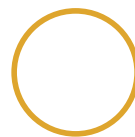




PHSDSBC

Public Health and Social Development  
Sectoral Bargaining Council



2022-2023

[www.phsdsbc.org.za](http://www.phsdsbc.org.za)

# ANNUAL REPORT





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## DEDICATION

To the Chairperson of the Public Health and Social Development Sectoral Bargaining PHSDSBC (PHSDSBC), Mr Mahmood Fadal, the Secretariat is honoured to present the PHSDSBC's 2022/23 Annual Report.

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## Office of the General Secretary



# 1 PHSDSBC GENERAL INFORMATION

Registered name	Public Health and Social Development Sectoral Bargaining PHSDSBC
Registration number	LR2/6/6/144
Physical address	Public Service Bargaining Centre PHSDSBC Blocks A and E 260 Basden Avenue Lyttelton Centurion 0176
Postal address	P.O. Box 11467 Centurion 0046
Telephone number	0860 747 322
Fax number	011 580 0447
Email address	<a href="mailto:servicedesk@phsdsbc.org.za">servicedesk@phsdsbc.org.za</a>
Website address	<a href="http://www.phsdsbc.org.za">www.phsdsbc.org.za</a>
External auditors	PKF Chartered Accountants
Bankers	Nedbank

## PART A: GENERAL INFORMATION



# 2 LIST OF ABBREVIATIONS/ACRONYMS

Table 1: Abbreviations/Acronyms

No.	Item	Abbreviation /Acronym
1.	Annual General Meeting	<b>AGM</b>
2.	Acquired Immune Deficiency Syndrome	<b>AIDS</b>
3.	Annual Performance Plan	<b>APP</b>
4.	Butterworths Labour Law Reports	<b>BLLR</b>
5.	Collective Bargaining	<b>CB</b>
6.	Collective Bargaining Committee	<b>CBC</b>
7.	Commission for Conciliation, Mediation and Arbitration	<b>CCMA</b>
8.	Community Development Practitioners	<b>CDPs</b>
9.	Community Health Centre	<b>CHC</b>
10.	Community Health Care Workers	<b>CHWs</b>
11.	Coronavirus Disease	<b>COVID-19</b>
12.	Corporate Services	<b>CS</b>
13.	Correctional Services Act	<b>CSA</b>
14.	Corporate Social Responsibility	<b>CSR</b>
15.	Democratic Nursing Organisation of South Africa	<b>DENOSA</b>
16.	Dispute Management	<b>DM</b>
17.	Department of Health	<b>DoH</b>
18.	Department of Public Service and Administration	<b>DPSA</b>
19.	Dispute Management Committee	<b>DMC</b>
20.	Department of Correctional Services	<b>DoCS</b>
21.	Department of Social Development	<b>DSD</b>
22.	Eastern Cape	<b>EC</b>
23.	Early Childhood Development	<b>ECD</b>
24.	Eastern Cape Department of Health	<b>ECDOH</b>

No.	Item	Abbreviation /Acronym
25.	Employment Equity Plan	<b>EE Plan</b>
26.	Emergency Medical Services	<b>EMS</b>
27.	Executive Committee	<b>ExCo</b>
28.	Forensic Pathology Services	<b>FPS</b>
29.	Failure to Re-instate in Terms of Agreement	<b>FRTA</b>
30.	Free State	<b>FS</b>
31.	Gender-Based Violence	<b>GBV</b>
32.	Gauteng Department of Social Development	<b>GDSD</b>
33.	Gauteng Province	<b>GP</b>
34.	General Secretary	<b>GS</b>
35.	Human Immunodeficiency Virus	<b>HIV</b>
36.	Health and Other Service Personnel Trade Union of South Africa	<b>HOSPERSA</b>
37.	Human Resources	<b>HR</b>
38.	Interpretation and/or Application of Collective Agreements	<b>IACA</b>
39.	Information and Communications Technology	<b>ICT</b>
40.	International Labour and Employment Relation Association	<b>ILERA</b>
41.	International Labour Organisation	<b>ILO</b>
42.	Institutional Multilateral Committee	<b>IMLC</b>
43.	Information Technology	<b>IT</b>
44.	KwaZulu-Natal	<b>KZN</b>
45.	Limpopo Province	<b>LP</b>
46.	Labour Relations Act 66 of 1995	<b>LRA</b>
47.	Marketing and Communication	<b>MarCom</b>
48.	Mpumalanga Province	<b>MP</b>
49.	National Department of Health	<b>NDoH</b>

No.	Item	Abbreviation /Acronym
50.	National Department of Social Development	<b>NDSD</b>
51.	National Health Laboratory Services	<b>NHLS</b>
52.	Northern Cape	<b>NC</b>
53.	National Education, Health, and Allied Workers Union	<b>NEHAWU</b>
54.	National Public Service Workers Union	<b>NPSWU</b>
55.	National Union of Public Service and Allied Workers	<b>NUPSAW</b>
56.	North West	<b>NW</b>
57.	Office of the General Secretary	<b>OGS</b>
58.	Occupational Health and Safety Information System	<b>OHASIS</b>
59.	Occupational Health and Safety	<b>OHS</b>
60.	Occupational Health and Safety Committee	<b>OHSC</b>
61.	Occupational Specific Dispensation	<b>OSD</b>
62.	Public and Allied Workers Union of South Africa	<b>PAWUSA</b>
63.	Personnel Salary System	<b>PERSAL</b>
64.	Public Health and Social Development Sector	<b>PHSDS</b>
65.	Public Health and Social Development Sectoral Bargaining PHSDSBC	<b>PHSDSBC</b>
66.	Public Health and Welfare Sectoral Bargaining PHSDSBC	<b>PHWSBC</b>
67.	Performance Management Development System	<b>PMDS</b>
68.	Police and Prison Civil Rights Union	<b>POPCRU</b>
69.	Patient Planned Transport	<b>PPT</b>
70.	Public Servants Association	<b>PSA</b>
71.	Public Service Act	<b>PSA</b>
72.	Public Service Bargaining PHSDSBC	<b>PSCBC</b>
73.	Refusal to Bargain	<b>RB</b>
74.	Relationship by Objectives	<b>RBOs</b>
75.	South African Emergency Personnel's Union	<b>SAEPU</b>
76.	South African Medical Association Trade Union	<b>SAMATU</b>
77.	South African Nursing PHSDSBC	<b>SANC</b>
78.	Service Delivery Improvement Programme	<b>SDIP</b>
79.	Subsistence & Travel Allowance	<b>S &amp; T</b>

No.	Item	Abbreviation /Acronym
80.	Tuberculosis	<b>TB</b>
81.	Unilateral Change to Terms and Conditions of Employment	<b>UCTCE</b>
82.	Unfair Dismissal	<b>UD</b>
83.	Unfair Labour Practice	<b>ULP</b>
84.	Unfair Treatment Creating an Occupational Detriment for an Employee who made a Protected Disclosure	<b>UTCODEP</b>
85.	Western Cape	<b>WC</b>



# 3 FOREWORD BY THE CHAIRPERSON



I am pleased to present the 2022/23 annual report of the PHSDSBC. The PHSDSBC continues to strive to conclude cogent and substantive collective agreements. In compliance with its vision and mission, which is to be a world-class bargaining PHSDSBC and to promote labour peace in the sector, it is critically imperative to acknowledge the fact that the PHSDSBC continues to engage in constructive collective, regarding matters of mutual interest; and facilitate dispute prevention measures to pre-empt the occurrence of disputes, and resolve all sector-wide labour disputes speedily and to the satisfaction of all parties involved.

The period under review saw the PHSDSBC conclude a collective agreement, Resolution 3 of 2022 - Extension of Resolution 1 of 2021: Agreement on the Standardisation of Remuneration for Community Health Workers; consequently, as the agreement was administrative in nature, there was no need to conduct an interpretation and implementation workshop.

Notwithstanding the remanence of the COVID-19 pandemic, the PHSDSBC successfully convened virtual, hybrid, and physical contact meetings for the PHSDSBC, its Chambers and committees. Capacity building training for all Chambers on the Protection of Personal Information Act (POPIA) was convened on 07 September 2022. The PHSDSBC also participated in the 13th ILERA Europe Regional Congress in Spain, between 08 and 10 September 2022, and attended the 5th Africa Labour Law Society Congress convened between 29 and 30 March 2023 in Mauritius.

It is equally pleasing to note that the PHSDSBC, has increased its engagement with its stakeholders, and in partnership with the CCMA, has embarked on an online referral platform launched on 13 April 2022, and conducted a webinar (training) on caselaw monitoring in May 2022. Additionally, as part of its Corporate Social Responsibility programme, the PHSDSBC provided relief to communities who were victims of the unprecedented flooding in KwaZulu-Natal in April and May 2022.

I wish to thank all the parties for their commitment and contributions; our successes are possible only through their involvement. A special thank you is extended to the staff of the Secretariat for co-ordinating the functions of the PHSDSBC and for their efforts and work commitment. The PHSDSBC's assurance of social justice remains steady as it continues in its effort to make a meaningful contribution to the labour market.

My sincere condolences are extended to the families of those who have passed on this past year. In addition, I would like to offer a special appreciation to the employees of the health and social development sector - these incredible people doing incredible jobs; despite the circumstances.

In conclusion, I wish the PHSDSBC well in its future endeavours.

**Chairperson**

Mr Mahmood Fadal

31 March 2023



# 4 REPORT OF THE ACCOUNTING OFFICER

Presenting the PHSDSBC's annual report for the 2022-23 financial year is a sincere privilege. Navigating an ever-changing global outlook and domestic environment requires strengthening social dialogue for an inclusive, sustainable, and resilient recovery. During 2022, the worldwide labour market prospects deteriorated significantly. The continuing geopolitical tensions underpinned by the intensifying war in Ukraine, an asymmetrical recovery from the pandemic, and the ongoing bottlenecks in the supply chain have created the conditions for a stagflation episode; the first period of simultaneously high inflation and low growth since the 1970s. This weighed heavily on labour market prospects.

As a result, the labour market faced intractable challenges, ranging from the ensuing cost-of-living crisis that eroded real wages and the purchasing power of household disposable income which reduced aggregate demand, pushing workers back into informal employment. According to the World Economic Outlook, 2023, the global economy is expected to decline from 3.4 percent in 2022 to 2.8 percent in 2023. Due to heavy load shedding, the South African economy contracted by 1.3% in the fourth quarter of 2022. Real gross domestic product (measured by production) increased by 0.4% in the first quarter of 2023, following a decrease of 1.1% in the fourth quarter of 2022 (Statistics South Africa).



These tentative signs that the economy is recovering, albeit at a lower rate than the contraction recorded in the fourth quarter of 2022, are subdued by the continuous increase in the repurchase rate by 50 basis points to 7.75% per year, with effect from the 31 March 2023. South Africa's unemployment rate increased to 32.9% (7.9m) in the first quarter of 2023, the first rise over a year, from 32.7% (7.8M) in the previous period. There were 179 000 more unemployed people in the first quarter 2023 than in the fourth quarter of 2022.

There are 40.6 million people of working age (15-65 years) in South Africa; however, only 16.2 million are employed, with 24.4 million being unemployed. Employment increased in the first quarter of 2023 by 258 000. The youth between 15-24 and 25-34 years recorded highest unemployment rates of 62.1 and 40.7 percent, respectively. Black African women remain the most vulnerable, with an unemployment rate of 39.9 percent recorded in the first quarter of 2023. This is 4.5 percent higher than the national average for women at 35.4 percent.

The performance of the PHSDSBC for the period under review ought to be measured against these national and global challenges. Against this backdrop, out of 30 matters of mutual interest transacted during the reporting period, only one administrative collective agreement was concluded, accounting for the partial achievement of 50 percent performance. There was a 23.08 percent decline in the number of matters of mutual interest that were transacted, from 39 in the previous reporting period to 30 in the current period due to, amongst others, parties reserving their rights.

Most of the items on the agenda of the PHSDSBC had financial implications which requires a candid discussion on arguably the reciprocal trade-offs that sought to reprioritize matters of mutual interest items to accommodate the budget. This necessitates decision-makers from both Labour and the Employer to share information and exchange insights about the critical and strategic matters of mutual interest that must be prioritized; otherwise, collective bargaining is at risk of being obsolete and irrelevant.

As you navigate through the annual report, you will read about the contribution of the Chambers towards strengthening collective bargaining at a decentralised level. Notably is the Chamber's ability to process 252 matters of mutual interest, recording a 34.21 percent decline from 383 in the preceding reporting period. Focusing at the granular details of those items, out of 60 policies consulted, 28 were adopted, accounting for a 46 percent decrease in the number of policies adopted during the reporting period compared to the previous reporting period. As part of upskilling the Chambers, all members were trained on the POPIA. Further development of the PHSDSBC members unfolded in the PHSDSBC's participation in the 13th ILERA Europe Regional Congress, in Spain, in September 2022 and also its attendance of the 5th Africa Labour Law Society Congress in March 2023 in Mauritius.



While we strive to promote labour peace, industrial action is integral to collective bargaining. The sector witnessed several protected and unprotected industrial action occasioned by, amongst others, late and/or non-payment of pay progression and/or bonuses, non-availability of tools of trade, safety of employees, rural allowance, and non-filling of posts. Again, the recurring challenge of timeous resolution of agenda items continues to raise its ugly head; especially during this period of challenging austerity measures. The unintended effect of this delay manifests itself in the increase of unprotected strikes and disputes on the interpretation and application of collective agreements.

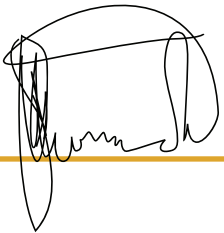
Notwithstanding the foregoing challenges, our dispute resolution function continues to fly our flag high regarding adherence to the statutory efficiencies as reflected in the 100 percent compliance with conciliations heard and finalised within 30 days and awards issued to parties within 14 days. Our outreach programmes to practitioners in the provinces are slowly bearing fruit, as noted in the 5.9 percent decrease in the number of disputes referred this year; 1055 compared to the previous reporting period of 1121.

As part of a broader ecosystem, we continued to play a positive role in changing the lives of the most vulnerable, by contributing towards the basic needs of the Kwa-Zulu Natal flood victims, contributing R 300 000.00 for the procurement of necessities as well as donating to Leamogetswe Children’s Home in Pretoria. Our transition towards a more digital, paperless environment is on course as we have completed our strategy for migrating our services to the Cloud. Our social media presence is very interactive, and there is a significant increase in the number of clients who visit the website, owing to the exhibitions we conduct with our various stakeholders.

For the PHSDSBC to continue on its current trajectory, it requires all the stakeholders to be astute with its resource envelope. For this reason, our auditors have recorded yet another unqualified audit opinion after conducting an extensive audit of the PHSDSBC’s finances. In their opinion, the financial statements fairly present, in all material respects, the PHSDSBC’s financial position as at 31 March 2023.

Credit must be given to all the stakeholders who have contributed to the work of the PHSDSBC. While the economic outlook remains sombre, the demand to offer more and improved services remains high. As the challenges multiply and the purse strings tighten, I commend the Secretariat staff for working hard daily, to ensure the PHSDSBC continues to deliver on its mandate. All of this is made possible by the support we receive from the Office Bearers under the stewardship of the Chairperson. We draw our strength from the ability of our social partners to work together collectively and collaboratively.

Even though collective bargaining is in a very difficult situation, there should be no room for defeatism. Steps to strengthen collective bargaining are essential in order to create a more inclusive, sustainable, and resilient recovery.



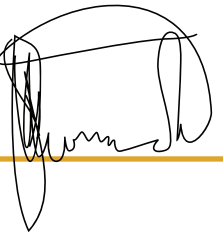
**General Secretary**  
Mr Mpumelelo Sibiyi  
31 March 2023



# 5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

In my opinion, the performance information fairly reflects the actual achievement against the planned objectives, indicators, and targets, as per the adopted five (5) year strategic and the annual performance plan of the PHSDSBC for the financial year ended 31 March 2023.

The performance information set out on these pages have been approved by the Executive Committee of the PHSDSBC



**General Secretary**  
Mr Mpumelelo Sibiyi  
31 March 2023

# 6 STRATEGIC OVERVIEW

## 6.1 VISION

Our vision is to be a world class bargaining council.

## 6.2 MISSION

Our mission is to promote labour peace in the Public Health and Social Development Sector of South Africa by:

- a) engaging in constructive collective bargaining, regarding issues of mutual interest to all parties to the PHSDSBC; and
- b) facilitating dispute prevention measures to pre-empt the occurrence of disputes within the sector, and the resolution of all sector-wide labour disputes speedily and to the satisfaction of all parties involved.

## 6.3 VALUES

The table below provides a full outline of the PHSDSBC’s values, as an organisation, which is the basis for interaction between the parties to the PHSDSBC, the PHSDSBC itself, the Secretariat and external stakeholders, as well as any person or organisation that comes into contact with the PHSDSBC.

## 6.4 STRATEGIC GOALS

The strategic goal is to promote labour peace by supporting constructive collective bargaining and facilitating prevention and expeditious resolution of disputes.

C	<b>Cutting-Edge</b> The PHSDSBC will always be mindful of its responsibility to its members as its members are the strength and the cornerstone of the fulfilment of its mission. Against this background, the PHSDSBC shall always endeavor to ensure that its operations and ultimately service delivery, is optimal and on the fringe of creation and innovation; ahead of the masses.
H	<b>Honesty</b> The PHSDSBC shall go to great lengths to promote truth and backing it up with actions in order to show respect for what is right. Ethical and moral integrity is esteemed by the PHSDSBC as it considers honesty as one of the key components of character and one of the most admirable traits of any successful, responsible person. Any deviant and/or dishonest behaviour and conduct will result in the PHSDSBC applying the full might of the law.
I	<b>Integrity</b> As a multilateral entity, the PHSDSBC manages and navigates a myriad of relations with internal and external stakeholders and service providers. Managing these relations with integrity, mutual respect and professionalism will represent the highest priority for the PHSDSBC.
E	<b>Ethics</b> The PHSDSBC, ExCo, Chambers, Secretariat and those who do activities and engage in the name of the PHSDSBC will uphold the highest ethical standards of conduct. The PHSDSBC’s ethical conduct will be guided, first and foremost, by respect for, and adherence to South Africa’s constitution and its laws, and the constitution, rules and regulations of the PHSDSBC. The PHSDSBC will ensure that all in its ‘family’ is capacitated to lead an ethical existence. Consequently, unethical behaviour and conduct will not be tolerated, and will be dealt with appropriately.
F	<b>Fairness</b> Fairness shall guide the PHSDSBC’s every action and its behaviour, as the PHSDSBC interacts with the parties, employees and stakeholders who seek relief from the PHSDSBC. The PHSDSBC shall always dispense its services in a fair and impartial manner, without fear or favour, and shall demand to be treated in a fair and just manner by those who come into contact with it.

# CHIEF

(Cutting-Edge, Honesty, Integrity, Ethics and Fairness)

CHIEF shall be the way of life in the PHSDSBC and shall inspire all of us to go the extra mile in the pursuit of our mission of promoting labour peace in our sector.

**CHIEF is the PHSDSBC way - CHIEF is inspiring us to lead the way!**



# 7 LEGISLATIVE & OTHER MANDATES

The PHSDSBC is a legacy of the LRA. It was established in terms of section 37, which states:

“The PSCBC may, in terms of its constitution and by resolution designate a sector of the public service for the establishment of a bargaining council.”

Pursuant to the aforementioned section, the PSCBC designated the PHSDSBC as a bargaining council in 1999. Consequently, the PHSDSBC derives its mandate from sections 28(1)(a) ;(b);&(c) which avers that, inter alia, the PHSDSBC has the following powers:

- To conclude collective agreements;
- To enforce those collective agreements; and
- To prevent and resolve labour disputes.

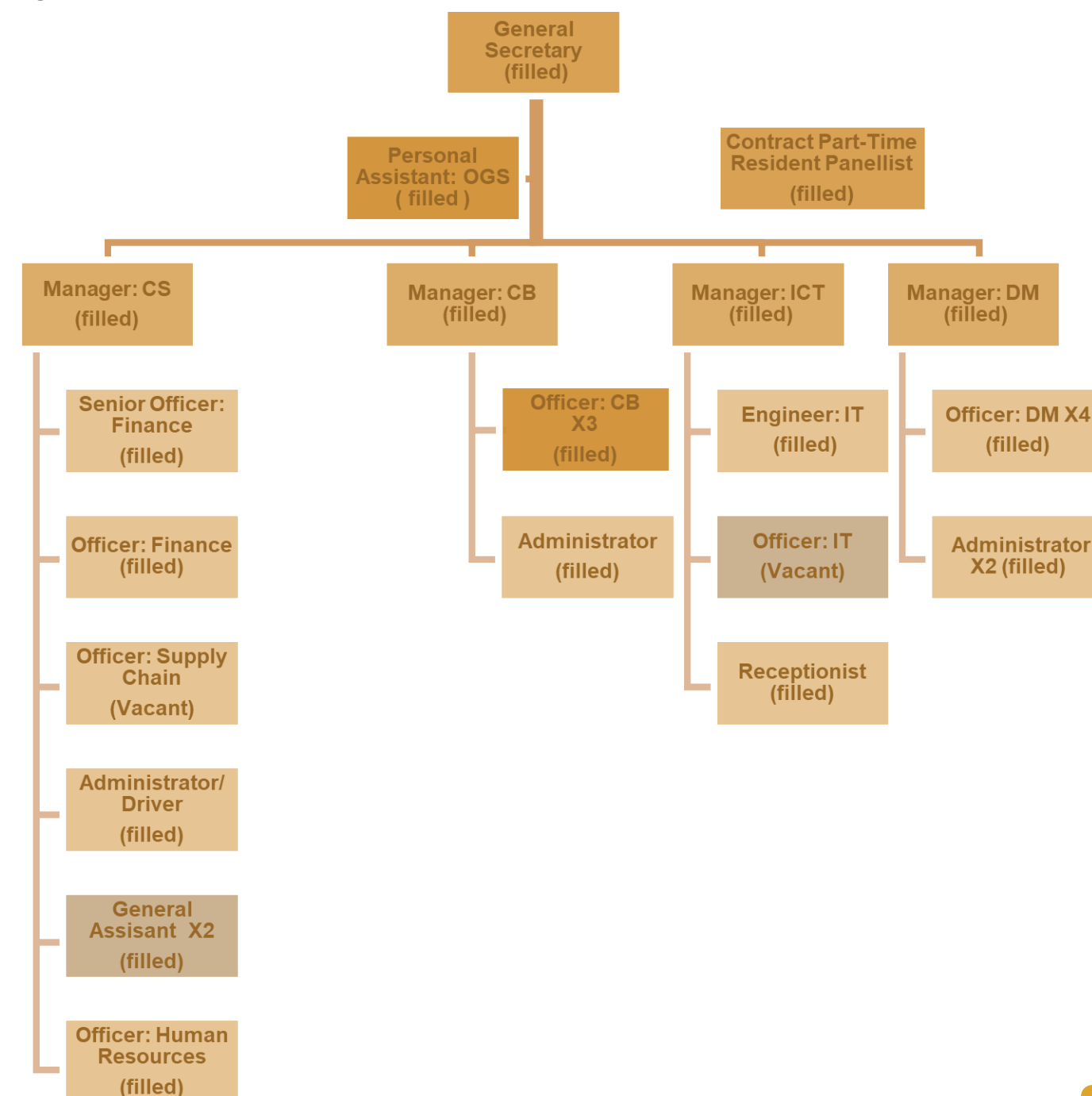


# 8 ORGANISATIONAL STRUCTURE

The organisational structure of the Secretariat reflects twenty-three (23) permanent funded posts and one (1) contract post.

Figure 1 is a diagrammatic depiction of the staff complement.

Figure 1: Secretariat Structure





# 9 GOVERNANCE STRUCTURES

## 9.1 OFFICE BEARERS

Section 14 of the constitution of the PHSDSBC provides for the election of a Chairperson and Vice-Chairpersons. The Chairperson is appointed for a period of 24 months and the Vice-Chairpersons for a period of 12 months.

## 9.2 THE PHSDSBC

The PHSDSBC is the highest decision-making structure and is constituted by the following trade union parties:

- a. NEHAWU;
- b. DENOSA, acting together with the SAMATU, SAEPU, PAWUSA;
- c. PSA, acting together with the NPSWU;
- d. HOSPERSA; and
- e. NUPSAW.

Clause 12 of the constitution of the PHSDSBC sets the criteria for the appointment of representatives and their alternates. In terms of clause 12.2, the trade unions in the PHSDSBC may each be represented by: 2 representatives for the first 10 000 members; then 1 additional representative for every additional 20 000 members, or part thereof, up to a maximum of 5 representatives. The table on the right indicates the audited membership figures, as at 31 December 2021.

Table 3: Membership Figures as at 31 December 2021

No.	Trade Union	Membership 2020	Membership 2021	Vote Weight	Representatives
1.	NEHAWU	R106 353.00	R111 606.00	<b>29.23%</b>	<b>5</b>
2.	PSA	R75 178.00	R84 066.00	<b>25.39%</b>	<b>5</b>
2.1	(NPSWU)	R10 851.00	R12 869.00		
	<b>SUB-TOTAL</b>	R86 029.00	R96 935.00		
3.	DENOSA	R66 985.00	R68 584.00	<b>20.56%</b>	<b>5</b>
3.1	SAMATU	R4 686.00	R5 707.00		
3.2	PAWUSA	R2 554.00	R2 262.00		
3.3	SAEPU	R1 872.00	R1 949.00		
3.4	<b>SUB-TOTAL</b>	R76 097.00	R78 502.00		
4.	<b>HOSPERSA</b>	R46 144.00	R54 438.00	<b>14.26%</b>	<b>4</b>
5.	<b>NUPSAW</b>	N/A	R40 299.00	<b>10.56%</b>	<b>3</b>
	<b>TOTAL</b>	R314 623.00	R381 780.00	<b>100%</b>	<b>22</b>

The Employer delegation is equivalent to the total number of representatives of the trade union parties and is drawn from government departments of health and social development at provincial and national levels.

## 9.3 EXECUTIVE COMMITTEE

The ExCo is the highest administrative structure of the PHSDSBC. Its principal function is to exercise and perform the powers, functions and duties of the PHSDSBC relating to the supervision and control of the day-to-day management and administration of the PHSDSBC. It is constituted as indicated in Table 4 below.

Table 4: Office Bearers and ExCo members

Office Bearers			
Chairperson		Vice-Chairpersons	
Mr Mahmood Fadal		Ms Ritta Msibi (Labour)	Mr John Mahlanya (Employer)
ExCo Members			
Employer		Labour	
Main	Alternate	Main	Alternate
Adv Maile Ngake	Mr Paseka Maqena	Mr Bhuti Buthelezi	Mr Maxwell Mothibi
Dr Koos Shabangu	Ms Rebecca Mohamed	Mr Jannie Oosthuizen	Mr Pat Mphela
Mr Tshepo Maseleme	Mr Sifiso Khumalo	Ms Fina Setshedi	Mr Mpho Mpogeng



# 10

## OVERVIEW OF THE PERFORMANCE OF **PHSDSBC**

### PART B:

# PERFORMANCE **INFORMATION**

This section provides an overview of the PHSDSBC's performance, the generic and common challenges experienced by the PHSDSBC, and the impact those had on the performance of the PHSDSBC and the broad realisation of its mandate

Table 5: Performance overview and service delivery

Collective Bargaining			
Promote labour peace in the sector through coordination of meetings within the prescribed turnaround times	State as Employer, and its employees who fall within the registered scope of the PSCBC, and includes:  The employers and employees in: <ul style="list-style-type: none"> <li>• The department of health in the national sphere of government;</li> <li>• The 9 (nine) departments of health in the provincial spheres of government;</li> <li>• The department of social development in the national sphere of government;</li> </ul>	100% compliance with the coordination of meetings within the prescribed turnaround times (16-point system), i.e., issuing of notices and minutes of the previous meeting nine (9) days prior to the meeting, etc.	100% Compliance to the 16 points system All sixteen (16) ordinary meetings complied  However, there were twenty-one (21) Special PHSDSBC and ExCo meetings as compared to the previous twenty-eight (28) in the previous reporting period. 37/37 100%
Promote and maintain sound relationships between the employer and its employees in the sector.		100% digital records	100% compliance with the digital recording of the proceedings and preparation of accurate and quality minutes and filing of records.
Promote negotiation and collective bargaining to conclude collective agreements on matters of mutual interest to the employer and employees falling within the scope of the PHSDSBC.	<ul style="list-style-type: none"> <li>• The 9 (nine) departments of social development in the provincial spheres of government;</li> <li>• All other employees who are employed in health and social development facilities under the Public Service Act 103 of 1994, as amended from time to time and the Correctional Services Act 8 of 1959 as amended from time to time and their employers;</li> <li>• The public in general as recipients of Health and Social Development services.</li> </ul>	98% accurate and quality minutes  100% up to date and reliable filing system.	100% Digitally recording of proceedings.  Preparation of 100% accurate and quality minutes, Keeping of a 100% up to date and reliable filing system.
Supervise and enforce collective agreements.			

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Dispute Management				
Promote the effective and expeditious resolution of disputes within the prescribed turnaround times and norms and standards in the sector between: <ul style="list-style-type: none"><li>• The Employer and trade unions to the PHSDSBC</li><li>• The Employer and trade unions not admitted to the PHSDSBC</li><li>• The Employer and employees, where the employer has the requisite authority to resolve such disputes</li><li>• A party to the PHSDSBC and the PHSDSBC, or the GS in relation to specific issues in the constitution of the PHSDSBC</li></ul>	Same as above.	To comply 100% with the 30-day turnaround time for conciliations heard and finalised.	100% achieved.	
		To comply 100% with the issuing of certificates within thirty (30) days where conciliations were not set down.	To comply 100% with the issuing of certificates within 30 days where conciliations were not set down.	100% achieved.
		To comply with 20% of arbitrations heard and finalised within 90 days.	To comply with 20% of arbitrations heard and finalised within 90 days.	20% achieved.
		To comply with the 75% of arbitrations heard and finalised.	To comply with the 75% of arbitrations heard and finalised.	78% achieved.
		To comply with 100% of awards issued within 14 days.	To comply 100% of awards issued within 14 days.	100% achieved.
		To comply 50% with the settlement rate on all cases heard and finalised.	To comply with the 50% settlement rate on all cases heard and finalised.	44% achieved due to: <ul style="list-style-type: none"><li>• Parties resolved to proceed with an arbitration process and not settle the matter.</li></ul>
		Comply with the maximum of 9% postponements of all processes heard.	Comply with the maximum of 9% postponements of all processes heard.	20% maximum achieved due to: <ul style="list-style-type: none"><li>• Applications for a postponement by the parties at the arbitration hearings.</li></ul>



Table 6: Service Delivery Information Tool

Current/Actual Information Tool	Desired Information Tool	Actual Achievement
The website is utilised to access the online link for the customer satisfaction surveys that are conducted after every meeting (Collective Bargaining) and after the panellists issue the dispute awards (Dispute Management).	One of the other ways that was identified to increase the response rate and obtain a more accurate rate of the customer satisfaction level of the members was to introduce a telephonic service rating system. Unfortunately, due to lack of budget, this was not achieved.	<div>The customer feedback response rate is currently:</div> <div><div>• Collective Bargaining - 6%</div><div>• Dispute Management - 7%</div></div>

Table 7: Complaints Mechanism

Current/Actual Complaints Mechanism (Baseline)	Desired Complaints Mechanism	Desired Complaints Mechanism
Complaints are sent to the PHSDSBC’s Service Desk. This service is advertised in 2 ways, viz, in the PHSDSBC’s brochures and on the Secretariat staff members e-mail signatures. New features that have been introduced is a Complaints and Compliments link on website, as well as a direct WhatsApp PHSDSBC number to service clients.	A telephonic rating system will be introduced in the next financial year.	Complaints and compliments are tabulated together with the service delivery statistics, to provide a holistic picture of the PHSDSBC’s service delivery rating, as well via the PHSDSBC’s direct WhatsApp number, which is well above the international index.

10.1 ORGANISATIONAL ENVIRONMENT

The table below reflects the internal service delivery environment.

Table 8: Strengths and Weaknesses

Programme	Strength	Weakness
Support Services	<div>a) Independent IT infrastructure</div> <div>b) Refurbished buildings with state-of-the-art boardroom and audio-visual aids</div> <div>c) Re-designed and regularly updated website</div> <div>d) Paperless environment (boardroom)</div> <div>e) Strong presence on social media platforms</div> <div>f) Good marketing outreach programmes</div>	<div>a) Delay in undertaking 4 IR project resulting in over reliance on onsite server to store information and backups</div> <div>b) Lack of dedicated and qualified marketing and communication capacity.</div> <div>c) Archaic IT infrastructure and equipment</div>

Collective Bargaining	<div>g) Existence of current collective bargaining structures and processes within the constitutional milieu.</div> <div>h) Trust relationship between the parties, despite existing challenges inherent in these relationships.</div> <div>i) Knowledge and experience of parties in negotiation processes.</div> <div>j) Functional PHSDSBC and Chambers.</div>	<div>d) The poor economic performance of the country impacts on collective bargaining.</div> <div>e) The continued disjuncture between the government budgetary processes and collective bargaining processes.</div> <div>f) The continued challenge of lack of mandates on matters of mutual interest on the agenda of the PHSDSBC.</div> <div>g) Absence of guidelines on what are members in good standing.</div>
Dispute Management	<div>k) The use of virtual hearings to minimise proceeding cost</div> <div>l) Effective vetting process of awards/ rulings for quality assurance</div> <div>m) The functions are based on the legislative framework i.e., the LRA and the Rules of Conduct of the Proceedings before the PHSDSBC. The legislative framework provides guidance on how the proceedings should be conducted</div> <div>n) The DM department relies on the CCMA CMS, which is effective in the scheduling of cases, sending reminders and issuing notices to the parties</div> <div>o) The DM department currently has seven (7) staff members who are qualified in the field of labour relations and have the necessary skills to advise the parties</div> <div>p) In executing its functions, it is dependent on the levies and the CCMA subsidy claims of finalised cases and settled cases</div> <div>q) The DMC established to advise and deliberate on DM issues in the sector</div> <div>r) Leveraging on the DMC to assist in finalising the long outstanding cases</div> <div>s) Making the parties aware of the CCMA efficiencies through training so that postponements are minimised and disputes are finalised speedily</div>	<div>h) High number of postponement applications at the hearing; resulting to arbitrations not finalised within 90 days.</div> <div>i) Incomplete arbitration voice recordings</div>



10.2 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no key policy developments and legislative changes during the reporting period.

# 1 PERFORMANCE INFORMATION BY PROGRAMME

The mandate of the PHSDSBC is managed through three (3) programmes.

11.1 PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide overall strategic leadership, management, and support services to the Secretariat, by promoting effective planning, improving operational efficiencies, and overseeing the effective and efficient implementation of programmes through monitoring and evaluation. It has the following strategic objectives:

- Manage the development and adoption of the five-year strategic plan and APPs and the budgets for these plans
- Oversee the implementation of the APP
- Oversee the efficient and effective management of ICT systems and processes
- Oversee the attainment of an unqualified audit and effective human capital management and development
- Oversee the effective promotion of labour peace through the conclusion of collective agreements on substantive matters of mutual interest within the PHSDS
- oversee the effective promotion of labour peace through dispute prevention programmes and expeditious management of disputes
- oversee the effective profiling of the PHSDSBC through marketing and communication initiatives

The programme has three (3) sub-programmes:

- Sub-Programme 1.1: OGS
- Sub-Programme 1.2: ICT
- Sub-Programme 1.3: CS

- A) SUB-PROGRAMME 1.1: OFFICE OF THE GS  
Provides overall strategic leadership to the Secretariat by promoting effective planning, improves operational efficiency, and oversees the implementation of programmes through monitoring and evaluation.
- B) SUB-PROGRAMME 1.2: INFORMATION AND COMMUNICATIONS TECHNOLOGY  
This sub-programme provides long term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.
- C) SUB-PROGRAMME 1.3: CORPORATE SERVICES  
This sub-programme focuses on compliance with all relevant financial statutes and regulations; the most important of which is the Finance Policy and Procedure Manual. In ensuring compliance, the unit strives to attain a balance between service excellence and achieving its key objectives. It is also responsible for ensuring transactional and transformational Human Capital Management support to the Secretariat so that it can attract, develop, and retain the skills needed to deliver on its objectives and mandate.

11.2 PROGRAMME 2: COLLECTIVE BARGAINING

This programme is responsible for the effective promotion of labour peace through constructive collective bargaining/negotiations that take place between the Employer, on the one hand, and one or more workers’ organisations, on the other, in respect of the following:

- a) determining working conditions and terms of employment
- b) regulating relations between employer and workers
- c) regulating relations between an employer and a workers’ organisations

The constructive collective bargaining/negotiating strives to conclude meaningful collective agreements that fulfil the decent work agenda.

11.3 PROGRAMME 3: DISPUTE MANAGEMENT

This programme provides for the effective promotion of labour peace through dispute prevention programmes and the expeditious management of disputes.

# 12 STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

12.1 PROGRAMME 1: ADMINISTRATION

12.1.1 SUB PROGRAMME 1.1 OFFICE OF THE GS

Table 9: Sub-programme 1.1 Office of the GS

Sub-Programme 1.1 Office of the GS				
Programme Name: Administration	Actual Achievement 2021/2022(Baseline)	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement for 2022/23
Strategic Objective				Comment on Deviation
Manage the development and adoption of the APP and the budget.	APP for 2021/2022 was adopted in March 2021, before the commencement of the new financial year in April 2021.	Developed and adopted APP and the budget in March 2022.	Achieved.	None.
Oversee the efficient and effective management of MarCom strategy, service delivery improvement programme, corporate social responsibility programme, stakeholder engagement programme and maintenance IT infrastructure.	Five-year marketing and communication strategy.	Exhibitions, increased database; visibility on social media platforms i.e., Facebook, Twitter, & Instagram.	Achieved.	None.
Oversee the attainment of an unqualified audit and effective human capital management and development.	Unqualified audit for the 2020/2021 financial year.	Unqualified audit for the 2021/2022 reporting period.	Achieved.	N/A.

Sub-Programme 1.1 Office of the GS				
Programme Name: Administration	Actual Achievement 2021/2022(Baseline)	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement for 2022/23
Strategic Objective				Comment on Deviation
Oversee the attainment of an unqualified audit and effective human capital management and development.	80% compliance with all human capital policies, systems, processes and procedures, i.e., recruitment and selection, employment equity, OHS wellness, training and development, PMDS, career management, industrial relations, and exit.	100% compliance with all human capital policies, systems, processes and procedures, i.e., recruitment and selection, employment equity, OHS wellness, training and development, PMDS, career management, industrial relations, and exit.	Partially Achieved.	Compliance with the recruitment turnaround time, the timeous submission of performance assessments and the high turnover are some of the challenges experienced during the financial year.
Oversee the effective promotion of labour peace through the conclusion of collective agreements on substantive matters of mutual interest in the PHSDS.	Four (4) collective agreements that were concluded in the 2021/2022 reporting period.	Oversee the conclusion of two (2) collective agreements on matters of mutual interest.	Partially Achieved.	Getting suitable qualified candidates with the relevant experience and qualifications has proven to be a challenge leading to going to recruitment agencies for assistance. The quarterly assessments are not always done on time due to other competing priorities leading to the delay in the finalisation of PMDS. The lack of career progression opportunities lead to a high turnover of staff due to the size of the PHSDSBC.
Oversee the effective promotion of labour peace through prompt dispute prevention programmes and expeditious management of disputes.	1121 disputes were referred to the PHSDSBC; in the 2021/2022 financial year.	100% compliance with the efficiencies and 5% decline in the number of disputes in the sector.	Achieved (6% decline)	Out of a target of two (2) collective agreements, only one resolution was concluded.
			+1%	The dispute referrals declined by 6% from 1121 in the previous financial year to 1055 this year.

12.1.1.1 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The PHSDSBC must confront the reality of an underperforming economy which makes it difficult to address some of the demands that have financial implications in the sector. An honest and frank discussion must ensue about how to reprioritise some of the items on the agenda to focus on those that are critical and urgent under the circumstances.

12.1.1.2 CHANGES TO PLANNED TARGETS

There were no real changes to the planned targets save for some of the projects that had to be deferred to the following financial year.

12.1.1.3 LINKING PERFORMANCE TO BUDGET

Table 10: Office of the GS

Sub-Programme	2021/2022			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the GS	4 485	1 928	2 557	5 410	3 698	1 712
Total	4 485	1 928	2 557	5 410	3 698	1 712



12.1.2 SUB-PROGRAMME 1.2 INFORMATION AND COMMUNICATIONS TECHNOLOGY

Table 11: Information and Communications Technology

Sub-Programme 1.2: Information and Communication Technology			
Programme: Administration	Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023
Strategic Objective			Deviation from Planned Target to Actual Achievement for 2022/2023
Implementation and monitoring of a five-year MarCom strategy: <ul style="list-style-type: none"><li>Conduct exhibitions (28 exhibitions and collect 4 200 members on the database)</li></ul>	Exhibitions: 13 exhibitions Database: 2 000 members.	28 exhibitions and database of 4200 members.	+25%
	The PHSDSBC organized a number of exhibitions during the reporting period.		
	Exhibitions were conducted in the following facilities:		
	Q1 GP: Pholosong - 176, Bertha Gxowa - 150, Esangweni Clinic - 42, KZN Albert Luthuli – 178, King Edward - 169, DSD PMB – 150 LP: FH Odendaal - 162, Polokwane – 154		
	TOTAL 1333		
	Q2 GP: Sterkfontein - 210, Rahima Moosa - 166, SAMATU - 67, Pretoria West - 152, KZN: DSD DBN - 121, Prince Mshiyeni - 235, Clairewood - 186 NW: Potchefstroom - 82		
	TOTAL 1219		
	Q3 GP: Steve Biko - 160, Baragwanath - 214, Thelle Mogoerane - 176, Far East Rand - 17, MP: Barberton - 130, Tonga - 180, Mapulaneng - 145 EC: PE Academic - 133, Livingston - 172, Dora Nginza - 154		
	TOTAL 1481		
	Q4 GP: Far East Rand - 160, Kalafong – 60, DSD GP – 20, Heidelberg - 51 WC: WC DSD - 80, Booth Memorial - 82, New Somerset - 131, Khayelitsha – 131, FS: Pelonomi - 225, Bloemfontein DSD - 79, Universitas - 175		
TOTAL 1137			
			N/A



Sub-Programme 1.2: Information and Communication Technology				
Programme: Administration	Baseline (Actual Achievement 2021 /2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023
Strategic Objective				Comment on Deviation
Post 2 posts per day x 60 days (20 days per month x 3 months)	Ad hoc posting.	Post 2 posts per day x 60 days (20 days per month x 3 months)	Achieved 100%	0%
x 3 social media platforms (FB, Twitter, and Instagram) = 1440 posts.		x 3 social media platforms (FB, Twitter, and Instagram) = 1440 posts.	Through its exhibitions the PHSDSBC is developing a database of its members.	
			In order to retain continuous communication and dialogue with its members, the PHSDSBC circulates its electronic newsletters to members on its existing database.	
			The PHSDSBC's newsletter was published on a quarterly basis and featured articles from the departments of its core functions, viz.	
			Collective Bargaining and Dispute Management which updated its readers with the latest information on the PHSDSBC's activities with respect to those 2 core functions.	

Programme: AdministrationSub-Programme 1.2: Information and Communication Technology				
Strategic Objective	Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023Comment on Deviation
Develop Stakeholder Strategy/ Programme.	Liaise and co-ordinate with Collective Bargaining and Dispute Management to develop the programmes and implement 2 stakeholder engagement events.	2 webinars.	Partially achieved 75%.	-25%  The induction programme for FTSS with DENOSA the Collective Bargaining department was cancelled by DENOSA.  The programme/ webinar with the Dispute Management department was scheduled for 24 March 2023 was postponed pending the appointment of new panellists.



Programme: Administration Sub-Programme 1.2: Information and Communication Technology				
Strategic Objective	Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023  Comment on Deviation
Implementation and monitoring of a comprehensive Service Delivery Programme (SDIP).	4 reports and customer satisfaction rate of 86%.	Monitor and conduct customer service survey (e-mail) and obtain 4 statistics report.	Achieved 100% Customer Satisfaction rate: Collective Bargaining: 92% Dispute Management: 92%  The PHSDSBC utilised digital surveys through the website, to attain customers feedback from the attendance of collective bargaining meetings and dispute resolution cases, and in so doing, is able to rate the services offered by the Collective Bargaining and Dispute Management departments.  Through data obtained from the survey, it has been established that the PHSDSBC's percentage of customer satisfaction is well within the international index for customer satisfaction; therefore, no drastic steps are required to improve customer satisfaction, as there will always be a small percentage of disgruntled clients.  The one thing of concern is the small number of participants in the surveys; which has not really improved, despite the initiatives of prize giveaways in the current financial year. The PHSDSBC's percentage of customer satisfaction is well within the international index for customer satisfaction; well above the 86%. This indicates that the PHSDSBC's core business is functioning optimally and delivering the service efficiently.	0%  N/A

Programme: Administration Sub-Programme 1.2: Information and Communication Technology				
Strategic Objective	Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023  Comment on Deviation
Research, procure, implement and submit 4 reports of telephonic rating on services.	N/A this is a new process.	4 telephonic SDIP reports.	Not achieved 0%	100%  This project has been deferred to the new financial year due to incapacity of the department and financial constraints.
Develop and implement a CSR Programme.	Adoption of CSR programme with a community organization (Tembisa child welfare community organisation).	Adoption of CSR programme with community organisation in Atteridgeville (Leamogetswe Children's home) and rolling out 3 activities.	Partially achieved 75%	25%  While the programme was approved. Only 2 activities were completed:  1) Mandela Day: Donated washing machines, irons, washing baskets and clothes.  2) Donated dining hall tables

Programme: Administration					Sub-Programme 1.2: Information and Communication Technology	
Strategic Objective		Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviation
Develop and implement a CSR Programme.		N/A	Donation to KZN flood victims.	Achieved 100%	0%	This was not a planned CSR activity. The PHSDSBC reacted to a call for help from the KZN communities and donated R300 000 worth of goods to the communities that were affected.
Transform IT infrastructure and systems to fully meet the needs of the PHSDSBC.		4 compliant IT infrastructure reports	4 IT infrastructure reports	Partially achieved 50% 2 submitted IT infrastructure reports.	50%	Lack of IT human resources.
<ul style="list-style-type: none"> <li>Well-maintained IT infrastructure</li> <li>Obtain quotations and submit motivation for Cloud migration system.</li> </ul>		Unapproved Cloud migration motivation	IT infrastructure moved to Cloud	Partially achieved 75%	25%	Lack of IT human resources.
<ul style="list-style-type: none"> <li>Procure 1 main-tained minutes editing system</li> </ul>		N/A	Edited minutes system	Not achieved 0%	100%	Lack of IT human resources.

Programme: Administration					Sub-Programme 1.2: Information and Communication Technology	
Strategic Objective		Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/2023	Comment on Deviation
Obtain license, procure, and maintain systems.		Updated licences and systems.	Updated licences and systems.	Achieved 100% Adobe Illustrator Licence Kaspersky Veem	0%	N/A
<ul style="list-style-type: none"> <li>Submit 4 IT helpdesk reports</li> <li>Submit 4 website statistical report</li> <li>Maintain intranet</li> </ul>		4 reports and 100% helpdesk support.	4 reports and 100% helpdesk support.	Partially achieved 50% 2 reports.	50%	Lack of IT human resources.
		4 website reports.	4 website reports.	4 reports 100% achieved.	0%	
		Maintain intranet.	Maintain intranet.	100% Achieved Maintained intranet.	0%	







12.1.2.1 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Under-performance, in the MarCom unit, was due to the stakeholder engagement events being postponed by stakeholders and collaborative departmental partners, and the lack of IT human resources and budget to initiate the telephone customer feedback rating system. In terms of the IT unit, under-performance was due to the IT 4 IR strategy not being implemented because of budgetary and in the main, human resources, constraints. The projects that were not completed, e.g., Cloud Migration (Microsoft 365) and the telephonic rating system was deferred to the new financial year.

12.1.2.2 CHANGES TO PLANNED TARGETS

The re-prioritisation of projects resulted in the postponement of the PHSDSBC's migration to Cloud (Microsoft 365), as well as the telephonic customer feedback rating system.

12.1.2.3 LINKING PERFORMANCE TO BUDGET

Table 12: Sub-programme 1.2 - Information Technology Budget

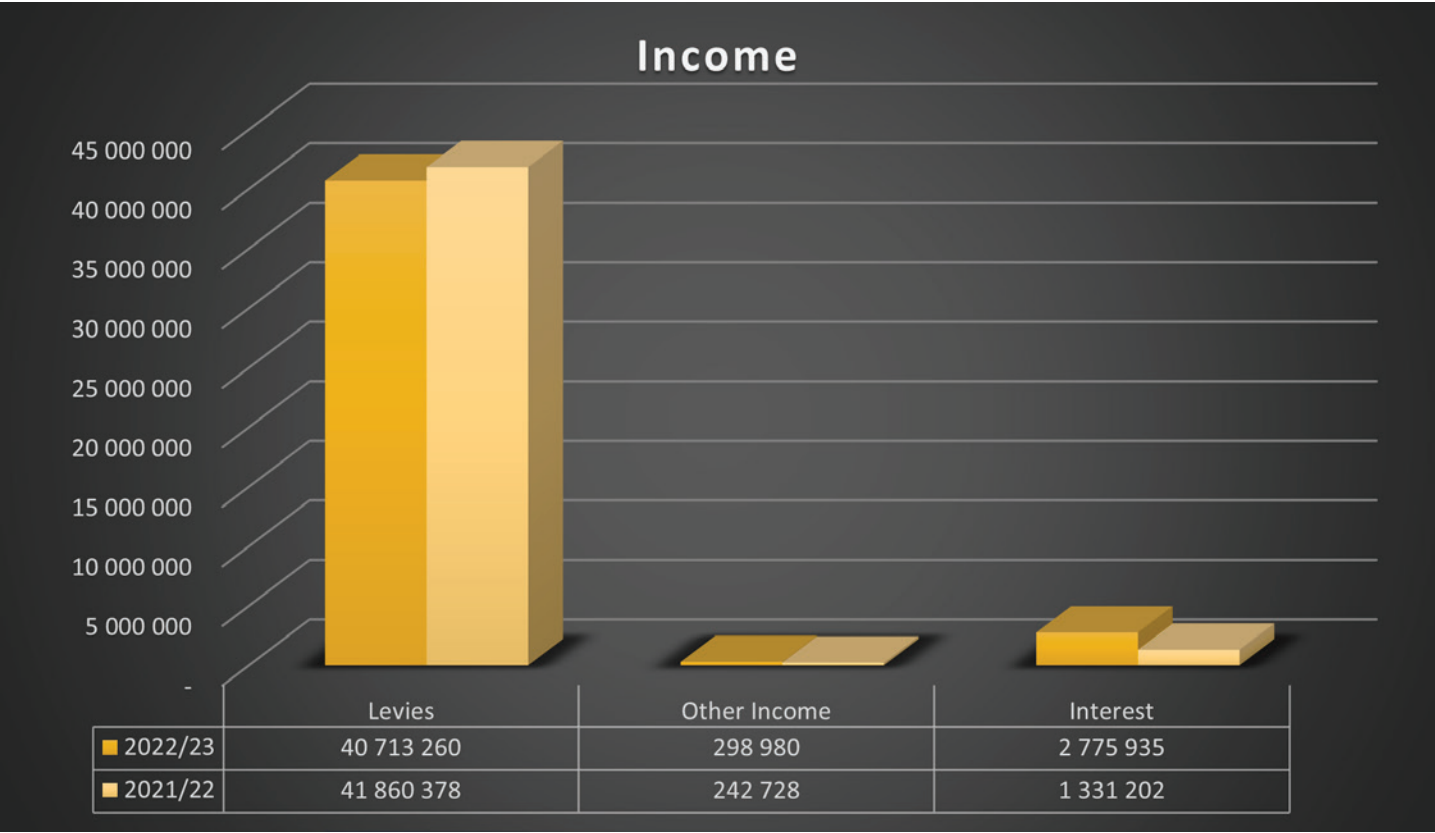
Sub-Programme	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
MarCom	R2 014 389	R818 482	R1 195 907	R1 305 140	R1 394 844	R89 740
Information Technology	R2 753 993	R400 939	R2 353 054	R1 422 065	R293 431	R835 203
Total	R4 768 382	R1 294 421	R3 548 961	R2 727 205	R1 688 275	R924 943

12.1.3 SUB-PROGRAMME 1.3: CORPORATE SERVICES

12.1.3.1 INCOME AND EXPENDITURE

The PHSDSBC continues to implement the activities in the strategic plan. The PHSDSBC endeavors to ensure compliance, by ensuring strict monitoring of expenditure through various internal control measures.

Figure 2: Income



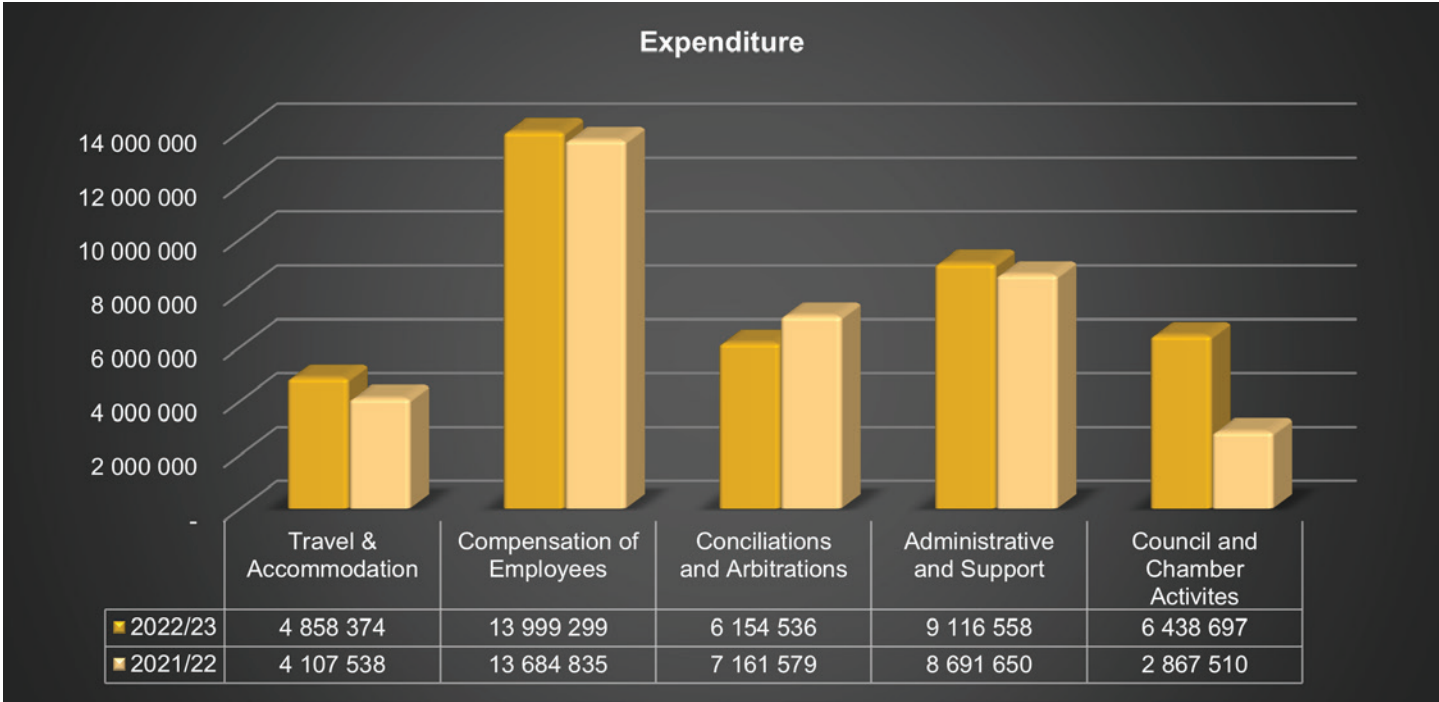
The levy income decreased by 2.74% from prior year which is attributable to the relocation of a number of employees that previously belonged to the Public Health and Social Development Sector, mainly the forensic laboratory services. Other income included CCMA subsidies, penalties charged on late claims, insurance settlements as well as recoveries, which increased by 23%. Interest earned on all investments and bank accounts increased by 108% due to an increase in the cash reserve balance year-on-year, which is largely attributable to savings on certain projects coupled with deferred projects as a result of shortage of human resources (staff members). Total income increased by 1% in the financial year, from R43 434 308 (2022) to R43 788 175 (2023).

EXPENDITURE

The end of national lockdown restrictions by the government has enabled the PHSDSBC to continue scheduling matters for conciliation and arbitration in pursuant of its mandate of dispute management and resolution between the State, as an employer, and the staff within the applicable sectors, as operations continue to pick up towards normality.

The PHSDSBC aims to stimulate the participation of small medium and micro enterprises in the procurement of goods and services. The figures below reflect the cost drivers of the operations of the PHSDSBC.

Figure 3: Expenditure



The PHSDSBC experienced an increase of 18% in travel and accommodation due to the end of National Lockdown in travel and gatherings restrictions as imposed from time-to-time by the National Government. As such, the PHSDSBC; could engage in certain travel activities where cases were scheduled for conciliation and arbitration at a location distant from the Commissioners’ place of abode. Conciliation and arbitration costs decreased by 14%, less cases were scheduled and heard through the year (be it at various levels).

Compensation of employees increased by 2%, owing to the 1.5% pay-progression implemented per the PSCBC resolution for the year. Administrative and support costs increased by 4.8% whilst PHSDSBC and Chamber Activities costs significantly increased by 124.5%. Total operating costs increase by 11% from R36 423 112 in 2022 to R40 567 464 in 2023.



Corporate Services Department

Table 13: Capital Investment, Maintenance and Asset Management Plan

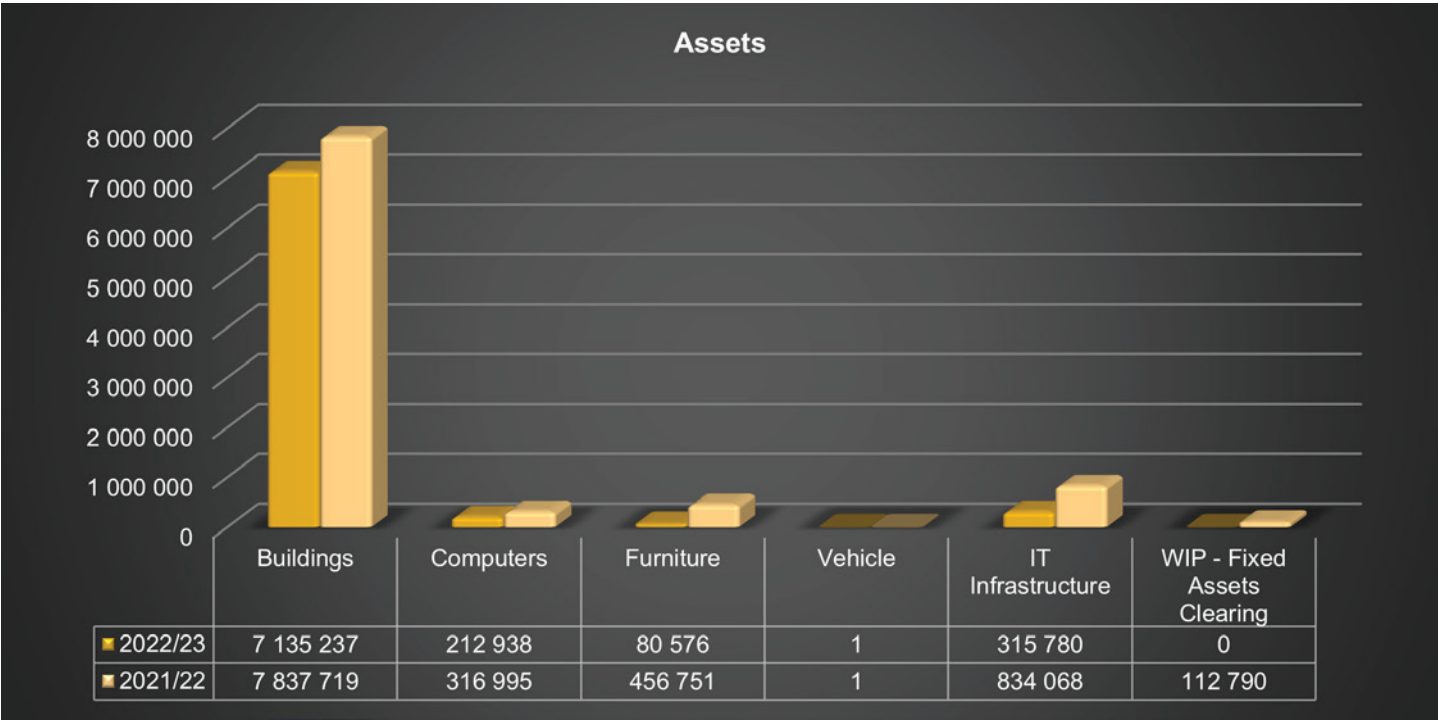
Infrastructure Projects	2021/22			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Maintenance and repairs	R976	R721	R255	R1 706	R602	R1 104
Total	R976	R721	R255	R1 706	R602	R1 104

The capital projects identified for the financial year were: replacement of old computers, printers, rennovation of the current building to include additional windows and emergency exit doors, installation of Sage Evolution (accounting software).

Capital projects and acquisitions that were deferred to the coming financial periods included the installation of emergency exit doors, installing additional windows in the boardroom, installation of Sage Evolution as well as the replacement of the PHSDSBC’s vehicle.

The PHSDSBC’s total fixed assets included property, plant, and equipment at the net book value of R 7 904 882 as at the end of the reporting period, decreasing from R 9 558 324 in 2022; due to periodic depreciation. The PHSDSBC continues to ensure that its properties remain in good condition to ensure they maintain their value year on year.

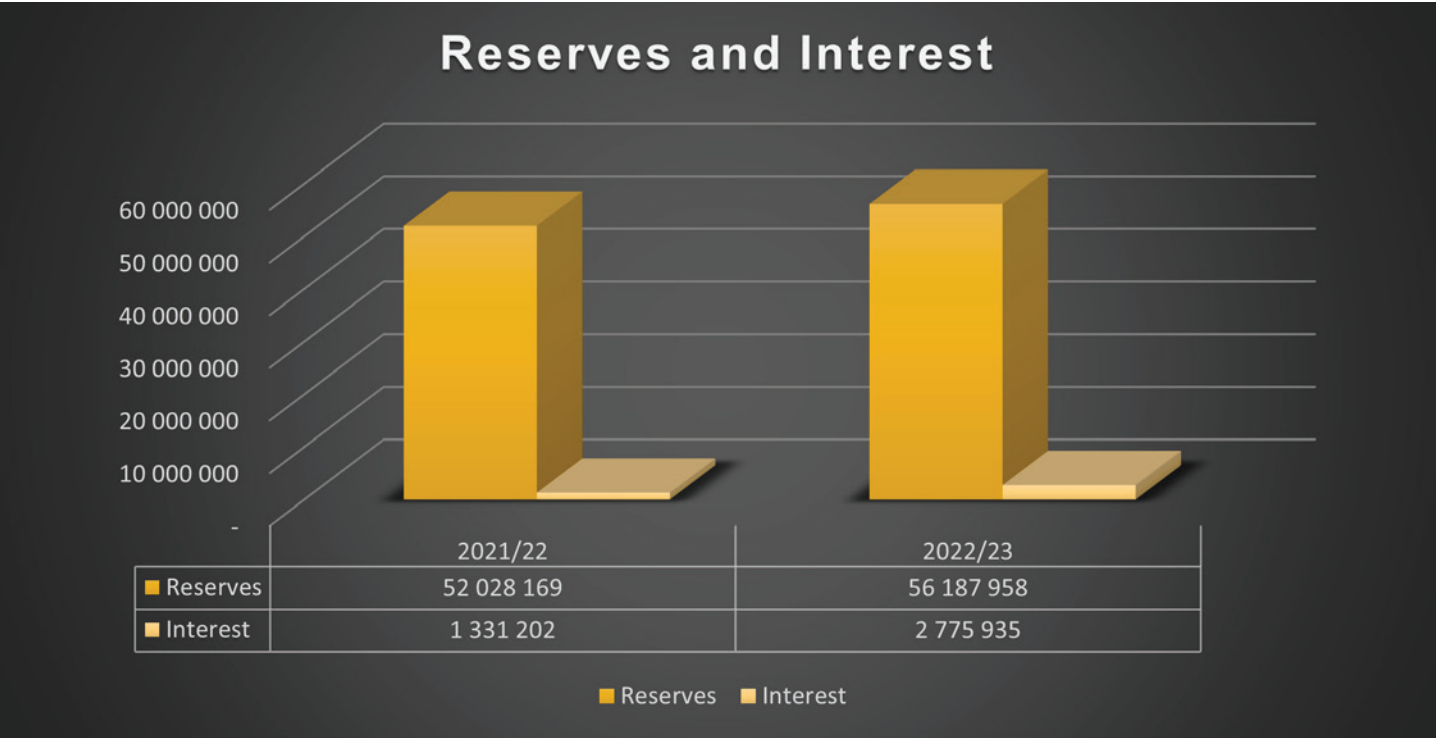
Figure 4:Assets





12.1.3.2 RESERVES

Figure 5: Reserves and Interest



The PHSDSBC invested its reserve funds in very low risk fund profile designed to generate optimal interest income. An average of 4.9% interest was earned on the PHSDSBC’s cash reserves for the period under review. Total reserves increased by 8%, from R 52 028 169 (2022) to R 56 187 958.

12.1.3.3 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The PHSDSBC should continually review its funding model and incorporate economic and other factors, such as inflation, interest rates and the time value of money, into its model to ensure sustainability and continued relevance.

The current and effective levy agreement at R 10 per employee as signed in October 2014 will terminate in September 2024. The PHSDSBC should start to sensitize the parties about revised the funding method, during the 2023/24 financial period, to allow for the Employer to incorporate the increase in its budgeting processes.

12.1.3.4 CHANGES TO PLANNED TARGETS

The following targets set for the reporting period were deferred:

- Pastel Evolution Installation – for further cost analysis and business partner identification.
- Installation of additional windows and emergency exit door in the Boardroom – further cost analysis to incorporate a report from the structural engineer on the structure’s integrity before and after the modification.

12.1.3.5 LINKING PERFORMANCE TO BUDGET

Table 14: Sub-programme 1.3 - Corporate Services

Corporate Services	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	Actual Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Finance	R11 671	R9 033	R2 637	R12 701	R9 015	R3 685
Human Resources	R1 974	R2 284	(R309)	R3 299	R495	R2 803
Total	R13 645	R11 317	R2 328	R16 000	R9 510	R6 490

12.2 PROGRAMME 2: COLLECTIVE BARGAINING

This programme is responsible for the effective promotion of labour peace through constructive collective bargaining/negotiations that take place between the Employer, on the one hand, and one or more workers’ organisations, on the other, in respect of the following:

- a) determining working conditions and terms of employment;
- b) regulating relations between employers and workers; and
- c) regulating relations between an employer and a workers’ organisations.

Constructive collective bargaining/negotiating strives to conclude meaningful collective agreements that fulfil the decent work agenda.



Collective Bargaining Department



Table 15: Meetings

Strategic Objective	Baseline (Actual Achievement 2021/2022)	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2021/2022	Comment on deviation
To improve the efficiency and effectiveness of managing the collective bargaining processes, by ensuring adherence to the prescribed turnaround timeframes and in compliance with the norms and standards.	288%	6 PHSDSBC Meetings.	100% Achieved 6 PHSDSBC Meetings.	N/A	N/A
	43				
	PHSDSBC - 18 ExCo - 21 CBC - 4	3 Special Meetings.	Achieved 10 Special PHSDSBC Meetings.  333%	+ (233%)	There were ten (10) special PHSDSBC meetings held, instead of three (3) that were planned. This accounts for seven (7) or 133% more meetings, that were neither planned nor budgeted for.
		6 ExCo Meetings.	6 ExCo Meeting Achieved.	N/A	N/A

3 Special ExCo Meetings.	11 Special ExCo Achieved.  366%	+ (266%)	There were eleven (11) special ExCo meetings held instead of three (3), which accounts for 366% meetings held.  This led to an additional eight (08) special ExCo meetings that were not on the year planner.
4 Collective Bargaining Committee Meetings.	Achieved	4	Only four (4) Collective Bargaining meetings were held.

2021-2022 VS 2022-2023 MEETINGS

The following table illustrates the comparison of meetings that were convened in the reporting period as opposed to the previous year.

NO.	MEETING	2021-2022	2022-2023
1.	PHSDSBC	5	6
	SPECIAL PHSDSBC	13	10
2.	EXCO	6	6
	SPECIAL EXCO	15	11
3.	CBC	4	4

## ATTENDANCE OF MEETINGS

The following table illustrates the comparison of attendance of meetings by the parties in the reporting period as opposed to the previous year.

NO.	SCHEDULED MEETINGS	EMPLOYER	NEHAWU	DENOSA	PSA	HOSPERSA	NUPSAW
1.	PHSDSBC 16	16	16	16	13		15
2.	EXCO 17	17	15	17	17	N/A	N/A
3.	CBC 4	3	4	4	4		4

### 12.2.2 COLLECTIVE AGREEMENTS CONCLUDED

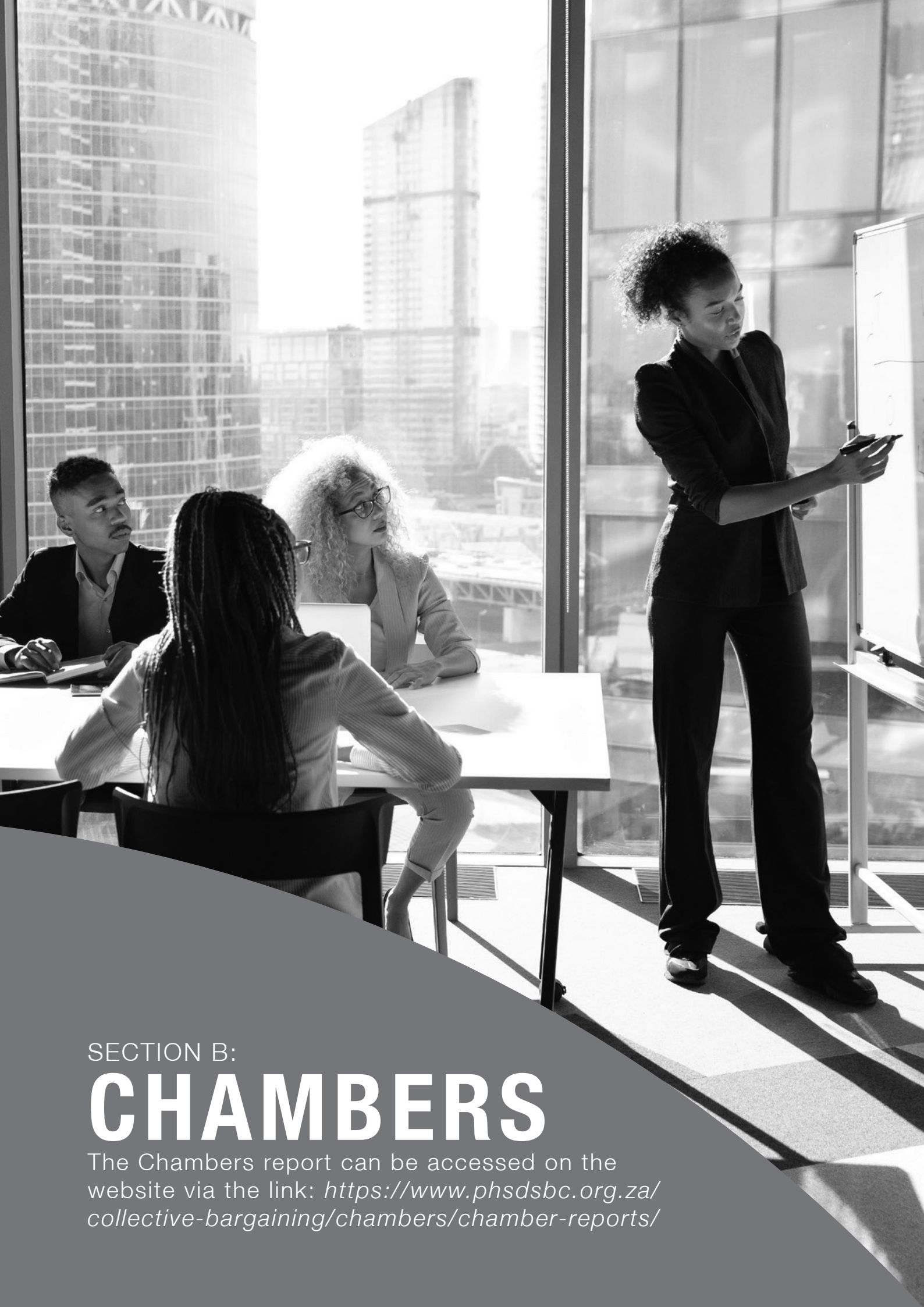
The aforementioned meetings culminated to the conclusion of the following collective agreement during the period under review:

- a) Resolution 3 of 2022 on 21 July 2022- Extension of Resolution 1 of 2021: Agreement on the Standardisation of Remuneration for Community Health Workers in the Department of Health

In essence, this resolution was about the extension of Resolution 1 of 2018 as amended for three (3) years. Further, parties agreed to increase the current stipend of R4058.45 on 01 March annually as determined by the Minister of Employment and Labour until 31 March 2025.







SECTION B:

# CHAMBERS

The Chambers report can be accessed on the website via the link: <https://www.phsdsbc.org.za/collective-bargaining/chambers/chamber-reports/>

# 1 PROGRAMME 3: DISPUTE MANAGEMENT

This programme provides for the effective promotion of labour peace through dispute prevention programmes and the expeditious management of disputes. The PHSDSBC has in terms of section 127 of the LRA, been accredited for 3 years with effect from 01 June 2022 to 30 June 2025 to perform dispute resolution functions (conciliations and arbitrations, including inquiry by an arbitrator), subject to the conditions as imposed by the governing body of the CCMA and the terms set out in the accreditation certificate.

Table 16: Main Services and Standards on Statutory and Non-Statutory Efficiencies

Programme Name		Dispute Management			
Strategic Objective	Baseline (Actual Achievement 2022/2022)	Planned or desired standard/ Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Comment on deviation
To promote labour peace through prompt dispute prevention programmes and expeditious dispute resolution processes.	100%	To comply 100% with the 30-days turnaround time for conciliations heard and finalised. (446/446)	100%	N/A	Target achieved.
	100%	To comply 100% with the issuing of certificates within 30 days were disputes were not conciliated. (63/63)	100%	N/A	Target achieved.
	17%	To comply with 20% of arbitrations heard and finalised within 90 days. (255/1302)	20%	N/A	Target achieved.



Programme Name		Dispute Management			
Strategic Objective	Baseline (Actual Achievement 2022/2022)	Planned or desired standard/ Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Comment on deviation
	74%	To comply with the 75% of arbitrations heard and finalised. (1018/1302)	78%	N/A	Target achieved.
	100%	To comply 100% on awards issued within 14 days. (189/189)	100%	N/A	Target achieved.
	49%	To comply with the 50% settlement rate on all cases heard and finalised. (314/716)	44%	N/A	Target partially achieved due to:  Parties resolve to proceed with an arbitration process instead of settling the matter.
	14%	Comply with the maximum of 9% postponements of all processes heard. (281/1426)	20%	N/A	Target not achieved due to:  postponements by the parties at the arbitration hearings.

## SUMMARY OF DISPUTES

- The prominent issues that arose in relation to disputes in the 2022/2023 financial year are as follows:
- (a) Dispute referrals decreased by 6% in the 2022/2023 financial year as compared to the 2021/2022 financial year.
  - (b) Total processes conducted and linked to cost in the 2022/2023 financial year decreased by 12% as compared to 2021/2022.
  - (c) The provincial DOH referred the highest number of disputes to the PHSDSBC which constituted 82% of the total disputes referred to the PHSDSBC.
  - (d) The nature of disputes referred to the PHSDSBC in the main are as a result of ULP relating to promotion and benefits. Promotion disputes were relating to alleged irregular recruitment processes and the benefit disputes were relating to the payment of pay progression and performance bonuses in the main.

- (e) Dismissals related to misconduct are the highest nature of dismissals that were reported for the period under review.
- (f) Agreements on the implementation of OSDs, constituted the highest number of disputes referred to the PHSDSBC, particularly Resolution 3 of 2007, OSD for nurses which constitutes 28% of the total number of disputes referred in terms of section 24(2) of the LRA. The disputes were relating to non-implementation of the collective agreement in relation to translation of applicants, payment of bonuses and grade progression.
- (g) Individual and attorneys referred the highest number of disputes compared to trade unions individually.
- (h) KwaZulu-Natal and Gauteng referred the highest number of disputes as compared to other provinces.

### 13.1 STRATEGY TO OVERCOME AREAS OF UNDER- PERFORMANCE

The challenge of completing arbitrations within 90 days continues to be an achilles heel for the PHSDSBC due to the high number of part-heard arbitration proceedings. Other reasons for delays vary from one case to another and include: the high number of witnesses and sometimes their availability; requests from parties to be accorded more time to review documents; postponement of hearings; applications for recusal’ joinder applications and rulings and the lack of mandates by the parties.

There is a need to review the efficiencies and come up with more realistic ones that consider the complexities of the public service and the sector as a whole. There were no changes to the planned targets during the reporting period.

### 13.2 LINKING PERFORMANCE TO BUDGET

Table 17: Dispute Management Budget

Sub-programmed name	2021/2022			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
Dispute Management	R17 247141	R14 734 636	R2 512 505	R16 315 449	R13 703 775	R2 611 674
<b>Total</b>	<b>R17 247141</b>	<b>R14 734 636</b>	<b>R2 512 505</b>	<b>R16 315 449</b>	<b>R13 703 775</b>	<b>R2 611 674</b>



Dispute Management Department

13.3 JURISPRUDENCE

Have you followed all internal grievance/disciplinary procedures before coming to the PHSDSBC?

This is the question that employees referring a dispute to the PHSDSBC are required to answer. This question subliminally suggests that an employee is required to exhaust internal remedies before referring a dispute to the PHSDSBC. But is this the case?

This issue was the subject of determination and decision in the Labour Court decision of NTEU obo Moeketsi v CCMA and Others (JR1157/20) [2022] ZALCJHB 226 (16 August 2022). At the heart of the decisions lies a proper interpretation of section 191(1)(b)(ii) of the Labour Relations Act 66 of 1995 (“the LRA”), which states that is there is a dispute about an unfair labour practice, the dispute must be referred to the PHSDSBC within 90 days of the date of the act or omission which allegedly constitutes the unfair labour practice or, if it is a later date, within 90 days of the date on which the employee became aware of the act or occurrence.

Brief Facts

The applicant employee Mr. Moeketsi is an employee of Tshwane University of Technology (TUT). He applied for promotion for a position that TUT advertised at its Pretoria Campus but was not shortlisted. Moeketsi later learned that TUT filled the post contrary to its procedures and requirements applicable to the filling of posts. Aggrieved by TUT’s conduct, Moeketsi lodged an internal grievance with TUT in April 2017. The steps prescribed in TUT’s grievance policy were exhausted on 23 February 2019, whereafter Moeketsi referred an alleged unfair labour practice involving promotion dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA). The referral was made within 90 days of TUT’s failure to implement the findings in step 3 of its grievance policy. During the arbitration, TUT objected to the CCMA’s jurisdiction to arbitrate the dispute on the basis that the referral was made outside the 90 days prescribed in section 191(1)(b)(ii) of the LRA. The Commissioner ruled that condonation was required. Moeketsi applied for condonation and the application for condonation was refused. Moeketsi then took the ruling requiring him to apply for condonation on review on the basis that he should not have been required to apply for condonation in the first place.

The Labour Court’s findings

In dismissing the review application, the Labour Court made the following telling findings:

- 1. The 90 days prescribed in section 191(1)(b)(ii) of the LRA does not commence to run from the date that internal remedies were exhausted.
- 2. When parties fail to reach a solution during an internal grievance, a dispute is not birthed then. The non-resolution of a grievance simply signifies to the disputing parties that it is time to escalate the already existing dispute to another level. In short, it signifies a deadlock. A deadlock typifies a situation where opposing parties are unable to make progress towards resolving an existing dispute.
- 3. Generally, a grievance occurs when an employee or a person strongly feels that he or she has been treated unfairly. The LRA is designed in such a way that not every feeling of unfair treatment of an employee amount to an unfair labour practice. If each work grievance was given a status of an unfair labour practice, collective bargaining would be unduly stifled and power play would be severely trammelled.
- 4. With reference to section 186(2) of the LRA, the grammatical definition of an act is that which is done or doing; the exercise of power, or the effect, of which power exerted is the

cause; a performance; a deed. An omission grammatically means the act of omitting; neglecting or failing to do something required by propriety or duty.

- 5. Once an act or omission exists, in order to qualify as an unfair labour practice that act or omission must be unfair and it must involve unfair conduct in relation to promotion. It cannot be said that an unfair act or omission happens first and later the unfair conduct. The grammatical meaning of conduct is the act or method of conducting. Thus, an act and conduct take place symbiotically.
- 6. Section 191(1)(b)(ii) of the LRA reckons the 90 days from two different points. The first is from the date of the act or omission. The second is from the date on which an employee becomes aware of the act or omission. The becoming aware phrase, as employed in section 191(1)(b)(ii) of the LRA, include deemed knowledge or awareness.
- 7. By complying with a directive to apply for condonation, Moeketsi perempted his impugn to the ruling that the referral was late. The directive by the commissioner that condonation was required was, on a proper interpretation of section 191(1)(b)(ii) of the LRA, a correct one.
- 8. Moeketsi was not compelled to refer a dispute involving an unfair labour practice to the internal grievance process. Within 90 days of the dispute, Moeketsi was not gaged to refer the dispute to the CCMA. If Moeketsi saw benefits in the grievance processes, he could have engaged that within the prescribed 90 days.
- 9. The jurisdiction to arbitrate or adjudicate in terms of the LRA is conditioned upon referral to conciliation or mediation. It is not conditioned upon any exhaustion of internal remedies. Once a dispute is processed through the conciliation stage, an employee may request resolution by arbitration or refer for adjudication. In order to undergo the conciliation and/or mediation stage what is required is a dispute.
- 10. The fact that internal remedies have not been exhausted does not mean that a dispute cannot exist. Internal remedies are aimed at resolving an existing dispute/grievance. Logically, existentially, a dispute predates invocation of internal remedies.
- 11. In as much as the LRA recognises sanctity of collective agreements, such agreements would not override a statute. Where a statute like the LRA directs that a dispute must be referred to conciliation and arbitration within specified periods, no collective agreement shall prevent a party to engage the dispute resolution mechanism outlined by that statute. For instance, the LRA does accommodate the extension of the conciliation period. It also allows parties to revert to conciliation at any given time.
- 12. Where a collective agreement seeks to limit the jurisdictional power of the statutory dispute resolution bodies, such an agreement will be in direct conflict with the LRA and the LRA must prevail. Section 210 of the LRA buttresses the point.
- 13. It is wrong to suggest that before exhaustion of the internal remedies, an employee is not entitled to refer a dispute to the CCMA or the bargaining PHSDSBC for resolution.
- 14. The time periods for referral exist for a reason. Labour disputes require speedy resolution. It could not have been the intention of the drafters of the LRA that a party is excused from the time frames for referral of disputes for as long as that party is still exhausting internal remedies.



15. The time frames in the LRA must be adhered to and if a party wishes to exhaust the conciliation process to the fullest, it can do so intra the LRA dispute resolution mechanism.
16. The doctrine of exhaustion of internal remedies is an administrative law principle. It is aimed at giving parties an opportunity to attempt resolution before rushing to Court for judicial review. It is by now settled law that labour disputes do not amount to administrative actions. Therefore, it is entirely inappropriate to infuse into the LRA administrative law principles. Dispute resolution bodies envisaged in the LRA do not function like courts. They are not possessed with judicial review powers like the courts do.
17. Section 7(2)(a)(b)(c) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) does not deprive a Court of its review jurisdiction. A court may direct a party to first exhaust internal remedies before it can review any administrative decision. The LRA has no similar provisions.
18. The CCMA or the PHSDSBC's jurisdictional powers to resolve a dispute are not ousted by the possibility to subject a dispute to some internal remedies.

### Conclusion

The NTEU obo Moeketsi judgement has given us a proper interpretation of section 191(1)(b) (ii) of the LRA. According to the judgement, the 90-day period commences to run from an act or omission alleged to be an unfair labour practice and not from the date parties fail to achieve internal resolution of the act or omission (dispute). Put differently, an employee is not required to exhaust internal remedies and/or lodge an internal grievance before referring an alleged unfair labour practice dispute to the PHSDSBC.

The parties are cautioned to also have proper regard to and understanding of the provisions of section 35 of the Public Service Act 103 of 1994 ("the PSA"). That section provides in subsection 1 that "for the purposes of asserting the right to have a grievance concerning an official act or omission **investigated and considered by the commission**- (a) an employee may lodge that grievance with the relevant executive authority under the prescribed circumstances, on the prescribed conditions and in the prescribed manner; and (b) if that grievance is not resolved to the satisfaction of the employee, that executive authority shall submit the grievance to **the Commission** (my emphasis). In terms of section 1 of the PSA, 'Commission' means the Public Service Commission established by section 196 (1) of the Constitution. Commission does not mean the CCMA.

Section 35(4)(a) of the PSA further provides that "(4) (a) An employee may only refer a dispute to the relevant bargaining PHSDSBC in the public service or the CCMA, or institute court proceedings, **in respect of a right referred to in subsection (1)** if- (i) he or she has lodged a grievance in terms of that subsection; and (ii) the department does not resolve the grievance to his or her satisfaction within the period prescribed in the rules, contemplated in subsection (5) or the period for referring such dispute or instituting such court proceedings, whichever period is the shorter. Section 35(4)(a) does not require an employee to lodge an internal grievance in respect of all alleged unfair labour practice disputes. Section 35(4) of the PSA only requires the lodging of an internal grievance **for purposes of asserting the right to have a grievance concerning an official act or omission investigated and considered by the commission** in terms of subsection 1.

### Resident Panellist

Adv James Ngoako Matshekga



## PART C: HUMAN RESOURCES MANAGEMENT



# 14 STAFF MATTERS

The tables below reflect employment and vacancies, employment changes, reasons for staff leaving, labour relations issues: misconduct and disciplinary action, and equity target and employment equity status.

Table 18: Personnel Costs

Programme	Personnel expenditure	Personnel expenditure as a percentage of total expenditure	Number of employees	Average personnel cost per employee
	R'000	%		R'000
Office of the GS	2,123	16%	2	1,062
Collective Bargaining	2,591	20%	5	518
Dispute Management	3,692	28%	7	527
Information and Communications Technology	1,568	12%	3	523
Corporate Services	2,595	20%	7	371
Interns	344	3%	6	57
Temporary staff	257	2%	2	128
<b>TOTAL</b>	<b>13,170</b>	<b>100%</b>	<b>32</b>	<b>3,187</b>

Table 19: Training Costs

Programme	Personnel expenditure	Training expenditure	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee
	R'000	R'000	%		R'000
Office of the GS	2,123	30	1%	2	15
Collective Bargaining	2,591	45	2%	5	9
Dispute Management	3,692	104	3%	7	15
Information and Communications Technology	1,568	44	3%	3	15
Corporate Services	2,595	30	1%	7	4
Interns	344	-	0%	6	-
Temporary workers	257	-	0%	2	-
<b>TOTAL</b>	<b>13,170</b>	<b>253</b>	<b>10%</b>	<b>32</b>	<b>58</b>

Table 20: Employment Vacancies

Programme	2020/2021		2021/2022		Percentage of vacancies
	Number of employees	Approved posts	Number of employees	Vacancies	
Office of the GS	2	2	2	0	0%
Collective Bargaining	5	5	5	0	0%
Dispute Management	7	7	7	0	0%
Information and Communications Technology	2	4	3	1	25%
Corporate Services	7	8	6	2	25%
Interns	6	0	4	1	0%
Temporary workers	1	0	2	0	0%
<b>Total</b>	<b>30</b>	<b>26</b>	<b>29</b>	<b>4</b>	<b>15%</b>

Table 21: Employment and vacancies per salary band

Salary band	2021/2022			Percentage of Vacancies
	Approved posts	Number of employees	Vacancies	Vacancies %
Top Management	1	1	0	0%
Senior Management	4	4	0	0%
Professional qualified	3	3	0	0%
Skilled	7	7	0	0%
Semi-skilled	9	7	2	22%
Unskilled	2	2	0	0%
Interns	0	4	0	0%
Temporary workers	0	2	0	0%
TOTAL	26	30	2	8%

Table 22: Employment Changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	4	2	2	4
Professional qualified	3	1	1	3
Skilled	6	2	3	5
Semi-skilled	5	1	1	5
Unskilled	2	0	0	2
Temporary workers	0	2	2	0
Interns	0	4	0	4
TOTAL	21	12	9	24

Table 23: Reasons for staff leaving

Reason	Number	Percentage of total number of staff leaving%
Death	0	0%
Resignation	7	78%
Dismissal	0	0%
Retirement	0	0%
Ill Health	0	0%
Expiry of contract	2	22%
Other	0	0%
TOTAL	9	100%

Table 24: Disciplinary Action

Nature of disciplinary actions	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	0
Dismissal	0
Demotion	0
Suspension	0
Settlement agreement	0
Total	1

Table 25: EE Status and Target

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	1	1	0	0	0	0	0	0
Skilled	3	1	0	0	0	1	0	0
Semi-skilled	1	1	0	1	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
Interns	2	3	0	2	0	0	0	1
Temporary workers	0	1	0	0	0	0	0	0
TOTAL	10	7	0	3	0	2	0	2

TABLE 26: EE PLANS AND TARGETS

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	1	0	0	0
Professional qualified	1	0	1	0	0	0	0	0
Skilled	4	0	0	0	0	1	0	1
Semi-skilled	6	0	0	1	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
Interns	2	3	0	0	0	0	0	0
Temporary workers	2	3	0	0	0	0	0	0
TOTAL	17	7	1	1	1	1	0	0

Table 27: Staff with Disabilities

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	1	0	1
Professional qualified	0	0	0	0
Skilled	0	2	0	1
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
Interns	0	0	0	0
Temporary workers	0	0	0	0
TOTAL	0	3	0	3







# 15 FINANCIAL STATEMENTS



## PHSDSBC

Public Health and Social Development  
Sectoral Bargaining Council

Public Health and Social Development Sectoral Bargaining Council  
(Registration number LR2/6/6/144/1)  
Annual financial statements  
for the year ended 31 March 2023

Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Collective Bargaining and Dispute Management within the Public Health and Social Development Sector
Registered office	Public Service Bargaining Centre PHSDSBC: Building A and E 260 Basden Avenue Lyttelton 0176
Postal address	P.O. Box 11467 Centurion 0046
Bankers	Nedbank
Auditors	PFK VGA Inc Chartered Accountants (SA) Registered Auditors 89 Michelle Avenue Randhart Alberton 1449
Legal advisors	Bowman Gilfillan
Company registration number	LR2/6/6/144/1

Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

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

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Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	20 - 21

Published

22 June 2023



## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Council's Responsibilities and Approval

The Council is required by the Labour Relations Act 66 of 1995, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is Council's responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation 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 Council acknowledge that it is ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the General Secretary to meet these responsibilities, the Council 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 organisation 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 Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council have reviewed the organisation's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, the Council is satisfied that the organisation 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 page 5 - 7.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the Council on 22 June 2023 and were signed on its behalf by:

#### Approval of annual financial statements

Chairperson: M.H. Fadal

General Secretary: M.S. Sibiya

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Council's Report

The Council has pleasure in submitting its report on the annual financial statements of Public Health and Social Development Sectoral Bargaining Council for the year ended 31 March 2023.

#### 1. Nature of business

The Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) was registered with the Registrar of Labour Relations in terms of Section 35 and 36 of the Labour Relations Act, 1995, as amended.. The objectives of the Council within registered scope are to:

- 1.1 Promote labour peace in the public health and social development sector;
- 1.2 Promote and maintain sound relationships between the employer and its employees;
- 1.3 Promote negotiation and collective bargaining to conclude collective agreements on matters of mutual interest to the employer and employees falling within the scope of the Council;
- 1.4 Supervise and enforce collective agreements;
- 1.5 Promote the effective and expeditious resolution of disputes in the public health and social development sector between:
  - 1.5.1 The employer and trade unions admitted to the Council;
  - 1.5.2 The employer and trade unions not admitted to the Council;
  - 1.5.3 The employer and the employees, where the employer has the requisite authority to resolve such disputes;
  - 1.5.4 A party to the Council and the Council, or the General Secretary in relation to specific issues in its Constitution;
- 1.6 Promote effective communication between the employer, its employees and the trade unions in the public health and social development sector;
- 1.7 Promote effective communication and co-ordination of the Council and its Chambers;
- 1.8 Comply with its duties within the scope of its powers in terms of the Act and its Constitution and;
- 1.9 Consider and deal with such other matters as may affect the interests of the parties to the Council.

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

There have been no material changes to the nature of the Council's business from the prior year.

#### 2. 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 66 of 1995. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Council are set out in these annual financial statements.

#### 3. Going Concern

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

#### 4. Auditors

PFK VGA Inc was appointed as new auditors of the Council effective from the 2021 financial year.

At the AGM, the Council will be requested to reappoint PFK VGA Inc as the independent external auditors of the organisation and to confirm Mr Herman Nieuwoudt as the designated lead audit partner for the 2024 financial year.

#### 5. General Secretary

The Council's General Secretary is Mr M.S. Sibiya.

Independent Auditor's Report

To the Members of the Public Health and Social Development Sectoral Bargaining Council

Opinion

We have audited the financial statements of Public Health and Social Development Sectoral Bargaining Council (the company) set out on pages 8 to 19 which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 Public Health and Social Development Sectoral Bargaining Council as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 directors are responsible for the other information. The other information comprises the information included in the document titled "Public Health and Social Development Sectoral Bargaining Council" Financial Statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 International Standards on Auditing 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 International Standards on Auditing, 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 company's internal control.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 company 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 directors 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.

*PKF (vga)*

PKF (VGA) Chartered Accountants

Herman Nieuwoudt

Partner

Chartered Accountants (SA)

Registered Auditor

8 June 2023

Johannesburg

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New Street Name: PKF Building •89 Nelson Mandela Drive• Randhart • Alberton• 1449 • PO Box 2690 •Alberton• 1450  
Former name: PKF Building •89 Michelle Ave •Randhart •Alberton •1449  
Partners : JG van Graan CA(SA) IRBA no. 378399, HC Nieuwoudt CA(SA) IRBA no. 507160

PKF VGA Partnership is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. PKF in South Africa practices as separate incorporated entities in Gauteng, KwaZulu-Natal, Eastern Cape, Free State and Western Cape.

Public Health and Social Development Sectoral Bargaining Council  
(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Note(s)	2023 R	2022 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	7,745,140	9,558,324
Intangible assets	3	160,350	96,243
		<b>7,905,490</b>	<b>9,654,567</b>
<b>Current Assets</b>			
Trade and other receivables	4	669,083	148,272
Cash and cash equivalents	5	61,093,739	56,192,758
		<b>61,762,822</b>	<b>56,341,030</b>
		<b>69,668,312</b>	<b>65,995,597</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		65,623,943	62,729,069
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	2,688,977	2,288,795
Provisions	7	1,334,572	949,010
Bank overdraft	5	20,820	28,723
		<b>4,044,369</b>	<b>3,266,528</b>
		<b>69,668,312</b>	<b>65,995,597</b>

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Comprehensive Income

	Note(s)	2023 R	2022 R
Revenue	8	40,713,260	41,860,378
Other income	9	298,980	242,728
Operating expenses	10	(40,893,301)	(36,423,112)
<b>Operating profit</b>		<b>118,939</b>	<b>5,679,994</b>
Investment revenue	13	2,775,935	1,331,202
Finance costs	14	-	(233)
<b>Profit for the year</b>		<b>2,894,874</b>	<b>7,010,963</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,894,874</b>	<b>7,010,963</b>

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Changes in Equity

	Retained income R	Total equity R
<b>Balance at 01 April 2021</b>	<b>55,718,106</b>	<b>55,718,106</b>
Profit for the year	7,010,963	7,010,963
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>7,010,963</b>	<b>7,010,963</b>
<b>Balance at 01 April 2022</b>	<b>62,729,069</b>	<b>62,729,069</b>
Profit for the year	2,894,874	2,894,874
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,894,874</b>	<b>2,894,874</b>
<b>Balance at 31 March 2023</b>	<b>65,623,943</b>	<b>65,623,943</b>

Note(s)



## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Cash Flows

	Note(s)	2023 R	2022 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		40,738,685	42,156,442
Cash paid to suppliers and employees		(38,575,372)	(34,813,473)
Cash generated from operations	16	2,163,313	7,342,969
Interest income		2,775,935	1,331,202
Finance costs		-	(233)
<b>Net cash from operating activities</b>		<b>4,939,248</b>	<b>8,673,938</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(37,354)	(329,393)
Proceeds from sale of property, plant and equipment	2	112,790	-
Purchase of intangible assets	3	(105,801)	(120,304)
<b>Net cash from investing activities</b>		<b>(30,365)</b>	<b>(449,697)</b>
<b>Total cash movement for the year</b>			
Cash and cash equivalents at the beginning of the year		56,164,036	47,939,794
<b>Total cash at end of the year</b>	5	<b>61,072,919</b>	<b>56,164,035</b>

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### 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, and the Labour Relations Act 66 of 1995. 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.

These accounting policies are consistent with the previous period, unless stated otherwise.

##### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the Council holds for its own use are expected to be used for more than one period.

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

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Council.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 Years
Furniture and fixtures	Straight line	05 Years
Motor vehicles	Straight line	05 Years
Computer equipment	Straight line	03 Years
IT Infrastructure	Straight line	05 Years

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

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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.

# Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.2 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 as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	05 Years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 05 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.

### 1.3 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. They are subsequently measured at amortised cost using the effective interest 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.

### 1.4 Tax

#### Current tax assets and liabilities

The Council is Exempt from Income Tax and thus does not have current and/or Deferred Tax implications on its transactions.

### 1.5 Impairment of assets

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

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

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

# Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.6 Provisions

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.

Provisions are measured at the present value of the amount expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

### 1.7 Revenue

Due to the nature of the Council's revenue (levies deducted from employees salaries). Revenue is recognised when the National Treasury transfers levies deducted from employees to the Council's bank account through Persal, to the extent that the Council has rendered services under the Collective Agreement. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

	2023 R	2022 R
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	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	14,037,705	(6,901,871)	7,135,834	14,037,705	(6,199,986)	7,837,719
Furniture and fixtures	3,240,179	(3,159,592)	80,587	3,240,179	(2,783,428)	456,751
Motor vehicles	283,569	(283,568)	1	283,569	(283,568)	1
Computer equipment	1,281,898	(1,068,960)	212,938	1,244,545	(927,550)	316,995
IT Infrastructure	5,399,374	(5,083,594)	315,780	5,399,374	(4,565,306)	834,068
WIP - Fixed Assets Clearing	-	-	-	112,790	-	112,790
<b>Total</b>	<b>24,242,725</b>	<b>(16,497,585)</b>	<b>7,745,140</b>	<b>24,318,162</b>	<b>(14,759,838)</b>	<b>9,558,324</b>

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	7,837,719	-	-	(701,885)	7,135,834
Furniture and fixtures	456,751	-	-	(376,164)	80,587
Motor vehicles	1	-	-	-	1
Computer equipment	316,995	37,354	-	(141,411)	212,938
IT Infrastructure	834,068	-	-	(518,288)	315,780
WIP - Fixed Assets Clearing	112,790	-	(112,790)	-	-
	<b>9,558,324</b>	<b>37,354</b>	<b>(112,790)</b>	<b>(1,737,748)</b>	<b>7,745,140</b>

	Opening balance	Additions	Depreciation	Closing balance
Buildings	8,539,604	-	(701,885)	7,837,719
Furniture and fixtures	944,120	51,677	(539,046)	456,751
Motor vehicles	23,632	-	(23,631)	1
Computer equipment	135,118	285,231	(103,354)	316,995
IT infrastructure	1,366,607	-	(532,539)	834,068
WIP - Fixed Assets Clearing	120,304	(7,515)	1	112,790
	<b>11,129,385</b>	<b>329,393</b>	<b>(1,900,454)</b>	<b>9,558,324</b>

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

### Figures in Rand

		2023		2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	226,104	(65,754)	160,350	120,304	(24,061)	96,243

Reconciliation of intangible assets - 2023

Computer software		Opening balance	Additions	Amortisation	Closing balance
		96,243	105,800	(41,693)	160,350

Reconciliation of intangible assets - 2022

Computer software		Opening balance	Additions	Amortisation	Closing balance
		-	120,304	(24,061)	96,243

4. Trade and other receivables

Trade receivables	359,047	8,534
Accrued income	308,930	139,738
Other receivable	1,106	-
	669,083	148,272



## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 R	2022 R		
<b>5. Cash and cash equivalents (continued)</b>				
Cash on hand	1,167	4,800		
Bank balances	61,092,572	56,187,958		
Bank overdraft	(20,820)	(28,723)		
	<b>61,072,919</b>	<b>56,164,035</b>		
Current assets	61,093,739	56,192,758		
Current liabilities	(20,820)	(28,723)		
	<b>61,072,919</b>	<b>56,164,035</b>		
<b>6. Trade and other payables</b>				
Trade payables	1,177,970	762,571		
Other payables	420,765	210,279		
Accrued expenses	1,090,242	1,315,945		
	<b>2,688,977</b>	<b>2,288,795</b>		
<b>7. Provisions</b>				
<b>Reconciliation of provisions - 2023</b>				
	Opening balance	Additions	Utilised during the year	Closing balance
Provision for Leave	681,671	373,807	(613,757)	441,721
Provision for 13th Cheque	267,339	1,761,895	(1,136,383)	892,851
	<b>949,010</b>	<b>2,135,702</b>	<b>(1,750,140)</b>	<b>1,334,572</b>
<b>Reconciliation of provisions - 2022</b>				
	Opening balance	Additions	Utilised during the year	Closing balance
Provision for Leave	599,786	409,888	(328,003)	681,671
Provision for 13th Cheque	303,711	578,697	(615,069)	267,339
	<b>903,497</b>	<b>988,585</b>	<b>(943,072)</b>	<b>949,010</b>
<b>8. Revenue</b>				
Levies		40,713,260		41,860,378
<b>9. Other income</b>				
Recoveries		-		57,862
Cost Orders and Recycling		55,307		-
Penalty Charged		80,105		15,246
CCMA Subsidy		159,576		158,007
Insurance Settlement		3,992		11,613
		<b>298,980</b>		<b>242,728</b>

Operating expenses include the following expenses:

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 R	2022 R
<b>10. Operating expenses (continued)</b>		
Depreciation and amortisation	1,779,442	1,924,515
Employee costs	14,137,472	13,684,835
<b>11. Employee cost</b>		
<b>Employee costs</b>		
Basic	12,899,412	13,432,185
Performance Bonus	1,222,839	33,574
UIF (Filtered)	-	682
Leave pay provision charge	(117,145)	163,063
Long service bonus	132,366	55,331
	<b>14,137,472</b>	<b>13,684,835</b>
<b>12. Depreciation, amortisation and impairments</b>		
The following items are included within depreciation, amortisation and impairments:		
<b>Depreciation</b>		
Property, plant and equipment	1,737,748	1,900,454
<b>Amortisation</b>		
Intangible assets	41,694	24,061
<b>Total depreciation, amortisation and impairments</b>		
Depreciation	1,737,748	1,900,454
Amortisation	41,694	24,061
	<b>1,779,442</b>	<b>1,924,515</b>
<b>13. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	2,775,935	1,331,202
<b>14. Finance costs</b>		
Interest Paid	-	233
<b>15. Auditor's remuneration</b>		
External Audit Fees	238,924	232,178
Internal Audit Fees	(9,784)	92,502
	<b>229,140</b>	<b>324,680</b>

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 R	2022 R
<b>16. Cash generated from operations</b>		
Net profit before taxation	2,894,874	7,010,963
<b>Adjustments for:</b>		
Depreciation, amortisation, impairments and reversals of impairments	1,779,442	1,924,515
Movement in provisions	385,562	45,513
Investment income	(2,775,935)	(1,331,202)
Finance costs	-	233
<b>Changes in working capital:</b>		
(Increase) decrease in trade and other receivables	(273,555)	53,336
Increase (decrease) in trade and other payables	152,925	(360,389)
	<b>2,163,313</b>	<b>7,342,969</b>

## Public Health and Social Development Sectoral Bargaining Council

(Registration number: LR2/6/6/144/1)

Annual Financial Statements for the year ended 31 March 2023

### Detailed Income Statement

	Note(s)	2023 R	2022 R
<b>Revenue</b>			
Levies		40,713,260	41,860,378
<b>Other income</b>			
Recoveries		-	57,862
Cost Order Orders and Recycling		55,307	-
Penalty Charged		80,105	15,246
CCMA Subsidy		159,576	158,007
Insurance Settlement		3,992	11,613
		<b>298,980</b>	<b>242,728</b>
<b>Expenses (Refer to page 21)</b>		<b>(40,893,301)</b>	<b>(36,423,112)</b>
<b>Operating profit</b>		<b>118,939</b>	<b>5,679,994</b>
Investment income	13	2,775,935	1,331,202
Finance costs	14	-	(233)
		<b>2,775,935</b>	<b>1,330,969</b>
<b>Profit for the year</b>		<b>2,894,874</b>	<b>7,010,963</b>

**Public Health and Social Development Sectoral Bargaining Council**

(Registration number: LR2/6/6/144/1)  
Annual Financial Statements for the year ended 31 March 2023

**Detailed Income Statement**

	Note(s)	2023 R	2022 R
<b>Operating expenses</b>			
AGM -Chambers		(126,928)	(120,900)
AGM - Council		(105,733)	(1,650)
Accounting fees		(4,786)	(9,205)
Advertising		(297,877)	(261,187)
Annual report		(131,725)	(78,300)
Arbitrations and conciliations		(6,154,536)	(7,161,579)
Assessment rates & taxes		(442,057)	(420,917)
Auditors remuneration	15	(229,140)	(324,680)
Bank charges		(25,641)	(27,547)
Body Corporate Levies		(448,920)	(448,920)
Chairperson's fees and claims		(328,104)	(295,519)
Cleaning		(4,611)	(62,071)
Conference cost		(3,239,659)	(334,562)
Depreciation, amortisation and impairments		(1,779,442)	(1,924,515)
Employee costs		(14,137,472)	(13,684,835)
IT expenses		(205,580)	(227,085)
Insurance		(351,827)	(310,123)
Legal expenses		(34,135)	(352,286)
Meetings and refreshments		(2,094,073)	(579,896)
Placement fees		(404,925)	(52,415)
Postage		(32,880)	(90,000)
Printing and stationery		(585,963)	(445,725)
Promotions		(3,850)	(74,803)
Repairs and maintenance		(680,417)	(537,857)
Security		(24,213)	(25,920)
Software expenses		(46,622)	(129,096)
Staff welfare		(697,301)	(433,802)
Strategic and operational planning		(334,121)	(437,137)
Subscriptions		(318,763)	(382,386)
Telephone and fax		(831,584)	(1,042,258)
Training		(286,091)	(116,754)
Transport and freight		(785,038)	(813,900)
Travel - local		(4,864,884)	(4,107,538)
WCA Levies (COVID)		(16,589)	(12,527)
Water and electricity		(381,703)	(349,657)
Year end Chambers		(164,418)	(420,251)
Year end Council		(291,693)	(325,309)
		<b>(40,893,301)</b>	<b>(36,423,112)</b>



COUNCIL  
**MEMBERS**

















# PHSDSBC

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Public Health and Social Development  
Sectoral Bargaining Council

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