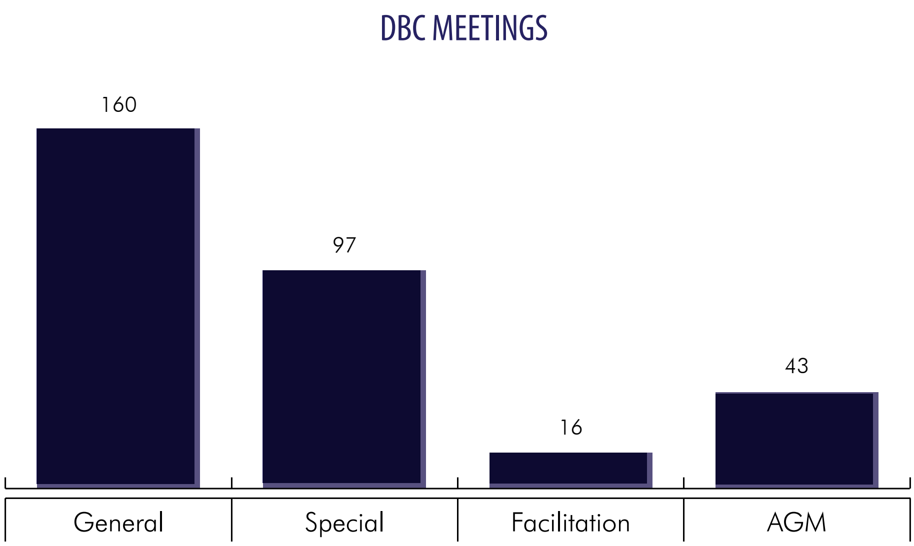
Chambers Operational Review

National Departmental Chamber Meetings

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

The total actual meetings held were 316 over the past twelve months and this includes General, Special, Facilitation, and Annual General Meetings, averaging at 26.03 meetings per month.

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



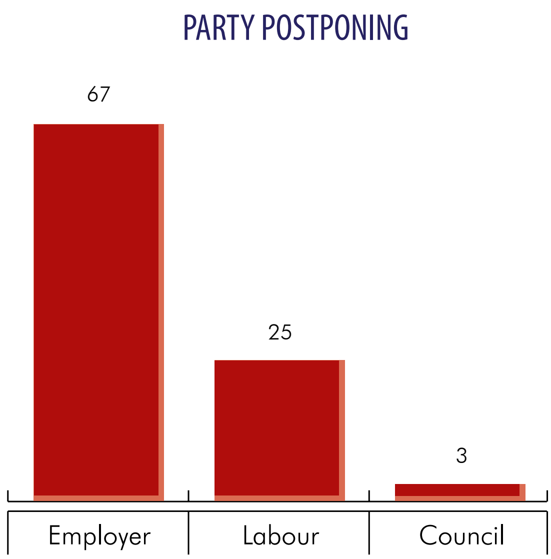
Postponements

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 was ninety five (95) requests for postponements. Most of the requests for postponements were received from the Employer (67); Organised Labour accounts for (25), and the Council accounts for (03) 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 from postponements is matters staying on the agenda for a protracted period of time, as well as strained relations between parties which hampers collective bargaining.

Agenda Items and Key Decisions

There has been a slight increase in terms of 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 Modernisation
- Payment of Performance Rewards/ Incentives/ Bonuses
- Organisational Structure
- Contract workers
- Relocation of Departments
- Filling of Posts
- Contract workers
- Corporate Clothing/ Wear
- Implementation of GPSSBC Resolution 5/ 2014
- National Micro of Government Departments (NMOG)
- Monitoring Compliance with Occupational Health & Safety Legislative Framework

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 has been a slight decrease 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 FETCBU having referred most items.

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

DEADLOCKS/ DISPUTES DEALT WITHIN THE FY 2020/2021					
Chamber	Referring Party	Date Referred	Issue(s) Referred	Facilitation Date	Facilitation Outcome
DMV	PSA	05-Jun-2019	Job Evaluation	n/a	The deadlock has been withdrawn and it's being dealt with at the Chamber level.

DEADLOCKS/ DISPUTES DEALT WITHIN THE FY 2020/2021					
Chamber	**Referring Party**	**Date Referred**	**Issue(s) Referred**	**Facilitation Date**	**Facilitation Outcome**
DPE	Labour	02-Oct-19	Telephone Policy	22 February 2021	An urgent Special DBC meeting will be convened for Parties to engage on the amendments, thereafter the Employer would be given an opportunity to take them to the DG for consideration before end of March 2021; should Labour not be comfortable with the processes as they unfold it will reserve its right on the matter & follow dispute process.
DMR	Labour	11-Dec-19	Implementation of Performance Assessment Outcomes for the 2018/ 2019 Evaluation	n/a	The deadlock has been withdrawn and it's being dealt with at the Chamber level.
GPW	Labour	02-Nov-2020	Remunerative Benchmark	02 February 2021	The matter was referred back to the Chamber for finalisation
FETC	Labour	26-Nov-2020	Unpaid benefits as results of dual system	01 February 2021	Parties did not reach consensus on the matter & Labour will follow the dispute resolution process.
DSBD	Labour	09-Feb-2021	Non-Payment of Performance for Qualifying Employees	23 February 2021	The Employer would provide Labour with a written report on how many employees have been paid & how many have not been paid pay progression before 23 February 2021, the Employer was afforded five days to consult DPSA with the view to either implement or not to implement the payments failing which Labour will reserve its rights.
DPSA	NEHAWU	18-Feb-2021	Recruitment & Selection Policy	29 March 2021	Parties would meet outside the Chamber to engage on the matter and feedback would be provided in the next meeting of the Chamber.
CSPS	Labour	01-Mar-2021	Recruitment & Selection Policy	29 March 2021	Parties could not reach consensus on the matter and PSA reserves its rights.
DPSA	Labour	09-Mar-2021	Incentive Policy Framework	29 March 2021	The matter would be referred to the PSCBC as the Chamber did not have the jurisdiction.

DEADLOCKS/ DISPUTES DEALT WITHIN THE FY 2020/2021					
Chamber	**Referring Party**	**Date Referred**	**Issue(s) Referred**	**Facilitation Date**	**Facilitation Outcome**
DTIC	Labour	08-Mar-2021	Non-Payment of Cash Awards for 2019/2020 Financial Year	The meeting is scheduled for 09 April 2021.	Pending
FETC			Permanent Appointment of Council Paid Employees.	The SOC proposed 20 April 2021; however, confirmation is still awaited from parties.	Pending
FETC	Labour	18-Mar-2021	Outstanding REQV for CET Staff	The SOC proposed 20 April 2021; however, confirmation is still awaited from parties.	Pending
DWS	Labour	31-Mar-2021	Departmental Structure Review Process	The SoC is yet to propose a date.	Pending

Approximately 16 Chambers have had facilitations. 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	16	0
Matters Resolved	10	0
Matters not resolved	02	0
Pending	04	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 for a protracted period of time 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 10 items were resolved at Facilitation level. Consequently, Council potentially saved approximately R53, 500.00 of Dispute Resolutions fees over this reporting period.

See the illustration below:

Total Matters Resolved	10	
Conciliation Fees Saved	**R 2,350.00**	R 23 500.00
Daily Fees	R 1,850.00	
Rulings	R 500.00	
Arbitration Fees Saved	**R 3000.00**	R 30 000.00
Daily Fees	R 2,500.00	
Rulings	R 500.00	
Award Fees	R1000.00	
Estimated Total Amount Saved (resolved items)		**R 53 500.00**

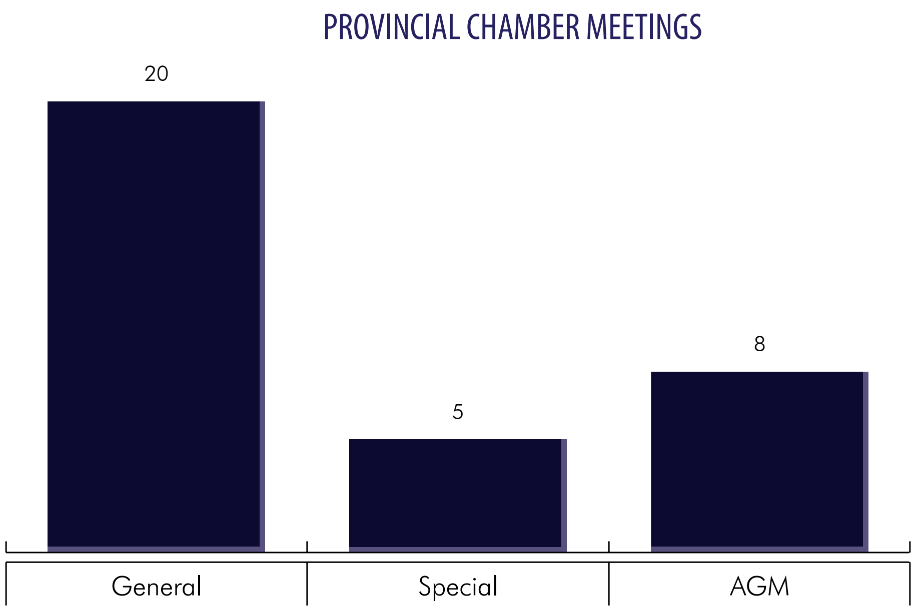
Provincial Administration Chambers

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.

A total of 51 Chamber meetings were scheduled in this financial year, however, 33 meetings took place and 18 were postponed. The total number of provincial chamber meetings was thirty-three (33), including the special meetings and AGMs held. This figure has slightly increased when compared to the last financial year, averaging for 2.75 meetings per chamber.

The graph below 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
- COVID-19 Regulations and OHS Policy
- PMDS
- Recognition of Improved Qualifications in the Public Service (GPSSBC Resolution 5/2014)
- Policies

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
- DPSA Policy on return to work of officials

OHS and Conditions of Government Buildings

Information Pertaining to Staffing Levels, Human Resource Costs, and Other Expenditure

- 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
- Contract Workers

Council Intervention in Chambers

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 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.

Out of fifty-two (52) Chambers, the Council provides chairpersonship for sixteen (16) National Departments. The Departmental Bargaining Chambers in question are the following: DTIC, DWYPD, DHS, DCDT, DHET, GPW, STATSSA, DMRE, OCJ, MISA, CSPS, FETC, DSBD, CPSI, GPAA, and TOURISM.

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.

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)

On 25 October 2019, the PSCBC concluded and signed an Agreement on the Reconfiguration of Government Departments (PSCBC Resolution 1 of 2019). The PSCBC conducted workshops to all the affected National Departments and Provinces during November and December 2019. Subsequent to that, the GPSSBC signed Resolution 1 of 2020 to disestablish Chambers for National departments which have ceased to exist and establish Chambers for the reconfigured National Departments. It can be reported that the Council has implemented the resolution.

The following Departments/ Provinces were affected through a process of merger, transfer, and name change.

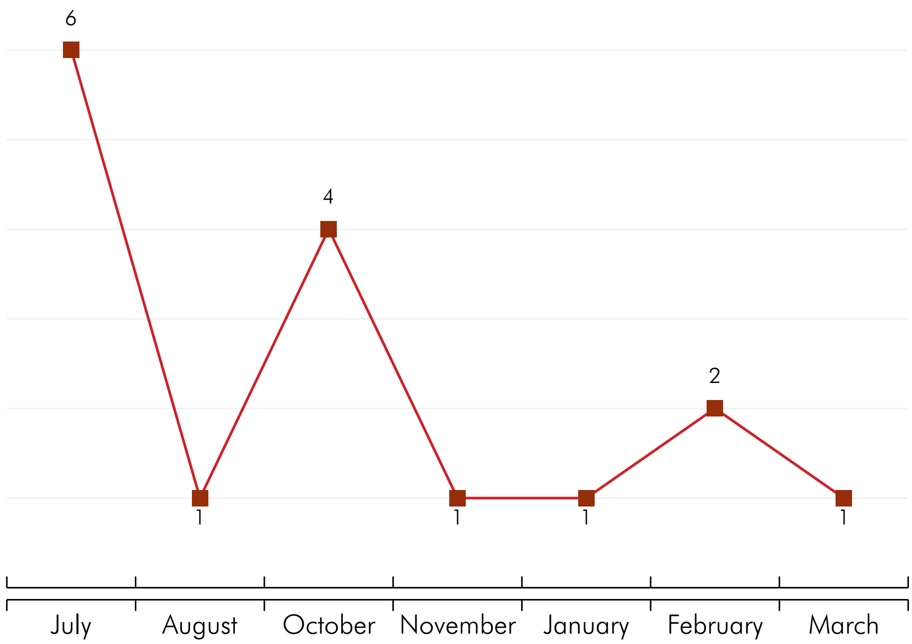
Below is the list of the affected National Departments and Provinces:

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

No.	National Departments	Process
7	Department of Women Department of Planning, Monitoring, and Evaluation Department of Social Development	Transfer
8	Department of Public Works National Treasury	Transfer
9	Department of Planning, Monitoring and Evaluation (DPME) Presidency	Transfer
10	Department of Communications Government Communication and Information System Presidency	Transfer
11	Limpopo	Merger
12	North West	Transfer
13	Northern Cape	Merger
14	Gauteng	Transfer
15	Department of Labour 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	Name Change

Parties to the Task Teams convened 16 engagement meetings to give effect to Clause 8.2 of the PSCBC Resolution.

BREAKDOWN OF MEETINGS



It can be reported that the process was finalised, except for two DTT's and one PTT that was also at the end of finalising its process.

7. RESIDENT PANELIST

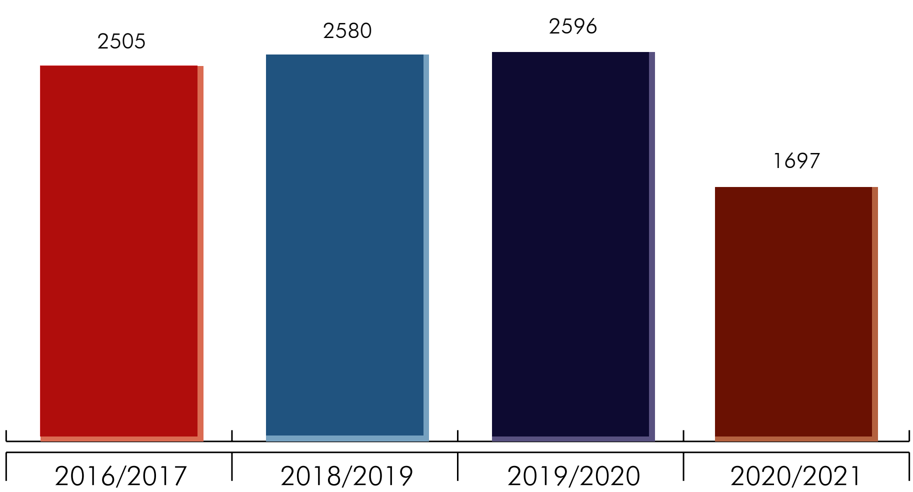
Introduction

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

Overview

The graph below is an indication of the total referrals referred:

TOTAL REFERRALS RECEIVED AND THE FOUR YEAR COMPARISON



A total number of **1697** new referrals for conciliation were received by the Council for the reporting period 1 April 2020 to 31 March 2021 financial year, in comparison to 2596 Referrals received in the previous reporting period resulting in a 35% reduction of new Referrals by total number of 899. The reason for reduction could be attributed to the impact of COVID-19 in the workplace, and the General Public Service Sector because of the State of Disaster Management Act that resulted in the Lockdown of the country. The public servants were affected and could not declare dispute or internal grievances because of the strict restrictions brought on by the COVID-19 pandemic.

Of the 1697 new Referrals for conciliation received by the Council for the 2020/ 2021 Financial year, 931 were screened as properly referred " In Jurisdiction", as compared with 1707 Referrals screened as properly referred in the previous financial year 2019/2020. This is indicative of reduction of properly referred conciliation disputes by 45 %, as compared to previous financial year. This reduction is attributed to the impact of COVID-19 in the sector and the workplace as mentioned above; public servants were working remotely at home and the employer internal grievances and disciplinary hearings were suspended during the level 5.

Arbitrations

The Council also received a total of **964** new request for arbitration referrals during this period, **830** of which were found to be properly referred and 89 were found not to be, and 11 were screened as 'out of jurisdiction' and were closed.

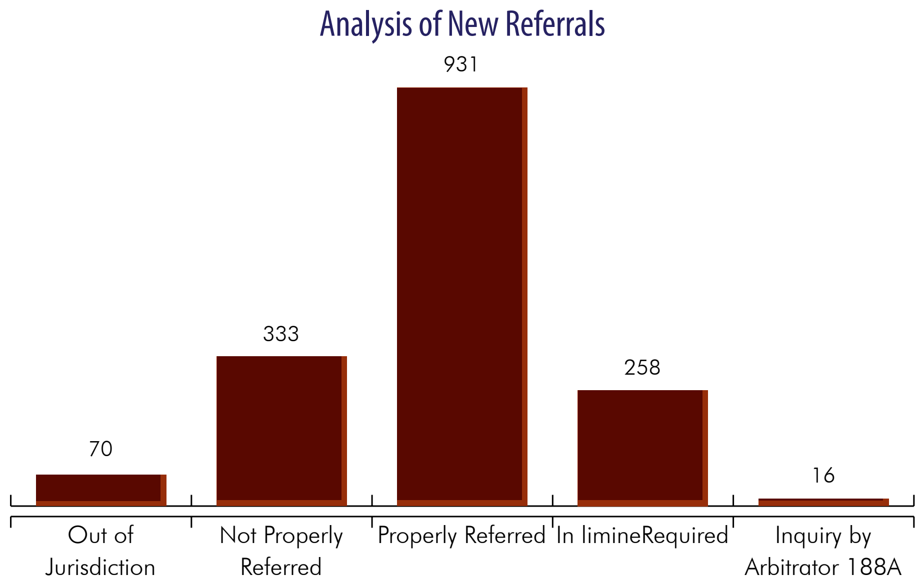
Analysis of New Referrals (Conciliations)

Of the **1697 referrals received, 333** were screened as not properly referred, as compared with 496 referrals which were found to have not been properly referred during the 2019/2020 financial year. There is a reduction in the number of referrals not properly referred, as compared with the previous financial year 2019/2020. However, it remains a significantly high number and poses an undue administrative burden for the Council, because it must respond in writing to all **333** not properly referred referrals and advise Applicant's and Trade Unions representatives that the matter cannot be set down for a conciliation or arbitration as it does not comply with the Council Dispute Resolution Rules Resolution 3 of 2017.

The following are the main factors which contributed to referrals being found to not have been properly referred:

- Matters were found to have been referred outside the stipulated time frame, such as 30 days for unfair dismissals and 90 days for unfair labour practice 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; and
- In certain instances, applicants use the incorrect conciliation form such as CCMA 7.11 instead of GPSSBC G1 and prescribed referral form.

The graph below is an indication of the analysis of new referrals.



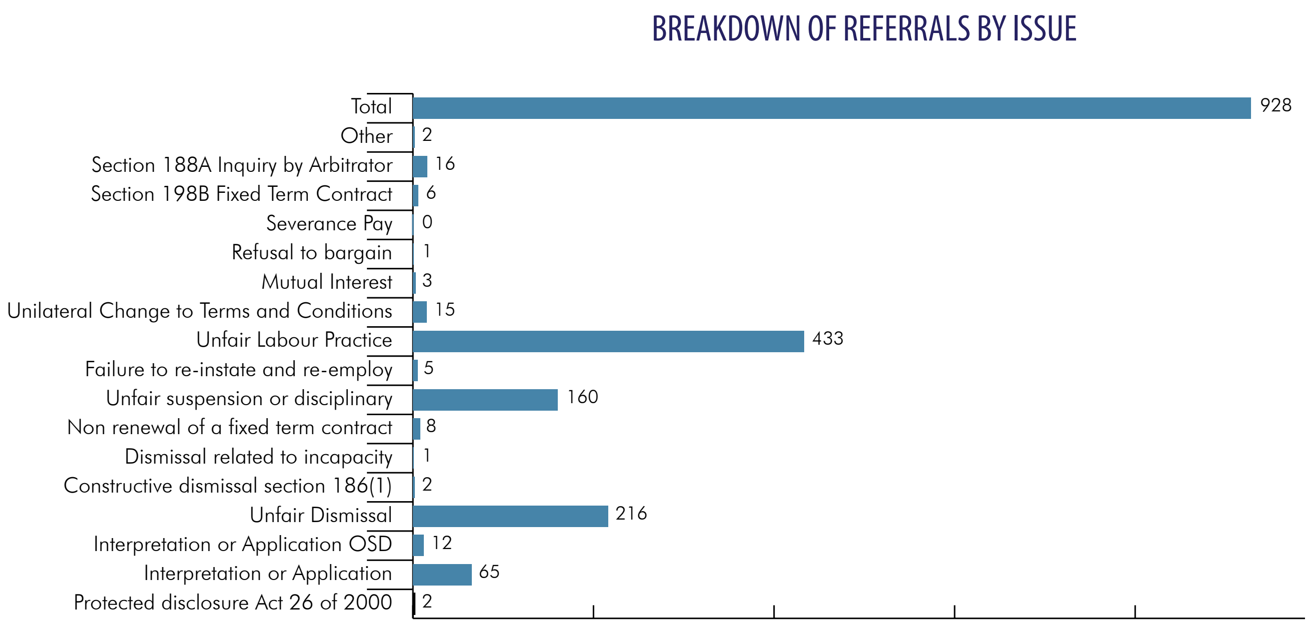
Referral by Issue

The breakdown of 'properly referred matters' for conciliation received revealed that 433 of were classified as unfair labour practice disputes, followed by 216 that were classified as unfair dismissal disputes. Significantly, 160 referrals were classified as "unfair suspension disciplinary short of dismissal" disputes. The section 24 dispute "Interpretation and/ or application of a collective agreement" accounted for 65 and "OSD interpretation and /or application of a collective agreement" accounted for 12.

The Unilateral changes to terms and conditions constituted 15 dispute referrals, and 8 disputes were classified as non-renewal of fixed term contract, followed by section 198B fixed term contract which constituted 6. There were 3 matters of mutual interest, 2 in respect of the Protected Disclosure Act 26 of 2000; and, 2 were classified as Inquiry by Arbitrator section 188A, and disputes related to refusal to bargain accounted for 1.

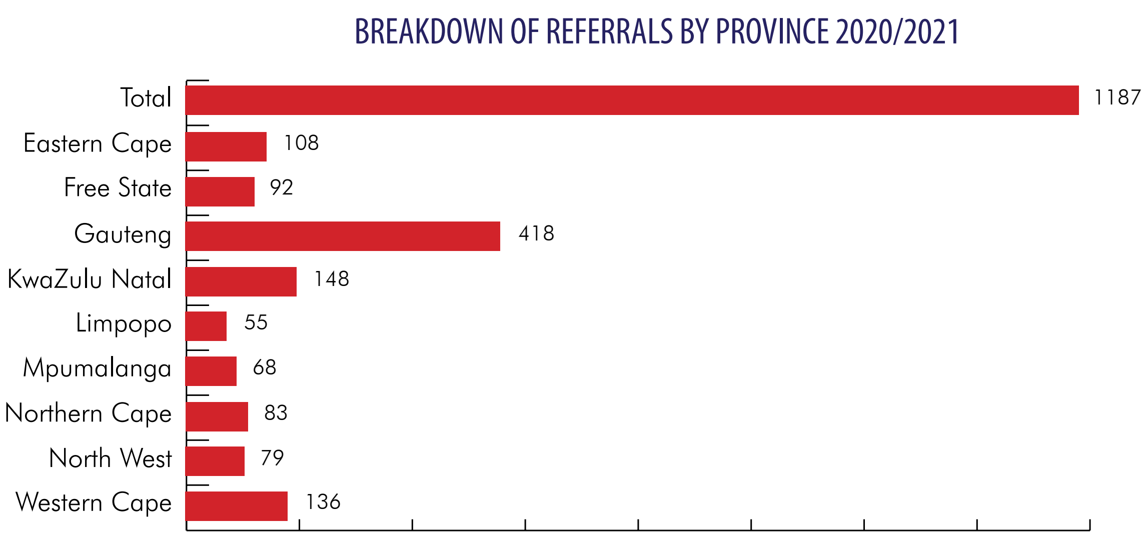
Analysis of New Referrals by issue

The graph below is an indication of the breakdown of referrals referred by issue.



Breakdown of Referral referred by Province

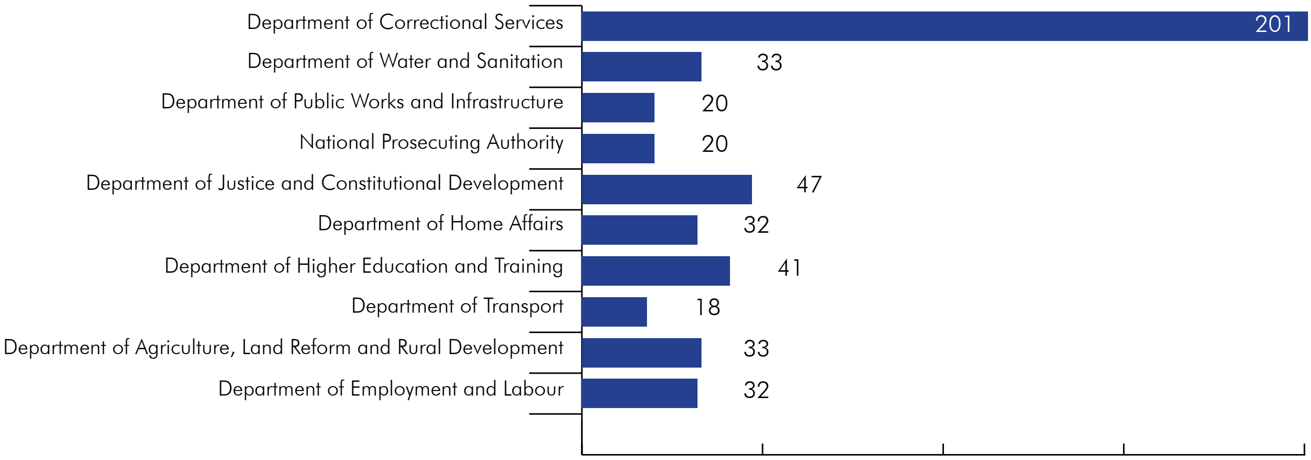
The graph below is an indication of the breakdown of referrals referred by Province.



Departments constituting the highest number of referrals

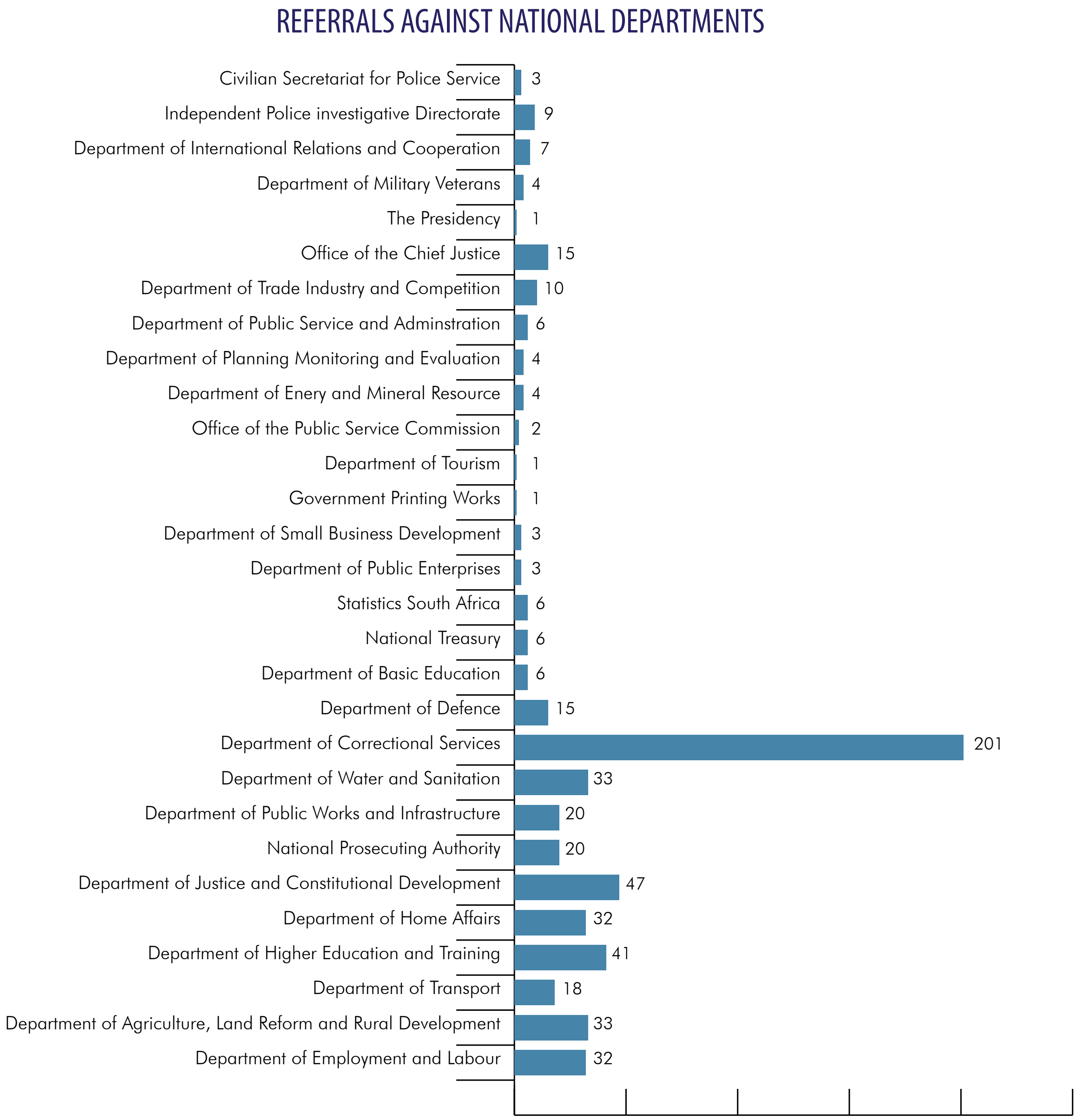
It is important to indicate that even in the 2020/2021 financial year, the Department of Correctional Services (DCS) is once again registering the highest number of referrals in the sector, in this instance it recorded a significant decrease in the number of disputes by 105 referrals as compared to previous financial year. This reduction could be attributed to the impact of the COVID-19 and Lockdown restriction. Another reason for the significant reduction in DCS could be the various 'relationships by objectives' (RBO) interventions and dispute prevention to minimise disputes in DCS. This reduction in referrals reveals that all the highest referring Departments have recorded a significant reduction because of the impact of COVID-19 at the workplace.

The graph below indicates a breakdown of referrals of highest referring departments.



Referrals against the National Departments

The graph below is an indication of the referrals against national departments.



Hearings conducted – Conciliation

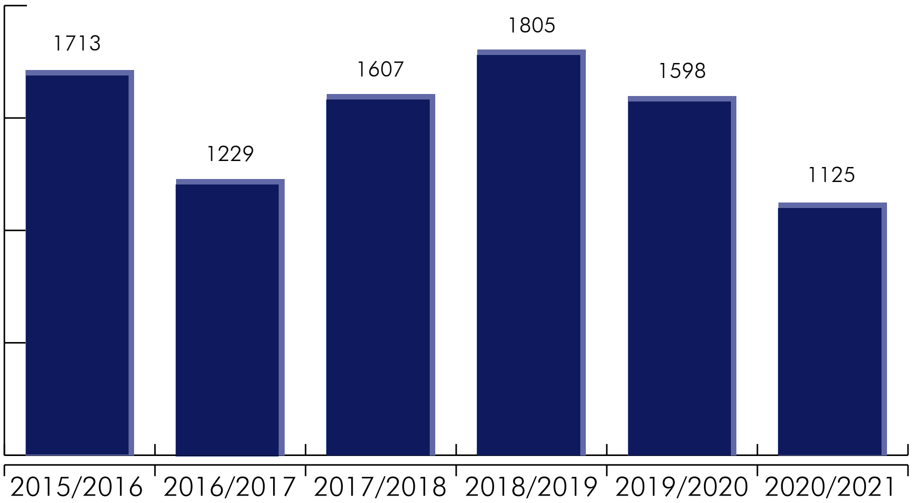
During the reporting period, a total of 1125 statutory conciliations were conducted throughout the nine provinces as compared to 1598 in the previous financial year. The Council has recorded a decrease in the number of conciliations processes conducted as compared with the previous financial year 2019/2020.

This could be attributed to the Coronavirus (COVID-19) global pandemic impact on Council operations and processes during the reporting period. The Council could not schedule physical hearings because of the Lockdown restrictions and had to move to hybrid virtual platform and pre-conciliations to meet its statutory mandate and 30 days turnaround time for conciliation.

It should also be noted that 727 of these conciliations were conducted internally by the Resident Panelist Manager and Dispute Management Unit Manager of the Council, as a cost-saving strategy on conciliation.

The graph below is an indication of conciliations processes heard and closed.

CONCILIATIONS SCHEDULED IN COMPARISON WITH PREVIOUS FINANCIAL YEARS

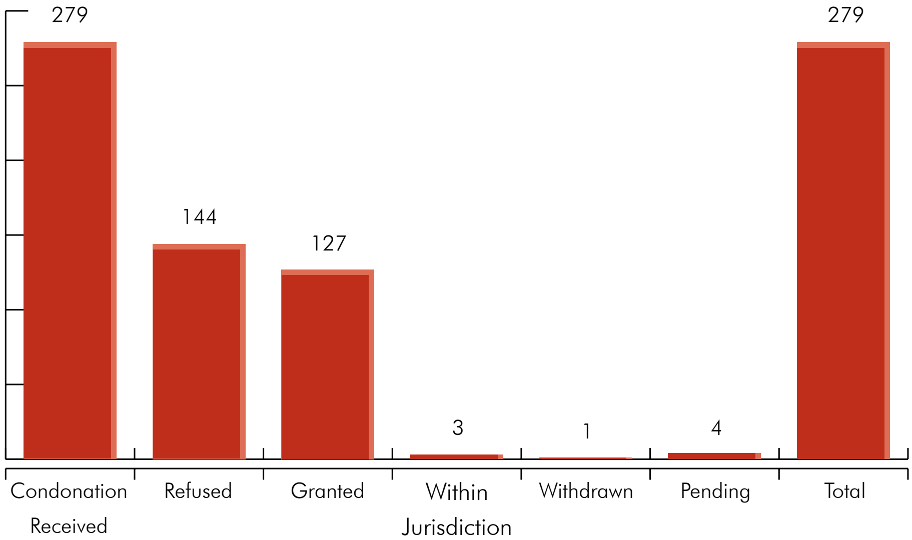


Rule 9 Condonation and In limine Rulings

The graph below is an indication of breakdown on condonation rulings outcome.

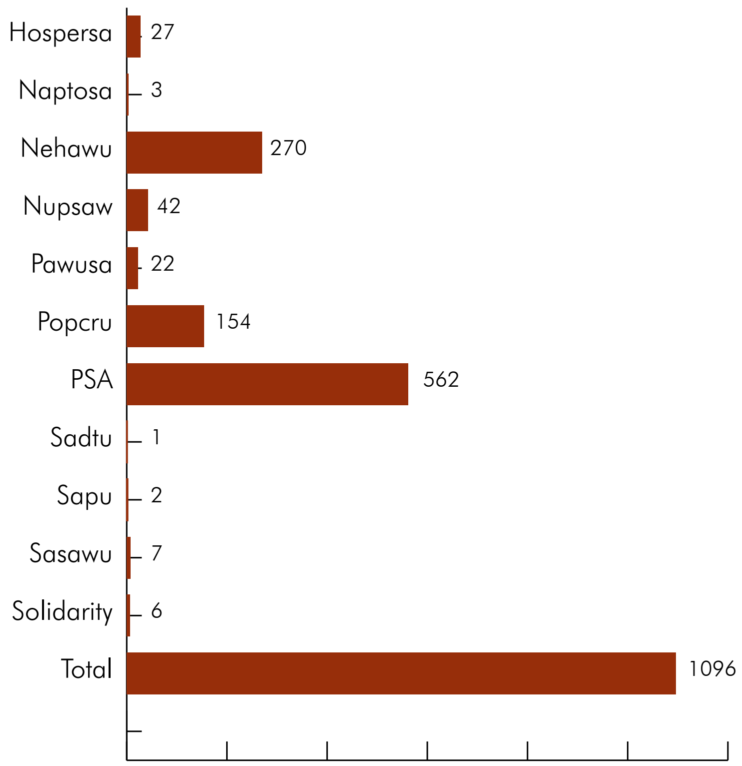
A total of 279 condonations were referred and processed by the Council during the reporting period. Out of these, 144 were refused and 127 were granted; 4 are still pending, whilst 3 were in jurisdiction, and only 1 was withdrawn.

IN LIMINE RULINGS



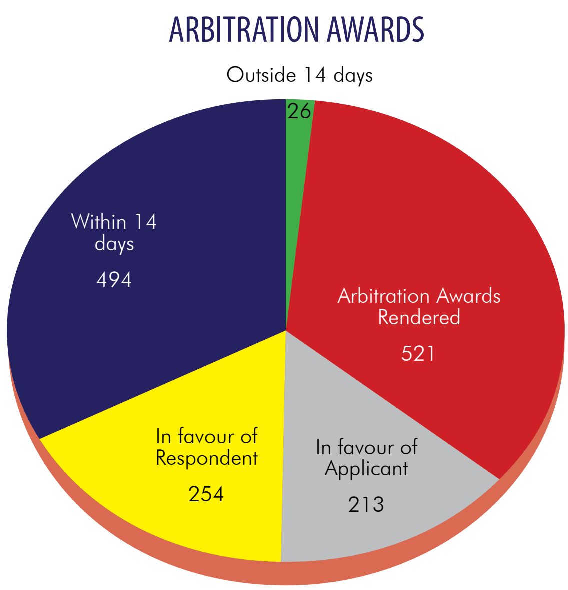
Unions constituting the highest number of referrals

The graph below is an indication of the highest referring Unions.



Arbitration Awards Rendered

The graph below is an indication of the arbitration awards rendered.



A total of 521 arbitration awards were perused and issued during the reporting period. Out of these, 254 were in favour of the respondent and 213 were in favour of the applicant. A total of 494 awards were rendered within 14 days, whilst 26 awards were rendered outside 14 days.

In the period under review the RPU achieved the 30-days efficiency target in conducting conciliations during lockdown through virtual platforms, and conducted pre-conciliation telephonically to perform statutory mandate of the Labour Relations Act to attempt to resolve conciliation within 30 days.

In the past before COVID-19, the Unit had limitations not to conduct conciliations outside Gauteng provinces. In the period under review, the Dispute Resolution moved to Virtual platforms such as Zoom and Microsoft Teams to resolve labour disputes in all 9 provinces to save cost to the Council.

The Unit has also recorded good improvements in issuing of rulings on paper, such as condonation rulings, joinder rulings, and consolidations rulings, as well as quality control of the arbitration awards that are enforceable.

The challenge is still the low settlement rate in conciliation process, because parties come to conciliations unprepared and without mandate to settle the disputes.

In the period under review, the new referral drastically decrease from 2596 from the 2019/2020 financial year to 1697 2020/2021 financial year. The decrease is by 35% of new referrals in 2020/2021 financial year.

8. DISPUTE MANAGEMENT

Purpose

The report is an omnibus instrument aimed at determining the performance and progress of development in the Council for Dispute Management Unit. On a yearly basis, it measures the performance of the Unit as well as the quality of service delivery in line with its strategic objective to maintain an effective Dispute Resolution System outcomes for the sector within its scope.

The Unit's principal purpose is to implement the effective resolution of labour disputes in a fair, impartial, and equitable manner, and without bias; ensuring a high standard of professional ethics has been promoted and maintained.

The authority to perform this role is as a result of sections 52 and 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, Section 23 of the Constitution of the Republic of South Africa, 1996.

The Council is established and accredited by CCMA (s52 and s127) to perform dispute resolution functions, mainly conciliations and arbitrations as well as preventions, thus to advance economic development, social justice, labour peace, and the democratisation of the workplace"

COVID-19 Impact

The reporting financial year was served under the "new normal" ushered in by the COVID-19 pandemic that negatively affected the world at large, and forced change in the way of living and service providing. For the Unit, the setting down of matters had to be deferred, and matters already set down were withdrawn as a results of the implemented national state of disaster and social distancing constraints. For an extended period of about six months, matters deferred thus affecting performance to some of the key performance of the Unit.

Consequently, declaration of the state of disaster and social distancing involuntarily ushered the Council processes into the 4th Industrial revolution of conducting its hearings virtually.

The Key performance areas for the Unit are:

- Continuous reviewing and strengthening of the Dispute Resolution Rules and Procedures for greater effectiveness including standard operating procedures.
- Embolden and vitalise improvement of the outcome of the conciliation process.
- Advancement of 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.

Given the COVID-19 impact, for the purpose to succeed with the committed strategic objective, a continuous modification of stakeholder participation, prioritisation of dispute prevention, and constant insurance of effective dispute resolution, sophisticating client focus, and enhancing the quality of service providers should always be maintained.

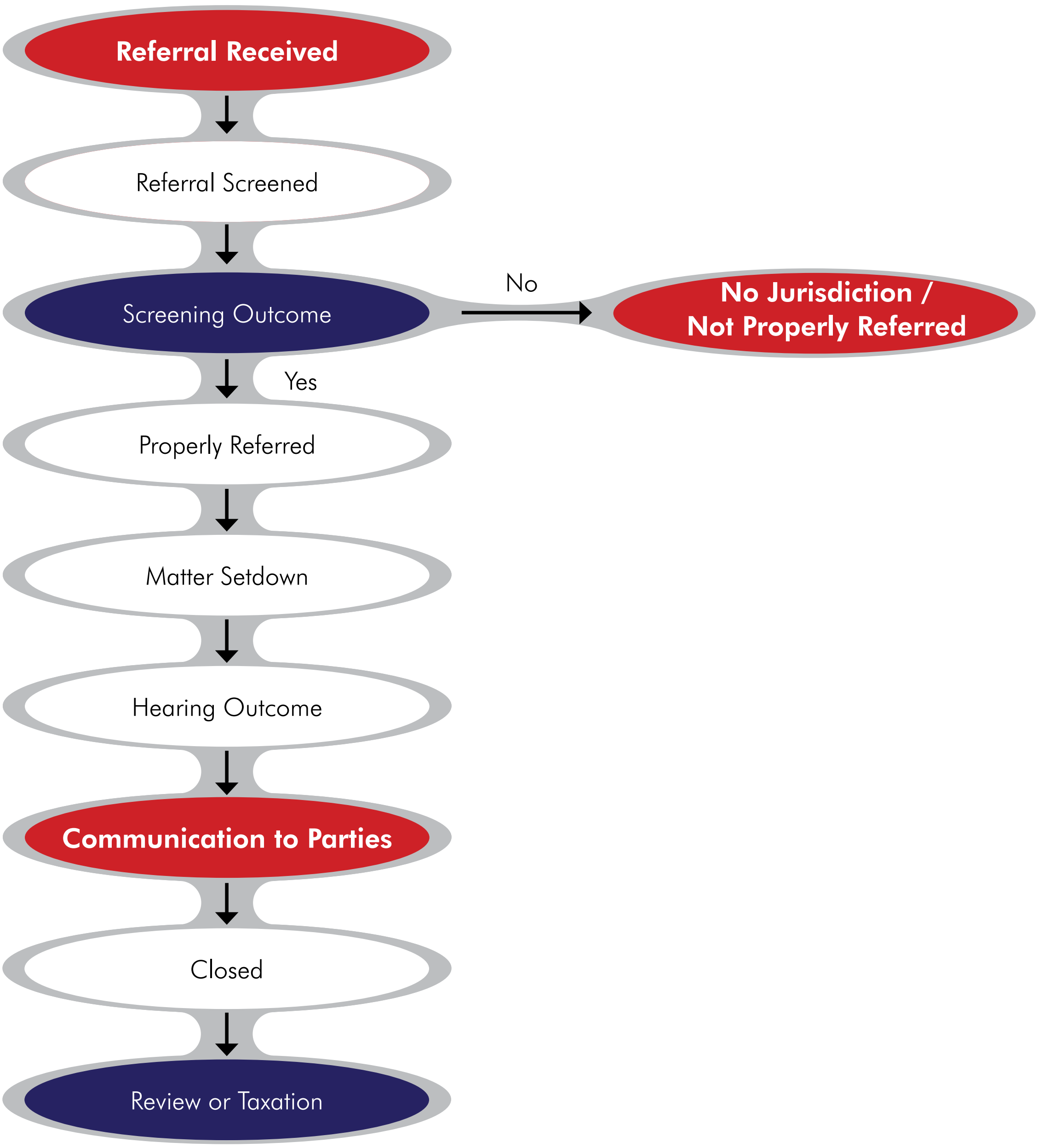
Day-to-day fundamental activities of the Unit entails:

- 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 (LC);
- 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 court 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 monitoring and evaluation of workflow stages.



The model is also convenient for monitoring and evaluation workflow performances with accuracy to date.

Client Focus

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

SMS notices are sent in addition to setdown notices reminding parties of the dates/time and venues of the hearings for their matters, and in line with the caselaws to fortitude serving of notices to ensure attendance. 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 panelist performance to realise the core obejct of the Act, for social justice.

Increased Stakeholder Participation

The Dispute Review Committee has been revived and so far has made great advancement in processes to improve the Unit's efficiency. Owed to the COVID-19 pandemic and lockdown, through this stakeholder participation process, parties' committed to attending dispute resolution meetings where long outstanding aspects of dispute resolution were conferred, i.e. review of rules, exodus of panelists owed to low daily/ travelling fees, collaborator (electronic system) problems etc. This commitment and participation enhances 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

Subsequent to the OD/JE process, the RPU and the CSU indexers were transferred to merge with DMU which resulted to a staff compliment of 18.

Allocation of Cases in the Unit

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 the most experienced Commissioners;
- Cases are allocated equivalently among Commissioners of cause informed by their availability and performance;
- Timelines are considered when allocating cases; and
- Geographic origin of the disputes are as well considered.

Scheduled of Hearings

For the current financial year, **8596** scheduled hearings are recorded. The total 8586 is formed of **1104** conciliation hearings and **7335** arbitration hearings. Fifteen (1**5)** hearings set for Con-arb processes, **24** for disciplinary processes and **45** pre-dismissal arbitration enquiries respectively. In limine hearings are counted for **15** while **46** were set down for reconstruction hearing. For quantification **3** hearings were administered, **6** were for taxation process, and rescision accounted for **3** hearings.

Scheduled hearings	Total
Conciliations	1104
Arbitrations	7335
Con/arb	15
Disciplinary hearings	24
Pre-dismissal arbitrations	45
In limine hearings	15
Reconstruction hearings	46
Quantification hearings	03
Taxation hearings	06
Rescision hearings	03
Total	8596

Conciliations

Conciliations are conducted in compliance with the legislative requirements of the the LRA and Resolutions. Section 135 of the LRA is useful where non-availability of dates and Panelists within the 30-day period are inhibiting the process, and/or where geographic origin of the disputes makes it impractical to reach in far remote areas. 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, **1104** conciliations hearings were recorded and conducted in-house and certificates issued for remote areas, substantially mitigating dispute costs.

Arbitrations

Owed to the COVID-19 state of disaster and social distancing constraints, the Council adopted the virtual hearing processes in line with new norms to allow hearings to proceed. The virtual hearing process echoed to costs saving in travelling, accomodations, time, etc.

The Unit now sets its matters in both physical and virtual hearings dependent to circumstances and parties agreements. To mitigate infection risks, hearings are set down at employers venue with very few at the Council premises to avoid huge grouping of people.

Stringent measures are put in place to control and monitor postponements and adjournments in arbitration processes to preserve escalation of costs and ensure speedy resolution to the objective of the LRA. For the current financial year, 5473 scheduled arbitration hearings were recorded.

Postponements

As much as postponements form part of the process, if abused they become impediments and prime malefactors to lengthy processes and an aggravating factor towards the high costs in management of dispute resolution. Unrelenting postponements undermines the key principal objective to ensure speedy resolution of dispute referred within its jurisdiction.

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

COVID-19 cincurmstances also contribute to a lot of postponement requests based on the number of infections and evacuated buildings for fumigations, etc.

The Unit, working hand-in-hand with the Commissioners, continues to closely monitor that only justifiable matters get postponement and on substantiated grounds.

Awards Rendered

Records reflect that during the current financial year, **521** awards are recorded with **494** awards rendered within 14 days period. Twenty six **26** are 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 cured through SLA prescripts. Of the **587** awards issued, **213** were in favour of employees, while **254** are recorded to be in favour of the employer.

Total awards per Province

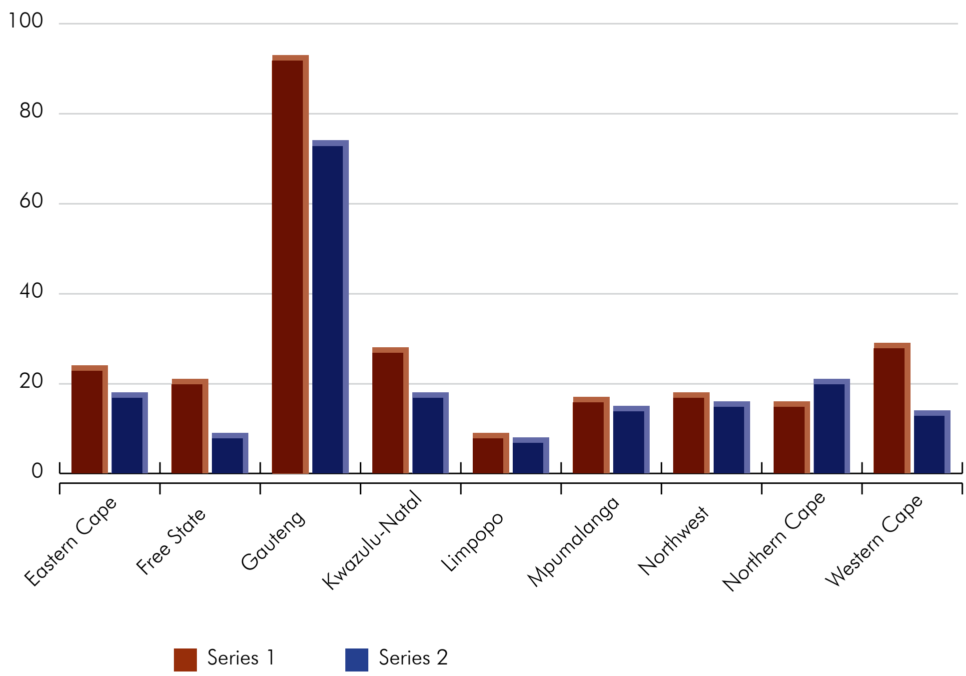


Table of Awards per Party

Provinces	Employer	Employee
Eastern Cape	24	18
Free State	21	09
Gauteng	93	74
KwaZulu-Natal	28	18
Limpopo	09	08
Mpumalanga	17	15
North West	18	16
Northern Cape	16	21
Western Cape	29	14
Total	**255**	**193**

Management of Reviews

A high-risk process beyond and over the rules of the Council with far potentially high costs and integrity/ reputational implications if not adequately managed. The process is managed internally, contrary to having outsourced the function to legal firms.

Reviews are handled within the Workstation Outcome in line as directed by newly introduced structure. The Unit introduced a monitoring process to ensure compliance to Labour Court (LC) notices and motions in terms of LC 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.

The Unit also appears in Courts responding to compelling applications and for filing of records of proceedings to avert costs against the Council. Section 142(9) applications to enforce compliance and for contempt application with subpoenas for status of the Council are part of the daily functions of Unit.

Challenges related with compliance to LC 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 curtailed the process and made it feasible to uplift and file records in time to evade compelling applications.

The Unit managed to maintain a clean slate in the past six financial years, that no compelling costs application succeeded against the Council.

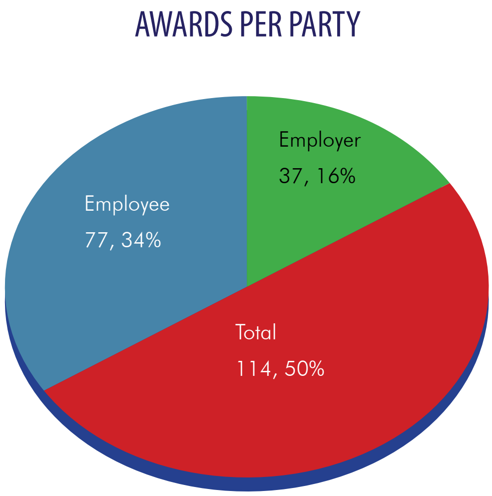
For the financial year **2020/2021,** one hundred and fourteen **(114)** notice of motions were administered in terms of **s145** and **s158** of the LRA.

Of the **114** review applications, **77** were filed from the employee party, whereas **37** were filed by the employer party.

Monthly Reviews

REVIEWS	April, 2020	May, 2020	June, 2020	July, 2020	August, 2020	September, 2020	October, 2020	November, 2020	December, 2020	January, 2021	February, 2021	March, 2021	Total
Employee	1	2	5	5	6	5	9	8	11	3	12	10	**77**
Empoyer	2	2	3	4	4	5	2	1	3	2	3	6	**37**
Total	**3**	**4**	**8**	**9**	**10**	**10**	**11**	**9**	**14**	**5**	**15**	**16**	**114**

Total reviews per Party



Service Providers

Panelists

Critical and primary resource of providing the prime essential service to Council is the part-time Commissioners conducting our dispute resolution processes. The reasons for the Council continuously embarking on recruitment endeavours is to refresh and muscle its panel of dispute resolution agents 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.

The Council has entered in to Service Level Agreement (SLA) with all Panelists 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 humanly, postponements, late awards and quality of awards, conduct, rates, punitive measures, etc.

Table of Panelists

Province	Totals
Eastern Cape	37
Free State	12
Gauteng Province	64
KwaZulu Natal	44
Limpopo	21
Mpumalanga	08
North West	11
Norhern Cape	07
Western Cape	25
Totals	**229**

Interpreters

Interpreters play a cardinal role in dispute resolution processes by ensuring advancement to meaningful social justice in our processes. They are currently utilised on ad-hoc basis as no Service Level Agreement (SLA) has been concluded with them. We are in the process endeavouring the practical model to formalise their services. Namelist of the utilised interpreters in our service is hereby listed below:

Table Interpreters

Province	Totals
Eastern Cape	18
Free State	06
Gauteng	28
KwaZulu-Natal	22
Limpopo	13
Mpumalanga	08
North West	04
Northern Cape	08
Western Cape	04
Totals	**111**

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 ascending of disputes within their workplaces. Capacity building involves training and workshops to parties and councils. The Council provided various training interventions in Labour Relations, Conflict Management and Negotiation Skills, and Panelists 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.

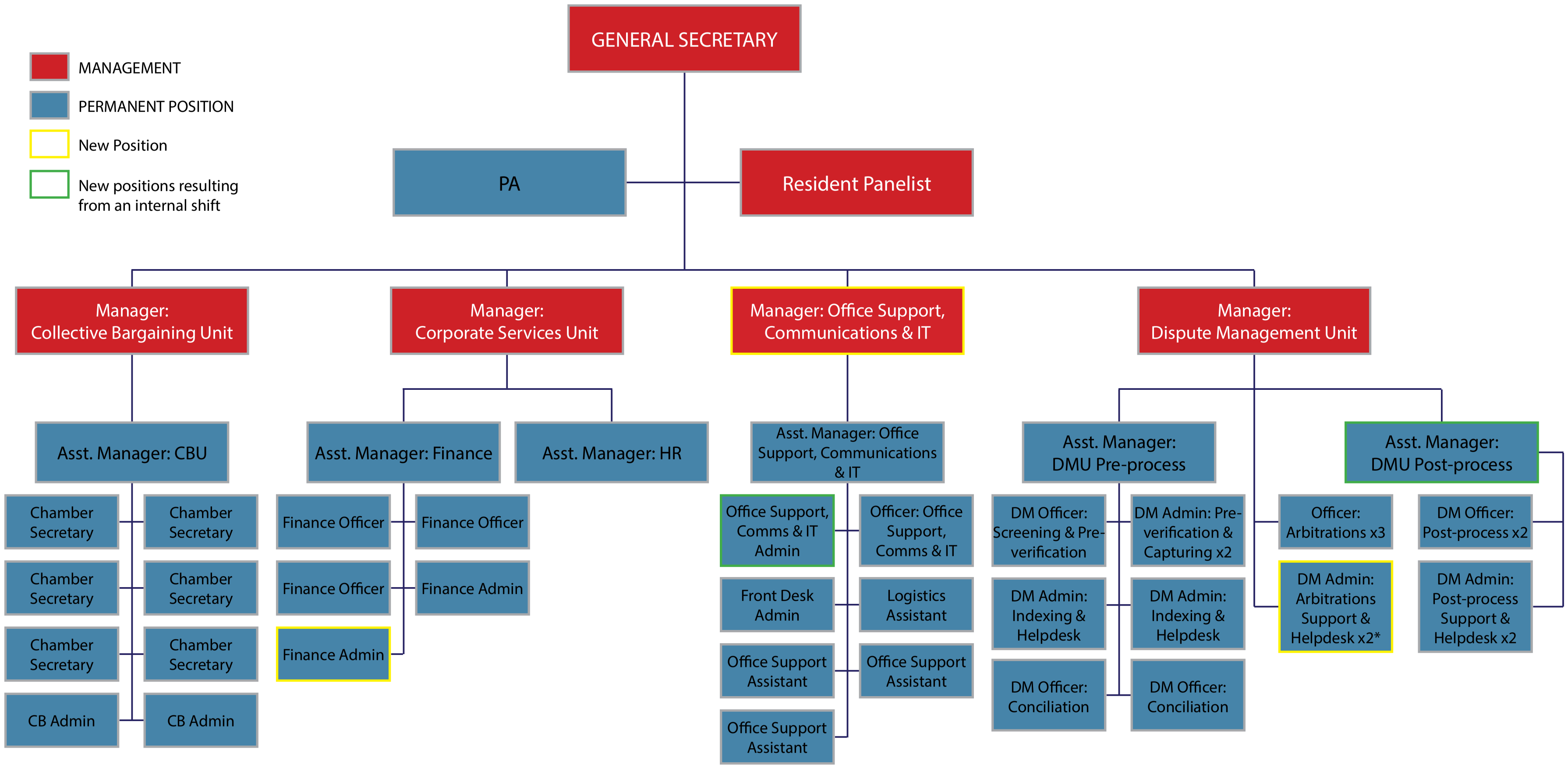
GPSSBC conforms to the mother of all features as dispute resolution institution in the Public Service with its wide scope. It remains the trailblazer in the dsipute resolution industry as a cardinal point of referrence in fulfilling aspirations of the Constitution and legislative objectives in advancing social justice and labour peace in the Sector. The Unit's role is central, contributing to the overall achievement of objectives of the Council and the sector at large. It is an ongoing voyage for the Unit to keep on evolving in line with the ever reforming employment relations trends. It continually evaluates and assesses systems for relevancy as to make certain of exceptional service delivery to Public Service.

9. CORPORATE SERVICES

HUMAN RESOURCES

During the year under review, Council adopted a new organisational structure with a view to enable Council to function at an optimal level, to meet its current and future needs and further to mitigate against identified significant risk areas.

The new organisational structure was adopted by Council in October 2020.



Vacant Posts

Council approved the implementation and filling of posts and the posts are expected to be filled during the next financial year. The following posts are funded and vacant:

1. DM Assistant Manager –Post Process
2. Finance Admin – Debt Management
3. DM Admin – Indexing and Helpdesk
4. DM Admin – Arbitrations Support & Helpdesk

STAFF MOVEMENT

The GPSSBC staff compliment increased from 41 to 49 in 2020-2021 financial year. There were few internal movements within the organisation and the following employees were placed on the new positions created in terms of the new organogram:

Name	Position	Date
Ms Elinah Mabepe	DM Officer-Conciliation	01st November 2020
Ms Nelisiwe Mangali	DM Officer -Conciliation	01st November 2020
Ms Pollet Malatji	DM Officer - Arbitrations	01st November 2020

RECRUITMENT AND SELECTION

The following employees were appointed and absorbed on the vacant posts:

Name	Position	Date
Mr Given Raphetha	Chamber Secretary	01st April 2020
Ms Salaminah Makhaza	Front Desk Admin	01st January 2021
Ms Rhudzani Mudimeli	Administrator – Finance Credit Management	01st January 2021

RESIGNATIONS

No resignations were received during this financial year under review.

Training and development

During the period under review 2020-2021, Council sustained its commitment in terms of developing staff. It is never too late to improve yourself, achieving matric is within reach for our Office Support Assistants, Mr Abram Mohlapi and Ms Beauty Dhlamini. They were given a chance to register and rewrite their matric in this financial year.

Bursaries were granted in the following fields:

Course	Number of Employees
LLB	3
MPhil in Employment Relations	1
PGD in Public Sector Accounting	1
PGD in Labour Law Practice	1
BCom communication	1
Higher Certificate in Economic Science	1
IT Technician – Comptia A+	1
National Certificate N4 Public Relations	1

The following courses were achieved in this financial year 2020-2021

Course	Institution
PGD in HRD	UNISA
PGD in Labour Law	University of Johannesburg

Short Courses/Seminars /Workshops	No of Employee
Covid 19	43 (All staff)
Digital Marketing	1
Meeting & Minutes Management	1

RESOURCE MANAGEMENT

COVID-19 Lockdown

The pandemic has disturbed our normal way of life and affected a lot of processes, however it did not stop the GPSSBC from conducting its day-to-day operations. When COVID-19 lockdown was declared, the GPSSBC equipped all employees with resources in order to enable them to continue work outside of the office.

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.

2019 - 2020 we had **45151** downloads

2020 - 2021 we had **50308** downloads

Referring a dispute to the GPSSBC for conciliation, plus Application for Condonation (G1) being the highest at **27778** downloads with a significant **5008** more than last year.

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

Resolutions, Application Forms, and Templates.

The referral email address referrals@gpssbc.org.za which was introduced last year to deal with a huge number of applications has proven to have simplified submissions for applicants and easy processing of applications by the GPSSBC.

The work turnaround time and productivity has improved significantly.

Below is a statistical table of forms downloaded:

Forms

Documents

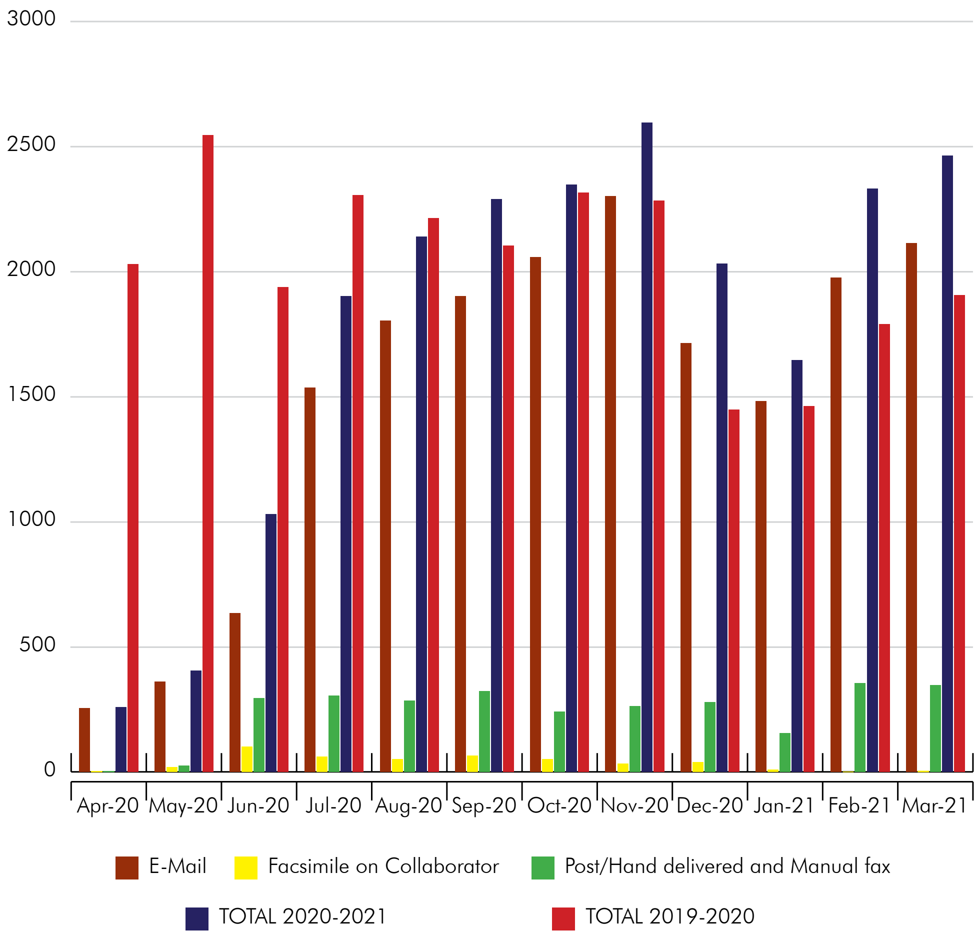
Application in Terms of Section 142A (pdf, 817 KB) (3520 downloads)	05 Feb 2018
Application in terms of section 142a (101 KB) (making a settlement agreement an award) (doc, 99 KB) (3150 downloads)	05 Jun 2017
Application to Certify Bargaining Council Award, LRA Form 7.18A (Application for Application for enforcement) (pdf, 1.02 MB) (3088 downloads)	05 Feb 2018
Inquiry by Arbitrator (Pre Dismissal Application G6) (doc, 75 KB) (2461 downloads)	25 May 2015
Referring a dispute to the GPSSBC for conciliation, plus Application for Condonation(G1) (pdf, 620 KB) (29499 downloads)	05 Jun 2017
Request for appointment of a chairperson in a disciplinary hearing (G5) (pdf, 113 KB) (2195 downloads)	25 May 2015
Request for Arbitration form (G2) (pdf, 138 KB) (11692 downloads)	25 May 2015

CORRESPONDENCE RECEIVED PER MONTH: Dated from 01/04/2020 to 31/03/2021

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

Type	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021
E-Mail	254	361	635	1536	1803	1902	2057	2300	1714	1482	1975	2113
Facsimile on Collaborator	2	19	100	61	51	64	50	32	39	9	0	3
Post/Hand delivered and Manual fax	2	24	295	305	284	322	240	263	278	155	355	346
TOTAL	**258**	**404**	**1030**	**1902**	**2138**	**2288**	**2347**	**2595**	**2031**	**1646**	**2330**	**2462**
TOTAL 2019-2020	**2029**	**2545**	**1937**	**2304**	**2212**	**2103**	**2315**	**2283**	**1447**	**1462**	**1790**	**1906**

CORRESPONDENCE RECEIVED PER MONTH: Dated from 01/04/2020 to 31/03/2021



FINANCE

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 needs 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 are essential to the integrity of financial reporting;

Audit Committee:

This is the committee responsible for monitoring the council's 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; and
- 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, conducted an independent audit of the Council, 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.

GPSSBC INHOUSE PHOTOS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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 2021

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) B Malwane (Vice Chairperson - Employer) O Sebiloane (Vice Chairperson - Labour) S Oodit M Letsatsi N Mzinyane SV Mawela A Al-Anani T Ratshilumela 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 2021

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 2022 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 8 to 21, which have been prepared on the going concern basis, were approved by the AGM on 30 June 2021 and were signed on its behalf by:

Approval of financial statements

S Oodit

Nexia SAB&T
accountants | auditors | consultants

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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 8 to 21, which comprise the statement of financial position as at 31 March 2021, 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 2021, 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 company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 2021", which includes the Report of the Secretary to Council on page 7 and the supplementary information set out on pages 22 to 23. 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 scepticism throughout the audit. We also:

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

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

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

Report on Other Legal and Regulatory Requirements

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

Nexia SAB&T

Nexia SAB&T
Per:
Director
Registered auditor

30 June 2021

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 2021.

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 R48 983 222 in the prior year to R52 734 270 for the year ended 31 March 2021.

Council cash flows from operating activities increased by 575% from R1 890 221 in the prior year to R10 875 582 for the year ended 31 March 2021.

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 2021 the Council's investment in property, plant and equipment amounted to R26 348 830 (2020:R26 293 867), of which R748 043 (2020: R631 212) 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 2021. 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

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

6. Auditors

Nexia SAB&T Charterd Accountants Incorporated continued as auditors for the council for 2021.

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 2022 financial year.

7. Secretary

The secretary is Sharlaine Oodit.

General Public Service Sector Bargaining Council
(Registration number: LR2/6/6/143)
Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

Figures in Rand	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	26 348 830	26 293 867
Intangible assets	3	3 519	17 595
		26 352 349	**26 311 462**
Current Assets			
Trade and other receivables	4	558 436	494 990
Cash and cash equivalents	5	10 972 506	7 227 199
		11 530 942	**7 722 189**
Total Assets		**37 883 291**	**34 033 651**
Equity and Liabilities			
Equity			
Retained income		33 543 332	25 333 962
Liabilities			
Non-Current Liabilities			
Standard Bank Loan	6	-	5 281 618
Finance lease liabilities	7	-	52 836
		-	**5 334 454**
Current Liabilities			
Trade and other payables	8	4 287 123	2 263 623
Standard Bank Loan	6	-	969 726
Finance lease liabilities	7	52 836	131 886
		4 339 959	**3 365 235**
Total Liabilities		**4 339 959**	**8 699 689**
Total Equity and Liabilities		**37 883 291**	**34 033 651**

Statement of Comprehensive Income

Figures in Rand	Notes	2021	2020
Revenue	11	52 734 270	48 983 222
Other income	12	133 885	1 170 752
Operating expenses		(44 519 221)	(48 206 348)
Operating profit		**8 348 934**	**1 947 626**
Interest Income	13	354 419	272 143
Finance costs	14	(493 983)	(774 691)
Profit for the year		**8 209 370**	**1 445 078**
Other comprehensive income		-	-
Total comprehensive profit for the year		**8 209 370**	**1 445 078**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2019	**23 888 884**	**23 888 884**
Profit for the year	1 445 078	1 445 078
Other comprehensive income	-	-
Total comprehensive income for the year	**1 445 078**	**1 445 078**
Balance at 01 April 2020	**25 333 962**	**25 333 962**
Profit for the year	8 209 370	8 209 370
Other comprehensive income	-	-
Total comprehensive income for the year	**8 209 370**	**8 209 370**
Balance at 31 March 2021	**33 543 332**	**33 543 332**

Statement of Cash Flows

Figures in Rand	Notes	2021	2020
Cash flows from operating activities			
Cash generated from operations	17	11 015 146	2 392 769
Interest Income		354 419	272 143
Finance costs		(493 983)	(774 691)
Net cash from operating activities		**10 875 582**	**1 890 221**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(748 043)	(631 212)
Sale of property, plant and equipment	2	999	153
Purchase of other intangible assets	3	-	(28 152)
Net cash (to) from investing activities		**(747 044)**	**(659 211)**
Cash flows from financing activities			
Net movements in standard bank loan		(6 251 344)	(949 659)
Finance lease payments		(131 887)	(130 322)
Net cash from financing activities		**(6 383 231)**	**(1 079 981)**
Total cash movement for the year		**3 745 307**	**151 029**
Cash at the beginning of the year		7 227 199	7 076 170
Total cash at end of the year	5	**10 972 506**	**7 227 199**

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.

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

1.3 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 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 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 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.

2. Property, plant and equipment

	2021			2020		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	20 049 850	(2 721 768)	17 328 082	20 049 850	(2 707 534)	17 342 316
Land	6 948 391	-	6 948 391	6 948 391	-	6 948 391
Furniture and fixtures	2 471 118	(1 797 555)	673 563	2 465 943	(1 627 242)	838 701
Motor vehicles	838 069	(370 122)	467 947	838 069	(309 518)	528 551
Office equipment	747 782	(540 313)	207 469	604 500	(395 470)	209 030
Computer equipment	1 565 431	(842 162)	723 269	966 900	(540 430)	426 470
Kitchen Equipment	8 955	(8 846)	109	10 153	(9 745)	408
Total	**32 629 596**	**(6 280 766)**	**26 348 830**	**31 883 806**	**(5 589 939)**	**26 293 867**

Reconciliation of property, plant and equipment - 2021

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Closing balance**
Buildings	17 342 316	-	-	(14 234)	17 328 082
Land	6 948 391	-	-	-	6 948 391
Furniture and fixtures	838 701	5 175	-	(170 313)	673 563
Motor Vehicles	528 551	-	-	(60 604)	467 947
Office equipment	209 030	143 282	-	(144 843)	207 469
Computer equipment	426 470	599 586	(999)	(301 788)	723 269
Kitchen Equipment	408	-	-	(299)	109
	26 293 867	**748 043**	**(999)**	**(692 081)**	**26 348 830**

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**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

2. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

Details of properties:
Erf number: Erf 798
Deeds office: Pretoria, South Africa
Township: Die Hoewes Ext 213
Title deed number: T39813/2016
Sqm2: 2,999sqm (erf extent)

Land and buildings: Cost	26 998 241	26 998 241

	2021	**2020**
- Purchase price	6 948 391	6 948 391
- Additions since purchase	20 049 850	20 049 850
	26 998 241	**26 998 241**

3. Intangible assets

	2021			2020		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	680 758	(677 239)	3 519	680 758	(663 163)	17 595

Reconciliation of intangible assets - 2021

	Opening balance	**Amortisation**	**Total**
Computer software	17 595	(14 076)	3 519

Reconciliation of intangible assets - 2020

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

4. Trade and other receivables

Trade receivables	448 098	415 917
Provision for doubtful debts	(150 650)	(47 245)
Prepaid expense	78 731	92 893
Staff loan	5 087	2 087
Study loan	16 929	28 469
Sundry debtors	160 241	2 869
	558 436	**494 990**

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 2021 R 448 098 (2020: R 130 083) were past due but not impaired.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

4. Trade and other receivables (continued)

Reconciliation of provision of bad debts	**2021**	**2020**
Opening balance	(47 245)	(195 125)
(Increase)/decrease in the provision	(103 405)	147 880
	(150 650)	**(47 245)**

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

	2021	**2020**
Current	(2 500)	-
30 days	-	38 515
60 days	-	91 568
120 days	450 597	285 834
	448 097	**415 917**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021	2020
Cash on hand	672	672
Bank balances	10 971 834	7 226 527
	10 972 506	**7 227 199**

6. Standard Bank Loan

	2021	2020
At amortised cost		
Standard Bank Loan	-	6 251 344

Terms and conditions

The loan of Rnil (2020: R6 251 344) 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 was fully repaid by 31 March 2021.

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

	2021	2020
Non-current liabilities		
At amortised cost	-	5 281 618
Current liabilities		
At amortised cost	-	969 726
	-	**6 251 344**

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

	2021	2020
Minimum lease payments which fall due		
- within one year	54 683	148 796
- in second to fifth year inclusive	-	54 683
	54 683	203 479
Less: future finance charges	(1 847)	(18 757)
Present value of minimum lease payments	**52 836**	**184 722**
Non-current liabilities	-	52 836
Current liabilities	52 836	131 886
	52 836	**184 722**

It is Council policy to lease certain motor vehicles and equipment under finance leases. The average lease term is 5 years (2020: 5 years) and the average effective borrowing rate is 7% (2020: 9.75%). 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	2021	2020

8. Trade and other payables

Accrued expense	2 075 142	621 011
PAYE, SDL and UIF	669 778	590 381
Accrued leave pay	844 387	432 352
Bonus provision - 13th cheque	251 289	209 053
Provident fund	297 923	270 067
Medical aid contribution	148 604	140 759
	4 287 123	**2 263 623**

9. Financial assets by category

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

2021	**Loans and receivables**	**Total**
Trade and other receivables	661 839	661 839
Cash and cash equivalents	10 972 506	10 972 506
	11 634 345	**11 634 345**

2020	**Loans and receivables**	**Total**
Trade and other receivables	494 988	494 988
Cash and cash equivalents	7 227 199	7 227 199
	7 722 187	**7 722 187**

10. Financial liabilities by category

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

2021	**Financial liabilities at amortised cost**	**Total**
Trade and other payables	4 010 959	4 010 959
Finance lease liabilities	52 836	52 836
	4 063 795	**4 063 795**

2020	**Financial liabilities at amortised cost**	**Total**
Trade and other payables	1 673 241	1 673 241
Standard Bank loan	6 251 343	6 251 343
Finance lease liabilities	184 722	184 722
	8 109 306	**8 109 306**

11. Revenue

Levies collected from Government Departments	52 734 270	48 983 222

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

12. Other income

Cost orders	54 000	354 328
Grant received from PSETA	14 053	273 186
Sponsorship received	-	455 000
Sundry income	65 832	88 238
	133 885	**1 170 752**

13. Investment revenue

Interest revenue		
Bank	354 419	272 143

14. Finance costs

Standard bank bond interest	477 073	738 659
Finance lease interest	16 910	36 032
	493 983	**774 691**

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	383 985	362 250

17. Cash generated from operations

Profit before taxation	8 209 370	1 445 078
Adjustments for:		
Depreciation and amortisation	706 156	593 170
Interest received	(354 419)	(272 143)
Finance costs	493 983	774 691
Changes in working capital:		
Trade and other receivables	(63 444)	3 720
Trade and other payables	2 023 500	(151 747)
	11 015 146	**2 392 769**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

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 O Sebiloane B Malwane

Related party balances and transactions with other related parties

Related party transactions

	2021	2020
Compensation to members of the Executive Committee		
Chairperson's fees	148 547	126 789

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 2021. 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

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Detailed Income Statement

Figures in Rand	Notes	2021	2020
Revenue			
Levies Collected from Government Departments		52 734 270	48 983 222
Other income			
Cost orders		54 000	354 328
Grant received from PSETA		14 053	273 186
Sponsorship received		-	455 000
Sundry income		65 832	88 238
Interest received from investment	13	354 419	272 143
		488 304	**1 442 895**
Expenses (Refer to page 23)		**(44 519 221)**	**(48 206 348)**
Operating profit		**8 703 353**	**2 219 769**
Finance costs	14	(493 983)	(774 691)
Profit for the year		**8 209 370**	**1 445 078**

Detailed Income Statement

Figures in Rand	Notes	2021	2020
Operating expenses			
AGM costs		(34 500)	(260 770)
Accounting fees		(50 500)	(26 750)
Auditors fees	16	(383 985)	(362 250)
Bad debts		-	(179 493)
Bank charges		(43 781)	(46 808)
Body Corporate-levy charges		(380 477)	(205 675)
Bursaries		(135 475)	(143 532)
Cellphone expenses		(84 600)	(64 857)
Chairperson fees		(148 547)	(126 789)
Compensation commissioner		(39 212)	(38 510)
Consulting fees		(115 976)	(526 047)
Depreciation and amortisation		(706 156)	(593 170)
Dispute resolution		(14 690 918)	(16 350 288)
EXCO operational planning costs		-	(23 982)
Employee costs		(21 629 804)	(20 369 325)
FETC's meetings and workshop		-	(359)
Insurance		(193 005)	(187 789)
Lease rentals on finance lease		(123 483)	(124 735)
Leave annual & termination		(412 035)	69 766
Legal expenses		(145 329)	(344 636)
Levies refund		(343)	(60)
Licence renewals		(96 636)	(64 978)
Marketing & communication and electronic media		(35 285)	(107 310)
Meetings EXCO		1 882	(88 482)
Municipal expenses - property rates		(219 163)	(296 069)
Office security		(212 399)	(217 031)
Operating costs		(113 961)	(83 152)
Postage		(53 964)	(142 650)
Corporate uniform		(49 883)	(239 102)
National and provincial chambers		(64 712)	(711 862)
Provision for doubtful debts Adjustment		(103 405)	147 880
Recruitment		(23 796)	(72 452)
Repair, maintenance and operating contracts		(1 388 568)	(896 515)
Special events		-	(2 261)
Staff welfare		(48 535)	(92 109)
Travelling dispute and secretariat		(5 689)	(68 579)
Stationery		(72 179)	(119 789)
Strategic partnership		-	(684 222)
Strategic project		(1 370 575)	(2 759 321)
Subscriptions		(91 795)	(23 188)
Telephone and fax		(516 544)	(423 552)
Training and development		(34 655)	(181 384)
Warranty costs		-	(4 498)
Water and sanitation		(499 727)	(410 520)
Workshops (Dispute Resolution and Chambers)		(135 506)	(502 059)
Year end function and team building		(66 000)	(257 084)
		(44 519 221)	**(48 206 348)**

Notes

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