

EDUCATION LABOUR RELATIONS COUNCIL

ANNUAL REPORT

2006/07



elrc

EDUCATION LABOUR  
RELATIONS COUNCIL



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# ANNUAL **R**eport 2006/7

RP145/2007

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## MESSAGE FROM THE MINISTER OF EDUCATION

**Mrs Naledi Pandor**

I have pleasure in receiving this Annual Report of the Education Labour Relations Council, and commend it to Parliament, and all those with an interest in education. I would like to congratulate the ELRC on the work it has done in the year under review, and on the presentation of this report for 2006/7.

The ELRC has demonstrated its commitment to the process of transformation over the past years and its credibility is known throughout the public education sector. As one of the public entities operating within the public education sector, the ELRC does not only assist educators through the dispute prevention and resolution processes; it also facilitates the ongoing dialogue between the Department of Education and the teacher trade unions, and consistently engages in programmes that serve to improve conditions of service and promotes the attainment of quality in public education.

This report demonstrates the transparency and efficiency of the council in administering its activities in a responsible and efficient manner to improve the quality of education in South Africa.

On behalf of the Ministry of Education I therefore extend a warm word of gratitude for all the Council's efforts and wish the ELRC well in all future endeavours.

I am honoured and privileged to present this report to Parliament and the people of South Africa.



## FOREWORD BY THE DIRECTOR GENERAL

**Mr Duncan Hindle**

It is a great honour to introduce the Education Labour Relations Council's Annual Report for the financial year 2006/7.

The ELRC manages the labour relations environment in a manner that contributes to the reconstruction of education. Labour peace is a vital condition for effective change, and the council has the challenging task of mediating the sometimes competing interests of employees and the employer.

The ELRC has once again demonstrated a high level of integrity and transparency in its dealings and this Annual Report bears strong testimony to the dedication, commitment and the involvement of all parties, as well as the staff of the Council.

I would like to congratulate the ELRC on its success in facilitating sound relations between the Department of Education as the employer, and the teachers, represented by their respective trade unions, in fostering labour peace in a sector that is vital to the advancement of our people.

# VISION AND MISSION

## VISION

To strive towards the continuous maintenance and promotion of Labour Peace, accomplished in the spirit of parties to the Council working together and contributing towards the transformation and development of a quality South African Public Education Sector.

## MISSION

To be the leading provider of quality, effective, efficient and non-partisan administration and facilitative mechanisms for Labour Peace and for the development of a quality South African Public Education Sector.

## ORGANISATIONAL VALUES

As an organisation, the ELRC is guided by the following *Batho Pele* (people first) principles and values:

- We value people that we serve and those with whom we work;
- We commit ourselves to be fair, ethical, trustworthy and accountable in all of our work;
- We endeavour to be customer-service oriented, striving to meet the needs of our clients;
- We aim to work together as a team, encouraging co-operation both from ourselves and others around us;
- We strive to achieve and maintain excellence; always meeting the highest standards of performance at all levels of service outputs and professionalism in all of our work;
- We strive to promote communication between ourselves and our clients;
- We commit to the development and capacity building of our staff through learning and growth;
- We encourage innovation as a means to continually address new issues and seek better ways to achieve our goals; and
- We commit to our work and to the vision and mission of the ELRC.

## PREAMBLE

It gives me great pleasure to once again present the Annual Report and achievements of the ELRC, a bargaining council established in terms of Section 37 of the Labour Relations Act (LRA), for the Financial Year 1 April 2006 to 31 March 2007.



During the period under review, the Council amended its constitution to institutionalise its compliance with the Public Finance Management Act (PFMA) and principles of good governance. It has adapted the Commission for Conciliation, Mediation and Arbitration (CCMA) rules as well as the 2002 amendments of the LRA to improve the efficiency and effectiveness of the Dispute Resolution procedures of the Council.

It must be noted that the Council, through its stakeholders, would have to improve its efficiencies on the negotiations and consultations services, both nationally and provincially. The performance in this regard, is unacceptable. Measures have to be instituted to improve service delivery of Collective Agreements that are needed to transform the Public Education Sector. The length of time spent on negotiations and consultations must be reduced drastically with a corresponding increase in outputs (Collective Agreements).

With respect to Dispute Resolutions, the Council will have to increase the quality of arbitration awards and settlement agreements, thereby increasing their legitimacy. With increased legitimacy we would anticipate a reduction in review referrals to the Labour Court. The General Secretary would have to ensure the implementation of awards and settlement agreements.

With respect to Financial Performance, the period under review was one of lean times. The Council had to significantly constrain its services because of limited funds. Unfortunately, we have a qualification due to payables that were not initially recognised at fair value and were subsequently not amortised as required by IAS 39 (AC 133), as the IAS requirements were not made known to us prior to the audit.

As the Accounting Officer, I am satisfied with the output and delivery of the core business services of the Council. This report demonstrates the commitment of the Council to the principles of transparency, accountability and service delivery.

A handwritten signature in black ink, appearing to read 'M Govender', written over a horizontal line.

M Govender  
General Secretary



# ACCOUNTING AUTHORITY REPORT

## **ADOPTION OF THE ELRC ANNUAL REPORT AND AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 1 APRIL 2006 TO 31 MARCH 2007**

The Accounting Officer tabled this report to the Accounting Authority at its Annual General Meeting (AGM) held on 14 August 2007.

The AGM took place at:

ELRC Building  
261 West Avenue  
Centurion

At the AGM, the Accounting Authority accepted the report as tabled by the Accounting Officer.

The report was unanimously adopted by the Accounting Authority

The Accounting Authority has perused the report of the Accounting Officer and is satisfied that the ELRC has discharged its responsibilities as a bargaining council and met its obligation in terms of its constitution and the PFMA.

**Chairperson**



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**Accounting Officer**



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## 1. Introduction

This report highlights key activities for the Financial Year 1st April 2006 to 31st March 2007.

### 1.1. The Council

The Education Labour Relations Council (ELRC) derives its authority from the Labour Relations Act (LRA) as amended and its constitution and is a registered public entity that complies with the Public Finance Management Act (PFMA) of 1999, and Treasury Regulations.

The overriding aim of the ELRC is to provide labour relations services to its key stakeholders, in their pursuit of providing quality services in public education.

The core business of the council is:

1. To provide an independent and impartial forum for the resolution of disputes in the sector; and
2. To provide a forum for negotiations and consultations in matters of mutual interest in the sector at both national and provincial levels.

## **1.2. ELRC Constitution Amended**

One of the significant developments during the period under review was the adoption of the amended constitution of the ELRC as agreed to in Collective Agreement Number One of 2006.

The new constitution makes provision for:

- Governance and accountability in terms of the PFMA;
- Compliance with CCMA rules, adapted for ELRC use in dispute resolution; and
- Adaptation of the 2002 amendments to improve efficiency in ELRC dispute resolution.

The Registrar had certified the constitution on 25 April 2007.

The Council is yet to consider the additional requirements of the Registrar.

## **1.3. Further Education and Training Sector**

The promulgation of the Further Education and Training Colleges Act, No. 16 of 2006 (the Act) on 11 December 2006, has as its objective, the establishment of a coordinated further education and training system.

All educational institutions which have been established or declared a public college or registered as a private college, are covered by the Act. In the process of transforming and restructuring the current system, the Act also makes provision for the employment of staff at further education and training colleges.

Consequently the regulation of labour relations is an important element of the process of implementation of the Act. It thus becomes imperative for the ELRC to facilitate the implementation of the Act to ensure a smooth transition and to fulfil its role envisaged in the Act of providing an interim forum for collective bargaining and the effective resolution of labour disputes, until the parties in FET sector decide otherwise.

It is envisaged that the ELRC would create an independent bargaining unit for the FET sector within the ELRC, making it a bargaining council for this education sub-sector.

## 2. Dispute Resolution and Support Services

### 2.1. Dispute Resolution Services

This is the core function of the Education Labour Relations Council. This is expressed in its constitution, which sets out the objectives of the Council. These are, *inter alia*, to maintain and promote labour peace and to prevent and resolve labour disputes.

In 2006, the ELRC constitution and Dispute Resolution Procedures were amended to provide the best labour relations services in terms of the LRA, which entailed the following:

- Enforcement of Basic Conditions of Employment Act (BCEA) provisions;
- Enforcement of settlement agreements and awards;
- Resolution of Discrimination disputes;
- Referral of disputes to Labour Court for declaratory decisions;
- Enforcement of collective agreements through the Bargaining Council inspectors and agents; and
- Resolution of promotions, appointments and transfer disputes in an expeditious manner.

The majority of disputes referred to the Council relates to:

- |                                  |     |
|----------------------------------|-----|
| • Promotions and/or appointments | 50% |
| • Terms and conditions           | 19% |
| • Dismissals                     | 16% |
| • Salary and benefits            | 12% |
| • Other                          | 03% |

The caseload breakdown per province was as follows:

• Kwazulu-Natal	25%
• Western Cape	21%
• Gauteng	10%
• Limpopo	10%
• Eastern Cape	9%
• Free State	8%
• North West	8%
• Mpumalanga	6%
• Northern Cape	2%
• National (DOE)	1%

## **2.2. Dispute Resolution Support Services: Training and Development of Dispute Resolution Practitioners on the CCMA Commissioners' Accreditation Course.**

During the period under review, the General Secretary of the ELRC activated the training of dispute resolution practitioners from both employer and employee parties, by using the CCMA training programmes on conciliation and arbitration processes.

The purpose of the training was to empower dispute resolution practitioners in discharging the roles on behalf of their principals. This in turn would benefit the ELRC by increasing efficiency in the dispute resolution process.

Some 240 officials enrolled and it is the view of the General Secretary and the ELRC that this training would be an innovative and hands-on opportunity for every delegate to pro-actively participate in this process, and to emerge with the knowledge and practical skills to apply in the workplace.

### 3. Negotiation Support Services

The ELRC facilitates negotiations at both national and provincial level in accordance with its vision to promote labour peace within the public education sector.

#### 3.1. National

For the period under review, the ELRC was instrumental in facilitating the signing of the following Collective Agreements at a national level:

- Collective agreement 1 of 2007: Vote Weights for the Trade Unions that are Parties to the Council.

#### 3.2. Provincial

The following Collective Agreements were signed in the provincial chambers:

##### 3.2.1. *Eastern Cape Chamber*

- Collective Agreement No. 1 of 2006: Protocol Agreement.

##### 3.2.2. *KwaZulu-Natal Chamber*

- Collective Agreement 1 of 2006: Permanent Appointment of Temporary Educators serving continuously for 12 months or more.
- Collective Agreement 2 of 2006: Finalisation of the Post Establishment of Public schools in KZN for 2006.
- Collective Agreement 3 of 2006: Determination and Distribution of the Educator Post Establishment of Public Schools in KZN for 2007.
- Collective Agreement 4 of 2006: Distribution and Curriculum Redress Posts to Public schools in KZN for 2006.
- Collective Agreement 5 of 2006: Procedures for the Appointment and Promotion of Educators in FET Colleges.

**3.2.3. Limpopo Chamber**

- Collective Agreement No. 2 of 2006: Amendment of Collective Agreement No. 1 of 2006 “Permanent appointment of Temporary Educators”.

**3.2.4. Mpumalanga Chamber**

- Collective Agreement No. 1 of 2006: Change of pay date for Institution Based Educators.
- Collective Agreement No. 2 of 2006: Permanent Appointment of Temporary Educators.

**3.2.5. North West Chamber**

- Collective Agreement No. 1 of 2006: Permanent Appointment of Temporary Educators.

**3.2.6. Western Cape Chamber**

- Collective Agreement No. 1 of 2006: Procedure with regard to the matching and placing of WCED Educators attached to FETCs in the WCED.

## 4. Support Services

### 4.1. International Comparative Research in Public Education

With the assistance of the HSRC, the ELRC undertook meaningful research through its International Study Visits.

The aim of the research was to distill lessons on improving education quality through implementable policies for public educators.

Thirteen countries were visited: Botswana; Brazil; Cameroon; Chile; Cuba; Ghana; Jamaica; India; Mexico; Tanzania (including Zanzibar); Thailand; Togo and Zimbabwe.

### **Main findings**

In most of the thirteen (13) countries visited, it was found that **policy making** is highly centralised. Although the centralisation of policy making seems to be the norm, there are exceptions where considerable policy decision-making powers are devolved to lower levels. In many countries, there is a high level of involvement of teacher unions in policies relating to salaries and conditions of service.

A key finding is that teacher provisioning is determined largely by budgetary considerations using teacher-pupil ratios as a criterion. Teacher education, that is pre-service training, constitutes an important dimension, and most countries devote considerable **resources** to this aspect.

Countries with well-developed information management systems are able to monitor the performance of the education system far more effectively. However, a key challenge is the maintenance and updating of **EMIS** systems and its associated cost implications.

In most countries, **employer/employee relations** are governed by some form of legislation, but not all countries have formal mechanisms to facilitate collective bargaining and/or consultations between government and teacher organizations. With regard to salaries and benefits, in some countries the Public Service Commission plays a role in determining salary levels and conditions of service for all public servants, including teachers.

**An Executive Summary is attached under annexure A** - For the full report, please refer to the *ELRC International Study Visits Report Publication* - RP261/2006 ISBN: 0-621-36965-9



#### 4.2. The 16th Conference of Commonwealth Education Ministers (CEM) and its Teachers' Forum: 10-14 December 2006

The 16th CCEM was successfully held in Cape Town from 10 - 14 December 2006 and the ELRC was afforded the opportunity to market the Council to the Commonwealth countries through having a presentation at the Teachers Forum and by participating at the exhibition. The ELRC was a sponsor of the Teachers' Forum track of the 16th CCEM.

In addition to the Ministers of Education, senior education officials, educators, youth and other stakeholders from the 53 member countries were invited by the Commonwealth Secretariat to participate in separate forums and to interact with the Ministerial Conference. Ministers thus had the opportunity to interact with Teachers-Youth- and Stakeholder forums.

The theme for the Ministerial Conference was *"Access to Quality Education: For the Good of All"*. The conference focussed attention on what happens to learners once they are enrolled in education. The conference theme also suggested that attention to access, retention and progression needs to be accompanied by improvements in the quality of the educational experiences, actual learning acquisition and outcomes.



#### 4.3. ELRC International Education Labour Relations Seminar: 14 - 15 December 2006

Supporting the Teachers' Forum of the 16th CCEM, the ELRC International Education Labour Relations Seminar was held on the 14 - 15 December 2006 and focussed on: *"The role of labour relations in improving the quality of learning outcomes in public education"*. The seminar represented an ideal opportunity for countries in the Commonwealth & SADC Region, to engage on a number of inter-related issues in the broad arena of education labour relations and quality of education.

Approximately 150 delegates, from 39 countries, participated in the ELRC International Seminar, including officials from government departments, teacher union representatives and teachers.



Critical issues and debates for the ELRC Seminar included:

- Performance Management Systems in Public Education;
- Professional Development and Performance Management of Educators;
- Health of Educators: Input of Conditions of Services;
- Promoting Labour Peace in Public Education; and
- The Role of Teachers in Eradicating Illiteracy in Countries of the South.

The report on the ELRC International Labour Relations Seminar contains 30 resolutions, on the 5 key tracks, that were adopted by the delegates at the Seminar. For the full report, please refer to the *Report on the ELRC International Labour Relations Seminar & Report on Teacher's Forum, 16th Conference of Commonwealth Education Ministers Publication - RP39/2007*  
ISBN: 0-621-37083-5

#### **4.4. International Industrial Relations Association (IIRA) 14th World Congress: 11 - 14 September 2006**

The ELRC is a member of the Industrial Relations Association of South Africa and a direct member of the International Industrial Relations Association (IIRA) an organisation associated with the International Labour Organisation (ILO).

The ELRC sent a delegation to participate in the 14th IIRA World Congress that was held in Lima, Peru from 11 - 14 September 2006. The delegation of nine comprised three from the Department of Education, three from CTU- SADTU, two from CTU-SAOU and one from the Secretariat of the ELRC.

The theme of the congress was "Social Actors, Work Organisation and New Technologies in the 21st Century".

The following were the key tracks dealt with at the congress:

- Social Dialogue, Economic Freedom and Industrial Relations;
- Human Resources Management and the New Labour Relations;
- Productive Employment and Education;
- Policies of Social Protection; and
- Integration and free Trade in the Americas: How much trade or quality of life?

At the Special Seminars, the following key issues were addressed:

- Internationalisation of Industrial Relations at Global Company Level;
- Diversity, Employment Equity and Pay Equity;
- Challenges of Human Resources Management in the new Work Relations: Some Latin-American cases;
- Special Features and New Issues in Public Sector Industrial Relations;
- Industrial Relations, Future Trends and Challenges of Globalisation;
- Youth Insertion, Skills Development and Prevention of HIV/AIDS through Sport;
- Regulating and Resolving Collective Disputes in Public Services;
- Spatial Dimensions of Globalised Industrial Relations;
- New Technology, IR and HR in Telecommunications: International and Comparative Analyses of a changing industry;
- Current situation of labour relations in the region; and
- Private Pension system: challenges and improvements.

The total expense for the trips amounted R646 151.

**A full report is attached under Annexure B**

## 5. Financial and Management Accountability

The ELRC in complying with the PFMA, Treasury Regulations and other Treasury prescripts, is audited by the Auditor-General. Our financial and management reporting is in accordance with Generally Recognised Accounting Practices (GRAP).

The Auditor General performs a total audit, inclusive of a performance audit. The internal audit services are shared with UMALUSI; under direction of the Audit Committee and the Accounting Officer.

The Audit Committee, an independent committee appointed by the Council, draws its authority from the PFMA and the constitution of the ELRC. It ensures financial and management compliance, and accountability.

The Accounting Officer and the Chief Financial Officer of the ELRC presented the Council's Annual Report and its Three-Year Strategic Plan to the Education Portfolio Committee of the National Assembly in Parliament in November 2006 and June 2007 respectively.


Once again, Parliament was satisfied with the excellent planning and reporting of the ELRC and its contributions to public education in South Africa in particular and Africa in general.



## 1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

To the Minister of Education, Ms Naledi Pandor, MP

I have pleasure in presenting this report on the work of the Education Labour Relations Council (ELRC) for the Financial Year ended 31 March 2007.



Mr M Govender  
General Secretary  
Education Labour Relations Council (ELRC)

## 1.2 APPLICABLE LEGISLATION

A number of policies have been implemented and legislation promulgated to create a framework for the transformation of education. Key legislation directing the ELRC in its core business include:

- Labour Relations Act 66 of 1995;
- Public Finance Management Act 1 of 1999;
- Promotion of Access to Information Act 54 of 2002; and
- Employment of Educators Act 76 of 1998 (As amended)

Supporting legislation assisting the ELRC in its employer/business role are the following:

- Basic Conditions of Employment Act 75 of 1997;
- Employment Equity Act 55 of 1998; and
- Skills Development Act 97 of 1998.

## 1.3 LITIGATION AND APPEALS

The nature of the business of the ELRC, like the CCMA, is such that some arbitration awards made by the council are taken on review by the Labour Court. During the period under review, the total number of reviews increased from 42 to 58.

The ELRC is always cited as the FIRST RESPONDENT. The ELRC as a matter of course does not oppose these review applications unless our conduct is questioned. None were opposed by the ELRC.

## 1.4 OVERSEAS TRIPS

### 1.4.1 ELRC International Study Visits

During the period under review, the ELRC undertook meaningful research in the form of the "*ELRC International Study Visits*" with the assistance of the HSRC. The total expense for the trips amounted R3 262 884. Thirteen countries were visited: Botswana; Brazil; Cameroon; Chile; Cuba; Ghana; Jamaica; India; Mexico; Tanzania (including Zanzibar); Thailand; Togo and Zimbabwe, with the aim of distilling lessons on improving education quality through implementable policies for public educators.

The research that has been conducted is not exhaustive in itself. There remains a need for follow-up in order to obtain clarity and more details on certain aspects of the report recommendations. **An Executive Summary is attached under Annexure A** - For the full report, please refer to the *ELRC International Study Visits Report Publication* - RP261/2006  
ISBN: 0-621-36965-9.

#### **1.4.2 International Industrial Relations Association World Congress**

A trip to Peru (Lima) for the 14th IIRA World Congress was undertaken in the year under review. The total expense for the trips amounted R646 151. A delegation of nine officials attended the congress comprising three from the Department of Education, three from CTU- SADTU, two from CTU-SAOU and one from the Education Labour Relations Council. The theme of the congress was "Social Actors, Work Organization and New Technologies in the 21st Century". **A full report is attached under Annexure B**

### **1.5 ACCOUNTING OFFICER'S REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

The Accounting Officer's report forms part of the audited Annual financial Statements of the ELRC for the year ended 31 March 2007

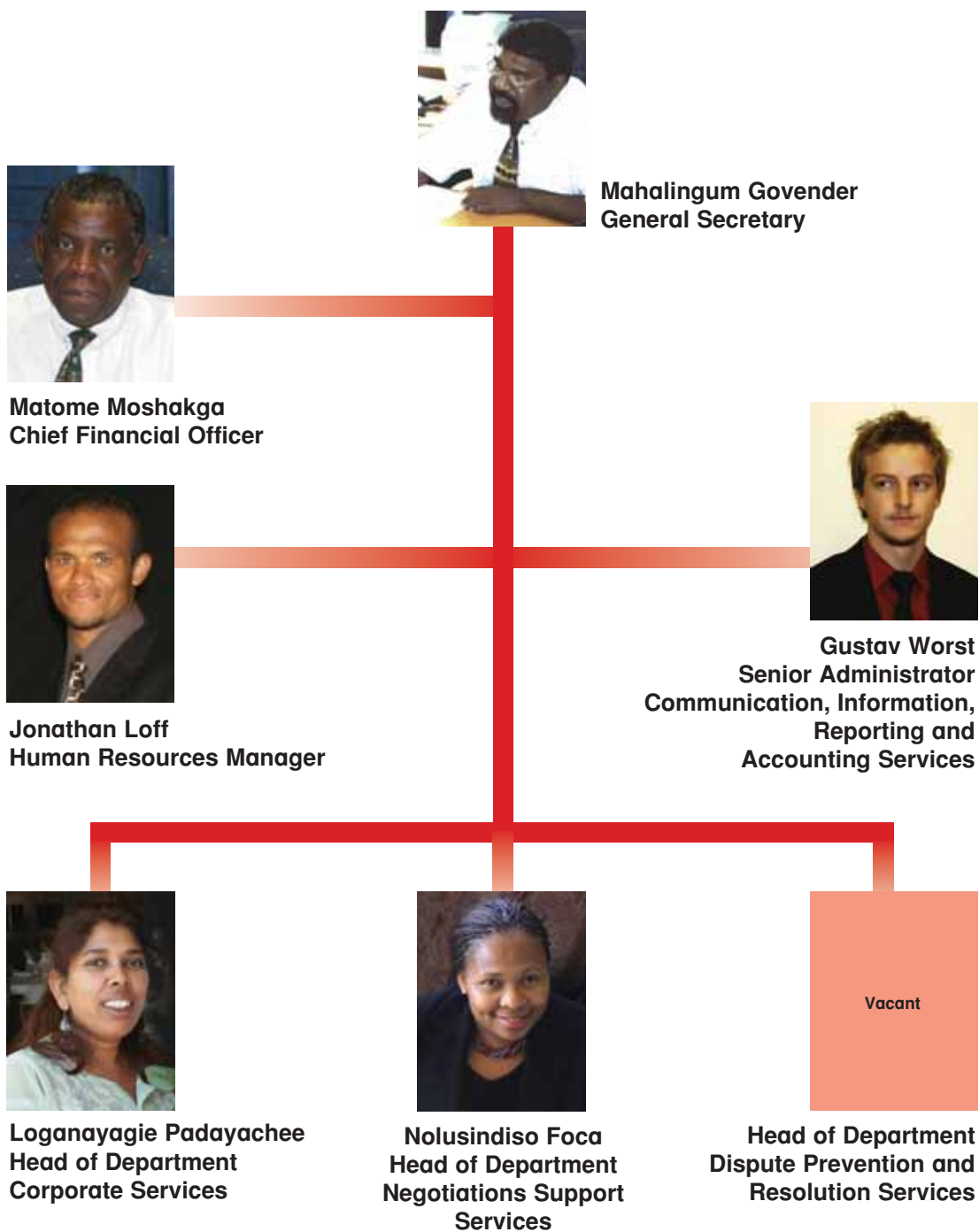
#### **1.5.1 Principal Activities of the ELRC**

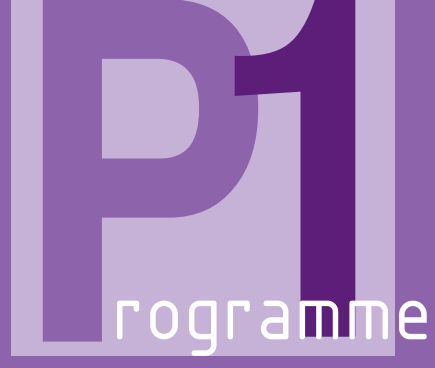
The primary business of the Council is to promote the maintenance of labour peace in the public education sector through the provision of dispute resolution (and prevention) services. To this end, the grievances and disputes of educators and officials are resolved through conciliation and/or arbitration.

The secondary business of the Council is to promote the maintenance of labour peace in the public education sector through the provision of consultations and negotiations between trade unions and the state as the employer, as represented by the Department of Education.



**1.5.2 Organisational Structure:  
Senior Management**

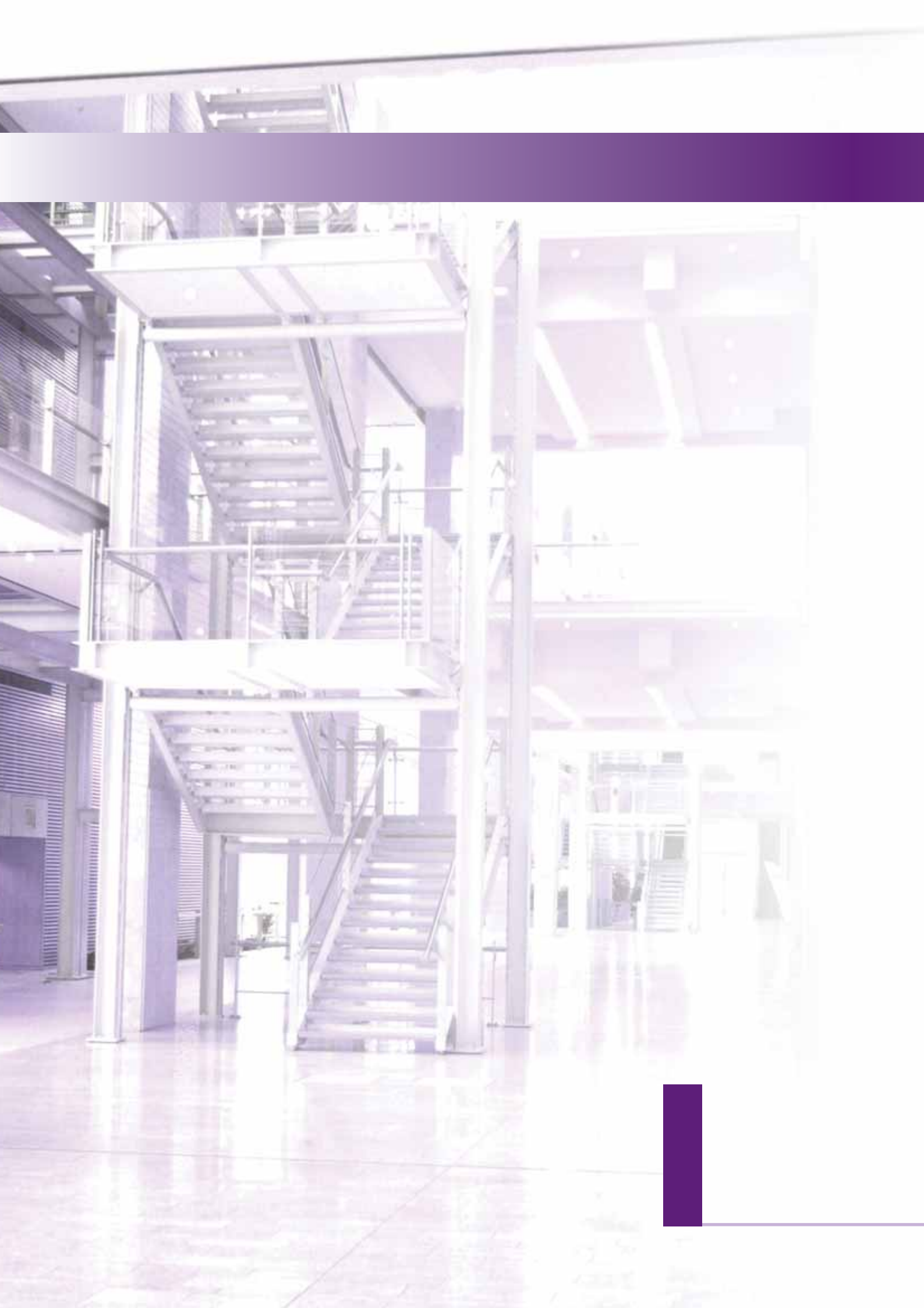




# PROGRAMME

EXECUTIVE SERVICES

1



## introduction

### **COST**

Management assumes total responsibility, ensuring effective use of resources in terms of delivering the best services at the lowest possible cost. Given budgetary constraints, the General Secretary and the Chief Financial Officer introduced frugal measures.

### **QUALITY**

The management philosophy at the ELRC is to be the best in all we do and mediocrity is rejected. We have introduced programmes to continuously improve quality. We analysed our performance for the year under review by gathering data with a view to developing standards that needs to be improved upon. The services delivered by management are evidence that the quality thereof has improved.

### **SPEED**

To give customers the best quality in the fastest possible time, in this regard the PFMA, LRA, the ELRC Constitution and other prescripts provide deadlines that need to be met. In our Dispute and Negotiations Support Services Departments we have fallen short in regard to compliance. In relation to governance we failed to submit the strategic plan and budget within the specified timeframes. As management however, we take pride in reporting that we have exceeded expectations in all areas.

### **FLEXIBILITY**

The General Secretary and management have placed their clients at the centre of the services that the Council provides. We are renowned for adjusting our processes to meet the needs of our clients and customers. This is evident in the manner in which we structure our Dispute Resolution processes in an expeditious manner. In a country undergoing change in public education we adapted our processes to provide services to the changing FET sector.

### **DEPENDABILITY**

Dependability is management's capability for others to rely on them. In the business sense, dependability refers to the trustworthiness of a business, department or system which allows reliance to be justifiably placed on the service it delivers. Management's dependability includes the following: availability, readiness for correct services; reliability, continuity of correct services; safety, absence of catastrophic consequences on the client and the environment; security, the concurrent existence of confidentiality, and integrity.

Since the year 2000 the ELRC has been under new management and we can proudly report that in the Bargaining Council Industry our clients can depend on us to give the best service at the lowest cost.

The ELRC management and secretariat are known to work at all hours to give their clients the best service on/or before the expected date.

EXECUTIVE  
SERVICES

# EXECUTIVE services



**Mahalingum Govender**  
General Secretary



**Matome Moshakga**  
Chief Financial Officer



**Jonathan Loff**  
Human Resources Manager



**Gustav Worst**  
Senior Administrator  
Communication, Information,  
Reporting and  
Accounting Services



**Rene' McDonald**  
Executive Support  
and Client Liason

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>PFMA and Treasury Regulations</b> To comply with the PFMA and Treasury Regulations in terms of Reporting.	Quarterly Reports ratified for submission to Executive Authority.	Quarterly	<b>Achieved</b>
<b>Research</b> To institute comparative international research into issues affecting educators in the public education sector (ELRC International Study Visit Report).	Research conducted and report finalised.	November 2006	<b>Achieved</b>
<b>Budget &amp; Strategic Plan</b> To prepare the Council's Strategic and Operational Plan, and Budget for the next MTEF.  To review the Council's current Strategic and Operational Plan, and Budget.  To monitor expenditure against the allocated budget.	Strategic plan approved by the Minister.  Revised current strategic plan approved by minister.  No unauthorised expenditure.	30 September 2006  February 2007  October 2006 to Mar 2007	<b>Not Achieved</b> Pending resolution of levy increase  <b>Achieved</b>  <b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Investment</b> To monitor the investment portfolio of the Council; and To ensure that the investments are in accordance with the Treasury Regulations.	Updated Investment policy and procedure adopted.	30 April 2006	<b>Achieved</b>
<b>Human Resource Management</b> To ensure that HR policies and Procedures are regularly revised in terms of the amendments to the relevant legislation.	Revised HR Policy approved.	Monthly	<b>Achieved</b>
<b>Supply Chain Management</b> To evaluate all bids in respect of all acquisitions over R 500.00 1 - CCMA Training 2 - 14th IIRA World Congress	Availability of score sheets for all bids.  CCMA & Project coordinator approved. ELRC participated in 14th IIRA World Congress.	Ongoing  Ongoing September 2006	<b>Achieved</b>  <b>Achieved</b> <b>Achieved</b>
<b>ELRC International Labour Relations Seminar</b> To organise the ELRC International Labour Relations Seminar.	Seminar convened.	December 2006	<b>Achieved</b>



## ELRC Executive Committee



**Mr S Padayachee**  
(DoE)



**Mr J Slater**  
(DoE)



**Mr S Faker**  
(DoE)



**Mr JR Nkosi**  
(DoE)



**Mr F Hugo**  
(DoE)



**Mr AW Kutumela**  
(Chairperson)



**Mr M Govender**  
(General Secretary)



**Mr D Pasquallie**  
(CTU-SADTU)



**Ms P Pardesi**  
(CTU-SADTU)



**Mr D Moreothata**  
(CTU-SADTU)



**Mr H Hendricks**  
(CTU-SAOU)



**Mr A Thompson**  
(CTU-SAOU)

performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Financial Policies and Procedures</b> To review and update the financial policies and procedures in line with GRAP.	Revised financial policies and procedures approved by Executive Committee.	Monthly	<b>Not Achieved</b>
<b>Supply Chain Management</b> To review and maintain the procurement policy in line with the Supply Chain Management requirements.	Revised procurement policy approved by accounting officer.	Annually	<b>Achieved</b>
<b>Fraud Prevention Plan</b> To review, advocate and monitor the Fraud Prevention Plan.	Revised Fraud Prevention Plan approved by accounting officer.  Advocacy conducted.	Quarterly	<b>Achieved</b>  <b>Achieved</b>
<b>Risk Management</b> To review and monitor the Risk Management Strategy and Plan.	Risks managed.	Ongoing	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>PFMA and Treasury Regulations</b> To comply with the PFMA and Treasury Regulations.	Compliance report submitted.	Monthly	<b>Achieved</b>
	Performance reports (Inclusive of Financial Statements).	Quarterly	<b>Achieved</b>
<b>Compliance with LRA</b> To lodge Arbitration Awards in terms of LRA 66 of 1995 as amended.  To lodge collective agreements in terms of section 54(3)(a) of The Labour Relations Act.	Awards lodged with Labour Court.	Within 30 days	<b>Not Achieved</b>
	Collective Agreements lodged with Registrar of Labour Relations.	Within 30 days	<b>Not Achieved</b>
<b>Information Technology</b> To install adequate information systems.	Availability of Computers and the necessary software to all staff.	As need arises	<b>Achieved</b>
<b>Financial &amp; Organisational Management</b> To monitor budget against expenditure.	Variance report submitted to GS.	10 <sup>th</sup> day of each month	<b>Achieved</b>

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Compliance with PFMA</b> To compile quarterly reports in compliance with the PFMA.</p>	Quarterly Report approved by the General Secretary, Audit Committee, Governing Body and submitted to the Executive Authority.	Quarterly	<b>Achieved</b>
<p>To compile an annual report in compliance with the PFMA.</p>	Annual Report approved by the General Secretary and Auditor General.	June 2006	<b>Achieved</b>
<p><b>Publications</b> To compile the Labour Bulletin.</p>	Labour Bulletin published and distributed to dispute resolution practitioners.	Quarterly	<b>Achieved</b>
<p>To compile the Negotiator.</p>	Negotiator published and distributed to parties.	Quarterly	<b>Achieved</b>
<p>To ensure staff is kept up to date of ELRC activities.</p>	Newsletter published and distributed to all staff.	Monthly	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Access to information</b> To ensure that the latest information pertaining to labour relations is available in the Information Centre of the ELRC.</p>	Information made available.	Ongoing	<b>Achieved</b>
To update the ELRC website.	Website updated.	Ongoing	<b>Achieved</b>
To implement the policy on Information Sharing as per the PAIA Manual.	Manual for PAIA Deputy Information officers (provincial secretaries).	March 2007	<b>Achieved</b>
<p><b>Marketing</b> To market the ELRC by means of brochures, marketing material, exhibitions etc.</p>	Brochures, marketing material, exhibitions provided.	Ongoing	<b>Achieved</b>
To compile and adopt a marketing and communication strategy for the ELRC.	Strategy adopted and implemented.	Ongoing	<b>Achieved</b>



# PROGRAMME

NEGOTIATION SUPPORT SERVICES

2



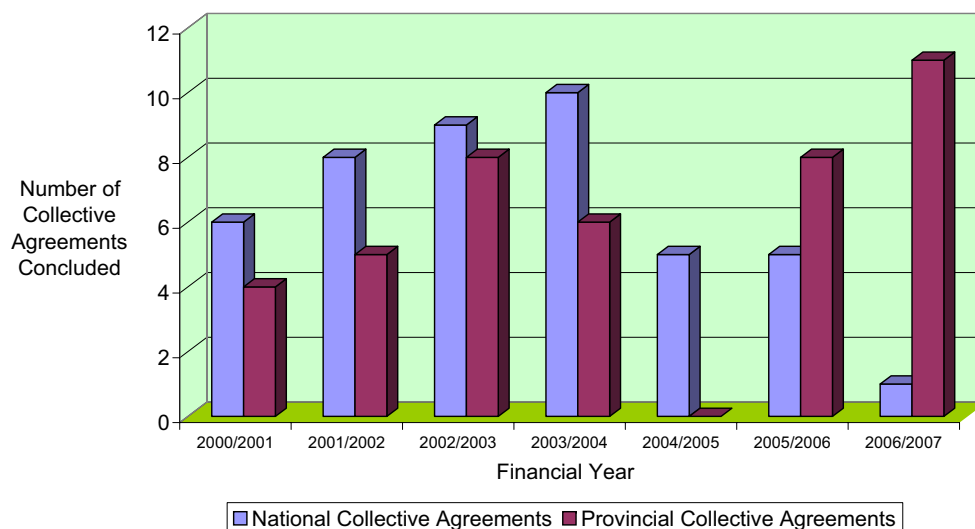
programme 2.1

NEGOTIATION SUPPORT SERVICES (National)

introduction

The period under review was characterised by protracted negotiations; which contributed to the escalation of costs. Out of eight (8) bargaining meetings that were convened for 2006/7 period, at a cost of R200 000 per meeting, only one National Collective Agreement on vote weight was concluded. Negotiations and consultation at provincial level has yielded far better results compared to National, with the exception of the Eastern Cape and KZN, which had the most non-achievements. A full report on the performance of provinces is attached under **Programme 2.2**.

COMPARISON NATIONAL / PROVINCIAL COLLECTIVE AGREEMENTS



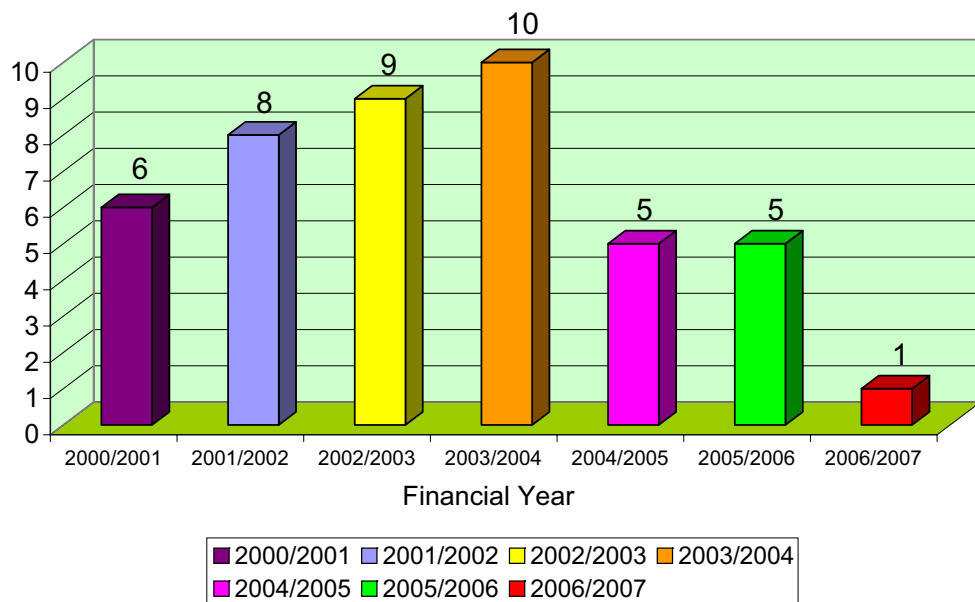


One of the significant achievements of the Council for the period under review was the initiative role it played in relation to the Further Education and Training Colleges Act of 2006. The ELRC convened a number of workshops prior to the enactment of this legislation with a view to appraising the educators in this sector with what were then the proposed changes to be effected that would have had implications on the conditions of their service. Following the enactment of the Bill, the Council continued to play a crucial role by creating a platform for both the employer and the employee representatives to deal with the broad areas of implementing the Act. The passing of this legislation could mark a new page for the Council, as the scope of the constitution could be extended to accommodate the changes to be effected in the FET sector.

**QUALITY**

There has been a significant decline in the rate of productivity on negotiations compared to the previous year, which witnessed a total of five (5) Collective Agreements being concluded at National level. The inability to conclude Collective Agreements on conditions of service for educators has a direct bearing on one of the important dimensions of improving education, which is to ensure that public educators work in an environment that is conducive to effective learning outcomes and teaching practice.

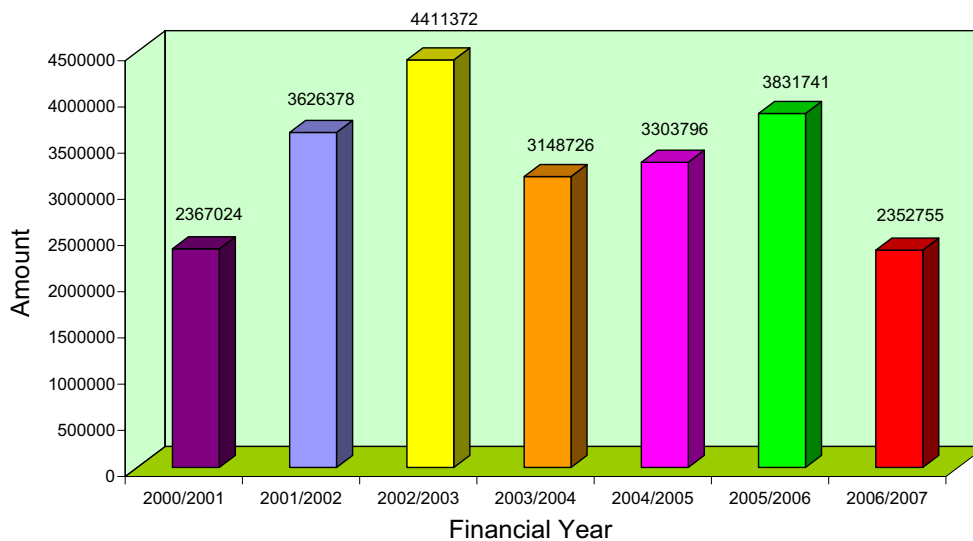
**NATIONAL COLLECTIVE AGREEMENTS CONCLUDED**



## COST

As indicated in the introduction, the period under review has seen protracted negotiations, which have resulted in the escalation of costs as meetings had to be reconvened to conclude matters.

### NATIONAL NEGOTIATIONS SUPPORT SERVICES EXPENDITURE



As reflected in the graph, in the previous years productivity was high in relation to lower costs as compared to the period under review that saw eight (8) meetings convened at an average cost of R200 000.00 per meeting, which yielded no results.

## SPEED

One of the Council's challenges has been to conclude Collective Agreements within the agreed timeframes. The period under review has seen matters/items remaining on the agenda for too long e.g. the Conditions of Service for ABET Educators and Incentives and Performance Rewards for Educators, have been on the Council's agenda since 2004 without resolution.

### **RECOMMENDATION**

It is evident that there is a need to eliminate protracted negotiation processes in order to cut costs and ensure productivity. This then calls for a need to transform the process and culture of the ELRC negotiation process. Some of the ELRC stakeholders have also acknowledged this and have raised the following recommendations in an attempt to address the problem:

- Negotiations should be more focused and should contribute to agreeing on measures to improve quality in education.
- Focus on quality measures/ benefits for educators and on quality outcomes in public education.
- A need to introduce a concept of seasonal bargaining: April to September (excluding July).

This process would then call upon the Council to evaluate the productivity of the ELRC by looking at costs involved both in respect of the finances, and the time spent in the functioning of the ELRC.

### **COMPARATIVE STUDY (RESEARCH)**

Apart from low productivity on service delivery in terms of concluding collective agreements, there have been some great achievements in the area of research. This can be attributed to the International Study Research Visit, which was undertaken with the research support of the HSRC. Thirteen countries were visited: Botswana; Brazil; Cameroon; Chile; Cuba; Jamaica; India; Mexico; Tanzania (including Zanzibar); Thailand; Togo and Zimbabwe. It is imperative to note that much of the time in the period under review was dedicated to the study visits, as all Council activities had to be postponed between April to June. The study's overriding aim was to enhance the formulation of evidence-based policies within the ELRC with specific reference to improving the conditions of employment for public educators; resulting in teaching that makes a difference to the service delivery of quality education in S.A.

## MAIN FINDINGS

In most of the thirteen countries visited, it was found that **policy making** is highly centralised. Although the centralisation of policy making seems to be the norm, there are exceptions where considerable policy decision-making powers are devolved to lower levels. In many countries, there is a high level of involvement of teacher unions in policies relating to salaries and conditions of service.

A key finding is that teacher provisioning is determined largely by budgetary considerations using teacher-pupil ratios as a criterion. Teacher education, that is pre-service training, constitutes an important dimension, and most countries devote considerable **resources** to this aspect.

Countries with well-developed information management systems are able to monitor the performance of the education system far more effectively. However, a key challenge is the maintenance and updating of **EMIS** systems and its associated cost implications.

In most countries, **employer/employee relations** are governed by some form of legislation, but not all countries have formal mechanisms to facilitate collective bargaining and/or consultations between government and teacher organisations. With regard to salaries and benefits, in some countries the Public Service Commission plays a role in determining salary levels and conditions of service for all public servants, including teachers.

As envisaged, the study report findings have had positive ramifications for impacting education quality and had provided new insights to "issues of negotiation". This is evident on the draft collective agreements on "Teacher Incentives" and "Performance Rewards System for Institution Based Educators" that are currently on the Council's agenda. **An Executive Summary of the Report is attached under Annexure A.**

NEGOTIATION  
SUPPORT SERVICES  
(NATIONAL)

# NEGOTIATION SUPPORT services



**Nolusindiso Foca**  
Head of Department Negotiation Support Services



**Michelle Milne**  
Administrator  
Negotiation Support Services



**Nceba Magadu**  
Provincial Secretary  
Eastern Cape



**Rose Sefothelo**  
Provincial Secretary  
Free State



**Sharon Cawa**  
Provincial Secretary  
Gauteng



**Leon Pillay**  
Provincial Secretary  
KwaZulu-Natal



**Mosa Matlhabe**  
Provincial Secretary  
Limpopo



**Nomsa Madonsela**  
Provincial Secretary  
Mpumalanga



**Ursula Rasego**  
Provincial Secretary  
Northern Cape



**Mompoti Galorale**  
Provincial Secretary  
North West



**Bernie Tataw**  
Provincial Secretary  
Western Cape

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Workloads of educators</b> To institute research into maximum hours of work for educators.	Research conducted.	April 2006	<b>Achieved</b>
<b>Implementation of IQMS</b> To facilitate and monitor implementation of the IQMS.	Educators assessed in terms of IQMS.	April 2006	<b>Achieved</b>
<b>Ratification of collective agreements</b> To recommend chamber agreements for ratification.	Agreements ratified by Council.	April 2006- March 2007	<b>Achieved</b> <ul style="list-style-type: none"> <li>• <i>Collective Agreement No. 1 of 2006 of Western Cape:</i> Procedure with regard to the matching and placing of WCED Educators attached to FETCs in the WCED</li> <li>• <i>Collective Agreement No. 1 of 2006 of North West:</i> Permanent Appointment of Temporary Educators</li> <li>• <i>Collective Agreement No. 1 &amp; 2 of 2006 of Mpumalanga:</i> 1- Change of pay date for Institution Based Educators ; 2- Permanent Appointment of Temporary Educators</li> <li>• <i>Collective Agreement No. 1 of Eastern Cape:</i> Protocol Agreement</li> <li>• <i>Collective Agreement No. 2 of 2006 of Limpopo:</i> Amendment of Collective Agreement No. 1 of 2006"Permanent appointment of Temporary Educators"</li> </ul>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIME-	PERFORMANCE RESULT
<p><b>Ratification of collective agreements</b> (<i>continued</i>) To recommend chamber agreements for ratification.</p>	Agreements ratified by Council.	April 2006- March 2007	<ul style="list-style-type: none"> <li>• <i>Collective Agreements No. 1,2,3,4&amp; 5 of 2006 of KwaZulu Natal</i></li> <li>1: Permanent Appointment of Temporary Educators serving continuously for 12 months or more.</li> <li>2: Finalisation of the Post Establishment of Public schools in KZN for 2006</li> <li>3: Determination and Distribution of the Educator Post Establishment of Public Schools in KZN for 2007</li> <li>4: Distribution and Curriculum Redress Posts to Public schools in KZN for 2006</li> <li>5: Procedures for the Appointment and Promotion of Educators in FET Colleges</li> </ul>
<p><b>FET Workshop</b> To convene FET workshop for consultation in respect of conditions of service for the FET educators as per the FET Act.</p>	Workshop convened.	November 2006	<b>Achieved</b>

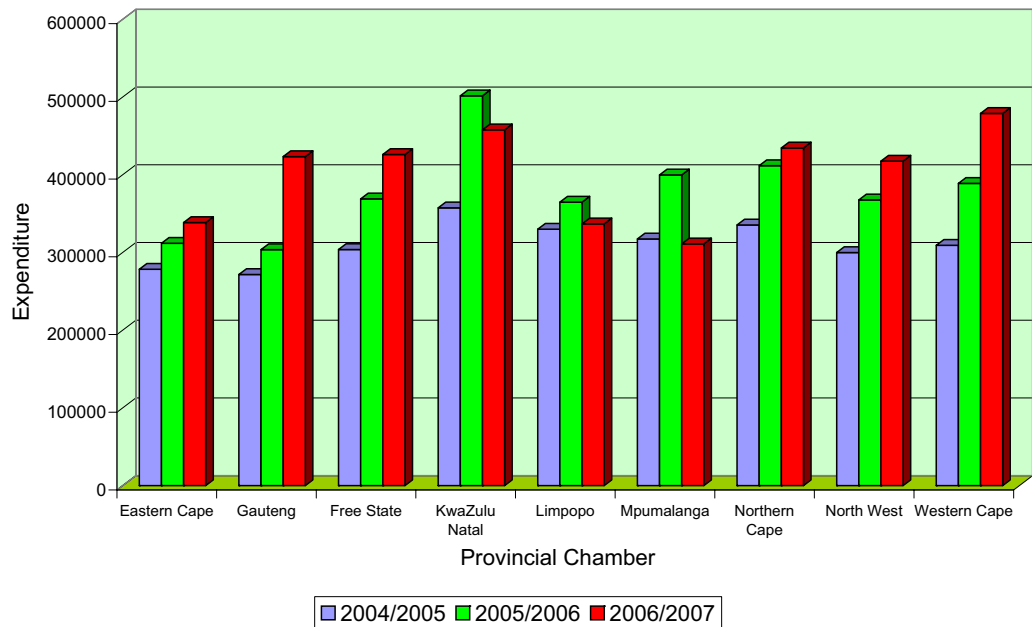
GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Implementation of the FETC Act Workshop</b> To convene the Implementation of the FETC Act Workshop in respect of the CS educators.	Workshop convened.	March 2007	<b>Achieved</b>
<b>Full-Time Shop Stewards</b> To assess the work done by the shop stewards in relation to their obligations.	Unions and employer play a role in monitoring work of shop stewards.	February 2007	<b>Not Achieved</b> Matter to finalised in the next financial year.
<b>Vote Weights</b> To establish the vote entitlement of parties and representation in committees.	Agreement signed in Council.	March 2007	<b>Achieved</b> Collective Agreement No. 1 of 2007.
<b>Post Provisioning Norms</b> To arrange a national workshop on the Post Provisioning Norms.	The Workshop to be preceded by provincial meetings on the MTEF.	March 2007	<b>Not Achieved</b> Matter to be finalised in the next financial year.



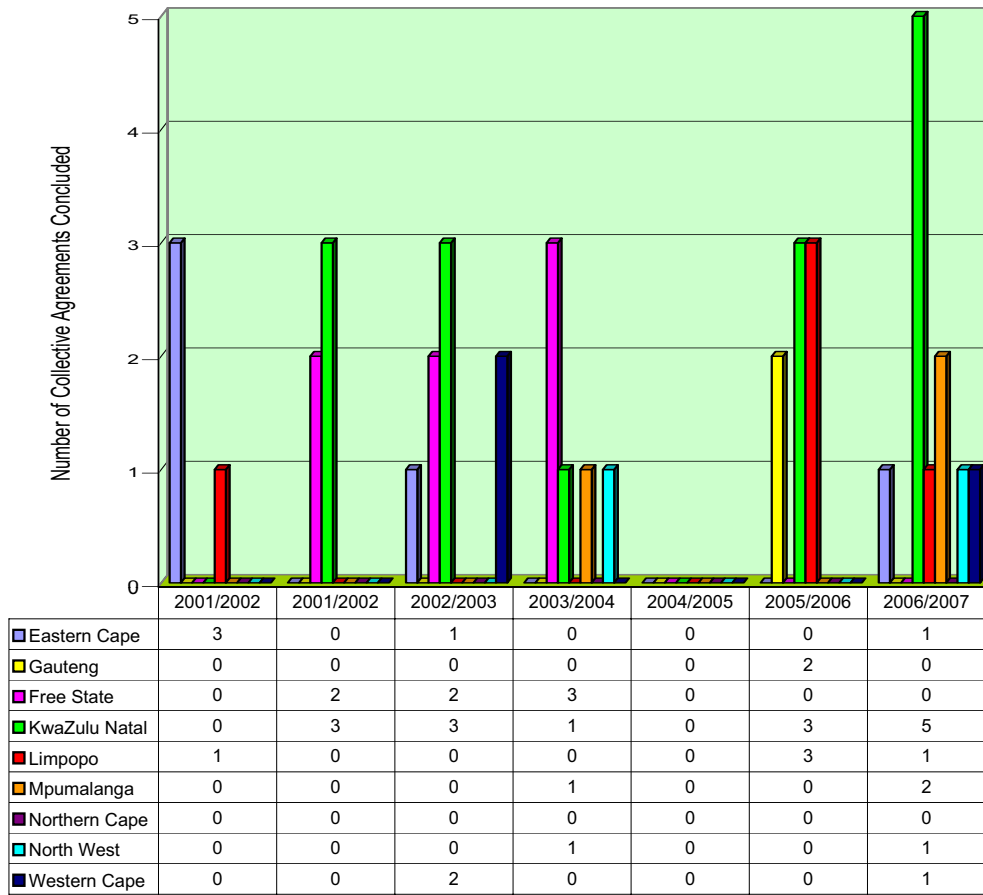
programme 2.2

NEGOTIATION SUPPORT SERVICES (Provincial)

PROVINCIAL CHAMBERS EXPENDITURE



## PROVINCIAL COLLECTIVE AGREEMENTS PER PROVINCE



NEGOTIATION  
SUPPORT SERVICES  
(PROVINCIAL)

## 2.2.1 Eastern Cape

Activities of the Chamber, as reflected by the strategic and operational plan for the year under review, were affected by the continuing tension between parties. The rate of achievement for the year under review further declined from that of the previous year. In order to address this deteriorating situation, the chamber introduced a "new culture" of conducting workshops on the signed resolutions. The objective was to create a common interpretation and understanding, the outcome of which was a management plan for implementation.

A Mutual Gains Follow-up Workshop on Improving the Quality of Negotiations was conducted during the year. This initiative appears to have borne fruit as indicated by the willingness of all parties to commit on very important issues later in the year.

Other achievements included the training, by the PCTA Provincial Task Team, of more than 60% of the schools targeted, agreement by the employer to provide the process plan on the audit, assessment of implementation stages and progress on specific collective agreements. Projections for the future look positive based on the number of the new initiatives introduced in the year under review.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Collective Agreements</b> To facilitate the effective and efficient implementation of collective agreements.</p>	<p>Information Sharing.</p>	<p>June 2006</p>	<p><b>Achieved</b> Workshop on the ELRC Collective Agreements 3, 4 and 5 of 2006 was done on the 2nd June 2006. Another workshop was conducted on the ELRC New Constitution.</p>
<p>To monitor the implementation of the Full-Time Shop Stewards Collective Agreement.</p>	<p>Tabling of reports to the Chamber.</p>	<p>September 2006</p>	<p><b>Not Achieved</b> The report to be submitted in the next Chamber.</p>
	<p>Reports submitted to the Chamber meeting.</p>	<p>September 2006</p>	<p><b>Not Achieved</b> The report would be submitted in the next Chamber.</p>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Post Provisioning Norms and the Medium Term Expenditure Framework</b> To identify risks that could impede meaningful consultation.</p> <p>To provide a forum for consultations on the distribution of posts created.</p>	<p>Information Sharing, Meetings and Workshops.</p> <p>Consultation meetings/workshops.</p> <p>Consultation concluded.</p> <p>New staff establishments sent to schools.</p>	<p>June 2006</p> <p>September 2006</p>	<p><b>Not Achieved</b> The meetings were postponed by the ECDoE. • The new date set was the 20 July 2006.</p> <p><b>Not Achieved</b> - The ECDoE continued postponing allowing time for the learner and educator numbers verification process which was managed between the ECDoE and SADTU.</p>
<p><b>Further Education and Training Institutions (FETI's)</b> Staffing To identify risks that might impede consultation on staff provisioning.</p>	<p>Meetings Employer to provide draft organogram to the Chamber.</p>	<p>June 2006</p>	<p><b>Not Achieved</b> The FETI's were still busy with the National DoE programme of staff training through the recapitalisation programme.</p>
<p><b>Integrated Quality Management System (IQMS)</b> To continue with teacher development.</p>	<p>Teacher Development Training/ In-service conducted by the Department of Education.</p>	<p>June 2006</p>	<p><b>Achieved</b></p>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Early Childhood Development (ECD)</b> To formulate a provincial policy.	The Employer to provide the draft discussion document.  Policy finalised.	September 2006	<b>Not Achieved</b> - The ECDoE has not finalised its policy yet.
<b>Realignment of schools</b> Evaluate and monitor the effect of the implemented schools restructuring i.e. educator movement.	Consultation meetings held.	December 2006	<b>Not Achieved</b> - a workshop was set to deal with the matter, but was delayed by the bilateral between the ECDoE and SADTU.
<b>Further Education and Training (FET)</b> To provide a forum for consultation on outstanding issues pertaining to FET implementation in schools.	Meetings/Workshops held.	March 2007	<b>Not Achieved</b> No chamber meetings were convened.
<b>Employment Equity</b> To monitor the implementation of The Employment Equity Plan.	Meetings Reports in the Chamber.	March 2007	<b>Achieved</b>
<b>Skills Development Plan</b> To provide a forum for consultations on the skills development plan.	Meetings Report in the Chamber meetings.	March 2007	<b>Achieved</b>

## 2.2.2 Free State

The period under review reflects the achievements and challenges around:

- The implementation of National Collective Agreements, Provincial Resolutions and the continuous monitoring of said agreements and resolutions; and
- The mutual understanding between parties on the conversion of temporary educators and their permanent appointment.

The Chamber has played a meaningful role in ensuring that the department complies and properly implement the collective agreements and resolutions.

Significant progress was made with implementation of National Collective Agreements namely, CA 8/2003, CA 4 & 5/2005 and CA 5/2006. Negotiations and consultation did yield fruitful results because consensus was reached on conversion of temporary educators into permanent appointment, as well as educators in redress posts who served the department for over 3 years.

In some matters consultation did not produce the expected results, e.g. the late PPN consultation process.

However, the challenge still remains where parties indicate lack of mandates on certain issues, thus the speed of resolution is slow.

Being unable to reach consensus within reasonable time might have resulted in escalation of costs; therefore measures have been put in place to ensure that if there are no mandates to conclude agreements or progress has not been made, then scheduled meetings would be postponed to avoid fruitless expenditure.

Parties to the chamber have however indicated their willingness to strive towards maintenance of labour peace within the province.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>IQMS</b> To facilitate and monitor implementation of Collective Agreement 8 of 2003.	Implementation reports endorsed by the chamber. Educators assessed in terms of IQMS.	Quarterly	<b>Achieved</b>
<b>Post Provisioning Norms</b> To provide a forum for consultation on the education budget and post provisioning norms.	Consultation concluded.	September 2006 Extended to Dec '06	<b>Achieved</b>
<b>Skills Development Plan</b> To provide a forum for consultation on the skills development plan of the department .	Reports on skills development tabled and endorsed by the chamber.	Quarterly	<b>Achieved</b> Further to reports tabled; progress on scarce skills and under qualified educators would be presented in the next quarter.
<b>Speech Therapists Post level</b> To provide a forum for consultation on the speech therapists post level.	Progress report endorsed by the chamber.	December 2006	<b>Achieved</b>
<b>Employment Equity</b> To monitor the implementation of equity targets.	Reports on implementation of targets tabled.	July - September 2006	<b>Achieved</b>
<b>FET Institutions</b> To provide a forum for consultation on developments pertaining to FET institutions .	Reports tabled in the chamber.	December 2006	<b>Achieved</b>

FREE  
STATE



GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Post and Salary Structure</b> To facilitate and monitor the implementation of CA 4 of 2003.	Reports on implementation presented in the meeting.	March 2007	<b>Not achieved</b> Matter withdrawn from the agenda.
<b>Collective Agreements</b> To facilitate and monitor implementation of Collective Agreements.	Implementation reports on collective agreements presented in the chamber.	March 2007	<b>Achieved</b>

## ADDITIONAL ACHIEVEMENTS

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>IQMS</b> To facilitate and monitor implementation of Collective Agreement 4 and 5 of 2005. (FET, Psychologists & Therapists)	Implementation reports on CA 4 & 5 of 2005 presented and endorsed at the chamber.	September 2006	<b>Achieved</b>
<b>NCS Training</b> To provide a report on the implementation of national curriculum statement in the senior phase in Free State schools.	Training reports presented and endorsed by the chamber.	September 2006	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Post Level of Speech Therapist Working at District Level</b> To provide a forum for consultation on the post level of Speech Therapists appointed at the District Level.</p>	Reports endorsed by the chamber.	December 2006	<b>Achieved</b>
<p><b>Conversion of Temporary Educators</b> To provide a forum for consultation on the permanent appointment of educators who have been in vacant substantive posts in 2005 and extended.</p>	Temporary educators appointed in 2005 converted into permanent appointment.	March 2007	<b>Achieved</b>
<p><b>Open Vacancy List</b> To provide a forum for consultation on the filling of vacancies in an Open Vacancy List.</p>	Progress report on filling of vacancies presented at the chamber.	March 2007	<b>Achieved</b>
<p><b>Accelerated Pay Progression for Educators</b> To facilitate and monitor the implementation of Collective Agreement 5 of 2006.</p>	Reports on the implementation of CA 5 of 2006 endorsed by the chamber.	March 2007	<b>Achieved</b>

PROGRAMME  
2.2.2

## 2.2.3 Gauteng

The period under review covers the activities, operations and functioning of the Chamber. The reporting period was significantly successful as reflected in the report as the chamber worked very hard in achieving most of its objectives.

The Chamber engaged in several matters of negotiations, coupled with co-operation in support of effective service delivery by all parties. Parties successfully resolved an impasse over the filling of vacancies in the province. This was a major milestone to all parties.

During the period under review, the Chamber also faced fundamental challenges. The chamber spent significant amounts of money for meetings, without significant goods or services to show for it. The cancellation or postponement of scheduled meetings gave rise to the cost increase and thus impacted negatively on the quality of service within the Chamber.

The delay in dealing with items that have been on the Chamber's agenda for too long and the failure to reach consensus on the matters made it difficult for the chamber to overcome the backlog especially on matters that needed urgent attention. Consultation on Medium Term Expenditure Framework did not take place in the period under review.

In celebrating its successes, the unsuccessful areas of achievement, do not go unnoticed. The chamber has acknowledged the areas in which it has not been successful and would put mechanisms in place in achieving those goals.

In spite of the challenges, parties are positive in sustaining a good partnership and developing a common understanding on matters of mutual interest. The commitment and co-operation by all parties to the chamber resulted in positive outcomes.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>HIV/AIDS/EAP</b> To monitor the implementation of intervention programmes by the department.	Progress reports endorsed by the Chamber.	All quarters	<b>Achieved</b>
<b>IQMS</b> To monitor the implementation of IQMS	Reports from monitoring teams endorsed by the Chamber.	All quarters	<b>Achieved</b>
<b>Collective Agreements</b> To facilitate the effective and efficient implementation of collective agreements.	Reports tabled and resolutions signed.	All quarters	<b>Not achieved</b>
<b>Post Provisioning / MTEF</b> To provide a forum for consultation for the creation of educator posts.	Consultative meetings held in the Chamber.	All quarters	<b>Not achieved</b> A consultative workshop was scheduled for 30th May 2007.
<b>Performance Management</b> To provide a forum for reaching consensus on salary and grade progression for both curriculum and office based educators.	Circulars in respect of payments by the department endorsed by the Chamber.	Sept 2006	<b>Achieved</b>
<b>FET</b> To monitor the implementation process of the recapitalisation process for colleges in the province.	Progress reports endorsed by the Chamber.	Dec 2006	<b>Achieved</b>
<b>Employment Equity</b> To monitor the implementation of the employment equity targets for the GDE.	Progress reports tabled in the Chamber.	Dec 2006	<b>Achieved</b>
<b>National Curriculum Statement (NCS)</b> To facilitate the implementation of NCS training by the GDE.	Progress reports endorsed by the Chamber.	Dec 2006	<b>Achieved</b>

PROGRAMME  
2.2.3

## 2.2.4 KwaZulu-Natal

The PELRC KZN chamber has enjoyed a productive year. Of note, a total of five (5) Collective Agreements were adopted, and nine (9) workshops hosted.

There has been substantial progress made during the 2006/2007 MTEF/PPN consultative processes. Parties amicably concluded the process. A multi-term PPN agreement is being developed that aims at replacing the annual consultative process and much work has been done in this regard.

The PELRC KZN chamber has done good work in sorting out the fundamental professional issues that would otherwise negate labour peace within the region.

The Collective Agreements adopted are milestones in the ongoing process of sustaining labour peace. The PELRC KZN shall continue to pursue its mission in order to fulfill its mandate and to deliver its mission results as expected from its constituency.

performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Adult Basic Education &amp; Training (ABET)</b> To prepare guidelines on the terms and conditions of employment for ABET educators.</p> <p>To determine a procedure for the phasing out of mainstream educators from ABET.</p> <p>To hold a workshop on Masifundisane Adult Literacy Campaign.</p> <p>To develop a system of quality assurance for ABET.</p>	<p>Guidelines presented to chamber.</p> <p>Procedure document presented to chamber and negotiated.</p> <p>Workshop held.</p> <p>System developed.</p>	<p>April 2006</p> <p>June 2006</p> <p>August - September 2006</p> <p>September 2006</p>	<p><b>Achieved</b></p> <p><b>Not Achieved</b> Matter to be finalised in the next financial year.</p> <p><b>Achieved</b></p> <p><b>Not Achieved</b></p>
<p><b>FET</b> Conduct orientation programme for educators on the Further Education and Training Curriculum.</p> <p>Conduct workshops on IQMS for FET educators.</p>	<p>Programmes conducted.</p> <p>Workshops conducted.</p>	<p>April 2006</p> <p>June 2006</p>	<p><b>Achieved</b></p> <p><b>Achieved</b></p>
<p><b>Displaced Educators</b> To review the procedures by which educators displaced from schools through no fault of their own could be accommodated in the employ of the department.</p>	<p>Procedures reviewed and report presented to chamber.</p>	<p>April 2006</p>	<p><b>Achieved</b></p>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Teacher development</b> To monitor the establishment of subject committees for all subjects in the NCS.</p>	Report presented to chamber.	April 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
<p>To monitor the implementation of IQMS including the provision of developmental programmes emanating from school and district improvement plans.</p>	Report presented to chamber.	May 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
<p>To monitor the implementation of PMDS for office-based educators.</p>	To monitor the implementation of PMDS for office-based educators.	May 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
<p>To monitor the training of SMT's and SGB's on NCS implementation.</p>	Report presented to chamber.	June 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
<p>To monitor the training of grade 11 and 12 educators for 2007.</p>	Report presented to chamber.	September 2006	<b>Achieved</b>
<p><b>Employment Equity</b> To monitor the implementation of the Employment Equity Plan.</p>	Report presented.	June - November 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>LSEN</b> To develop interim guidelines for job description for education therapists to be in line with White Paper 6, RNCS/NCS, HIV/AIDS, and SASA policies.</p> <p>To develop guidelines for the implementation of IQMS to accommodate unique dynamics of LSEN, eg to cater for hearing and visual impaired educators from such school.</p> <p>To develop interim guidelines for job description for psychologists within the framework of Inclusive education (White paper 6)</p>	Job description developed.	July 2006	<b>Not Achieved</b> The issue removed from Chamber Agenda. (Employer function)
	Guideline document presented to chamber.	July 2006	<b>Not Achieved</b> The issue removed from Chamber Agenda. (Employer function)
	Job description developed.	September 2006	<b>Not achieved</b> The issue removed from Chamber Agenda. (Employer function)
<p><b>Staffing Matters</b> To modify the appointment and promotion procedures to accommodate the special needs of LSEN schools.</p> <p>To monitor the implementation of the 2006 PPN.</p>	Procedure manual developed.	April 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
	Progress reports on the filling of posts and the placement of additional educators. Procedure manual developed.	June 2006	<b>Achieved</b>

PROGRAMME  
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GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Staffing Matters</b> To modify the appointment and promotion procedures to accommodate the special needs of LSEN schools.	Procedure manual developed.	April 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
To monitor the implementation of the 2006 PPN.	Progress reports on the filling of posts and the placement of additional educators. Procedure manual developed.	June 2006	<b>Achieved</b>
To ensure meaningful consultation on the creation and the distribution of the 2007 post establishment.	Consultation meetings held.	May - August 2006	<b>Achieved</b>
To monitor the advertising and filling of all educator vacancies (School and office based , FET Colleges).	Bulletin released and filling of posts in terms of the management plan monitored. Reports presented to chamber.	March - August 2006  June 2006	<b>Achieved</b>
To develop a System of Collaboration between Labour and the Department on Masifundisane.	Workshops held and processes for collaboration developed.	December 2006	<b>Achieved</b>
To develop a process for the equitable distribution of Curriculum Redress posts to Schools.	Process Agreement reached.	November 2006	<b>Achieved</b>
Develop Collective Agreement on the Appointment and Promotion of Educators at FET Colleges.	Agreement reached Workshops conducted by specialists held for both negotiators and practitioners from both unions and the employer.	November 2006	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
Facilitate the Implementation of all collective agreements related to salary adjustments.	Draft Collective Agreement presented to Chamber for adoption.	November 2006	<b>Achieved</b>
To convert the status of temporary educators teaching for more than twelve months into permanent.	Criteria developed and presented to chamber.	June 2006	<b>Achieved</b>
To develop a criteria for distribution of curriculum transformation posts. To distribute Curriculum Redress Posts to schools for 2006.	Collective Agreement presented to chamber for adoption.	August 2006	<b>Achieved</b>
To hold a workshop on Comparative International Practices in Public Sector Bargaining.	Workshop held.	September 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
To hold a workshop on ELRC commissioned research on Educator Workloads.	Workshop held.	September 2006	<b>Achieved</b>
<b>Staffing Matters for Curriculum transformation PPN</b> To hold a colloquium on Curriculum Transformation within the RNCS framework.	Colloquium held.	September 2006	<b>Achieved</b>
To hold a workshop on ELRC commissioned research on the PPN Model and its application.	Workshop held.	September 2006	<b>Achieved</b>
<b>Skills Development</b> Achieve E.E. in all post levels.	Progress report in terms of meeting targets presented to chamber.	October 2006	<b>Achieved</b>

## 2.2.5 Limpopo

The Chamber has discharged on its roles and functions during the period under review.

Significant achievement was made during the consultation on the Post Provisioning Norms (PPN) which resulted in ad hoc posts being increased from 561 to 861. This was a reflection of the co-operation and commitment of parties in addressing matters of mutual interest. The consultation was concluded over 3 meetings.

Progress was also recorded with the implementation of Collective Agreements concluded in the chamber and council. The Collective Agreement on the permanent appointment of temporary educators was implemented successfully and the status of 8561 educators was converted to permanent within 6 months. In October 2006 the Chamber Meeting agreed on the terms of implementing agreement on the school grading norms. By 31 December 2006, 1022 principals had their status upgraded in terms of the agreement on the school grading norms. The implementation of Collective Agreement 2 of 2003 created stability in schools.

Challenges faced by the chamber are the cancellation of the scheduled meeting, and matters prolonged on the agenda without consensus being reached.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Employment equity</b> Allocation of marks to redress the imbalance.	Agreement reached.	April 2006	<b>Not achieved</b> Matter to be finalised in the next financial year.
<b>Educators backlogs</b> To receive reports on the outstanding payments of educators backlogs.	Information sharing.	April 2006	<b>Not achieved.</b> Matter to be finalised in the next financial year.
<b>Vacancy Lists</b> To reach consensus on the management plan for the vacancy list of Principalship, Deputy Principalship and Heads of Departments into the 2005 post establishment.	Consensus reached.	July-September 2006	<b>Achieved</b>
<b>Negotiation Procedure</b> To reach an agreement on the negotiation procedure for the Chamber.	Agreement reached.	August 2006	<b>Not achieved</b> Matter to be finalised in the next financial year.

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Collective Agreements</b> To facilitate negotiations on the conclusion of provincial Collective Agreements.	Negotiations concluded	August 2006	<b>Achieved</b>
<b>Grading of Schools</b> To monitor the implementation of National Collective Agreement no 3 of 2006.	Tabling of report to the Chamber.	December 2006	<b>Achieved</b>
<b>MTEF Consultation</b> To provide a forum for consultation and finalise the MTEF process in the province. To identify risks that could impede meaningful consultation.	Consultation meeting and workshops held. Information disseminated to parties.	December 2006	<b>Achieved</b>
<b>Temporary educators</b> To monitor the implementation of Collective Agreements No 1 & 2 of 2006 (Temporary Educators)	Management plan is under reviewed process.	December 2006	<b>Achieved</b>
<b>Policy handbooks</b> To monitor the delivery of outstanding policy handbooks to educators.	Reports tabled in the Chamber.	December 2006	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>IQMS</b> To facilitate and monitor implementation of Integrated Quality Management System (IQMS.).	IQMS report tabled in the chamber.	March 2007	<b>Achieved</b>
<b>FET</b> To provide a forum for consultations of outstanding issues pertaining to FET implementation in schools.	Consultation meetings held.	March 2007	<b>Achieved</b>

### ADDITIONAL ACHIEVEMENTS

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Promotional posts(2006)</b> To provide a forum to table reports on the promotional post.	Endorsement of report by the chamber.	December 2006	<b>Achieved</b>
<b>Management plan [2007 Post provisioning]</b> To draw and implement management plan on post provisioning.	Task team meeting and submission of reports.	March 2007	<b>Achieved</b>

## 2.2.6 Mpumalanga

The period under review witnessed the conclusion of 2 Collective Agreements in the province, viz. the change of pay date for institution-based educators and the permanent appointment of temporary educators in vacant substantive posts which were both concluded within one meeting. The conclusion and the implementation of the Agreement on Temporary Educators assisted a great deal in removing the uncertainty that was there, especially for temporary educators who were to be transferred to Limpopo and Gauteng provinces, as a result of the elimination of cross-boundary municipalities. The agreement on the change of pay date was implemented fully by the end of August 2006 and resulted in all educators receiving their salaries on the 22nd monthly.

Significant progress has been recorded with the implementation of Collective Agreements on career pathing, school grading norms, the permanent appointment of temporary educators and the IQMS. The process of grading and paying principals of schools in terms of the new grades was finalised fully in August 2006. The PCTA programme has been successfully implemented in the province. The partnership between the coordinators of the Prevention Care, Treatment and Access (PCTA) programme and the Employee Wellness Programme (EWP) has produced significant results and there are plans to extend the programme to Bohlabela, which has been incorporated into Mpumalanga from Limpopo.

The challenges faced by the Chamber are the cancellation of scheduled meetings, and the inability to reach a consensus when consultation on the PPN was conducted. Intervention strategies have been put in place to ensure that issues where there were non-achievements, are achieved in the near future. The parties to the Chamber have once more demonstrated their continued commitment to the success of the Chamber, and have strived to promote continued labour peace in education in the province.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Implementation of collective agreements</b> To facilitate and monitor the implementation of collective agreement 3 of 2006 on the school grading norms.</p> <p>To facilitate and monitor the implementation of collective agreement 5 of 2006 on the improved career pathing for qualified serving post level 1 educators.</p> <p>To facilitate and monitor the implementation of the collective agreements on the Integrated Quality Management System for educators, FET educators, therapists and psychologists.</p>	<p>Reports on implementation endorsed by the chamber.</p> <p>Reports on implementation endorsed by the chamber.</p> <p>Reports endorsed by the chamber.</p>	<p>August 2007</p> <p>March 2007</p> <p>March 2007</p>	<p><b>Achieved</b></p> <p><b>Achieved</b></p> <p><b>Achieved</b></p>
<p><b>NCS</b> To monitor the implementation of the National Curriculum statement and the roll out of the training on NCS.</p>	<p>Reports endorsed by the chamber.</p>	<p>September 2006</p>	<p><b>Achieved</b></p>
<p><b>Post Provisioning Norms (MTEF)</b> To provide a forum for consultation on the education budget, the creation and the distribution of posts.</p>	<p>Consultation conducted and concluded.</p> <p>Consensus reached.</p>	<p>September 2007</p>	<p><b>Not achieved</b> A workshop on MTEF is arranged for the new financial year.</p>
<p><b>HIV/AIDS</b> To facilitate and monitor the implementation of the policy on HIV and AIDS and intervention programmes.</p>	<p>Progress reports on the implementation of the prevention, care, treatment and access in Mpumalanga endorsed by the chamber.</p>	<p>March 2007</p>	<p><b>Achieved</b></p>



GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>LSEN</b> To promote the implementation of the LSEN policy and the guidelines to inclusive education.	Progress reports endorsed by the chamber.	March 2007	<b>Not achieved</b> A task team has been established to finalize work on the issues affecting LSEN sector.
<b>ABET</b> To provide a forum for consultation on the improvement of the conditions of service for ABET educators.	Progress reports endorsed by the chamber.	March 2007	<b>Not achieved</b> The issue will be dealt with once processes on ABET are finalized in the national ELRC.
<b>Employment Equity</b> To ensure representativity in the workplace in line with the Employment Equity Act.	Reports on the targets set in the plan presented and endorsed by the chamber.	March 2007	<b>Not achieved</b> A task team has been established to monitor the implementation of the plan and come up with a comprehensive report, at the beginning of the new financial year.
<b>Filling of vacant posts</b> To provide a forum for consultation on the advertisement and filling of institution based promotional posts.	Consultation concluded. Management plan endorsed by the chamber. Progress reports on the appointments endorsed by the chamber.	March 2007	<b>Achieved</b> <b>Achieved</b> <b>Not achieved</b> The issue will be finalized in the new financial year.
<b>PMDS</b> To facilitate and monitor the implementation of the PMDS for office based educators.	Progress reports endorsed by the chamber.	March 2007	<b>Not achieved</b> The issue will be part of the brief for the IQMS Core team.

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Skills Development</b> To ensure that the developmental programmes for educators are in line with the norms and standards for educators.	Report endorsed by the chamber. Teacher development conferences held provincially.	March 2007	<b>Not Achieved</b> The provincial teacher development conference is scheduled for the new financial year.
<b>Regional Task Teams</b> To promote labour peace and prevent disputes on appointments and promotions in posts.	Report endorsed by the chamber.	March 2007	<b>Achieved</b>
<b>FET</b> To identify risks that might impede meaningful consultation on the recapitalization of FET colleges.	Reports on the recapitalization endorsed by the chamber.	March 2007	<b>Not Achieved</b> A workshop on the recapitalization of FET colleges is scheduled for the new financial year.

## ADDITIONAL ACHIEVEMENTS

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Change of pay date</b> To provide for the change of the pay date for the institution based educators.	Collective agreement concluded and implemented.	August 2006	<b>Achieved</b>
<b>Temporary Educators</b> To provide for the permanent appointment of temporary educators in vacant substantive posts.	Collective agreement concluded and implemented.	March 2007	<b>Achieved</b>

PROGRAMME  
2.2.6

## 2.2.7 Northern Cape

This report reflects the achievements and challenges of the Chamber for the period under review. Most of the objectives in the operational plan have been achieved.

The Collective Agreement on the recognition of previous experience was about 90% implemented and 34 of the educators that qualified were paid, with only 13 outstanding cases.

The commitment of parties to the success of IQMS is overwhelming. This is evident in the way the implementation of IQMS is progressing in all districts. New educators in the system were trained. The educators that qualified for pay progression were paid on time. There were isolated cases of non-payment. The establishment of the monitoring team rescued the situation. Due to the re-demarcation of provincial boundaries, the Northern Cape grew bigger when the Kgalagadi District was incorporated. This move presented a challenge in that the district was behind with one Summative Evaluation Cycle.

Collective Agreement No. 3 of 2006 on the school grading norms was successfully implemented, which saw a total number of 398 schools being upgraded from S1 to S12.

The conversion of temporary educators into permanent was fully implemented and a total number of 177 educators in all districts benefited from this.

The Medium Term Expenditure Framework / PPN consultation process did not take place; efforts to convene meetings were all in vain.

There were major achievements in Early Childhood and Development (ECD); out of 412 practitioners, 142 obtained their qualifications. Grade R practitioners were trained in the implementation of RNCS. READ provided R15 000.00 for the re-training of 91 practitioners, out of which 50 were trained as assessors and another 50 as mentors, coaches and moderators.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>ABET</b> To provide a forum for consultation on matters pertaining to ABET.	Reports endorsed by the Chamber.	May 2006	<b>Achieved</b>
<b>Implementation of IQMS</b> To facilitate and monitor the implementation of IQMS.	New educators in the system trained in IQMS.	May 2006	<b>Achieved.</b>
	Establishment of a monitoring team.	May 2006	<b>Achieved</b>
	Reports on the implementation of IQMS endorsed by the Chamber.	June 2006 - March 2006	<b>Achieved</b>
<b>Post Provisioning Norms (MTEF)</b> To provide a forum for consultation on the budget and the post provisioning determination for 2007/8.	Consultation concluded.	June 2006	<b>Not Achieved</b> Consultation meetings will be scheduled in the next financial year.
<b>Skills Development</b> To monitor progress on the implementation of the workplace skills plan.  To monitor progress on the implementation of the bursary policy.	Reports endorsed by the Chamber.	June 2006	<b>Achieved</b>
	Bursary policy adopted and bursaries awarded to people that qualify.	June 2006	<b>Achieved</b>
	Annual training plan endorsed.	June 2006	<b>Achieved</b>
<b>Teacher Development</b> To monitor progress in the upgrading of educators' qualifications.	Progress reports on teacher development endorsed by the Chamber.	September 2006	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Curriculum</b> To monitor progress on the implementation of the Revised National Curriculum Statements and the roll out of the National Curriculum Statements.	Reports endorsed by the Chamber.	September 2006.	<b>Not Achieved</b> Reports to be submitted in the next financial year.
<b>Inclusive education/LSEN</b> To provide a forum for consultation on the implementation of the LSEN policy and the guidelines on inclusive education.	Task team reports endorsed by the Chamber.	September 2006.	<b>Achieved</b>
<b>FET</b> To monitor progress on the developments in the FET sector.	Reports endorsed by the Chamber.	September 2006.	<b>Achieved</b>
<b>Advertisement and Filling of Posts</b> To provide a forum for consultation on the advertisement and the filling of posts.	Consultation concluded.	October 2006	<b>Achieved</b>
<b>Implementation of Collective Agreements</b> To facilitate the effective and efficient implementation of collective agreements.	Endorsement of reports by the Chamber.	November 2006	<b>Achieved</b>

## ADDITIONAL ACHIEVEMENTS

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>ECD</b> To monitor developments in the ECD sector.	Reports endorsed by the Chamber.	May 2006.	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Re-organization of Schools</b> To monitor the process of the re - organization of schools into phases i.e. primary, intermediate and senior phases.	Reports endorsed by the Chamber.	May 2006.	<b>Achieved</b>
<b>Long Service Recognition</b> To monitor the payment of long service awards and the degree of compliance in terms of regulations as stated in the Employment of Educators Act.	Reports on the educators that received long service awards presented and endorsed by the Chamber.	June 2006.	<b>Achieved</b>
<b>Re-grading of Schools</b> To monitor the implementation of Resolution 3 of 2006.	Reports endorsed by the Chamber.	July 2006	<b>Achieved</b>
<b>Salary Progression</b> To monitor the implementation of Resolution 5 of 2006.	Reports endorsed by the Chamber.	July 2006	<b>Achieved</b>
<b>Implementation of Section 6B of the Employment of Educators Act, 1998</b> To monitor the conversion of temporary employment to permanent employment.	Reports endorsed by the Chamber.	October 2006	<b>Achieved</b>
<b>Severance Package</b> To monitor the application of the employee initiated severance package.	Reports endorsed by the Chamber.	October 2006	<b>Achieved</b>
<b>National Institute Of Higher Education (NIHE).</b> To monitor developments in NIHE.	Reports endorsed by the Chamber.	October 2006	<b>Achieved</b>
<b>Cross Border Municipalities</b> To monitor progress on the developments regarding the cross border municipalities.	Reports endorsed by the Chamber.	November 2006.	<b>Achieved</b>

## 2.2.8 North West

This report covers the period 01 April 2006 to 31 March 2007, a period characterised by a display of positive attitude by parties to the Chamber, resulting in a coherent approach towards the activities of the Chamber.

During this period the Chamber reached one of its milestones by concluding a Collective Agreement on the Permanent Appointment of Temporary Educators, the purpose of which was to minimise the disruptive effect of their short-term contracts and to enable educational institutions to continue complying with their curriculum responsibilities without interruptions.

This report should therefore be able to assist the Chamber to obtain an overview of its achievements, shortfalls and challenges for the period under review. The Chamber's performance should therefore be measured by the extent to which the strategic objectives of the ELRC were fulfilled, of which the non-achievements in certain areas would be addressed by intervention strategies put in place by the Chamber. This report will therefore be able to guide and inform the activities of the Chamber in the coming financial year.

performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Collective Agreement</b> To facilitate the effective and efficient implementation and monitoring of collective agreements.</p> <p>To facilitate and monitor the implementation of the IQMS.</p>	Endorsement of the reports by the chamber Submission of the signed collective agreements to the Council.	June 2006 - March 2007	<b>Achieved</b>
	Assessment of educators in terms of the IQMS and reports endorsed by the chamber.	June 2006	<b>Achieved</b>
	Completion of the first Developmental Cycle of the IQMS.	September 2006	<b>Achieved</b>
	Completion of summative evaluation and the report thereof endorsed by the chamber.	December 2006	<b>Achieved</b>
	Completion of the second developmental cycle based on the summative evaluation and the endorsement of the reports thereof by the chamber.	March 2007	<b>Achieved</b>



GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>Post Provisioning Norms (MTEF)</b> To provide a forum for consultation on the creation of educator posts.</p> <p>To facilitate and finalise consultation on the MTEF and the post provisioning (PPN) for institutions.</p>	Parties exchange documents and share information on issues for consultation.	June 2006	<b>Achieved</b>
	Consultation between parties took place at the Departmental budget Lekgotla.	September - December 2006	<b>Achieved</b>
<p><b>Employment Equity Plan</b> To monitor the implementation of the employment equity.</p>	Reports received and endorsed by the chamber.	June 2006	<b>Not Achieved.</b> The chamber would develop mechanisms to receive and interact with the report from the Provincial Employment Equity forum.
<p><b>Skills Development Plan</b> To provide a forum for consultation on the skills development plan.</p>	Reports endorsed by the chamber.	June 2006	<b>Not Achieved.</b> The chamber would develop mechanisms to receive and interact with the report from the Provincial Skills Development forum.
		Sept 2006 - March 2007	<b>Achieved</b>

## 2.2.9 Western Cape

During the period under review the Chamber has not concluded any Collective Agreements; however labour peace was maintained through common understanding between the employer and the employee parties. This is evident on the recently agreed common pay date for educators and the permanent appointment of temporary educators in substantive vacant positions. Task Team and Special Chamber Meetings were convened to oversee this process, which saw a total number of 1057 educators converted from temporary status to permanent status. The Chamber also managed to appoint VSP educators in scarce subjects, on a six monthly basis. One of the Chamber's significant achievements for the period under review was the conclusion of an internal process that employee parties can follow for educators that were dismissed because of abscondment.

The Employer successfully implemented Collective Agreement No. 3 (School Grading Norms) , No. 5 of 2006 (Career Pathing ) and Collective Agreement No. 8 of 2003 (IQMS), and parties in chamber meetings monitored it. The Employer also trained educators on Staff Development, and the role of Senior and Master teachers.

In some areas the Chamber has witnessed a very slow pace in terms of productivity. A few issues are described here. After lengthy discussions the parties adopted the policy on Workplace Integrated Training for FET Lecturers. The Education Plan has been put on hold whilst the employer is busy with the re-engineering process. Notwithstanding the fact that the implementation of Collective Agreement No. 8 of 2003, started a few years back, the Employer is still busy with Whole Schools Evaluation Training, which focused on the WSE process and the SIP processes.

The challenges that face the Chamber were the cancellation of meetings. However, parties unanimously agreed to postponements in time, which ensured that wasteful and fruitless expenditure was avoided. To ensure a higher level of achievement of goals, parties assessed the Chambers' Operational Plan every quarter. Despite non-achievements in some areas of operation, parties have managed to sustain a partnership approach in support of quality public education and service delivery.

## performance REPORT

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>IQMS</b> To monitor the implementation of collective agreement no 8/2003: Integrated Quality Management System (IQMS)</p> <p>To facilitate via NTT the training of PTT on Collective Agreement No.5 of 2005 (IQMS for FET College Educators).</p>	<p>Reports endorsed by the chamber.</p> <p>Workshops conducted.</p>	<p>Quarterly</p> <p>October 2006</p>	<p><b>Achieved</b></p> <p><b>Achieved</b></p>
<p><b>Personnel Plan</b> To provide for consultation on personnel plans in respect of the placement of excess educators.</p>	<p>Reports endorsed by the chamber.</p>	<p>Quarterly</p>	<p><b>Achieved</b></p>
<p><b>MTEF consultation</b> To provide a forum for consultation on the Post Provisioning Norms (PPN) for 2006.</p>	<p>Consultation concluded.</p>	<p>24 August 2006</p>	<p><b>Achieved</b></p>
<p><b>Excess Educators</b> To provide a forum for consultation in respect of the placement of excess educators.</p>	<p>Progress reports endorsed by the chamber.</p>	<p>November 2006.</p>	<p><b>Achieved</b></p>
<p><b>Employment Equity</b> To consult on procedures for the implementation of the Employment Equity targets as set out in the Employment Equity Plan of the Department of Education.</p>	<p>Reports endorsed by the chamber.</p>	<p>Quarterly</p>	<p><b>Achieved</b></p>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Skills Development</b> To provide a forum for consultation on the Skills Development.	Consultation concluded.	Quarterly	<b>Achieved</b>
<b>Safe School Environment</b> To monitor the implementation of the Policy for Safety at School	Reports endorsed by the chamber	Quarterly basis	<b>Achieved</b>
<b>Education Provisioning Framework</b> To provide a forum for consultation with regard to the WCED's Education Provisioning Framework	Consultations put on hold with further notice.	February 2007	<b>Not achieved</b> The employer is busy with the redesigning process which will influence the EPF.
<b>Filling of Posts</b> To provide a forum for reaching a consensus on published and promotional posts vacancy lists.	The chamber endorsed the Management Plan.	March 2007	<b>Achieved</b>
<b>Employee Wellness and Management Programme</b> To support the initiative to retain educators and promote a culture of teaching and learning.	Reports endorsed by the chamber.	Quarterly	<b>Achieved</b>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>Temporary Educators</b> To reach an agreement on the permanent placement of temporary educators who meet the requirements for permanency and had taught for more than 12 months in the employ of the WCED.	Agreement reached.	25 May 2006	<b>Achieved</b>
<b>Common pay date</b> To establish a forum to consult on a new common pay date for all educators in the Western Cape.	Consultation concluded.	October 2006	<b>Achieved</b>
<b>World Teachers' Day</b> To celebrate World Teachers Day to honour the educators in the province and internationally.	World Teachers Day celebrations held.	October 2006	<b>Achieved</b>
<b>Procedure to follow for section 14.1(a)(d)</b> To established a task team to develop an understanding of the procedure that can be followed internally when an educator is dismissed according to Section 14.1(a)(d).	Consultation concluded	20 February 2007	<b>Achieved</b>

# PROGRAMME 3

DISPUTE RESOLUTION AND SUPPORT SERVICES





## programme 3.1

### DISPUTE RESOLUTION SERVICES

#### introduction

Dispute Resolution Services is the core function of the Education Labour Relations Council. This is expressed in the Constitution of the Education Labour Relations Council, which sets out the objectives of the Council, as, inter alia, to maintain and promote labour peace and to prevent and resolve labour disputes.

The application of the operational performance objectives in this regard is set out below as follows:

#### **QUALITY**

In respect of the Dispute Resolution Services, quality relates to our endeavour to satisfy our clients by providing error free service, especially by avoiding mistakes when setting the matter down. This is achieved by commencing the Dispute Resolution process with the determination of jurisdiction and the correct classification of disputes as to whether they are disputes of right or interest.



In addition, quality will relate to:

- settlement agreements which are enforceable; and
- arbitrations and its resultant awards which are of such a standard, that it enjoys legitimacy and acceptability.

In this financial year, 101 of the 589 disputes referred to the Council, were settled at conciliation and 169 disputes were successfully dealt with at arbitration.

### *Conciliation Outcomes*

As reported, 101 disputes were settled at conciliation. Conciliation is a process where a neutral third party assists parties in dispute, to reach a resolution.

The following are some of the characteristics of conciliation:

- The conciliator is independent and impartial, with no interest in the outcome of the dispute;
- The conciliator has no decision making powers, but can only inform or advise parties of their legal rights and obligations;
- The conciliator facilitates the process but the parties determine the outcome;
- The process is non-legalistic;
- The conciliation is conducted without prejudice and off the record; and
- If the conciliation is successful, the conciliator may assist the parties in drawing up a settlement agreement, which records the terms of the settlement.

The settlement agreements must comply with formalities and essentials of contract law by encompassing the following quality criterias:

- Who are the parties to the dispute;
- What is the nature of the dispute;
- When did the dispute arise;
- Where did the dispute arise; and
- How the settlement agreement is to be implemented:
  - Who is compelled,
  - What must they do,
  - By when
  - Where must it be done and
  - How

### *Arbitration Outcomes*

It should be noted that these processes, especially arbitrations, are likely to be reviewed if parties are not satisfied with the outcomes. It is therefore imperative that the following steps are taken to ensure that arbitration awards are in compliance with the following minimum standards:

- The issues canvassed in the award and the determination are within the arbitrator's powers;
- The award resolves the dispute and does not create new disputes;
- The award is clear and simple so that it is not capable of being interpreted in different ways;
- The award does not contravene any law or collective agreement;
- The award is brief and to the point;
- The arbitrator decides the facts first then applies the law to the facts;
- The rules of natural justice are applied and both parties are afforded the opportunity to present their cases;
- Condonation is applied for within 14 days; and
- The record is filed at the Labour Court within 10 days of the receipt of the notice of motion for review matters.

### **SPEED**

The speed performance objective involves doing things correctly and timeously, thus increasing the availability of our services and giving our clients the benefits of a speedy service.

The constitution of the ELRC, in the Dispute Resolution Procedures, stipulates the timeframes (speed) at which processes must be dealt with. This relates to our ability to comply with all the stipulated timeframes when managing and administering the dispute resolution processes.

In terms of the dispute resolution procedures of the Council, there are timeframes (speed) applicable to the following processes: Conciliation; Arbitration; Conciliation and Arbitration; and Conciliation - Arbitration (Con/Arb), viz.:

- Conciliation: where the Council has the jurisdiction to conciliate only, these matters must be concluded within the period of 30 days.
- Arbitration: the Council must appoint a panellist to arbitrate the dispute within 45 days of the date on which the Council received the referral.
- Conciliation and Arbitration: the Council must register the dispute and appoint a panellist to conduct the arbitration within 45 days. The appointed panellist must attempt to resolve the matter through conciliation not less than 14 days before the arbitration.
- Conciliation - Arbitration: the Council must set down the matter within 21 days for the Conciliation - Arbitration process. The arbitrator is obliged to write his award or ruling within 14 days of the date of determination or conclusion of the process and submit it to the General Secretary

- In respect of the conciliation process, the panelist must submit the outcome report within 2 days
- In terms of the Labour Relations Act (LRA), we must file awards in the Labour Court within 30 days of issuance to clients and it is imperative that the Court's request is complied with timeously.

It should be noted and conceded that the above-mentioned timeframes were not complied with in some instances by the Dispute Resolution Services Department. There are matters that were neither set down nor concluded within the stipulated time-frames. However, corrective measures are now in place in order to ensure compliance.

Panellists also failed to submit outcome reports and arbitration awards/rulings within the required time-frames.

From our assessment of the data of the last financial year, conciliations are exceeding the half-a- day allocated and in some cases go beyond a day. In respect of the arbitrations where the target to finalise the matter was half a day to a day maximum, we went beyond two days in most cases.

#### **DEPENDABILITY AND RELIABILITY**

Dependability and reliability relates to the perception or experience of the clients regarding the consistency, quality and timeous delivery of outcomes.

The Dispute Resolution Services Department (DRS), through its groundbreaking approaches has ascended to a seat of prominence in the resolution of disputes in the public education sector.

## PROGRAMME

### 3.1

We are guided by the following principles:

- Independence and Impartiality
- Professional and Quality Service
- Panel of Skilled, Diverse and Accredited Dispute Resolution Professionals throughout the Country
- Service that is Customer Driven

#### **FLEXIBILITY**

The flexibility performance objective entails providing good value to our clients. It reflects on our ability to change wide and fast enough to meet the client's specific requirements.

The Council's constitution, in its dispute resolution procedures, permits flexibility of Dispute Resolution processes to meet the clients' requirements at any given time. A classical example is the expedited dispute resolution, which relates to the collection of disputes to be dealt with in the form of expedited joint dispute resolution.

This process relates to disputes that:

- have arisen within the same province;
- involve matters of mutual interest or that are arbitrable;
- involve the application of similar legal principles or facts; and
- would be more economically and effectively resolved as compared to such disputes being processed individually.

Over the years, the Council successfully implemented the expedited conciliation-arbitration process in the following provinces:

- Eastern Cape
- Limpopo
- Western Cape
- Kwazulu-Natal

#### **COST**

As a public entity, the cost performance objective relates to our ability to provide value to our clients.

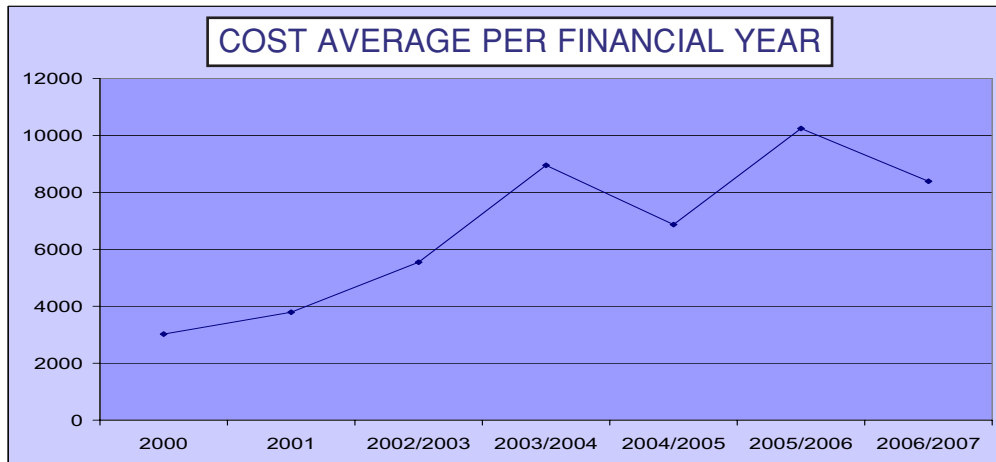
In order to manage the costs of running the dispute resolution services department, the following are some of the measures that are in place:

- Panellists are empowered to order costs if the referrals are frivolous and vexatious;
- Cases are dealt with in the form of conciliation-arbitration processes (conciliation and arbitration are now combined into one);
- Similar disputes are dealt with in the form of class action (expedited process); and
- No postponements are allowed.

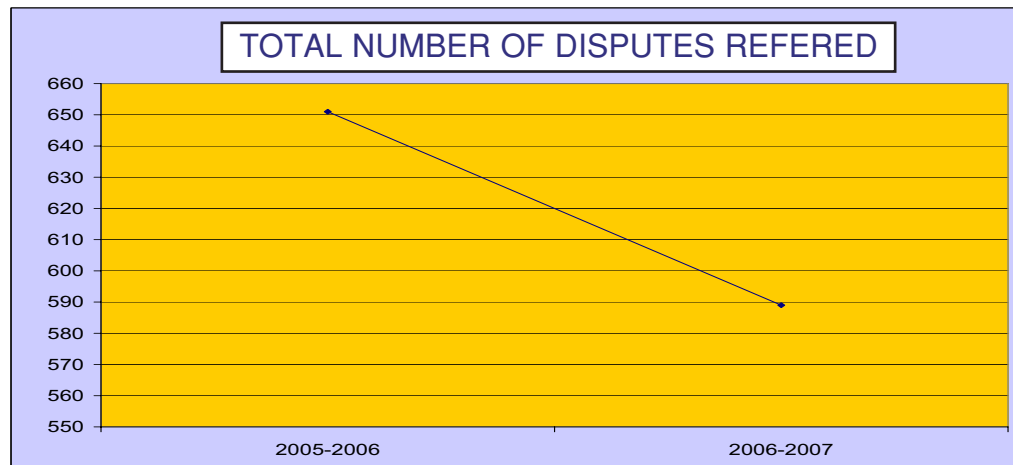
DISPUTE  
RESOLUTION  
SERVICES

During the period under review, the Dispute Resolution Department consumed R2,8 million for conciliation and arbitration processes. The graph below indicates the average cost per case by financial year. In the current financial year the cost per case averaged at R8000.

2000	3023.88
2001	3790.28
2002/2003	5546.48
2003/2004	8950.45
2004/2005	6868.62
2005/2006	10243.43
2006/2007	8389.41



2005-2006	651
2006-2007	589



By taking the above graphs into account, it is clear that although the number of disputes referred to the ELRC declined from the previous financial year, the costs of the disputes referred escalated.

The key cost driver in this regard is the increasing duration of the conciliation and arbitration processes:

- Conciliation is on average 1 day instead of half-a-day;
- Arbitration is on average 3 days instead of the target of 1 day; and
- One arbitration lasted 8 days

As reported, a total number of 589 disputes were registered by the Council. Compared to the previous year's 651, the referral of disputes remained consistent. Of those that were registered, 101 disputes were settled at conciliation. 169 Cases were successfully dealt with at arbitration. 57 cases were settled by the parties at arbitration. 143 disputes are still being processed, whereas the rest were either withdrawn, did not proceed, or were removed due to lack of jurisdiction or non-attendance by the referring parties.

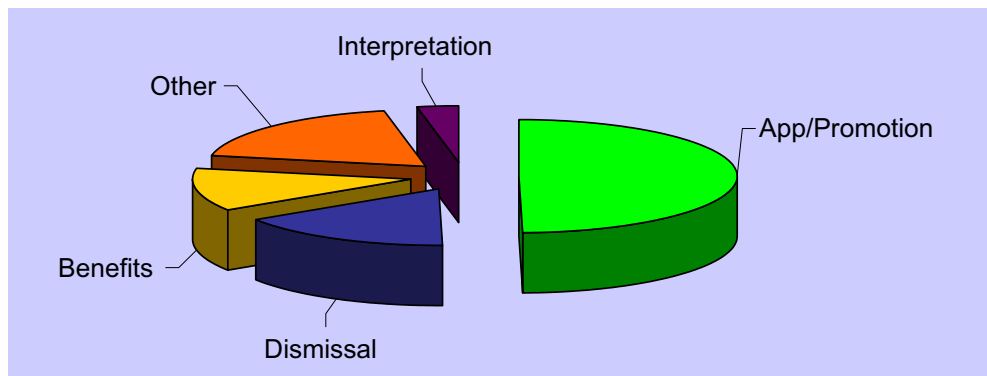


The majority of disputes referred to the Council in the period under review, relates to promotions/appointment (50%), followed by terms and conditions (19%) dismissals (16%), and benefits (12%).

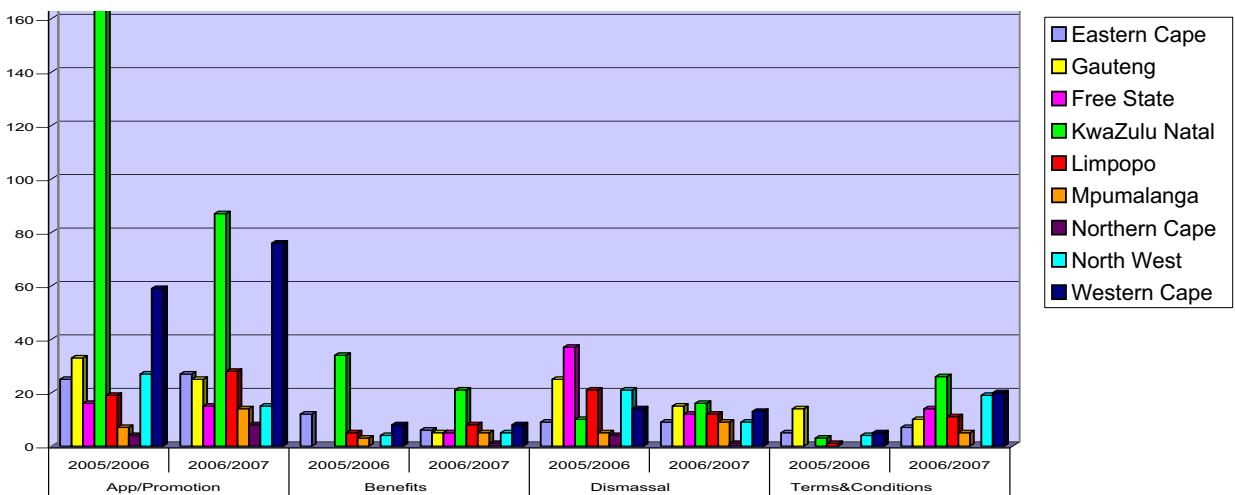
**Nature of Disputes 2006-2007**

App/Promotion	293
Dismissal	94
Benefits	73
Other	111
Interpretation	18

**NATURE OF DISPUTES 2006-2007**



**NATURE OF DISPUTES PER PROVINCE 2005/06 and 2006/07**



## CASELOAD BREAKDOWN BY PROVINCE

In terms of caseload breakdown by province, Kwazulu-Natal has the largest referrals (25%), followed by Western Cape (21%) and thirdly Gauteng and Limpopo (10%).

The remaining provinces account for the following in terms of total caseload:

Eastern Cape - 9%

Free State - 8%

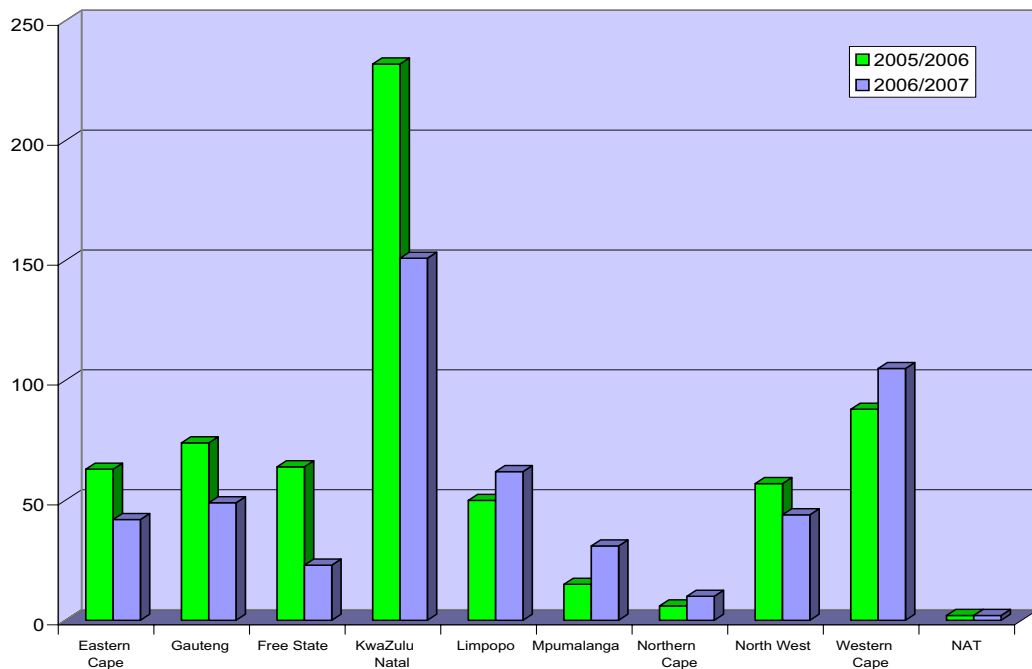
North West - 8%

Mpumalanga - 6%

Northern Cape- 2%

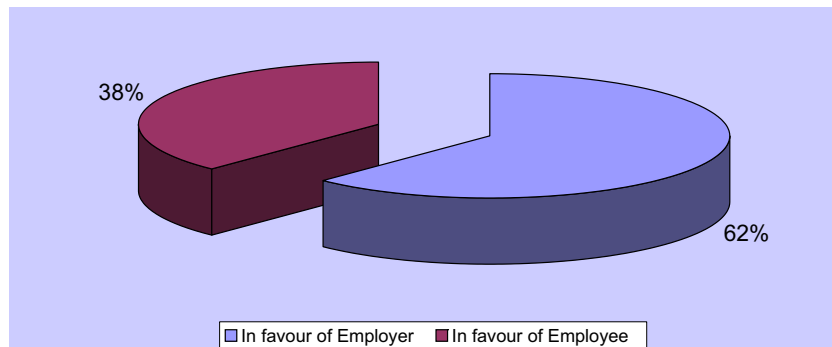
National (DOE)-1%

	Eastern Cape	Gauteng	Free State	KwaZulu Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	NAT
2005/2006	63	74	64	232	50	15	6	57	88	2
2006/2007	42	49	23	151	62	31	10	44	105	2

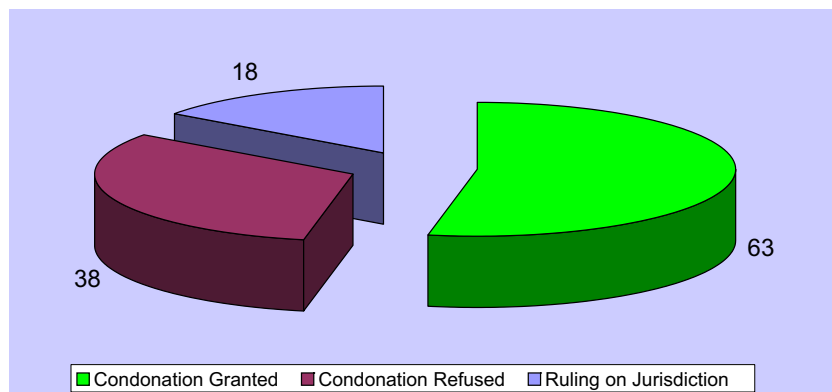


In the period under review, a total of 169 awards were rendered. Of these cases, 62% were in favour of the employer and 38% in favour of the employees.

<b>Awards rendered</b>	169
In favour of Employer	106
In favour of Employee	64



Condonation Granted	63
Condonation Refused	38
Ruling on Jurisdiction	18



## **REVIEW OF ELRC DR PROCESSES IN LABOUR COURTS**

This dispute resolution process in the ELRC utilises independent panelists to act as the presiding officer between parties to the dispute (employer and employee).

Although arbitration proceedings are by their very nature less formal than traditional judicial proceedings, technicalities and formalistic objections by the parties caused arbitration proceedings to run over a number of days.

The independent arbitrators are empowered by the LRA to exercise their discretion when presiding over disputes. The council cannot fetter the arbitrator's discretion.

### *WHAT ARE THE GROUNDS FOR REVIEW?*

The parties, in exercising their right conferred upon them by the LRA, may take any outcome arising from an arbitration or conciliation on review to the Labour Court.

The ELRC, through its lawyers is obliged to provide the record of the proceedings to the Labour Court. If the Council does not comply with this, a party reviewing the matter can apply to court for a court order to be issued, and it is unlikely that the Labour Court will issue a cost order against the Council but it is likely to issue it against the relevant arbitrator. The burden of transcribing the records is borne by the Council.

During the period under review, the total number of arbitration awards that were taken on review, increased from 42 to 58.

The total costs for transcription, including filing of the reviews, amounted to R2,059,569. On average it cost the Council R35 510 per review.

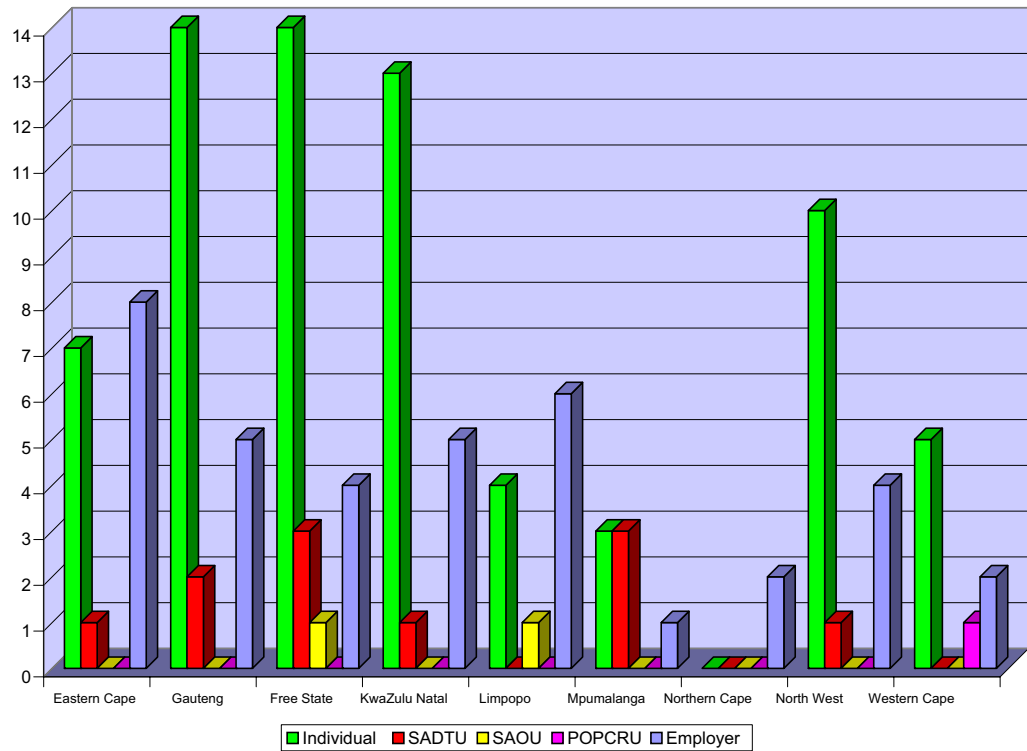
The records of conciliation and arbitration proceedings that must be filed in the labour court review proceedings include the following:

- ELRC referral form;
- Conciliation outcome certificate;
- Settlement Agreement;
- All documents tendered by all parties as the evidence at the arbitration hearing (bundles);
- Copies of other documents that were relevant to the issues raised by the application e.g. letter requesting postponement and any reply, a note by a case management officer;
- Transcription, if the matter was mechanically recorded;
- Arbitrators hand written notes, in most instances the Labour Court sent them back to us to be typed (transcribed); and
- The arbitration award.

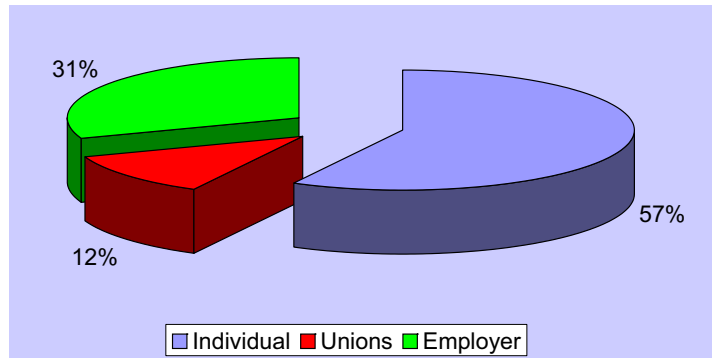
The General Secretary has also taken a strategic decision to set a precedent in the Labour Court by opposing the review application, especially in the instances where our conduct is being challenged and it could result in some financial implications. In this regard, the Council will now file for costs relating to the provision of the transcripts. This, we believe, will possibly alleviate unnecessary review proceedings.

LABOUR COURT REVIEWS

Employee	EC	GP	FS	KZN	LP	MP	NC	NW	WC
Individual	7	14	14	13	4	3	0	10	5
SADTU	1	2	3	1	0	3	0	1	0
SAOU	0	0	1	0	1	0	0	0	0
POPCRU	0	0	0	0	0	0	0	0	1
Employer	8	5	4	5	6	1	2	4	2

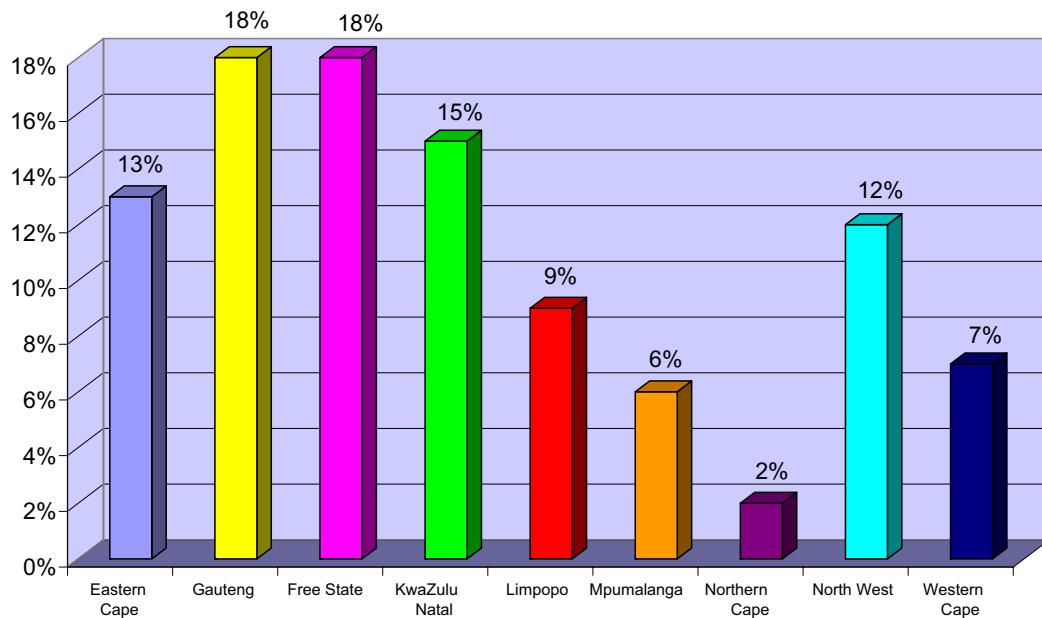


As at 31 March 2007, a total number of 121 awards were taken on review, and of these, 70 were individuals, 14 were from the unions, and 37 from the employer.



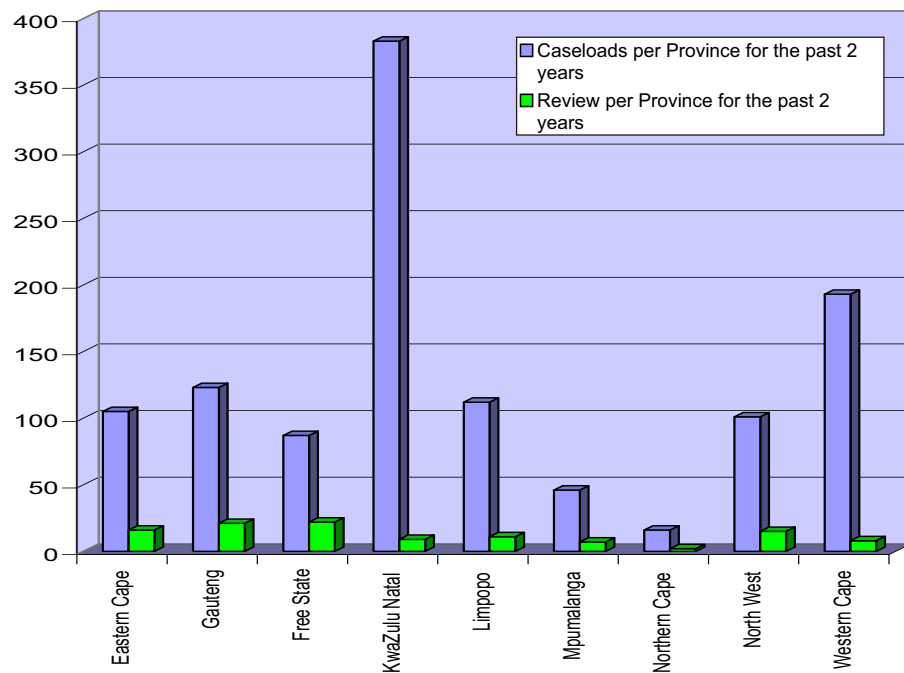
It is interesting to note that, although the public education sector is highly unionised, educators prefer to refer matters to the Labour Court on their own. The above graph indicates that the majority of cases referred to the Labour Court are by individual employees (57%), followed by employers (31%), and lastly Unions (12%).

#### REVIEW PERCENTAGES PER PROVINCE FOR THE PAST 2 YEARS



As reported, KwaZulu-Natal is the highest referring province contributing to 29% of the caseload, followed by Western Cape (20%) and Limpopo (12%). Comparing this with number of reviews per province, it is an interesting observation that both the Free State and Gauteng provinces lead with (18%) of the total referrals to the Labour Court, followed by Kwazulu-Natal (15%). The rest of the provinces are as follows:

- Eastern Cape: 13%
- North West: 12%
- Limpopo: 9%
- Western Cape: 7%
- Mpumalanga: 6%
- Northern Cape: 2%



From the above graphs, it can be noted that KwaZulu-Natal has the highest number of caseloads, but a very low rate of review. The reason may be attributed to the successful activation of the expedited conciliation-arbitration processes and the fact that parties in the province have learnt to accept the arbitration outcomes.



## **PLAN OF ACTION TO EITHER MINIMISE OR ELIMINATE THE NUMBER OF REVIEWS**

### **Establishment of the Quality Control Panel**

The General Secretary has appointed a panel of senior arbitrators to perform quality control of the arbitration awards. It is imperative that awards should be checked for quality purposes before being sent to the parties.

The responsibilities of this panel, amongst others, shall be to ensure that :

1. The issues canvassed in the award and the determination are within the arbitrator's powers;
2. The award resolves the dispute and does not create new disputes;
3. The award is clear and simple so that it cannot be interpreted in different ways;
4. The award does not contravene any law or collective agreement;
5. The award is brief and to the point;
6. The arbitrators decide the facts first than apply the law to the facts; and
7. The rules of natural justice are applied and both parties are afforded the opportunity to present their cases.

This, we believe, will possibly alleviate the Labour Court reviews.

With this background, we are compelled to transcribe and provide the record of the proceedings in the Labour Court.

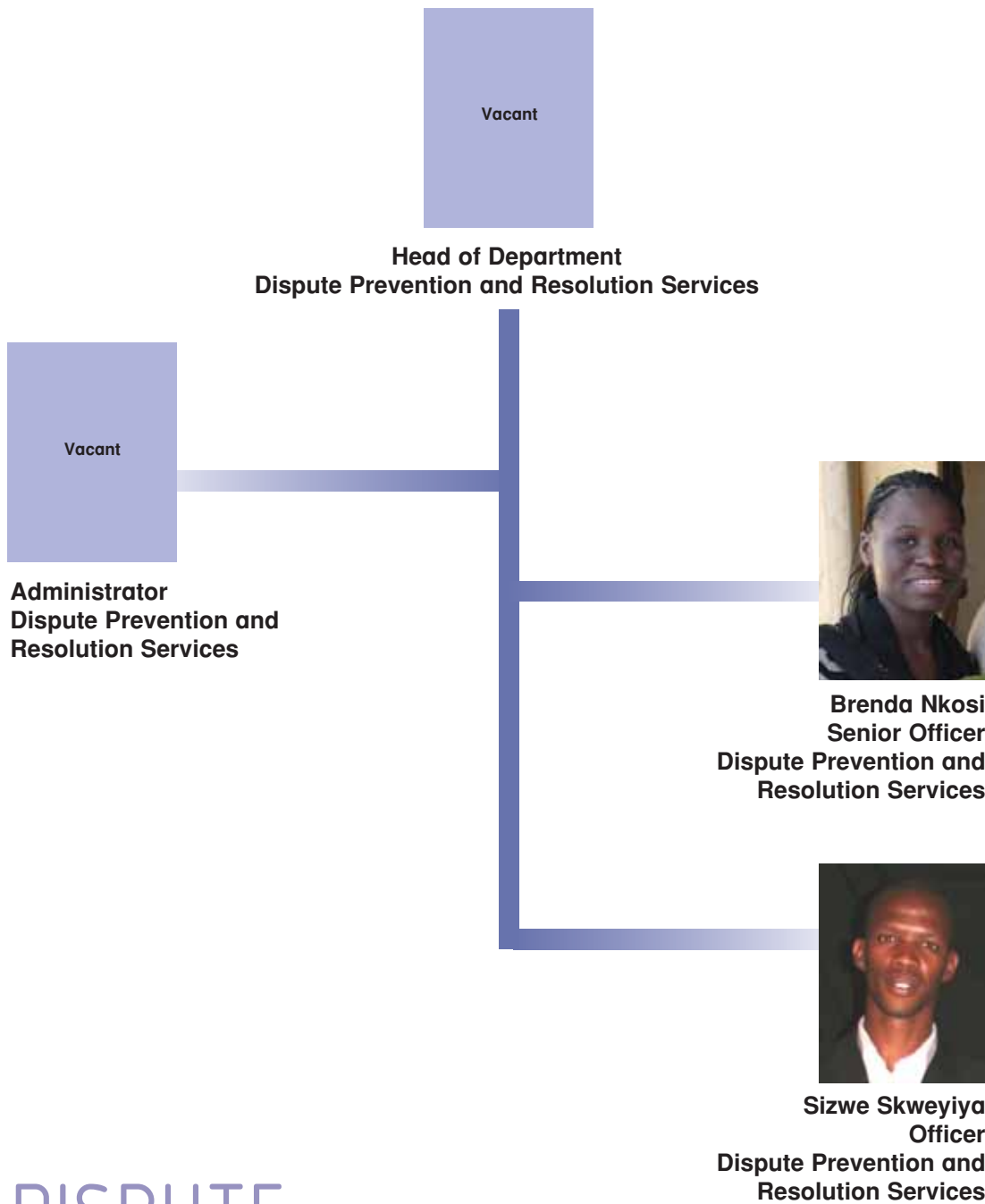
**Training of dispute resolution practitioners, officials from both the education departments and trade unions on the CCMA Commissioners Accreditation Course and on Public Education Labour Law**

**240** Practitioners are currently undergoing this training and this will be an innovative and hands-on opportunity for every practitioner to pro-actively participate in this process and to emerge with the theoretical and practical knowledge in labour law, conciliation and arbitration processes, and educational laws to apply in the workplace.

It is our considered view that our dispute resolution practitioners will learn to accept the outcomes of the arbitrations processes and would thus eliminate the number of review applications.



## DISPUTE PREVENTION and RESOLUTION services



DISPUTE  
RESOLUTION  
SERVICES

## programme 3.2 Dispute Prevention

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>EASTERN CAPE</b>			
<p><b>Dispute Prevention</b> To facilitate the dissemination of information - grievance procedures - to educators through the parties.</p>	<p>Meetings Obtain information from the DoE on statistics on grievances declared Reports to the Chamber and the General Secretary.</p>	<p>June 2006</p>	<p><b>Not Achieved</b> The ECDoE has developed a grievance procedure manual, but the report was still to be tabled to the dispute prevention committee.</p>
<p>To monitor handling of grievances.</p>	<p>Meetings/ Receive information from the Employer.</p>	<p>September 2006</p>	<p><b>Not Achieved</b> - Information not received from the Employer.</p>
<p>To monitor the handling of grievances.</p>	<p>Meeting/Receive information from the Department of Education (DoE).</p>	<p>December 2006</p>	<p><b>Achieved</b> - The ECDoE has provided progress on the disputes handled - The ECDoE has been conducting awareness on grievance procedure throughout the province.</p>
<p>To monitor the handling of grievances - EC.</p>	<p>Reports to the Chamber.  Meeting/ receive information from the DoE.</p>	<p>March 2007</p>	<p><b>Not Achieved</b> The Chamber did not convene.  <b>Not Achieved</b> No chamber meetings were convened.</p>

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<b>KWAZULU-NATAL</b>			
<b>Dispute Prevention</b> To develop a grievance monitoring system.	System developed.	April 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
To monitor the implementation of settlement agreements and arbitration awards.	Reports presented to chamber.	Monthly	<b>Achieved</b>
To conduct a workshop for officials of the department and unions on grievance handling mechanisms.	Workshops conducted.	June 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.
Increase settlement rate of grievances.	Analysis of effectiveness of intervention strategies concluded and recommendations made to chamber.	October - December 2006	<b>Achieved</b>
Reduce the number of disputes referred to council.	New Intervention Strategies Developed and adopted.	November 2006	<b>Not Achieved</b> Matter to be finalised in the next financial year.

# DISPUTE PREVENTION

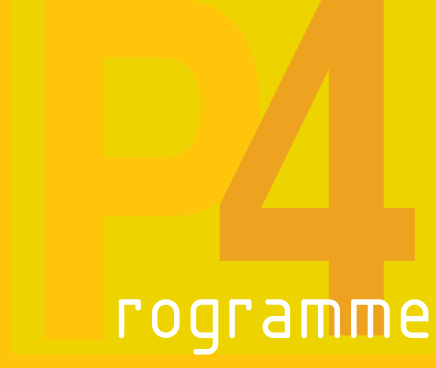
GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>LIMPOPO</b></p> <p><b>Dispute prevention</b> To monitor grievance handling.</p> <p>To facilitate the dissemination of information (grievance procedure) to educators through parties.</p>	Report presented to the Chamber.	March 2007	<b>Not achieved</b> The task team was resuscitated and will be functional in the next financial year.
<p><b>MPUMALANGA</b></p> <p>Dispute Prevention To monitor grievance handling in the province.</p>	Task team meetings held Reports endorsed by the chamber Dispute prevention summit held	March 2007	<b>Not achieved</b> A task team has been established to deal with issues on dispute prevention
<p><b>FREE STATE</b></p> <p><b>Dispute Prevention:</b> To monitor the handling of grievances in the province.</p>	Statistics on declared grievances presented and endorsed by the chamber.	Quarterly	<b>Not Achieved</b> Reports for 3rd and 4th quarter are still to be submitted.

GOAL / OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET / TIMEFRAME	PERFORMANCE RESULT
<p><b>NORTHERN CAPE</b></p> <p><b>Dispute Prevention</b> To monitor the handling of grievances in the Province.</p>	Reports endorsed by the Chamber.	November 2006	<b>Not Achieved.</b> Mechanisms to deal with grievance will be developed in the next financial year.
<p><b>WESTERN CAPE</b></p> <p><b>Dispute Prevention</b> To monitor the prevention of grievance in the province.</p> <p>Internal Dissemination of Arbitration Awards The Provincial Secretary to forward all arbitration awards to all the parties to the chamber.</p>	<p>Reports endorsed by the chamber.</p> <p>Dissemination of arbitration awards electronically.</p>	<p>Quarterly</p> <p>Quarterly</p>	<p><b>Not Achieved</b> The employer will table a report on grievances in the next chamber meeting.</p> <p><b>Achieved</b></p>

# DISPUTE PREVENTION

# PROGRAMME 4

ANNUAL FINANCIAL STATEMENTS







# CORPORATE services



**Sarie Meyer**  
Administrator  
Corporate Services



**Loganayagie Padayachee**  
Head of Department Corporate Services



**Mandiya Sijendu**  
Senior Officer Admin



**Donald Ramolongo**  
Driver



**Lindiwe Mahlangu**  
Admin Officer & Receptionist



**David Ramokgopana**  
Supervisor Cleaners



**Hosia Moitsi**  
Security Officer



**Portia Motha**  
Cleaner

P4



**THE EDUCATION LABOUR RELATIONS COUNCIL**

(Established in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995))  
Registration Number : LR2/6/6/110

**PRESENTATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007**

# FINANCIAL statements

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### THE EDUCATION LABOUR RELATIONS COUNCIL

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**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**REPORT OF THE AUDIT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED  
31 March 2007**

---

We are pleased to present our report for the financial year ended 31 March 2007.

**1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE:**

The audit committee consists of the members listed hereunder and meets at least 4 times per annum as per its approved terms of reference.

<b>NAME OF MEMBER</b>	<b>MEETINGS Scheduled</b>	<b>MEETINGS Attended</b>	<b>Remuneration</b>
Mr. D Coovadia (Chairperson)	6	6	
Mr. XYZ MacMaster	6	4	
Ms. GH Neewat	6	6	
Mr. P Moore	6	3	
Mr. Z Myeza (Appointed 19/01/2007)	6	1	

**2. AUDIT COMMITTEE RESPONSIBILITY**

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

**3. THE EFFECTIVENESS OF INTERNAL CONTROL**

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

In line with the PFMA and the King II Report requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

**REPORT OF THE AUDIT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED  
31 March 2007**

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From the various reports of the Internal Auditors, the audit report on the Annual Financial Statements and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures has been reported. Accordingly, we can report that the system of internal control for the period under review was sufficiently effective and efficient, except for a lack of certain internal controls relating to financial policies and procedures.

**4. THE QUALITY OF THE IN-YEAR MANAGEMENT REPORTS SUBMITTED IN  
TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT**

The committee is satisfied with the content, quality and suggested recommendations of Quarterly Reports prepared and issued by the Accounting Officer for the council during the year under review.

**5. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS**

The Audit Committee has:

Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;

Reviewed the accounting policies and;

Reviewed the Auditor-General's management letter and the responses of management.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



CHAIRPERSON

DATE: 23 July 2007

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR ENDED  
31 March 2007**

---

**1. NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby issued, in terms of Clause 15.2 of the ELRC Constitution, that the Annual General Meeting of the Council has been scheduled as follows:

**DATE:** THURSDAY, 12 JULY 2007  
**TIME:** 09H00  
**VENUE:** ELRC BUILDING  
261 WEST AVENUE  
CENTURION

Please receive herewith the agenda for the meeting in terms of clause 15.2 as per Constitution.

**2. AGENDA**

- a) Welcome
- b) Presentation of credentials of Councillors.
- c) Special Resolution: Postponement of AGM.
- d) Minutes of the previous Annual General Meeting.
- e) Matters arising ex-minutes, other than those covered by the agenda.
- f) Annual Report of the Council by the Accounting Officer in terms of the PFMA, including the financial statements of the previous financial year, which financial year shall run from 1 April 2006 to 31 March 2007.
- g) The independent report of the Auditor-General in respect of the financial statements referred to in clause 15.2.2(e).
- h) The independent report of the Audit Committee, in terms of the PFMA.
- i) Adoption of the Annual Report of the Council, including the financial statements.
- j) The levies to be imposed on educators.
- k) The appointment of members of the Audit Committee.
- l) The appointment of a Chairperson of the Audit Committee.
- m) The appointment of members of the Executive Committee.
- n) The election of the Chairperson and Deputy-Chairpersons.
- o) Closure.



**NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR ENDED  
31 March 2007**

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**SPECIAL RESOLUTION: POSTPONEMENT OF AGM**

In noting that in terms of Clause 15.2.1 "The Council shall hold its Annual General Meeting during the month of July each year."

The meeting agrees that the Annual General Meeting of the Council be postponed to Tuesday, 14th August 2007.

Mover:       Seconder: 

Kind regards



GENERAL SECRETARY  
M. GOVENDER



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL**  
(Established in terms of the Labour Relations Act, 1995 (Act No.66 of 1995))

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS BY THE ACCOUNTING  
OFFICER FOR THE YEAR ENDED 31 March 2007**

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The Annual Financial Statements which appear on pages 119 to 136 were approved by the Accounting Officer on 31 May 2007.



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ACCOUNTING OFFICER  
M GOVENDER  
(GENERAL SECRETARY)

Date: 27 July 2007

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE EDUCATION LABOUR RELATIONS COUNCIL FOR THE YEAR ENDED 31 MARCH 2007**

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**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Education Labour Relations Council which comprise the statement of financial position as at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 119 to 134

**Responsibility of accounting authority for the financial statements**

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practice Board, with the effective Standards of General Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Labour Relations Act, 1995 (Act No. 66 of 1995). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 53 of the Labour Relations Act, 1995 (Act No. 66 of 1995), my responsibility is to express an opinion on these financial statements based on my audit.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE EDUCATION LABOUR RELATIONS COUNCIL FOR THE YEAR ENDED 31 MARCH 2007**

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4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

6. An audit also includes evaluating the:

- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of accounting**

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements.

**Basis for qualified opinion**

9. Payables

- Payables were not initially recognised at fair value and were subsequently not amortised as required by IAS 39 (AC133). Based on audit estimates the accumulated funds from the prior year are understated by R467 000 (2006: R1 137 000), finance cost by R822 000 (2006: R995 000), purchases overstated by R433 000 (2006: R524 000) and payables by R78 000 (2006: R666 000).

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE EDUCATION LABOUR RELATIONS COUNCIL FOR THE YEAR ENDED 31 MARCH 2007**

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**Qualified opinion**

10. In my opinion, except for the effects of the matter(s) referred to in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Education Labour Relations Council as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework and in the manner required by the PFMA.

**OTHER MATTERS**

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

11. Material weaknesses in internal control
  - Internal control and all transactions and other significant events are not clearly documented.

**OTHER REPORTING RESPONSIBILITIES**

**Reporting on performance information**

12. I have audited the performance information as set out on pages 21 to 104

**Responsibilities of the accounting authority**

13. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

**Responsibility of the Auditor-General**

14. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette* No. 29919 of 25 May 2007.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL  
STATEMENTS AND PERFORMANCE INFORMATION OF THE EDUCATION  
LABOUR RELATIONS COUNCIL FOR THE YEAR ENDED 31 MARCH 2007**

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15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

**Audit findings**

17. We draw attention to the fact that for Education Labour Relations Council the following additional objectives are reported in the annual report, although it was not included as predetermined objectives in the strategic plan:

- objectives pertaining to Early Childhood Development (ECD)
- objectives pertaining to Conversion of Educators in Redress Posts.

**APPRECIATION**

18. The assistance rendered by the staff of the Education Labour Relations Council during the audit is sincerely appreciated.



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**WG Oppermann for Auditor-General**

**Pretoria  
31 July 2007**



**A U D I T O R - G E N E R A L**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2007**

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The Public Finance Management Act, 1999 (Act No 1 of 1999), as amended, requires the Accounting Authority to ensure that the Council keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the Council, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of Standards of Generally Recognised Accounting Practice (GRAP).

The financial statements are the responsibility of the Accounting Officer. The Auditor General is responsible for independently auditing and reporting on the financial statements. The Office of the Auditor General has audited the financial statements and the report appears on page 115.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement. These financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The Accounting Officer has reviewed the Council's budget and cash flow forecasts for the year ended 31 March 2007. On the basis of this review, and in view of the current financial position, the Accounting Authority has every reason to believe that the organisation will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The Accounting Officer sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The Council maintains internal financial controls to provide assurance regarding:

1. The safeguarding of assets against unauthorised use or disposition
2. The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

**ANNUAL FINANCIAL STATEMENTS  
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**THE EDUCATION LABOUR RELATIONS COUNCIL  
STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2007**

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The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statements presentation. Furthermore, because of change in conditions, the effectiveness of internal controls may vary over time.

The Accounting Officer has reviewed the Council's system of internal control and risk management for the period April 2006 to March 2007. The Accounting Officer is of the opinion that the Council's system of internal control and risk management were effective for the period under review.

In the opinion of the Accounting Officer, based on the information available to date, the financial statements fairly present the financial position of the Council at 31 March 2007 and the results of its operations and cash flow information for the year.

The financial statements for the year ended 31 March 2007, set out on pages 119 to 136, were submitted for auditing on 31 May 2007 and approved by the Accounting Authority in terms of section 51 (1) (f) of the Public Finance Management Act, 1999 (Act no 1 of 1999) as amended and are signed on its behalf by:



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M Govender  
General Secretary



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M J Moshakga  
Chief Financial Officer

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2007**

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The Accounting Officer presents his report that forms part of the audited Annual Financial Statements of the ELRC for 31 March 2007.

**1. Principal Activities of the ELRC**

The primary business of the Council is to promote the maintenance of labour peace in the public education sector through the provisioning of dispute resolution (and prevention) services. To this end grievances and disputes of educators and officials are resolved through conciliation and / or arbitration. The secondary business of the Council is to promote the maintenance of labour peace in the public education sector through the provisioning of consultation and negotiations between trade unions and the state as the employer as represented by the Department of Education.

**2. Review of operations**

**a) Revenue**

The amount of revenue disclosed in the annual financial statements is R14,703,438 (2006: R14,834,678). The actual levies received have increased by R207,110, an increase of 1.5%.

**b) Operating Deficit**

The amount of operating deficit is R7,309,295 [2006: R7,246,747].

**Events subsequent to Statement of Financial Position date**

The Accounting Officer is not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the report or annual financial statements that would affect the results of the operations of the ELRC significantly.

**Accounting Officers interest in contracts**

No contracts involving the accounting officer's interest were entered into, on behalf of the council, in the current financial year.

**3. Approval by Accounting Authority**

The Accounting Officer shall present this report to the Accounting Authority at its Annual General Meeting on 14 August 2007 for its approval.



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ACCOUNTING OFFICER  
M GOVENDER  
(GENERAL SECRETARY)

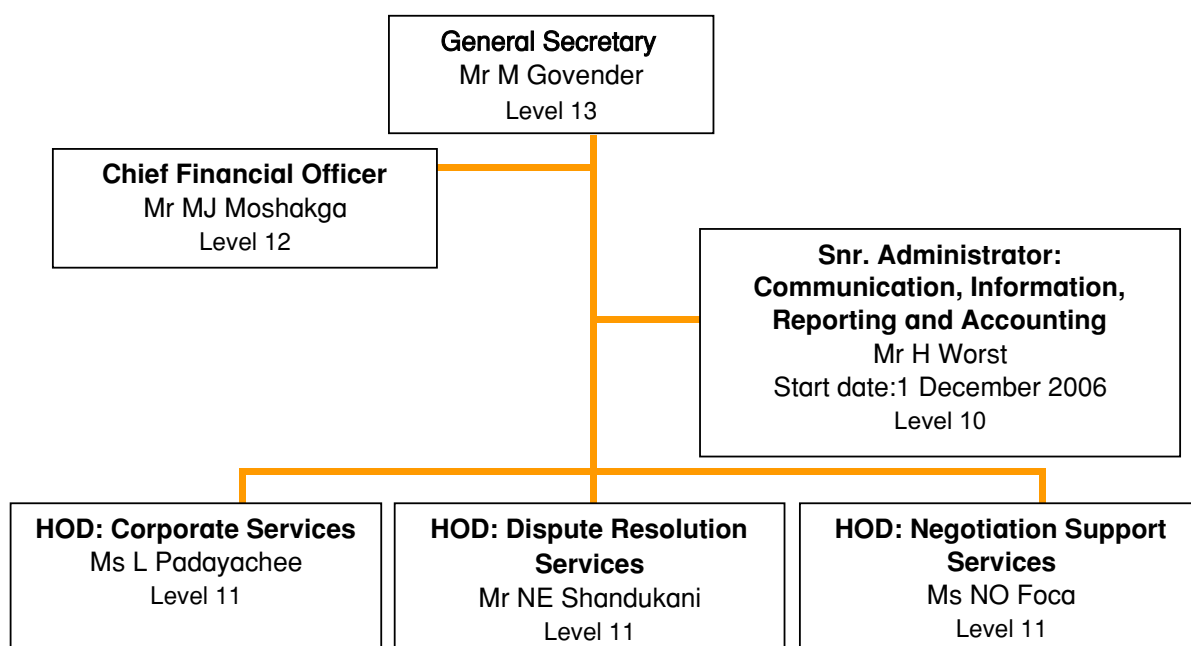
Date: 27 July 2007



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FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED  
31 MARCH 2007**

**Organisational structure**



**Remuneration Schedule**

	<b>Basic Salary</b>	<b>Bonus &amp; Performance Payments</b>	<b>Pension Contributions</b>	<b>Other</b>	<b>Expense Allowance</b>	<b>Total</b>
M Govender	392,563	58,493	70,661	-	46,596	<b>568,313</b>
MJ Moshakga	257,198	23,168	46,296	-	13,485	<b>340,147</b>
NO Foca	199,486	17,969	35,908	6,417	26,796	<b>286,576</b>
NE Shandukani	199,319	18,140	29,898	42,952	25,854	<b>316,163</b>
L Padayachee	201,195	19,445	36,215	6,481	24,134	<b>287,470</b>
LJ Seshoka	158,538	15,355	21,693	20,062	10,500	<b>226,148</b>
H Worst	85,800	-	-	-	-	<b>85,800</b>
	<b>1,494,099</b>	<b>152,570</b>	<b>240,671</b>	<b>75,912</b>	<b>147,365</b>	<b>2,110,617</b>

**Note:** LJ Seshoka resigned in November 2006 as senior administrator.

**ANNUAL FINANCIAL STATEMENTS  
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**THE EDUCATION LABOUR RELATIONS COUNCIL  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
31 MARCH 2007**

	Notes	2007 R	2006 R
<b>REVENUE</b>		<b>14,703,438</b>	<b>14,834,678</b>
Levies	2	13,869,260	13,662,150
Investment income	3	824,503	1,160,730
Other income	3	9,675	11,798
<b>EXPENDITURE</b>		<b>22,012,733</b>	<b>22,081,425</b>
Arbitration and mediation		2,837,694	3,505,530
Audit fees	9	485,420	215,604
Depreciation	9	1,213,964	1,313,457
Rental	9	1,083,289	936,384
Staff cost	9	7,153,000	6,293,608
Other administration and operating expenses		9,239,366	9,816,842
<b>NET DEFICIT FOR THE YEAR</b>		<b>(7,309,295)</b>	<b>(7,246,747)</b>

ANNUAL FINANCIAL STATEMENTS  
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THE EDUCATION LABOUR RELATIONS COUNCIL  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2007

	Notes	2007 R	2006 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	9,133,973	10,302,359
<b>Current Assets</b>			
Trade and other receivables	5	264,047	348,299
Cash and cash equivalents	6	5,664,796	15,771,633
<b>Total Assets</b>		<b>15,062,816</b>	<b>26,422,291</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	3,702,350	7,752,530
<b>Total Liabilities</b>		<b>3,702,350</b>	<b>7,752,530</b>
<b>Net Assets</b>		<b>11,360,466</b>	<b>18,669,761</b>
<b>NET ASSETS</b>			
Designated funds	8	11,360,466	18,669,761
<b>Total Net Assets</b>		<b>11,360,466</b>	<b>18,669,761</b>

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2007

31 MARCH 2007									
Details	Current funds R	Cash Flow R	General reserve fund R	Building reserve fund R	Capital reserve fund R	Dispute resolution fund R	Public liability fund R	Total funds R	
Opening balance - 01/04/2005	1,039,313	-	300,000	7,185,918	4,800,000	3,400,000	1,944,530	18,669,761	
Transfer to current funds			(300,000)		(3,423,351)	(1,755,470)	(1,944,530)	(7,423,351)	
Transfer in from funds	7,423,351	-						7,423,351	
Deficit for the year	(7,309,295)							(7,309,295)	
<b>Accumulated funds</b>	<b>1,153,369</b>	<b>-</b>	<b>-</b>	<b>7,185,918</b>	<b>1,376,649</b>	<b>1,644,530</b>	<b>-</b>	<b>11,360,466</b>	
31 MARCH 2006									
Details	Current funds R	Cash Flow R	General reserve fund R	Building reserve fund R	Capital reserve fund R	Dispute resolution fund R	Public liability fund R	Total funds R	
Opening balance - 01/04/2005	(133,696)	3,000,000	3,000,000	7,185,918	4,800,000	3,400,000	3,000,000	24,252,222	
Transfer to current funds		(3,000,000)	(2,700,000)				(1,055,470)	(6,755,470)	
Transfer in from funds	6,755,470							6,755,470	
Deficit for the year	(7,246,747)							(7,246,747)	
Prior year adjustment	1,664,286							1,664,286	
<b>Accumulated funds</b>	<b>1,039,313</b>	<b>-</b>	<b>300,000</b>	<b>7,185,918</b>	<b>4,800,000</b>	<b>3,400,000</b>	<b>1,944,530</b>	<b>18,669,761</b>	

ANNUAL FINANCIAL STATEMENTS  
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THE EDUCATION LABOUR RELATIONS COUNCIL  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 R	2006 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Investment income		824,879	1,195,175
Levies		13,964,755	13,566,655
Other receipts		20,286	4,693,802
<b>Payments</b>			
Employee cost		(7,089,841)	(6,293,608)
Suppliers		(17,383,829)	(16,475,353)
<b><i>Net cash outflow from operating activities</i></b>	10	<b>(9,663,750)</b>	<b>(3,313,329)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	4	(444,962)	(1,321,739)
Proceed from replacement of assets		1,875	-
<b><i>Net cash outflow from investing activities</i></b>		<b>(443,087)</b>	<b>(1,321,739)</b>
Net decrease in cash and cash equivalents		(10,106,837)	(4,635,068)
Cash and cash equivalents at the beginning of year		15,771,633	20,406,701
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6	<b>5,664,796</b>	<b>15,771,633</b>

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

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**1. ACCOUNTING POLICIES**

**1.1. Basis of preparation**

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP statement as follows:

<b>Standard of GRAP</b>	<b>Replacing statement of GAAP</b>
<b>GRAP 1:</b> Presentation of financial statements	<b>IAS 1:</b> Presentation of financial statements
<b>GRAP 2:</b> Cash flow statements	<b>IAS 7:</b> Cash flow statements
<b>GRAP 3:</b> Accounting policies, changes in accounting estimates and errors	<b>IAS 8:</b> Accounting policies, changes in accounting estimates and errors

Currently recognition and measurement principles in the above GRAP and GAAP statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1,2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

**a). Terminology differences:**

<b>Standard of GRAP</b>	<b>Replacing statement of GAAP</b>
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of change in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earning
Reporting date	Balance sheet date

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

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- b). The cash flow statement can only be prepared in accordance with the direct method.
- c). Specific information has been presented separately on the statement of financial position such as:
  - (i). Receivables from non-exchange transactions, including taxes and transfers
  - (ii). Taxes and transfers payable
  - (iii). Trade and other payables from non-exchange transactions
- d). Amount and nature of any restrictions on cash balances is required.

Paragraphs 11 - 15 of GRAP 1 have not been implemented due to the fact that the budget reporting standard has been developed by the local standard setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

**1.2. Revenue recognition**

Revenue comprises levies received and recognised on the income statement when received in cash.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

**1.3. Operating leases**

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments under operating leases are charged to the statement of financial performance on a straight line basis over the period of the lease.

**1.4. Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Cost is determined as the initial acquisition price which includes value added taxation less discount. All other expenditure required to maintain the operational capacity of property, plant and equipment is treated as repairs and maintenance and expensed in the statement of financial performance.

**ANNUAL FINANCIAL STATEMENTS  
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**THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

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Subsequent property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

Computer equipment	8 years
Office equipment	8 years
Motor vehicles	7 years
Furniture & fittings	10 years
Land & buildings	25 years
Other fixed asset	8 years

**1.5. Impairment**

At each reporting date, the Council reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recovered amount.

Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under the Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recovered amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

**1.6. Financial instruments**

Financial assets and financial liabilities are recognised on the ELRC's statement of financial position when the ELRC becomes a party to the contractual provisions of the instrument.



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

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Financial instruments carried on the statement of financial position include cash and cash equivalents, receivables, provisions for liabilities and interest bearing borrowings. These instruments are generally carried at their estimated fair value. The particular recognition methods are disclosed in the individual policy statements associated with each item.

**1.7. Trade and other receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**1.8. Trade and other payables**

Trade and other payables are stated at their nominal value.

**1.9. Cash and cash equivalents**

Cash and cash equivalents comprise of bank balances, cash and short-term deposits held by the council's treasury function. These assets and liabilities approximate to their fair value.

**1.10. Irregular and fruitless and wasteful expenditure**

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation including:

- The PFMA or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred. (See note 14)

**1.11. Related party transactions**

The entity recognises transactions with public entities within the national sphere of government and outstanding balances together with any relationships as related party transactions.

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>2. LEVIES</b>		
Average no of educators	385,257	379,504
Contribution from employee per month	1.50	1.50
Contribution from employer per month	1.50	1.50
<b>Total levies received for the period</b>	<b>13,869,260</b>	<b>13,662,150</b>
<b>3. INVESTMENT AND OTHER INCOME</b>		
Interest received	824,503	1,160,730
Sundry income	9,675	11,798
<b>Total</b>	<b>834,178</b>	<b>1,172,528</b>

**4. PROPERTY, PLANT AND EQUIPMENT**

**4.1 Summary**

2007	Carrying value at beginning of year	Prior year adjustments	Additions	Disposal	Depreciation	Carrying value at end of year
Computer equipment	1,476,113		307,611	(11,643)	(343,543)	1,428,538
Office equipment	980,931		27,938	(294,456)	(235,183)	479,230
Motor vehicles	39,662				(21,632)	18,030
Furniture & fittings	922,863		62,732	(93,285)	(213,457)	678,853
Land & buildings	6,795,145		46,681		(372,345)	6,469,481
Other fixed asset	87,645				(27,804)	59,841
	<b>10,302,359</b>	-	<b>444,962</b>	<b>(399,384)</b>	<b>(1,213,964)</b>	<b>9,133,973</b>

2006	Carrying value at beginning of year	Prior year adjustments	Additions	Depreciation	Carrying value at end of year
Computer equipment	101,222	835,250	862,722	(323,081)	1,476,113
Office equipment	660,837	341,199	339,656	(360,761)	980,931
Motor vehicles	25,127	36,166	-	(21,631)	39,662
Furniture & fittings	683,942	390,531	39,961	(191,571)	922,863
Land & buildings	7,096,138	-	76,699	(377,692)	6,795,145
Other fixed asset	62,525	61,140	2,701	(38,721)	87,645
	<b>8,629,791</b>	<b>1,664,286</b>	<b>1,321,739</b>	<b>(1,313,457)</b>	<b>10,302,359</b>

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>4.2 Land</b>		
Erf 62, die Hoewes extension 26 township, Registration Division J. R., province of Gauteng, in extent 3019 square metres.		
<b>5 TRADE AND OTHER RECEIVABLES</b>		
Investment Interest accrued	27,657	3,928
Prepayments	147,847	151,118
Rental Deposits	70,122	77,158
Sundry debtors	18,421	116,095
	<b>264,047</b>	<b>348,299</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Current account and cash	1,272,197	1,135,493
Call deposits	4,392,599	14,636,140
<b>Total</b>	<b>5,664,796</b>	<b>15,771,633</b>
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade creditors	983,464	809,653
Accruals	<b>1,394,203</b>	<b>6,358,793</b>
Sundry	1,394,203	2,213,729
Employer (DOE)-Policy Handbook	-	4,145,064
Transformation project accounts	1,324,683	584,084
	<b>3,702,350</b>	<b>7,752,530</b>
Sundry accruals comprises of amounts for which services have been rendered but for which invoices were received after year end.		
<b>8. ACCUMULATED FUNDS</b>		
Designated funds	11,360,466	18,669,761

Refer statement of changes in net assets on page 125

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>9. DEFICIT FROM OPERATIONS</b>		
Deficit from operations has been arrived at after taking into account the following:		
<b>Auditors' remuneration</b>		
~ Statutory audit	485,420	215,604
	<b>485,420</b>	<b>215,604</b>
<b>Depreciation</b>		
Computer equipment and software	343,543	323,081
Office equipment	235,183	360,761
Motor vehicles	21,632	21,631
Furniture and fittings	213,457	191,571
Buildings	372,345	377,692
Other fixed asset	27,804	38,721
	<b>1,213,964</b>	<b>1,313,457</b>
<b>Staff cost</b>	<b>7,153,000</b>	<b>6,293,608</b>
<b>No of employees:</b>	<b>35</b>	<b>41</b>
<b>Rentals</b>		
Office buildings	<b>1,083,289</b>	<b>936,384</b>
Future minimum lease payments	Up to 1 year R <b>693,340</b>	2 to 5 years R <b>1,032,536</b>

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

**Key Personnel**

**Year ended 31/3/2007**

	<b>Basic Salary</b>	<b>Bonus &amp; Performance Payments</b>	<b>Pension Contributions</b>	<b>Other Contributions</b>	<b>Travel &amp; Housing Allowance</b>	<b>Total</b>
M Govender	392,563	58,493	70,661	-	46,596	<b>568,313</b>
J Moshakga	257,198	23,168	46,296	-	13,485	<b>340,147</b>
NO Foca	199,486	17,969	35,908	6,417	26,796	<b>286,576</b>
NE Shandukani	199,319	18,140	29,898	42,952	25,854	<b>316,163</b>
L Padayachee	201,195	19,445	36,215	6,481	24,134	<b>287,470</b>
LJ Seshoka	158,538	15,355	21,693	20,062	10,500	<b>226,148</b>
H Worst	85,800	-	-	-	-	<b>85,800</b>
	<b>1,494,099</b>	<b>152,570</b>	<b>240,671</b>	<b>75,912</b>	<b>147,365</b>	<b>2,110,617</b>

**Year ended 31/3/2006**

M Govender	356,403	53,095	64,153	-	40,580	<b>514,231</b>
JF Maphisa	41,973	8,744	7,555	4,852	2,000	<b>65,124</b>
J Moshakga	226,648	33,770	42,119	-	24,968	<b>327,505</b>
NO Foca	109,802	5,316	20,094	3,483	17,842	<b>156,538</b>
NE Shandukani	223,436	24,840	25,425	13,484	17,508	<b>304,693</b>
L Padayachee	177,957	24,840	28,196	-	21,810	<b>252,803</b>
SEM Botha	42,240	7,040	6,336	2,146	10,375	<b>68,137</b>
LJ Seshoka	102,072	4,861	18,373	4,208	7,000	<b>136,514</b>
	<b>1,280,531</b>	<b>162,506</b>	<b>212,251</b>	<b>28,173</b>	<b>142,083</b>	<b>1,825,544</b>

**Note:** Remuneration is in compliance with the Public Sector grading system for educators.

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>10. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO DEFICIT</b>		
Surplus/(Deficit)	(7,309,295)	(7,246,747)
<b>Non-cash movements</b>		
Depreciation	1,213,964	1,313,457
Disposal of assets	399,384	-
Proceed from replacement of assets	(1,875)	
	<b>(5,697,822)</b>	<b>(5,933,290)</b>
Decrease/(Increase) in accounts receivable	84,253	4,620,955
(Decrease)/Increase in accounts payable	(4,050,181)	(2,000,994)
	<b>(9,663,750)</b>	<b>(3,313,329)</b>

**11. TAXATION**

The Council is exempt from the payment of income tax in terms of section 10(1) (CA) (l) of the Income Tax Act, No. 58 of 1962.

**12. GUARANTEE**

The Council's bankers have issued no guarantee in respect of the Council's obligations under operating leases.

**13. RETIREMENT BENEFITS**

Except for current contributions towards medical and retirement schemes, the Council has no obligation towards the provision of post retirement benefits for its staff members.

**14. FINANCIAL RISK MANAGEMENT**

**Credit Risk**

Credit risk in respect of trade receivables is limited due to the small amount of credit transactions.

**Cash Flow Risk**

Cash flow risk is the risk that the future cash flow associated with monetary financial instruments will fluctuate in amount as a result of a change in the effective interest rate of the financial instruments, without a corresponding change in fair value. Sufficient surplus in the cash and bank balances exist.

**Interest Rate Risk**

The Council has no significant interest bearing long term liabilities thereby limiting interest rate exposure.

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2007	2006
<b>15. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE</b>		
The following irregular and fruitless and wasteful expenditure were incurred during the year:		
Travel and accommodation not cancelled	9,396	-
Shuttle service bookings not cancelled	7,980	-
	<b>17,376</b>	<b>-</b>

**16. RELATED PARTY TRANSACTIONS**

**16.1 Transactions with the ELRC Transformation Funds**

Inter-company transactions arise due to payment of expenses by one entity on behalf of the other and reimbursement of such.

	2007 R	2006 R
	<b>Amount of the transaction</b>	<b>Amount of the transaction</b>
<b>Received</b>	9,107,668	7,219,005
Transfers	9,088,273	6,418,441
Expenses	19,395	800,564
<b>Paid</b>	8,367,069	2,020,517
Transfers	6,000,000	1,008,800
Expenses	2,367,069	1,011,717
<b>Total</b>	<b>740,599</b>	<b>5,198,488</b>
Outstanding balance - Payable	1,324,682	584,083
The balance is interest free, not secured and no guarantees have been given		
<b>16.2 Transactions with Telkom Ltd</b>		
<b>Paid</b>		
Telephone rental and usage	572,243	496,482

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

THE EDUCATION LABOUR RELATIONS COUNCIL

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007

	2007 R	2006 R
<b>Administration expenses</b>		
Staff cost	7,153,000	6,293,608
Telephone, fax costs and postal fees	709,008	614,924
Rental	1,083,289	936,384
Relocation cost	22,048	61,741
Water and electricity	149,573	148,527
Stationery	120,507	168,396
Cleaning and sanitation	346,261	379,817
Security	42,333	100,371
Office expenses	61,016	64,699
Skills development levy	54,190	46,533
Unemployment insurance fund contributions	40,891	33,638
Workmen's compensation	21,419	28,280
	<b>9,803,535</b>	<b>8,876,918</b>
<b>Other operating expenses</b>		
Arbitration and mediation	2,837,694	3,505,530
Travelling costs	1,062,601	1,886,527
Depreciation	1,213,964	1,313,457
Meals and accommodation	331,483	796,686
Transcriptions	2,059,569	1,128,781
Provincial chambers	260,245	245,177
Workshops	604,730	503,639
Audit fees	485,420	215,604
Professional services	-	15,000
Meetings	353,941	644,889
Crockery & cutlery		1,391
Electronic media	578,241	519,803
Insurance	145,915	178,592
Repairs and maintenance	222,471	298,741
Legal costs	481,436	424,683
Consulting fees	461,000	444,694
Advertising & Recruitment	171,167	284,476
Printing and publications	106,929	170,271
Motor vehicle expenses	41,120	22,766
Bank charges	34,826	31,085
Staff training	295,443	512,808
Subscriptions	57,582	31,223
RSC levies	5,203	14,979
Sundry	10,477	13,705
Disposal of assets	387,741	-
	<b>12,209,198</b>	<b>13,204,507</b>



**TRANSFORMATION FUNDS  
ADMINISTERED BY  
THE EDUCATION LABOUR RELATIONS COUNCIL**

(Established in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995))  
Registration Number : LR2/6/6/110

**PRESENTATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007**

# TRANSFORMATION funds

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### TRANSFORMATION FUNDS

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**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 March 2007**

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The Annual Financial Statements which appear on pages 143 to 160 were approved by the Accounting Officer on 31 May 2007.



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ACCOUNTING OFFICER  
M GOVENDER  
(GENERAL SECRETARY)

Date: 27 July 2007

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL  
STATEMENTS OF THE TRANSFORMATION FUNDS ADMINISTERED BY THE EDUCATION  
LABOUR RELATIONS COUNCIL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

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**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Transformation Funds administered by the Education Labour Relations Council which comprise the statement of financial position at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 143 to 160

**Responsibility of accounting authority for the financial statements**

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practice Board, with the effective Standards of General Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Labour Relations Act, 1995 (Act No. 66 of 1995). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 53 of the Labour Relations Act, 1995 (Act No. 66 of 1995), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements.

#### **Basis for qualified opinion**

9. Payables

- Payables were not initially recognised at fair value and were subsequently not discounted as required by IAS 39 (AC133). Based on audit estimates the accumulated funds from the prior year are understated by R1 554 000 (2006: R647 000), finance cost by R1 104 000 (2006: R553 000), purchases overstated by R217 000 (2006: R189 000) and payables by R667 000 (2006: R283 000).

10. Receivables

- Receivables were not initially recognised at fair value and were subsequently not discounted as required by IAS 39 (AC133). Based on audit estimates fair value adjustment (debit) is understated by R103 000 (2006: R240 000), interest received by R86 000 (2006: R27 000) and receivables overstated by R17 000 (2006: R213 000).

#### **Qualified opinion**

11. In my opinion, except for the effects of the matters referred to in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Transformation Funds administered by the Education Labour Relations Council as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework and in the manner required by the PFMA.

#### **OTHER MATTERS**

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

12. Material weaknesses in internal control

- Internal control and all transactions and other significant events are not clearly documented.

#### **APPRECIATION**

13. The assistance rendered by the staff of the Education Labour Relations Council during the audit is sincerely appreciated.



**WG Opperma for Auditor-General**

**Pretoria**

**31 July 2007**



**AUDITOR - GENERAL**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
STATEMENT OF RESPONSIBILITY  
FOR THE YEAR ENDED 31 MARCH 2007**

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The Public Finance Management Act, 1999 (Act No 1 of 1999), as amended, requires the Accounting Officer to ensure that the Council keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the Council, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of Standards of Generally Recognised Accounting Practice (GRAP).

The financial statements are the responsibility of the Accounting Officer. The Auditor General is responsible for independently auditing and reporting on the financial statements. The Office of the Auditor General has audited the financial statements and the report appears on page 141.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement. These financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The Accounting Officer has reviewed the Council's budget and cash flow forecasts for the year ended 31 March 2007. On the basis of this review, and in view of the current financial position, the Accounting Officer has every reason to believe that the organisation will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The Accounting Officer sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The Council maintains internal financial controls to provide assurance regarding:

1. The safeguarding of assets against unauthorised use or disposition
2. The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
STATEMENT OF RESPONSIBILITY  
FOR THE YEAR ENDED 31 MARCH 2007**

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The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statements presentation. Furthermore, because of change in conditions, the effectiveness of internal controls may vary over time.

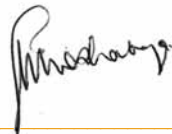
The Accounting Officer has reviewed the Council's system of internal control and risk management for the period April 2006 to March 2007. The Accounting Officer is of the opinion that the Council's system of internal control and risk management were effective for the period under review.

In the opinion of the Accounting Officer, based on the information available to date, the financial statements fairly present the financial position of the Council at 31 March 2007 and the results of its operations and cash flow information for the year.

The financial statements for the year ended 31 March 2007, set out on pages 143 to 160, were submitted for auditing on 31 May 2007 and approved by the Accounting Authority in terms of section 51 (1) (f) of the Public Finance Management Act, 1999 (Act no 1 of 1999) as amended and are signed on its behalf by:



M Govender  
General Secretary



M J Moshakga  
Chief Financial Officer

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED  
31 MARCH 2007**

---

The Accounting Officer presents his report that forms part of the audited Annual Financial Statements of the ELRC for 31 March 2007.

**1. Principal Activities of the Transformation Funds**

The investigation and development of materials and programmes for the upgrading of qualifications of "unqualified" and "under-qualified" educators

The funding of substitute educators as a result of the secondment of fulltime shop stewards in education.

The funding of the Public Service Job Summit and the implementation of resolutions emanating from it.

Developing materials and transformation programmes for reskilling of educators.

Research and development activities.

**2. Review of operations**

**a) Trust Funds**

The amount of funds disclosed in the annual financial statements is R5,474,385 (2006: R9,469,728). Expenditure incurred for the various funds is R 10,632,536 (2006: R12,209,392) The expenses for the utilisation of these funds for the period under review are disclosed in the financial statements.

Commitments for the 2007-2008 year are as follows:

- CCMA training
- NPDE
- CCEM and ELRC seminar

In terms of the decision of the HEDCOM, all funds not collected by provincial departments in respect of FTSS claims must be transferred to the National Department of Education.

**Events subsequent to Statement of Financial Position date**

The Accounting Officer is not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the report or annual financial statements that would affect the results of the operations of the transformation funds significantly.

**Accounting Officer's interest in contracts**

No contracts involving the Accounting officer's interest were entered into, on behalf of the funds, in the current financial year.

**3. Approval by Accounting Authority**

The Accounting Officer shall present this report to the Accounting Authority at its Annual General Meeting on 14 August 2007 for its approval.



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ACCOUNTING OFFICER  
M GOVENDER  
(GENERAL SECRETARY)

Date : 27 July 2007



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2007**

	<b>2007 R</b>	<b>2006 R</b>
<b>INCOME</b>	929,187	1,685,357
Interest received - Transformation Fund	929,187	1,685,357
<b>EXPENDITURE</b>	10,632,536	12,209,392
Transformation Fund	200,484	162,997
Research and Development Fund	2,633,807	6,505,871
Shop Stewards Fund	1,760,028	2,360,376
National Professional Diploma in Education Fund	-	747,937
Special Programmes Fund	6,038,217	2,432,211
<b>Net deficit for the year</b>	<b>(9,703,349)</b>	<b>(10,524,035)</b>

**NB:** For details of expenditure of funds, see statement set out on pages 156 to 160.

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

TRANSFORMATION FUNDS  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2007

	Notes	2007 R	2006 R
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	2	108,830	138,844
<b>Current Assets</b>			
Trade and other receivables	3	1,401,286	584,618
Cash and cash-equivalents	4	9,404,161	17,892,110
<b>Total Assets</b>		<b>10,914,277</b>	<b>18,615,572</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	5,439,892	9,145,844
<b>Total Liabilities</b>		<b>5,439,892</b>	<b>9,145,844</b>
<b>Net Assets</b>		<b>5,474,385</b>	<b>9,469,728</b>
<b>NET ASSETS</b>			
Trust Funds	6	5,474,385	9,469,728
<b>Total Net Assets</b>		<b>5,474,385</b>	<b>9,469,728</b>

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

TRANSFORMATION FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2007

31 MARCH 2007							
Details	Transformation fund	Research & development fund	Shop stewards fund	National professional diploma in education fund	Special programmes fund	PSCBC Sectoral training fund	Total funds
Opening balance - 01/04/2006	-	(3,655,903)	1,740,342	3,383,004	8,002,285	-	9,469,728
Interest received	929,187	-	-	-	-	-	929,187
Expenditure incurred	(200,484)	(2,633,807)	(1,760,028)	-	(6,038,217)	-	(10,632,536)
Earmarking of funds	(728,703)	728,703	-	-	-	-	-
EF- Policy hand book transfer	-	5,708,006	-	-	-	-	5,708,006
<b>Accumulated funds</b>	<b>-</b>	<b>146,999</b>	<b>(19,686)</b>	<b>3,383,004</b>	<b>1,964,068</b>	<b>-</b>	<b>5,474,385</b>

31 MARCH 2006							
Details	Transformation fund	Research & development fund	Shop stewards fund	National professional diploma in education fund	Special programmes fund	PSCBC Sectoral training fund	Total funds
Opening balance - 01/04/2005	-	1,226,274	4,100,718	4,130,941	9,994,496	440,000	19,892,429
Interest received	1,685,357	-	-	-	-	-	1,685,357
Expenditure incurred	(162,997)	(6,505,871)	(2,360,376)	(747,937)	(2,432,211)	-	(12,209,392)
Earmarking of funds	(1,623,694)	1,623,694	-	-	-	-	-
Prior year adjustments	101,334	-	-	-	-	-	101,334
Transfer in/(out)	-	-	-	-	440,000	(440,000)	-
<b>Accumulated funds</b>	<b>-</b>	<b>(3,655,903)</b>	<b>1,740,342</b>	<b>3,383,004</b>	<b>8,002,285</b>	<b>-</b>	<b>9,469,728</b>

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 R	2006 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Investment income		112,518	1,214,170
Earmarked funds for projects		5,708,071	-
<b>Payments</b>			
Suppliers		(14,308,538)	(16,485,705)
<b>Net cash outflow from operating activities</b>	7	<b>(8,487,949)</b>	<b>(15,271,535)</b>
Net decrease in cash and cash equivalents		(8,487,949)	(15,271,535)
Cash and cash equivalents at the beginning of year		17,892,110	33,163,645
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<b>9,404,161</b>	<b>17,892,110</b>

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMATION FUNDS  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007**

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**1. ACCOUNTING POLICIES**

**1.1. Basis of preparation**

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP statement as follows:

<b>Standard of GRAP</b>	<b>Replacing statements of GAAP</b>
<b>GRAP 1:</b> Presentation of financial statements	<b>IAS 1:</b> Presentation of financial statements
<b>GRAP 2:</b> Cash flow statement	<b>IAS 7:</b> Cash flow statements
<b>GRAP 3:</b> Accounting policies, changes in accounting estimates and errors	<b>IAS 8:</b> Accounting policies, changes in accounting estimates and errors

Currently recognition and measurement principles in the above GRAP and GAAP statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1,2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

**a). Terminology differences:**

<b>Standard of GRAP</b>	<b>Replacing statements of GAAP</b>
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earning
Reporting date	Balance sheet date

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- b). The cash flow statement can only be prepared in accordance with the direct method.
- c). Specific information has been presented separately on the statement of financial position such as:
  - (i). Receivables from non-exchange transactions, including taxes and transfers
  - (ii). Taxes and transfers payable
  - (iii). Trade and other payables from non-exchange transactions
- d). Amount and nature of any restrictions on cash balances is required.

Paragraphs 11 - 15 of GRAP 1 have not been implemented due to the fact that the budget reporting standard has been developed by the local standard setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statement.

**1.2. Revenue recognition**

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

**1.3. Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Cost is determined as the initial acquisition price which includes value added taxation less discount. All other expenditure required to maintain the operational capacity of property, plant and equipment is treated as repairs and maintenance and expensed in the financial performance statement. Subsequently property, plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

Computer equipment	8 years
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**1.4. Financial instruments**

Financial assets and financial liabilities are recognised on the Transformation Funds financial position when the Funds becomes a party to the contractual provisions of the instrument.

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Financial instruments carried on the financial position include cash equivalents, receivables, provisions for liabilities and interest bearing borrowing. These instruments are generally carried at their estimated fair value. The particular recognition methods are disclosed in the individual policy statements associated with each item.

**1.5. Trade and other receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**1.6. Trade and other payables**

Trade and other payables are stated at their nominal value.

**1.7. Cash and cash equivalents**

Cash and cash equivalents comprise of both bank balances and short term deposits held by the fund's treasury function. These assets and liabilities approximate to their fair value.

**1.8. Irregular and fruitless and wasteful expenditure**

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation including:

- ~ The PFMA or
- ~ Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

**1.9. Related party transactions**

The entity recognises transactions with public entities within the national sphere of government and outstanding balances together with any relationships as related party transactions.

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2. PROPERTY, PLANT AND EQUIPMENT

Summary

2007	Carrying value at beginning of year	Prior year adjustment	Depreciation	Carrying value at end of year
Computer equipment	138,844	-	30,014	108,830
	<b>138,844</b>	<b>-</b>	<b>30,014</b>	<b>108,830</b>

2006	Carrying value at beginning of year	Prior year adjustment	Depreciation	Carrying value at end of year
Computer equipment	67,524	101,334	30,014	138,844
	<b>67,524</b>	<b>101,334</b>	<b>30,014</b>	<b>138,844</b>

	2007 R	2006 R
<b>3. TRADE AND OTHER RECEIVABLES</b>		
Interest receivable	34,261	534
Council account	1,324,683	584,084
Trade debtors	42,342	-
	<b>1,401,286</b>	<b>584,618</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Call deposits	8,580,805	17,712,693
Current account balance	823,356	179,417
<b>Total</b>	<b>9,404,161</b>	<b>17,892,110</b>
<b>5. TRADE AND OTHER PAYABLES</b>		
Trade creditors	63,172	331,919
Accruals	<b>5,376,720</b>	<b>8,813,925</b>
Department of Education(DOE)	4,326,406	8,062,975
Sundry accruals for services rendered.	1,050,314	750,950
	<b>5,439,892</b>	<b>9,145,844</b>



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	2007 R	2006 R
<b>6. TRUST FUNDS</b>		
<b>Trust Funds</b>	<b>5,474,385</b>	<b>9,469,728</b>
Refer Statement of Changes in Net Assets on page 148		
<b>7. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO DEFICIT</b>		
Surplus/(Deficit)	(9,703,349)	(10,524,035)
<b>Non-cash movements</b>		
Depreciation	30,014	30,014
	<b>(9,673,335)</b>	<b>(10,494,021)</b>
Increase in transfer	5,708,071	
Decrease/(Increase) in accounts receivable	(816,668)	(471,187)
(Decrease)/Increase in accounts payable	(3,706,017)	(4,306,327)
	<b>(8,487,949)</b>	<b>(15,271,535)</b>

**8. COMMITMENTS**

Expenditure contracted for at reporting date but not recognised in the financial statements amounts to approximately R5,297,479. (2006 - R342 000).

**9. FINANCIAL RISK MANAGEMENT**

**Credit Risk**

Credit risk in respect of trade receivables is limited due to the small amount of credit transactions.

**Cash Flow Risk**

Cash flow risk is the risk that the future cash flow associated with monetary financial instruments will fluctuate in amount as a result of a change in the effective interest rate of the financial instruments, without a corresponding change in fair value. Sufficient surplus in the cash and cash equivalents exist.

**Interest Rate Risk**

The Funds has no significant interest bearing long term liabilities thereby limiting interest rate exposure.

**10. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE**

During the financial year no irregular and fruitless and wasteful expenditure occurred.

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11. RELATED PARTY TRANSACTIONS

11.1 Transactions with the ELRC

Inter-company transactions arise due to payment of expenses by one entity on behalf of the other and reimbursement of such.

	2007 R	2006 R
	Amount of the transaction	Amount of the transaction
<b>Received</b>	8,367,069	2,020,517
Transfers	6,000,000	1,008,800
Expenses	2,367,069	1,011,717
<b>Paid</b>	9,107,668	7,219,005
Transfers	9,088,273	6,418,441
Expenses	19,395	800,564
<b>Total</b>	<b>(740,599)</b>	<b>(5,198,488)</b>
Outstanding balance - Receivable	1,324,682	584,084

The balance is interest free, not secured and no guarantees have been given.

No provision has been made for bad or doubtful debts due from related parties.

**ANNUAL FINANCIAL STATEMENTS  
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**TRANSFORMATION FUNDS  
EXPENDITURE FOR THE TRANSFORMATION FUND FOR  
THE YEAR ENDED 31 MARCH 2007**

	<b>2007 R</b>	<b>2006 R</b>
<b>EXPENDITURE</b>		
Audit fees	159,300	107,727
Bank charges	1,333	5,109
Legal fees	2,348	16,220
Depreciation	30,014	30,014
Logistical expenses	-	624
Refreshments	2,623	3,303
Printing	4,866	-
<b>Total for the year</b>	<b>200,484</b>	<b>162,997</b>

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**TRANSFORMATION FUNDS  
EXPENDITURE FOR THE RESEARCH AND DEVELOPMENT FUND FOR  
THE YEAR ENDED 31 MARCH 2007**

	<b>2007 R</b>	<b>2006 R</b>
<b>EXPENDITURE</b>		
Technical Task Team (HIV AIDS)	-	3,433,744
CCMA Training	2,508,089	-
Curriculum 2005	(17,809)	2,242,657
Conditions of service for educators	-	663,022
Policy handbook for educators	143,527	166,448
<b>Total for the year</b>	<b><u>2,633,807</u></b>	<b><u>6,505,871</u></b>

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

TRANSFORMATION FUNDS  
EXPENDITURE FOR THE SHOP STEWARDS FUND FOR  
THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>EXPENDITURE</b>		
Remuneration paid	1,760,028	2,360,376
<b>Total for the year</b>	<b>1,760,028</b>	<b>2,360,376</b>

ANNUAL FINANCIAL STATEMENTS  
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TRANSFORMTION FUNDS  
EXPENDITURE FOR THE NATIONAL PROFESSIONAL DIPLOMA IN EDUCATION  
FUND FOR THE YEAR ENDED 31 MARCH 2007

	2007 R	2006 R
<b>EXPENDITURE</b>		
Kwazulu-Natal	-	95,000
Western Cape	-	650,000
Meals	-	1,301
Logistical & conference expenses	-	1,636
<b>Total for the year</b>	<b>-</b>	<b>747,937</b>

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**TRANSFORMTION FUNDS  
EXPENDITURE FOR THE SPECIAL PROGRAMMES FUND FOR  
THE YEAR ENDED 31 MARCH 2007**

	<b>2007 R</b>	<b>2006 R</b>
<b>EXPENDITURE</b>		
World teachers' day	-	4,776
CCEM & ELRC Seminar	2,129,182	-
Integrated Quality management system	-	328,617
IIRA Congress	646,151	509,050
Post Provisioning Model	-	63,937
International Labour Organisation	-	913,988
Study Visit	3,262,884	583,906
SADC Conference	-	27,937
<b>Total for the year</b>	<b>6,038,217</b>	<b>2,432,211</b>

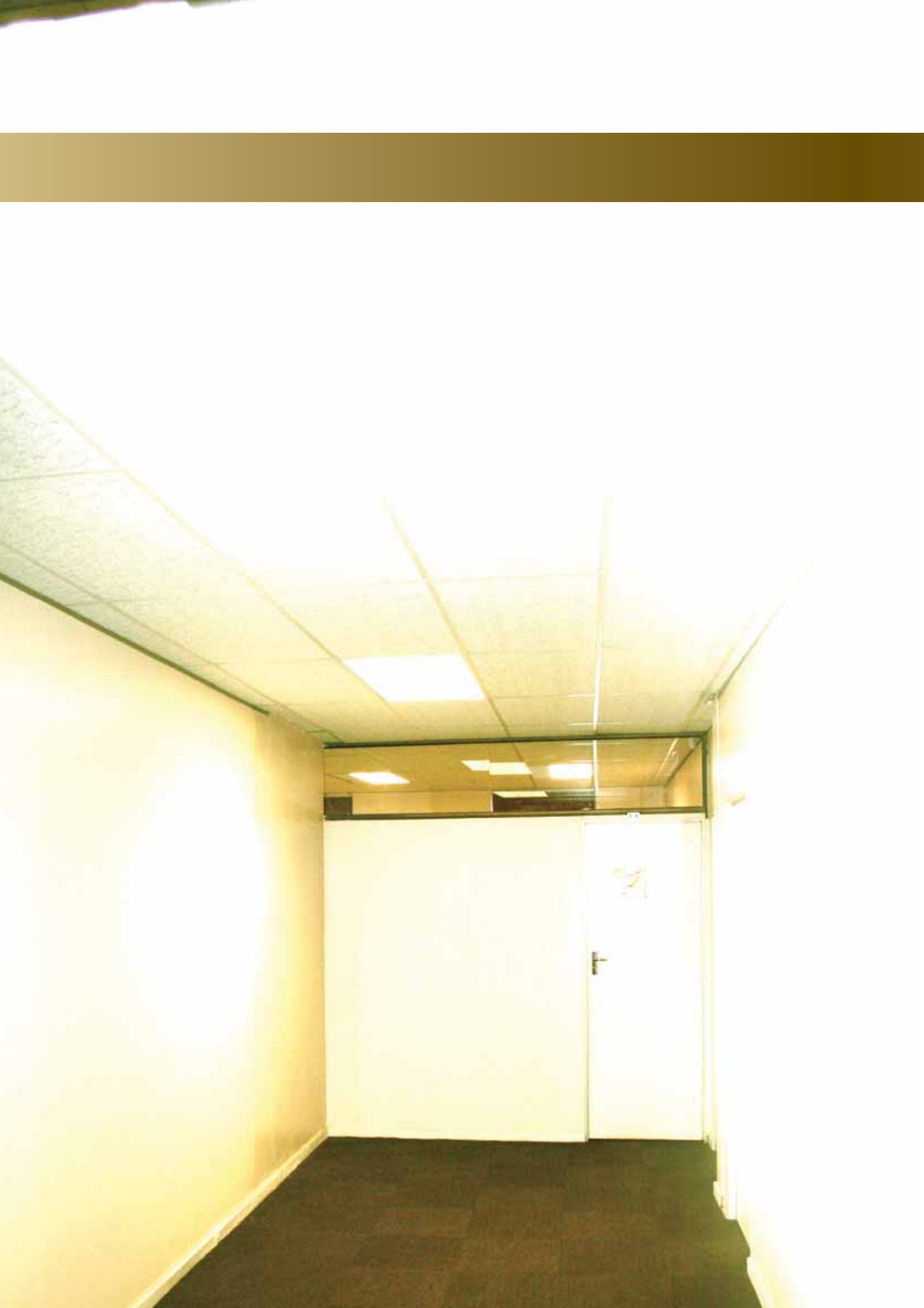


# PROGRAMME

HUMAN RESOURCE MANAGEMENT

# 5





## introduction

This report summarises the employment relations activities of the ELRC for the past financial year. Issues that are being reported on include employment and vacancies, employment equity, skills development, expenditure, labour relations, etc.

The Council also demonstrated its commitment towards employment equity by having a workforce that comprises of all race and gender groups.

For the first time the Council had the unfortunate experience of losing one of its employees to death and it sadly also had to say goodbye to two of the Provincial Secretaries who served the Council with distinction for over six years in the Eastern Cape and KwaZulu Natal provinces, Mr Leon Pillay moved on to be the General Secretary of the Statutory Council for the Printing, Newspaper and Packaging Industry while Mr Nceba Magadu joined the Eastern Cape Department of Education as a Deputy Chief Education Specialist. Two possible replacements have been identified and approached for appointment in the new financial year.

Two employees were promoted to higher positions in the Council and a total of twenty five employees were enrolled for courses costing the Council R 323,164 in total. The report provide more in depth information regarding the above, the staff turnover reports does not include the employee who passed away.

One of the challenges facing the Council as an employer in the new financial year would be to reduce the overall turnover rate of 29% to less than 10%. The major challenge is not so much attracting candidates, but retaining them. The Council hope to do so by continuing to show its commitment towards the promotion and development of employees from all race and gender groups, as it has done before and during the period under review.

## SENIOR Management



### **Mahalingum Govender - General Secretary**

Mr Govender, also known as "Dhaya", has been the General Secretary of the Council for the last six and a half years. He is an accredited CCMA Commissioner and recently successfully completed a Management Development Programme with the UNISA School of Business Leadership. As the accounting officer of the Council he is responsible for overseeing the functioning of the Nine Provincial Chambers as well as the ELRC National Office in Centurion.



### **Matome Moshakga - Chief Financial Officer**

Mr Moshakga, also known as "Jeff", has been promoted to post of Chief Financial Officer in August 2005 after being the Head of Corporate Services Department for over two years. He has a B.Comm Degree and many years of experience in the accounting, auditing and financial management fields. Jeff is responsible for among others, ensuring that financial targets and budgets are fully consistent with the Council's strategic plan, managing working capital, assets & liabilities, ensuring compliance with PFMA & Treasury Regulations.



### **Loganayagie Padayachee - Head of Department Corporate Services**

Ms Padayachee, also known as "Lorna", has been promoted to the HOD Corporate Services post in October 2005 after serving the Council for five years as the Administrator Corporate Services. She has a B-Tech Degree in Internal Auditing and is currently enrolled for a Management Development Programme at the UNISA School of Business Leadership. She is responsible for managing the Corporate Services Department based at the Council's National Office in Centurion.



**Nolusindiso Foca - Head of Department Negotiations Support Services**

Ms Foca, also known as “Cindy”, has been the HOD of the ELRC Negotiations Department since September 2005 after teaching for 5 years. She has a Higher Diploma in Education, Certificate in Labour Relations and is currently enrolled for the Management Development Programme at the UNISA School of Business Leadership, and Business Project Management at Wits Business School. She is responsible for managing Negotiations and Consultation Support Services, both nationally and provincially.



**Gustav Worst - Senior Administrator Communication, Information, Reporting and Accounting Services (CIRA)**

Mr Worst, also known as “Heins”, has been appointed on a fixed term contract in December 2006 to run the Council’s Media Department. Heins has a wide range of experience in the publishing and production industry, and has been involved in various NCS and RNCS outcomes based educational publications. He has a BA Degree in Information Design at the University of Pretoria and he is currently studying towards a Development Programme in Labour Relations at the UNISA School of Business Leadership. He is responsible for the management of the CIRA Department based at the National Office in Centurion.



**Jonathan Loff - Human Resources Manager**

The Council employed Jonathan as a Dispute Resolution Services Officer in March 2005 and he was promoted to the Human Resources Manager position later that year. He has a National Diploma in Human Resources Management obtained at the Peninsula Technikon in Cape Town and is currently studying towards a Development Programme in Labour Relations at the UNISA School of Business Leadership. He is responsible for the management of the Council’s Human Resources Department based at the National Office in Centurion.

## Employment and Vacancies

The following table is a summary of the current staff compliment, staff turnover and vacancies as at the end of the period under review.

### STAFF COMPLIMENT

DEPARTMENT	Number Posts	Current Number of Employees	Number of Terminations	Transfers Into Council	New Appointments	Number of Vacancies
Programme 1 Exexecutive Office	4	4	1	0	1	0
Programme 2 Negotiations Support Services (National & Provincial)	23	18	8	1	3	5
Programme 3 Dispute Resolution Services	5	4	1	0	0	1
Programme 4 Corporate Support Services	10	8	1	-1	1	2
<b>TOTAL</b>	<b>42</b>	<b>34</b>	<b>11</b>	<b>0</b>	<b>5</b>	<b>8</b>

The Council appointed five new employees, transferred two employees and eleven terminations occurred during the period under review. One employee was transferred into the Negotiations and Consultation Services Department. The Negotiations and Consultation Services Department, which includes Provincial Chambers, has the most number of posts and as can be reasonably expected they had the most appointments and terminations.

## TURNOVER RATE BY PROGRAMME

Programme	Number of Employees Per Programme	Appointments Transfers In	Terminations & Transfers Out	Permanent Employees	Turnover Rate
Programme 1 Executive Office	4	1	1	4	25%
Programme 2 Negotiations Support Services (National & Provincial)	23	4	8	18	35%
Programme 3 Dispute Resolution Services	5	0	1	4	20%
Programme 4 Corporate Support Services	10	1	2	8	20%
TOTAL	42	6	12	34	29%

One (1) of four (4) posts in the Executive Office was left vacant during the period under review, resulting in a turnover rate of 25%, while eight (8) of the twenty three (23) posts in the Negotiations Department were left vacant leaving the department with a 35% turnover rate, two (2) of the ten (10) posts were left vacant in the Corporate Services Department resulting in 20% turnover rate and one (1) of the five (5) posts in the Disputes Department was left vacant causing the department to have a 20% vacancy rate for the period under review. The Council has an overall turnover rate of 29%.

## TURNOVER RATE PER SALARY LEVEL

Salary Level	Number of Employees Per Salary Level	Appointments and Transfers into Council	Terminations and transfers out	Permanent Employees	Turnover Rate
Salary Level 13	1	0	0	1	0%
Salary Level 9 - 12	18	2	3	16	17%
Salary Level 6 - 8	5	2	3	3	60%
Salary Level 3 - 5	13	2	4	11	31%
Salary level 1 - 2	5	0	2	3	40%
TOTAL	42	6	12	34	29%

Three (3) of the eighteen (18) salary level 9 - 12 posts were left vacant during the period under review causing that salary level to have a 17% turnover rate while, three (3) of the five (5) salary level 6 - 8 posts were left vacant creating a turnover rate of 60%, four (4) of the thirteen (13) salary level 3 - 5 posts were left vacant creating a 31% turnover rate on that salary level and two (2) of the five (5) salary level 1 - 2 posts were left vacant creating a 40% turnover rate. The overall average turnover rate for the Council is 29%.

## TURNOVER RATE BY RACE AND GENDER

Race and Gender	Number of Employees	Appointments and Transfers into Council	Terminations and transfers out	Permanent Employees	Turnover Rates
<b>African</b>					
Male	11	2	2	11	18%
Female	18	2	5	15	28%
<b>Asian</b>					
Male	2	0	1	1	50%
Female	2	0	0	1	0%
<b>Coloured</b>					
Male	2	0	1	1	50%
Female	2	0	1	1	50%
<b>White</b>					
Male	0	1	0	1	0%
Female	3	1	1	3	33%

Two (18%) of the eleven (11) posts that were filled by African males at the beginning of the period under review were vacant, while five (28%) of the posts filled by African females were left vacant, one (50%) of the two posts filled by Indian males was vacant, one (50%) of the two posts that were filled by a coloured male and female, was vacant and one (33%) of the posts that were filled by white females were vacant during the period under review. In total four (27%) of the fifteen posts that were filled by males were vacant and seven (28%) of the twenty five (25) posts that were filled by females at the beginning of the period under review became vacant.

HUMAN  
RESOURCE  
MANAGEMENT

## REASONS WHY STAFF LEAVE THE EMPLOYMENT OF THE COUNCIL

Termination Type	Number	% of Total
Death	1	9%
Resignation	10	91%
Expiry of Contract		
Dismissal - operational reasons		
Dismissal - misconduct		
Dismissal - inefficiency		
Discharged due to ill-health		
Retirement		
Other	11	100%
TOTAL		
Total number of employees who left as a % of the total employment		26%

Eleven (26%) of the forty (40) employee's who were employed by the Council at the beginning of the period under review terminated their employment relationship with the Council. One (9%) of the employment terminations was a result of an employee passing away, while the other ten (91%) of terminations were as a result of resignation.

### PROMOTIONS

Two (2) employees were promoted to higher positions within the ELRC during the period under review.

### Posts to be filled and finalised in the new financial year

The following post has been filled at the end of the period under review but the appointments will be finalised in the new period:

- Provincial Secretary KwaZulu Natal;
- Provincial Secretary Eastern Cape; and
- Cleaner.

The posts below shall be filled in the new period.

- Senior Officer Disputes;
- Senior Officer Negotiations;
- Officer Negotiations;
- Support Officer Gauteng; and
- Cleaner.



## Employment Equity

The Council recognises its responsibility to equalise opportunities for those people who are socially, economically and educationally disadvantaged - defined as blacks (comprising African, Asian and Coloured persons), women and the disabled.

### **EMPLOYEES BY GENDER**

The Council employed thirty four (34) employees at the end of the period under review. Twenty (58.82%) of the thirty four employees are females and fourteen (41.18%) are males.

### **EMPLOYEES BY RACE**

Twenty five (73.50%) of the employees employed by the Council at the end of the period under review are African, while four (11.80%) are white, three (8.80%) are Indian and the other two (5.90%) are Coloured.

### **MALE EMPLOYEES BY RACE**

Eleven (78.55%) of the fourteen males employed by the Council are African, while one (7.15%) is Indian, one (7.15%) Coloured and one (7.15%) White.

### **FEMALES EMPLOYEES BY RACE**

Fourteen (70%) of the twenty females employed by the Council are African, three (15%) are white, two (10%) are Indian and the other one (5%) is Coloured.

**FOR EMPLOYMENT EQUITY PURPOSES; THIS REPORT CLASSIFIED ELRC POSITIONS INTO THE FOLLOWING EE CATEGORIES AND LEVELS.**

<b>ELRC POST</b>	<b>EE Employment Category</b>	<b>EE Salary Level</b>
General Secretary	Legislators, Senior Officials and Managers	Senior Management
Administrator CSS	Professionals	Skilled
Administrator DRS	Clerks	Skilled
Administrator Human Resources	Legislators, Senior Officials and Managers	Skilled
Chief Financial Officer	Legislators, Senior Officials and Managers	Professionally Qualified
Head of Department CSS	Legislators, Senior Officials and Managers	Professionally Qualified
Head of Department DRS	Legislators, Senior Officials and Managers	Professionally Qualified
Head of Department NSS	Legislators, Senior Officials and Managers	Professionally Qualified
Provincial Secretary	Legislators, Senior Officials and Managers	Skilled
Senior Administrator: CIRA	Professionals	Skilled
PA General Secretary	Technicians and associate professionals	Semi Skilled
Senior Officer CSS	Clerks	Semi Skilled
Senior Officer DRS	Clerks	Semi Skilled
Senior Officer NSS	Clerks	Semi Skilled
Driver	Plant and machine operators & assemblers	Semi Skilled
Officer DRS	Clerks	Semi Skilled
Officer NSS	Clerks	Semi Skilled
Provincial Admin Support Officer	Clerks	Semi Skilled
Receptionist	Clerks	Semi Skilled
Cleaner	Elementary Occupations	Unskilled
Security Guard	Elementary Occupations	Unskilled
Supervisor Cleaners	Elementary Occupations	Unskilled

# 5 PROGRAMME

The following tables reflect the current employment equity situation of the ELRC.

## OCCUPATIONAL CATEGORIES

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Categories	MALE				FEMALE				Foreign National		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Legislators, senior officials and managers	3	1	1	0	6	1	1	0	0	0	13
Professionals	0	0	0	1	0	0	0	1	0	0	2
Technicians and associate professionals	0	0	0	0	0	0	0	1	0	0	1
Clerks	5	0	0	0	7	0	1	1	0	0	14
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	0	0	1
Elementary Occupations	2	0	0	0	1	0	0	0	0	0	3
<b>TOTAL PERMANENT</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>34</b>
Non - permanent employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>34</b>

Legislators, Senior Officials and Managers					
Males			Females		
Ratio		%	Ratio		%
African	3 of 13	23.08%	African	6 of 13	46.16%
Coloured	1 of 13	7.69%	Coloured	1 of 13	7.69%
Indian	1 of 13	7.69%	Indian	1 of 13	7.69%
White	0 of 13	0.00%	White	0 of 13	0.00%
<b>TOTAL</b>	<b>5 of 13</b>	<b>38.46%</b>	<b>TOTAL</b>	<b>8 of 13</b>	<b>61.54%</b>

Professionals					
Males			Females		
Ratio		%	Ratio		%
African	0 of 2	0.00%	African	0 of 2	0.00%
Coloured	0 of 2	0.00%	Coloured	0 of 2	0.00%
Indian	0 of 2	0.00%	Indian	0 of 2	0.00%
White	1 of 2	50.00%	White	1 of 2	50.00%
<b>TOTAL</b>	<b>1 of 2</b>	<b>50.00%</b>	<b>TOTAL</b>	<b>1 of 2</b>	<b>50.00%</b>

Clerks					
Males			Females		
Ratio		%	Ratio		%
African	5 of 14	35.72%	African	7 of 14	50.00%
Coloured	0 of 14	0.00%	Coloured	0 of 14	0.00%
Indian	0 of 14	0.00%	Indian	1 of 14	7.14%
White	0 of 14	0.00%	White	1 of 14	7.14%
<b>TOTAL</b>	<b>5 of 14</b>	<b>35.72%</b>	<b>TOTAL</b>	<b>9 of 14</b>	<b>64.28%</b>

Technicians and Associate Professionals					
Males			Females		
Ratio		%	Ratio		%
African	0 of 1	0.00%	African	0 of 1	0.00%
Coloured	0 of 1	0.00%	Coloured	0 of 1	0.00%
Indian	0 of 1	0.00%	Indian	0 of 1	0.00%
White	0 of 1	0.00%	White	1 of 1	100.00%
<b>TOTAL</b>	<b>0 of 1</b>	<b>0.00%</b>	<b>TOTAL</b>	<b>1 of 1</b>	<b>100.00%</b>

Plant and Machine Operators and Assemblers					
Males			Females		
Ratio		%	Ratio		%
African	1 of 1	100.00%	African	0 of 1	0.00%
Coloured	0 of 1	0.00%	Coloured	0 of 1	0.00%
Indian	0 of 1	0.00%	Indian	0 of 1	0.00%
White	0 of 1	0.00%	White	0 of 1	0.00%
<b>TOTAL</b>	<b>1 of 1</b>	<b>100.00%</b>	<b>TOTAL</b>	<b>0 of 1</b>	<b>0.00%</b>

Elementary Occupations					
Males			Females		
Ratio		%	Ratio		%
African	2 of 3	66.67%	African	1 of 3	33.33%
Coloured	0 of 3	0.00%	Coloured	0 of 3	0.00%
Indian	0 of 3	0.00%	Indian	0 of 3	0.00%
White	0 of 3	0.00%	White	0 of 3	0.00%
<b>TOTAL</b>	<b>2 of 3</b>	<b>66.67%</b>	<b>TOTAL</b>	<b>1 of 3</b>	<b>33.33%</b>

### Summary of Occupational Category by Race and Gender

Of the thirteen (13) employees in the legislators, senior officials and managers category, nine (69.24%) are African three (3) male and six (6) female, two (15.38%) are Coloured one male and one female and the other two (15.38%) are Indian. One (1) male and one (1) female. The two (2) employees in the professionals category are both Whites one (1) male and one (1) female, the one (1) employee in the technicians and associate professionals category is a white female, twelve (85.71%) of the employees in the Clerks category are African five (5) males and seven (7) females, the one (1) employee in the plant and machine operators and assemblers category is an African male and the three (3) of the employees in the elementary occupations category are African two males and one female.

## OCCUPATIONAL LEVELS

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	MALE				FEMALE				Foreign National		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid management	2	0	0	0	1	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendets	1	1	0	1	6	1	0	2	0	0	12
Semi-skilled and discretionary decision making	6	0	0	0	6	0	1	1	0	0	14
Unskilled and defind decision making	2	0	0	0	1	0	0	0	0	0	3
<b>TOTAL PERMANENT</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>34</b>
Non - permanent employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>34</b>

Senior Management					
Males	Ratio	%	Females	Ratio	%
African	0 of 1	0.00%	African	0 of 1	0.00%
Coloured	0 of 1	0.00%	Coloured	0 of 1	0.00%
Indian	1 of 1	100.00%	Indian	0 of 1	0.00%
White	0 of 1	0.00%	White	0 of 1	0.00%
<b>TOTAL</b>	<b>1 of 1</b>	<b>100.00%</b>	<b>TOTAL</b>	<b>0 of 1</b>	<b>0.00%</b>

Professionally Qualified and Experienced Specialists					
Males	Ratio	%	Females	Ratio	%
African	2 of 4	50.00%	African	1 of 4	25.00%
Coloured	0 of 4	0.00%	Coloured	0 of 4	0.00%
Indian	0 of 4	0.00%	Indian	1 of 4	25.00%
White	0 of 4	0.00%	White	0 of 4	0.00%
<b>TOTAL</b>	<b>2 of 4</b>	<b>50.00%</b>	<b>TOTAL</b>	<b>2 of 4</b>	<b>50.00%</b>

Skilled Technical and Academically Qualified					
Males	Ratio	%	Females	Ratio	%
African	1 of 12	8.33%	African	6 of 12	50.00%
Coloured	1 of 12	8.33%	Coloured	1 of 12	8.33%
Indian	0 of 12	0.00%	Indian	0 of 12	0.00%
White	1 of 12	8.33%	White	2 of 12	16.68%
<b>TOTAL</b>	<b>3 of 12</b>	<b>24.99%</b>	<b>TOTAL</b>	<b>9 of 12</b>	<b>75.01%</b>

Semi Skilled and Discretionary Decision Making					
Males	Ratio	%	Females	Ratio	%
African	6 of 14	42.86%	African	6 of 14	42.86%
Coloured	0 of 14	0.00%	Coloured	0 of 14	0.00%
Indian	0 of 14	0.00%	Indian	1 of 14	7.14%
White	0 of 14	0.00%	White	1 of 14	7.14%
<b>TOTAL</b>	<b>6 of 14</b>	<b>42.86%</b>	<b>TOTAL</b>	<b>8 of 14</b>	<b>57.14%</b>

Unskilled and Defined Decision Making					
Males	Ratio	%	Females	Ratio	%
African	2 of 3	66.67%	African	1 of 3	33.33%
Coloured	0 of 3	0.00%	Coloured	0 of 3	0.00%
Indian	0 of 3	0.00%	Indian	0 of 3	0.00%
White	0 of 3	0.00%	White	0 of 3	0.00%
<b>TOTAL</b>	<b>2 of 3</b>	<b>66.67%</b>	<b>TOTAL</b>	<b>1 of 3</b>	<b>33.33%</b>

### Summary of Occupational Levels by Race and Gender

The one (1) employee on the senior management employment level is an Indian male. Three (75%) of the four (4) employees on the Professionally Qualified and experienced specialists level is African and the other one (25%) is an Indian female. Seven (58.33%) of the twelve (12) employees on the skilled technical and academically qualified employment level are African one (1) male and six (6) females, two (16.67%) are Coloureds one (1) male and one (1) female and three (25%) are Whites, one (1) male and two (2) females. Twelve (85.71%) of the fourteen (14) employees on the semi skilled and discretionary decision making employment level are African, six (6) males and six (6) females, one (7.14%) employee is an Indian female and the other (7.14%) is a White female. All three (3) employees on the unskilled and defined decision making employment level are African, two (2) males and one (1) female.

## Foreign Nationals

No foreign nationals are employed by the Council as at the end of the period under review.

## Job Evaluation

No jobs were evaluated during this financial year.

## Performance Rewards

Employees have been assessed, performances will be moderated and appropriate rewards will be discussed and approved by the EXCO in the new financial year.

## Skills Development

The Council, during the period under review, continued to show its commitment towards skills development for acquiring both job specific skills as well as for economic and social transformation. The tables below indicate the investment per programme, salary level and race and gender.

### SKILLS DEVELOPMENT BY SALARY LEVEL APRIL 2006 - MARCH 2007

Salary Level	Number of Current Employees	Number of Employees Training Paid for including staff that left	Percentage of total staff trained	Training Cost Per Salary Level	Average Cost per Employee	Percentage of Total Training Spent
Salary Level 13	1	1	4.00%	R 18,328	R 18,328	5.67%
Salary Level 9 - 12	16	16	64.00%	R 247,354	R 15,460	76.55%
Salary Level 6 - 8	4	4	16.00%	R 35,010	R 8,753	10.83%
Salary Level 3 - 5	10	3	12.00%	R 21,372	R 7,124	6.61%
Salary Level 1 - 2	3	1	4.00%	R 1,100	R 1,100	0.34%
TOTAL	34	25	100.00%	R 323,164	R 12,927	100.00%

The Council in the period under review, invested a total amount of R 323,164.00 in skills development of twenty five (25) of its employees. R 18,328 (5.67%) was invested in an (4%) employee on salary level 13, R 247,354 in Sixteen (64%) employees on salary levels 9 - 12, R 35,010 (10.83%) in three (12%) employees on salary level 3 - 5 and R 1,100 in one (4%) employee on salary level 1 - 2.

**SKILLS DEVELOPMENT BY PROGRAMME APRIL 2006**

Programme	Number of Current Employees	Number of Employees Training Paid for including staff that left	Percentage of total staff trained	Training Cost per Programme	Average Cost per Employee	Percentage of total Training
Programme 1 Executive Office	4	4	16%	R 53,256	R 13,314	16.50%
Programme 2 Negotiations Support Services	18	14	56%	R 144,683	R 10,334	45.00%
Programme 3 Dispute Prevention and Resolution Services	4	3	12%	R 74,332	R 24,777	23.50%
Programme 4 Corporate Support Services	8	4	16%	R 50,893	R 12,723	15.00%
<b>TOTAL</b>	<b>34</b>	<b>25</b>	<b>100%</b>	<b>R 323,164</b>	<b>R 12,927</b>	<b>v</b>

The Council Spent a total amount of R 323,164.00 on twenty five (25) employees (this includes staff that left the organisation). R 53,256 (16.50%) of the funds invested in skills development was paid for four (16%) employees in the Executive Office, R 144, 683 (45.00%) were invested in the skills development of fourteen (56%) employees in Negotiation and Consultation Services Department, R 50,893 (15.00%) on four (16%) employees in the Corporate Support Services Department and R 74,332 (23.50%) on three (12%) employees in the Dispute Resolution Services Department.



# 5 PROGRAMME

## SKILLS DEVELOPMENT BY RACE & GENDER APRIL 2006

Race & Gender	Number of Current Employees	Number of Employees Training Paid for including staff that left	Percentage of Total Staff Trained	Training Cost per Race & Gender	Average Cost per Employee	Percentage of total Training
African		17	68.00%	R 194,503	R 11,441	60.19%
Male	11	10	40.00%	R 84,395	R 8,439	26.12%
Female	14	7	28.00%	R 110,108	R 15,730	34.07%
Indian		3	12.00%	R 53,982	R 17,994	16.70%
Male	1	2	8.00%	R 20,177	R 10,088	6.24%
Female	2	1	4.00%	R 33,805	R 33,805	10.46%
Coloured		2	8.00%	R 40,324	R 20,162	12.48%
Male	1	2	8.00%	R 40,324	R 20,162	12.48%
Female	1	0	0.00%	R 000	R 0.00	0.00%
White		3	12.00%	R 34,355	R 11,452	10.63%
Male	1	1	4.00%	R 22,600	R 22,600	6.99%
Female	3	2	8.00%	R 11,755	R 5,878	3.64%
<b>TOTAL</b>	<b>34</b>	<b>25</b>	<b>100.00%</b>	<b>R 323,164</b>	<b>R 12,927</b>	<b>100.00%</b>

The Council invested a total amount of R 323,164 in the skills development of staff in the different race and gender groups. R 155,668 (48.17%) of the funds invested was spent on ten (40%) female employees of the Council while the other R 167,496 (51.83%) was invested in the skills development of fifteen (60%) male employees of the Council.

Of the funds invested in the skills development of female employees, R 110,108 (70.73%) was invested in seven (70%) African female employees, R 33,805 (21.72%) in one (10%) Indian female employee and R 11,755 (7.55%) in the skills development of two (20%) White female employees.

Of the funds invested in the skills development of its male employees, R 84,395 (50.39%) was invested in the skills development of ten (40%) African male employees, R 20,177 (12.05%) in the skills development of two (8%) Indian male employees, R 40,324 (24.07%) in the skills development of two (8%) Coloured male employees and R 22,600 (13.49%) in the skills development of one (4%) White male employee.

The Council invested R 167,003 (58.02%) in the skills development of seventeen (68%) African employees, R 53,982 (18.75%) in the skills development of three (12%) Indian employees, R 32,524 (11.30%) in the development of two ( 8%) Coloured employees and R 34,355 (11.93%) in the skills development of three (12%) White employees.

## Labour Relations

Three (3) disciplinary cases were opened against three (3) employees of the Council during the period under review.

No Collective Agreements with the employee trade union were signed during this period.

No labour disputes were lodged during the period under review.

## Injury on Duty

Two (2) employees reported injuries on duty during the period under review.

## HIV/AIDS and Health Promotion Programmes

Employees attended awareness sessions and condoms were distributed as preventative measures. The Health and Safety Committee held meetings to establish ways of increasing health and safety awareness and prevention.

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## Personnel Expenditure 2005/6

For the purposes of this report the Salary Levels column in the tables includes the following ELRC positions

### **Salary Level 13 - 16**

General Secretary

### **Salary Level 9 - 12**

Administrator CSS

Administrator DRS

Administrator Human Resources

Chief Financial Officer

Head of Department CSS

Head of Department DRS

Head of Department NSS

Provincial Secretaries

Senior Administrator: Communication, Information, Reporting and Accounting Services

### **Salary Level 6-8**

PA General Secretary

Senior Officer CSS

Senior Officer DRS \*2

Senior Officer NSS

### **Salary Level 3-5**

Driver

Officer DRS

Officer NSS

Provincial Admin Support Officers

Receptionist

### **Salary Level 1-2**

Cleaner

Security Guard

Supervisor Cleaners

**COSTS BY PROGRAMME APRIL 2006 - MARCH 2007**

Programme	Number of Employees Paid	Basic Salaries	Housing Allowances	Medical Aid	Retirement Funding	Bonusses	Other	Total Cost	Average per Employee
Programme 1 Executive Office	5	R 894014.25	R 24000.00	R 17370.03	R 160922.41	R 101438.93	R 70857.60	R 1268603.22	R 253720.64
Programme 2 Negotiations	26	R 2424112.01	R 243500.00	R 129552.72	R 403869.67	R 265788.79	R 111080.11	R 3577903.30	R 137611.67
Programme 3 Dispute Resolution Services	5	R 576325.03	R 45500.00	R 37883.41	R 92330.90	R 50314.68	R 62505.76	R 864859.78	R 172971.96
Programme 4 Corporate Services	9	R 639736.62	R 81000.00	R 36332.34	R 115152.61	R 53149.51	R 41291.17	R 966662.25	R 10740.25
<b>TOTAL</b>	<b>45</b>	<b>R 4534187.91</b>	<b>R 394000.00</b>	<b>R 221138.50</b>	<b>R 772275.59</b>	<b>R 470691.91</b>	<b>R 285734.64</b>	<b>R 6678028.55</b>	<b>R 148400.63</b>

*Other Include, Travel Allowances, Salary Progression, Acting Allowances and Leave Pay Bonus include both performance and annual bonusses*

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### REMUNERATION PER PROGRAMME

The Council paid R 6,678,029.55 in total remuneration to forty five (45) fulltime employees in the period under review. R 4,534,187.91 (67,90%) was paid in basic salaries, R 394,000.00 (5.90%) towards housing allowances, R 221,138.50 (3.31%) towards medical aid., R 772, 275.59 (11.56%) towards employees retirement funding, R 470,691.91 (7.05%) towards annual and performance bonuses and R 285,734.64 (4.28%) other payments which include travel allowances, acting allowances, leave pay and salary progression. Total staff remuneration averaged R 148,400.63 (2.22%) per employee during the period under review.

The Council paid forty five (45) fulltime employees a total of R 6,678.028.55 in remuneration during the period under review. R 1,268,603.22 ( 19.00%) was paid to five (5) employees in the Executive Office, R 3,577,903.30 (53,58%) was paid to twenty six (26) employees in the National and Provincial Negotiations and Consultations Services department, R 966,662.25 (14.48%) was paid to nine (9) employees in the Corporate Services Department and R 864,859.78 (12.95%) to five (5) employees in the Dispute Resolution Services Department.

The average remuneration per employee in each department or programme is as follows Executive Office R 253,720.64 (3.80%) per employee, Negotiation and Consultation Services Department R 137,611.67 (2.06%) per employee, Corporate Services Department R 107,406.91 (1.61%) per employee and R 172,971.96 (2.59%) per employee in the Dispute Resolution Services Department.

**COSTS BY SALARY LEVEL APRIL 2006 - MARCH 2007**

Salary Levels	Number of Employees Paid	Basic Salaries	Housing Allowances	Medical Aid	Retirement Funding	Bonusses	Other	Total Cost	Average per Employee
Salary Level 13	1	392562.57	0	0	70661.07	58492.79	46596.03	568312.46	568312.46
Salary Level 9 - 1	19	2914552.46	155500	121421.81	484490.36	302305.09	192639.8	4170909.52	219521.55
Salary Level 6 - 8	6	456283.63	57500	23646.67	81376.92	43638.94	34325.67	696771.83	116128.64
Salary Level 3 - 5	15	649907.75	143000	61724.03	113988.64	56557.59	11492.39	1036670.4	69111.36
Salary Level 1 - 2	4	120881.5	38000	14345.99	21758.6	9697.5	680.75	205364.34	51341.08
<b>TOTAL</b>	<b>45</b>	<b>4534187.91</b>	<b>394000</b>	<b>221138.5</b>	<b>772275.59</b>	<b>470691.91</b>	<b>285734.64</b>	<b>6678028.55</b>	<b>148400.63</b>

*Other Include, Travel Allowances, Salary Progression, Acting Allowances and Leave Pay Bonus include both performance and annual bonusses*

The Council paid a total amount of R 6,678,028.55 in remuneration to forty five (45) employees during the period under review. R 568,312.46 (8.51%) was paid to one (1) employee on salary level 13.

R 4,170,909.52 (62.46%) was paid to nineteen (19) employees on salary levels 9 - 12, R 696,771.83 (10.43%) to six (6) employees on salary levels 6 - 8, R 1,036,670.40 (15.52%) to fifteen (15) employees on salary level 3 - 5 and R 205,364.34 (3.08%) to four (4) employees on salary level 1 - 2.

On average the Council paid R 568,318.46 (8.51%) to an employee on salary level 13, R 219,521.55 (3.29%) per employee on salary level 9 - 12, R 116,128.64 (1.74%) per employee on salary level 6 - 8, R 69,111.36 (1.03%) per employee on salary level 3 - 5 and R 51,341.08 (0.77%) per employee on salary level 1 - 2



# HUMAN RESOURCE MANAGEMENT

# **PROGRAMME**

CONTACT DETAILS AND GLOSSARY

# **6**







## 6.1 CONTACTS

### Head office

#### 6.1.1 Physical Address:

**ELRC Building  
261 West Avenue  
Centurion**

Tel: (012) 663 7446  
Fax: (012) 663 9604  
E-mail: [admin.office@elrc.co.za](mailto:admin.office@elrc.co.za)  
Website: [www.elrc.org.za](http://www.elrc.org.za)

#### **Executive Support and Client Liaison**

Ms R McDonald

Tel: (012) 663 0432  
Fax: (012) 663 3418  
E-mail: [exe.sclo@elrc.co.za](mailto:exe.sclo@elrc.co.za)

#### **Chief Financial Officer**

Mr J Moshakga

Tel: (012) 663 0451  
Fax: (012) 663 9604  
E-mail: [cfo@elrc.co.za](mailto:cfo@elrc.co.za)

#### 6.1.2 Postal Address:

**Education Labour  
Relations Council  
Private Bag X 126  
Centurion  
0046**

#### **Human Resource Administrator**

Mr J Loff

Tel: (012) 663 0437  
Fax: (012) 663 3418  
E-mail: [neg.amg@elrc.co.za](mailto:neg.amg@elrc.co.za)

#### 6.1.3 Executive Services

**General Secretary /  
Accounting Officer**  
Mr M Govender

Tel: (012) 663 7446  
Fax: (012) 663 3418  
E-mail: [gen.sec@elrc.co.za](mailto:gen.sec@elrc.co.za)

#### **CIRA Senior Administrator**

Mr H Worst

Tel: (012) 663 0442  
Fax: (012) 663 9604  
E-mail: [media.pro@elrc.co.za](mailto:media.pro@elrc.co.za)

## 6.1.4 Negotiation Support Services

### Head of Department

Ms N O Foca

Tel: (012) 663 0440  
Fax: (012) 663 8189  
E-mail: hod.neg@elrc.co.za

### Administrator: NSS

Ms M Milne

Tel: (012) 663 0457  
Fax: (012) 663 8189  
E-mail: neg.amg@elrc.co.za

## 6.1.5 Dispute Resolution Services

### Head of Department

C/O Mr M Govender

Tel: (012) 663 7446  
Fax: (012) 663 3418  
E-mail: gen.sec@elrc.co.za

### Senior Officer:DRS

Ms B Nkosi

Tel: (012) 663 0434  
Fax: (012) 643 1600  
E-mail: dispute.res.so@elrc.co.za

### Officer: DRS

Mr S Skweyiya

Tel: (012) 663 0434  
Fax: (012) 643 1600  
E-mail: dispute.res@elrc.co.za

## 6.1.6 Corporate Services

### Head of Department

Ms L Padayachee

Tel: (012) 663 0449  
Fax: (012) 663 9604  
E-mail: corporate.hod@elrc.co.za

### Administrator: Finance and Administration

Ms S Meyer

Tel: (012) 663 0448  
Fax: (012) 663 9604  
E-mail: corporate.amg@elrc.co.za

### Officer: Logistics

Mr D Ramulongo

Tel: (012) 663 0444  
Fax: (012) 663 9604  
E-mail: admin.services@elrc.co.za

### Receptionist

Ms L Mahlangu

Tel: (012) 663 7446  
Fax: (012) 663 9604  
E-mail: admin.office@elrc.co.za

## 6.2 Contact details of provincial offices

### 6.2.1 Eastern Cape

Ms Nosisa Siwendu

Address: Bisho Business Village  
Block A, Unit 2  
Siswani Avenue  
Bisho  
5605

Tel: 040 639 3535

Fax: 040 636 3562

### 6.2.2 Free State

Ms Rose Sefothelo

Address: Business Partners Building  
Cnr East-Burger and  
Henry Street  
Bloemfontein  
9300

Tel: 051 430 8927

Fax: 051 430 5803

### 6.2.3 Gauteng

Ms Sharon Cawa

Address: 6th Floor  
Standard Bank House  
20 Albert Street  
Johannesburg  
2000

Tel: 011 838 3155

Fax: 011 833 7140

### 6.2.4 KwaZulu-Natal

Mr Vusi Mhlaba

Address: 55 Church Street  
Red Hill  
Durban  
4071

Tel: 031 573 1777

Fax: 031 573 1779

### 6.2.5 Limpopo

Ms Mosa Matlhabe

Address: 8 & 10 Amy Park  
128 Marshall Street  
Polokwane  
7000

Tel: 015 291 1460/56

Fax: 015 295 3090

### 6.2.6 Mpumalanga

Ms Nomsa Madonsela

Address: 17 Samora Machel Drive  
Office No 202, 2nd Floor  
Mutual Place Building  
Nelspruit  
1200

Tel: 013 755 3404

Fax: 013 752 6769

### 6.2.7 Northern Cape

Ms Ursula Rasego

Address: 95 Du Toit Span Building  
Suite 13  
Du Toit Span Road  
Kimberley  
8300

Tel: 053 832 0247

Fax: 053 832 0248

### 6.2.8 North West

Address: 134 Beyers Naude Street  
1st Floor, Mimosa building  
Protea Park  
Rustenburg  
0300

Tel: 014 592 0085

Fax: 014 594 2427

### 6.2.9 Western Cape

Ms Bernadette Tataw

Address: Sunbell Building, 12th Floor  
Cnr Old Paarl and  
Voortrekker Road  
Belville  
7530

Tel: 021 945 3055

Fax: 021 9451254

## 6.2 GLOSSARY

<b>ABET</b>	Adult Basic Education and Training
<b>BCEA</b>	Basic Conditions of Employment Act
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration
<b>CEPD</b>	Centre for Education Policy Development
<b>DoE</b>	Department of Education
<b>EE</b>	Employment Equity
<b>ECD</b>	Early Childhood Development
<b>ELRC</b>	Education Labour Relations Council
<b>FET</b>	Further Education and Training
<b>FTE</b>	Full Time Equivalent
<b>FTSS</b>	Full-time Shopsteward
<b>GET</b>	General Education and Training
<b>HEIs</b>	Higher Education Institutions
<b>HOD</b>	Head of Department
<b>HSRC</b>	Human Sciences Research Council
<b>IIRA</b>	International Industrial Relations Association
<b>IQMS</b>	Integrated Quality Management Systems
<b>IRASA</b>	Industrial Relations Association of South Africa
<b>ISC</b>	Institution Support Co-ordinators
<b>LRA</b>	Labour Relations Act
<b>LTSEN</b>	Learners with Special Education Needs
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NAPTOSA</b>	National Professional Teachers Organisation
<b>NATU</b>	National Teachers Union
<b>NPDE</b>	National Professional Diploma in Education
<b>NQF</b>	National Qualifications Framework
<b>NTA</b>	National Teaching Awards

<b>NTT</b>	National Training Team
<b>PCTA</b>	Prevention Care, Treatment and Access
<b>PDM</b>	Post Distribution Model
<b>PELRC</b>	Provincial Education Labour Relations Chamber
<b>PFMA</b>	Public Finance Management Act
<b>PMDS</b>	Public Management Development System
<b>PPN</b>	Post Provisioning Norms
<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>PTT</b>	Provincial Training Team
<b>RNCS</b>	Revised National Curriculum Statement
<b>SASA</b>	South African Schools Act
<b>SADC</b>	Southern African Development Community
<b>SADTU</b>	South African Democratic Teachers Union
<b>SAOU</b>	Suid Afrikaanse Onderwysersunie
<b>SAQA</b>	South African Qualification Authority
<b>SGB</b>	School Governing Body
<b>SIP</b>	School Improvement Plan
<b>SMD</b>	School Management Developers
<b>SMT</b>	School Management Teams
<b>UNISA</b>	University of South Africa
<b>VSP</b>	Voluntary Service Package
<b>WSE</b>	Whole School Evaluation
<b>WSP</b>	Workplace Skills Plan



**PROGRAMME** ANNEXURES **7**





## ELRC INTERNATIONAL STUDY VISITS REPORT

### Executive Summary

The Education Labour Relations Council (ELRC) commissioned the HSRC to provide research support in the undertaking of a series of international study visits aimed at distilling lessons on improving education quality through implementable policies for public educators.

#### METHODOLOGY

The methods of data collection consisted of desk-top research, involving the review of various research reports and policy documents; and country site-visits and interviews (using a semi-structured data collection instrument) with education ministry, department and teacher union officials. In addition various documents collected during the course of the visits were analysed.

Thirteen countries were visited: Botswana; Brazil; Cameroon; Chile; Cuba; Ghana; Jamaica; India; Mexico; Tanzania (including Zanzibar); Thailand; Togo and Zimbabwe.

## MAIN FINDINGS

### Policymaking and implementation

In most of the 13 countries visited, it was found that policy making is highly centralised. Although the centralisation of policy making seems to be the norm, there are exceptions where considerable policy decision-making powers are devolved to lower levels. Policy decentralisation, however, is not without its problems as the lack of national guidelines often leads to sub-national governments (states, provinces, local governments) formulating their own policies depending on the availability of financial resources and the level of organisation of educators (strength of unions). In many countries, there is a high level of involvement of teacher unions in policies relating to salaries and conditions of service. However, in education policy areas more broadly, such as curriculum and teacher education, the picture is more diverse. There is also a strong shift towards recognising the role of research in education in many countries.

### Human resources management

A key finding is that teacher provisioning is determined largely by budgetary considerations using teacher-pupil ratios as a criterion. Teacher education, that is pre-service training, constitutes an important dimension, and most countries devote considerable resources to this aspect. However, it is in the area of professional development (in-service training) (PD) that some of the countries visited appear to be making considerable advances. Distance education, in particular ICTs, is the preferred mode of delivering PD services to teachers. This delivery mode is quite effective in countries such as Mexico, Cuba and India.

### EMIS

Countries with well-developed information management systems are able to monitor the performance of the education system far more effectively. However, a key challenge is the maintenance and updating of EMIS systems and its associated cost implications.

## Employee relations

In most countries, employer/employee relations are governed by some form of legislation, but not all countries have formal mechanisms to facilitate collective bargaining and/or consultations between government and teacher organisations. With regard to salaries and benefits, in some countries the Public Service Commission plays a role in determining salary levels and conditions of service for all public servants, including teachers. Mexico appears to have the most comprehensive set of criteria for determining salaries. This includes teaching hours per week, an upgrading system to adjust salaries by level of qualification, and a responsibility bonus on top of existing 'educator' level salary for principals, and the use of economic zones. There are several lessons for South Africa with regard to teacher incentives, particularly incentives for the retention of rural teachers, which range from free housing or implementation of a national housing scheme, additional salary notches and the use of solar energy as a substitute for electricity.



## RECOMMENDATIONS

### Policy making and implementation

A more purpose-driven and structured stakeholder participation in education policy processes is recommended. This should be underpinned by an articulated, shared vision of success around which all stakeholders align. The value of SACE and the ELRC as forums for policy consultations should be strengthened. Further, the establishment of the National Education and Training Council, envisaged in the National Education Act of 1996, should be reviewed.

The inter-sectoral approach in service delivery characteristic of the Southern African countries visited, and reinforced in Mexico, Jamaica and Cuba, wherein various departments, such as health, welfare, local government and education play a role in the delivery of education services through greater alignment and cooperation of their interventions, should be pursued.

Effective policy making and implementation strategies should prioritize rural education and education in other difficult-delivery contexts, and the development and use of indigenous languages as part of the country's multilingual language policy framework.

The role of Public Service Commissions in determining the Conditions of Service of educators should be investigated. Part of the usefulness of these commissions is that they have both an administrative and a monitoring role.

### Improving education quality through ICT innovations

Countries such as Cuba, Mexico and Brazil have seized the opportunities that are associated with accessing the information highway. In Mexico, the Encyclomedia initiative, with its Public Libraries Network has facilitated free access to a worldwide network and the internet to support study programs from basic to higher levels; and

Similarly in Brazil, video-conferencing and the Internet form an important part of teacher development programmes, which focus on both educators that are teaching with no formal qualifications (proformacao) and those that are qualified (National System for Further Training of Teachers in Basic Education). In addition, the Network of Research and Development which is a joint initiative of 20 universities across 14 states, has pooled together resources and expertise, to offer cutting-edge teacher professional development services.

The above initiatives have had a positive impact on the quality of teaching and learning in the two countries, and suggest that South Africa could also benefit from greater use of the benefits ICT and planned cooperative ventures to improve educational activities and services.

### **Post provisioning**

The following factors emerge as the most important in the making of teacher post provisioning decisions:

- Class sizes;
- Teacher-pupil ratios, with an average ratio of 1:30 in primary schools and 1:35 in secondary schools is regarded as a norm;
- Excluding the principal from post provisioning equations (this is consistent with the recommendations of the Educator Workload Report (2005); and
- Making optimal use of competent/senior/master teachers, for example, to teach in double shifts (morning and afternoon), and remunerated appropriately; this practice has led to significant improvements to education quality.

It is also recommended that a comprehensive database of public educators be maintained, including a directory on unemployed teachers. This could contribute to a situation where the supply of teachers exceeds demand. This would facilitate appointment of the most competent educators, which could go a long way in promoting the quality of teaching.

## Teacher retention and incentives

Specific strategies should be considered to address teacher retention in rural schools and other difficult delivery contexts. The principles of the CONAFE rural education programme in Mexico could be considered as a possible model for South Africa. This needs to be clearly articulated to rural communities and other difficult delivery contexts so that it culminates in the retention of teachers and learners in rural areas. More specifically, the following should be considered:

- Ring-fencing part of the education budget at a national level to address post provisioning for rural schools and schools with less than 3 teachers or 100 learners;
- More centralized government control of teacher education, though the provision of bursaries as a tool to attract prospective teachers;
- In areas of serious teacher shortages in rural schools and other difficult delivery contexts, priority be given to recruiting educators from the same communities rather than appointing teachers from urban or other external areas;
- Appointing beginner teachers for specific periods (between 2 to 5 years) before he/she may request a transfer to another school or be allowed to apply for a promotion post. This will ensure a degree of continuity and stability at schools in rural areas or in difficult-delivery contexts.
- Use of senior pupils/trainee teachers;
- A teacher transport allowance for qualified educators teaching in rural areas;
- Reducing the time trainee teachers spend in pre-service education, for example, from three to two years, without in any way compromising issues of quality;
- Additional remuneration/rural allowance;
- Involvement of local government through the building of houses and provision of solar electricity; and
- Relaxing of promotion criteria for educators/principals in rural areas. For example, the lowering of years of experience required for particular post levels.

These recommendations should be considered as part of a comprehensive rural strategy to address teacher retention and performance and hence enhance education quality provision. In order to do this, it is recommended that:

The DoE establish a Rural Education Unit to oversee the development and monitoring of policies relating to public educators in rural schools.

### **Teacher education and professional development**

The use of teacher training institutions to serve as both sites of pre-service teacher education and as sites of teacher professional development in close collaboration with teacher centres (as is the case in Mexico through the Institute for Assessment and Innovation of Education (INEVAL), should be considered. Greater use of distance education and information communication technology (ICT) be promoted in the delivery of teacher education and professional development.

The applications of competency examinations to assess teacher trainees' potential to become good teachers be explored in all teacher education programmes in SA. It is important that teachers are unambiguously committed to the profession thus signaling a willingness to remain in the profession. This is critical to addressing the education quality challenge, which requires committed, qualified, competent and effective educators at all levels of the system. One way of facilitating this is to have high entry-level qualifications for joining the teaching profession.

Teacher training should be aligned with the content for the utilisation of the 80 hours set aside for professional development. All educators have opportunities to attend training workshops for a certain number of days during school holidays to keep them abreast of the latest curriculum, HR and IT developments. The DoE should provide guidelines to provinces in this regard.



### **Performance management, promotions and career pathing**

Consideration should be given to linking educators' performance with learner achievement. This is regarded as key to improving the quality of teaching and learning and constitutes one of several teacher assessment factors in Cuba and Mexico.

Performance management should be made fundamental at all levels of the education system. This should include performance evaluation measure for educators as well as school managers.

Commissioning/establishing an independent education evaluation centre that monitors and evaluates the health of the education system, including the performance of teachers;

The practice of "Opening the Doors of the Classroom" which allows parents, during a designated week, to visit schools and observe teachers teaching a lesson to their children should be promoted. Overall, a greater community role, especially by parents, in supporting and encouraging teachers to perform optimally, is recommended. Performance rewards/incentives should be provided for all teachers, with specified criteria.

Career pathing in Jamaica and Mexico provides for progression from teacher, to senior teacher to master teachers. The creation of a non-professional category of educators to teach where professional educators are not willing to teach may be considered.

## Employee relations and conditions of service

Key lessons relating to employee relations that could benefit educators' contribution to quality education include:

- Greater emphasis on educators' social commitment to the profession, including a strong work ethic. Teacher unions should take the lead in fostering a cooperative and non-antagonistic relationship in the provision of providing quality public education; and
- Instituting a more compact, time and output-based based collective bargaining and negotiations process. For example, it could be specified that all negotiations be concluded within 1 month, with the option to extend negotiations for a maximum period of 1 week. Thereafter, the negotiating parties may opt for appropriate action within the labour legislation guidelines to force a resolution.

It is further proposed that the overall service packages for teachers be strengthened by considering the following possibilities:

- Special housing allowances for teachers based in rural schools;
- A teacher transport allowance for educators who have to commute long distances;
- More attractive study leave benefits;
- Increasing government's pension contribution;
- Increasing government's medical aid contribution or making it more responsive to teachers suffering with HIV/Aids and other chronic diseases; and
- Introducing government cover for funeral/burial costs of educators in poor communities.

## EMIS

It is recommended that the Department of Education establish an integrated education database with information on educators that could be accessed by a range of stakeholders, particularly school management, teachers and organisations such as the ELRC and SACE. As reported in the study on Factors Determining Educator Supply and Demand (2005), the methods of collecting and managing EMIS data need careful evaluation to assess their effectiveness.

Further, that the DoE consider:

- Expanding its EMIS department to include research and policy components to enhance overall policy formulation and implementation with regard to public educators;
- The development of an EMIS master plan;
- The establishment of a Center of Educational Technologies to strengthen the use of information technologies throughout the education system; and
- The development of both macro- and micro- (school-based) indicators to monitor and evaluate the performance of the education system; and
- The organisation of a 'technical' visit to SA by a team of EMIS experts, for example, from the Mexican EMIS department to strengthen the development of SA's own Education Management Information System.

### **Issues for further investigation**

It is in the nature of international study visits that, due to time constraints and other factors, there remains a need for follow-up work to obtain clarity and more details on certain aspects of the project. This was especially the case in this series of study visit given the large number of countries visited and the short duration of visits in respect of some of the countries.

In light of the above, it is recommended that:

The ELRC maintain ongoing relations with a number of the education ministries, departments of education and teacher unions, firstly, to ensure that greater clarity is obtained on a number of policies pertaining to public educators and their effects on improving education quality, and, secondly, to help consolidate professional relationships for the future.

# INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION WORLD CONGRESS REPORT

## A. INTRODUCTION

The ELRC, as a member of IIRA, sent a delegation of nine comprised of, three from the Department of Education, three from CTU- SADTU, two from CTU-SAOU and one from the Secretariat of the ELRC, to attend the 14th World Congress of IIRA.

## B. THEME OF THE CONGRESS

The theme of the congress was *"Social Actors, Work Organization and New Technologies in the 21st Century"*

## C. PLENARY SESSIONS HELD

### i. TRACK 1: (12 September 2006):

Social Dialogue, Economic Freedom and Industrial Relations

The central focus of the topic was social dialogue as an effective promoter of consensus and involvement by social actors

The topic further examined the conditions for effective development of social dialogue on labour and social issues

### WORKSHOP 1.1

The paper was to deliver an overview **of new organizational forms** that emerged as a result of an ever increasingly volatile economic environment and new technological advances especially with regard to ICTs.

As the institutions of industrial relations increasingly are forced to focus at the organisational level and on incorporating new social actors this research provided new insights into how social dialogue can be productively undertaken to produce improved social cohesion.

The paper identified the elements that constituted cooperation and offered a more comprehensive view of the interplay between the labour management relationships; institutional arrangements that involve new social actors and new organisational forms that incorporate new technology to establish a more encompassing cooperation construct.

**ii. TRACK 2: (12 September 2006):**

**Human Resource Management and the New Labour Relations**

Changes in the international economy has had and continue to have, dramatic implications for work and its regulation around the world. Globalisation is likely to produce a universal "race to the bottom" in labour standards and a convergence of employment relations practices around the world. Globalisation undermines the conditions that in the past made it possible for workers in developed countries to enjoy the benefits of union representation, collective bargaining and relatively high wages. Increasing competition and product markets from relatively low wage economies are forcing companies in developed countries to erode labour conditions in an effort to survive.

The "highly cooperative and trustworthy labour-management relations" may provide the basis on which these firms are able to compete successfully in an increasingly competitive sector. Adopting a bundle of HR practices, organisations are able to develop High Performance Work System (HPWS) which offset the relatively high costs of labour.

The adoption of advanced technology and development of lean production systems allows firms to improve their performance.

The importance of the analysis is

- 1) It highlights the spatial dimensions of globalisation and its impact of work relations,
- 2) It shows that even in highly unfavourable circumstances, unions can build and develop their local resources in ways that moderate the impact of globalisation and give workers and broader community at least some control. Unions found different ways of intervening in economic life at the paces where they were located and where most of their members reside.

Globalisation erodes labour standards, so it has been argued that MNCs are one of the key agents producing convergence in national patterns of employment relations. The view of the role of MNCs in reshaping labour relations based on assumptions can and do reproduce the same set of HR practices across their entire operations. MNCs adopt similar HR Practices and the governments are relatively powerless *vis-à-vis* MNCs.

The empirical findings suggest the company levels factors and the extent to which management decision-making is centralised or decentralised in MNCs have a more significant impact than external factors such as host country industrial relations systems.



MNCs play an important role in shaping work relations around the world, they indicate the need for a more sophisticated analysis which accepts the importance of institutional factors but also is attentive to issues of agency and potentially complex nature of intra-firm interests in shaping MNC HR practices.

### **Drivers of variation in HRM practices in multinational companies**

- In addition to well-known drivers (country of origin, sector, national culture, business systems) there are other important contextual drivers of HRM practice adoption;
- Corporate strategy, structure, culture;
- Organisation heritage;
- Internationalisation strategy;
- Advanced use of (information) technology;
- Bundling of HRM practices;
- HR function (desire/capability/opportunity); and
- Weighting of each driver varies per company, primarily dependent on internationalisation strategy.

### **iii. TRACK 3: (13 September 2006):**

Productive Employment and Education

### **HUMAN RESOURCES DEVELOPMENT PARTNERSHIP FOR INNOVATION, COMPETITIVENESS AND SOCIAL**

**LEE, Hyo-Soo**

**This paper explored Human Resources Development Partnership (HRDP) model for innovation, competitiveness and social inclusion in the globalising knowledge-based economy.**

Employers will also have incentives to take the low road strategy that focuses on only numerical flexibility of employment including freedom of layoffs and expansion of contingent workers. These strategic choices may be beneficial to employers in the

short-run but they will generate low skill equilibrium, or a low-level production system due to malfunctioning of the human ware system caused by dampened workers' mindset. Many companies in most countries have experienced difficulties of job and skill mismatch because of asymmetric information in both education and labour markets in addition to disconnection of the two markets.

To make the companies take the high road strategies, the paradigm should be shifted from the flexible to the dynamic and healthy labour market. The society should have a human resource development system based on collaboration and partnership among employers and their associations, workers and trade unions, colleges and training centres, central and local governments. There is a neat Learning and Job Information Centre (LJIC) and a new approach to integrate the education market and the labour market to improve education performance and reduce skill mismatch as well as transition cost from school to work.

The 'HRDP Model' will be introduced to develop **the dynamic and healthy labour market system to promote both the competitiveness of companies and social inclusion through the advancement of the vocational ability, trainability, adaptability and employability of the workers.** The governance, actors' partnerships, and the LJIC centre in the model will be discussed. A new direction of the human resources policies in Korea as well as a paradigm shift in the vocational ability development will be addressed in the model.

## **INDUSTRIAL RELATIONS AND GLOBAL SERVICE OUTSOURCING: THE SWANKY SWEATSHOPS OF ASIA**

**Rene E. Ofreneo, Christopher Ng and Jose Umali**

World-wide, the labour market and industrial relations practices of countries are undergoing tectonic changes under economic globalisation. Business processes, organisational structures and delivery of products or services are changing unceasingly under the unceasing pressure of global competition and economic liberalisation. In turn, these business and organisational changes are altering the nature of jobs, work processes and the relationships of people at work.



### **The objectives of this paper were three-fold**

- 1) To show how the Information-Communication Technology (ICT) is used by global and regional capital to facilitate the outsourcing of traditional factory and now service jobs to Asia;
- 2) To outline the nature of work and work processes in the global Contact Centre/ Business Process Outsourcing (CC/BPO) industry of Asia; and
- 3) To identify the emerging issues confronting industrial relations scholars and trade unionists in relation to the phenomenon of Global Service Outsourcing.

### **ICT-driven global outsourcing of jobs in Asia**

How does ICT drive the global outsourcing of jobs in Asia?

There are four major ways.

Education and productive employment has long been recognised by policy makers and economic and social engineers worldwide. Education enhances the employability of a worker. Skilled and educated work forces is vital in making an industry competitive.

Education and training are investment goods that transform labour into productive human capital. Education and Productive Employment raise the diverse policy issues and concerns - at the community, national and regional/global levels in the broad areas of education, training and overall human development as societies at varying stages of development try to cope with the employment challenges under globalisation.

Training policies of the big firms, absence of training programs among the small firms, skills development and corporate social responsibility, new and old institutional arrangements for education/training sector, bargaining challenges in the educational /training sector theoretical debates on the IR perspective versus the neo- liberal economic perspective etc are some of the issues that were covered in the study.

The central role of education and training in creating and sustaining productive employment and related to the importance of instituting reforms and innovations in education, human resources management and industrial relations.

Direct relationship between education and productive employment cannot be contested. A great diversity of issues and concerns, some old and others new in the broad areas of education, training and employment because of the changing economic environment and reconfiguring labour market under globalisation.

Papers submitted to the IIRA Congress represent a rich harvest of learning and insights on what is happening in the areas of education and employment.

## **THE RELEVANCE OF COLLECTIVE BARGAINING IN CONTINUING VOCATIONAL TRAINING ISSUES. SOME ASPECTS FROM GERMANY**

**Stefanie Fischbach and Reinhard Bahnmüller**

### **a) What are the reasons for collective bargaining on further training?**

Germany can be regarded as a country with a predominantly skilled-labour market. Besides a state-led university system, is this due to the tripartite regulation and high standardisation of the **Initial Vocational Training** (IVT) system, in which trade unions play an important and recognised role. However, the importance of this training is depreciating relative to the growing importance of **Continuing Vocational Training** (CVT). Unlike IVT, however, CVT is dominated by market-structures and characterised by several shortcomings. These shortcomings indicate a break with established principles of vocational training and an insufficient response to an increased need for skills.

These problems particularly challenge the trade unions, which play an important role in the IVT system and support competitiveness in the German economy. They are a rationalising and modernising force, combining the representation of egalitarian interests with the pursuit of economical efficiency. Thus, the tendencies in CVT confront trade unions from several perspectives, including their representation of egalitarian interests, their influence on skill formation, and their traditional promotion of innovation. Consequently, they have taken up several initiatives. Whereas there has been little reaction to their legal initiatives, several collective agreements have been concluded including the Collective Agreement on Further Training in the German metalworking industry.

### **b) Can Collective Agreements adequately tackle problems of further training?**

Even if the collective agreement has had an impact on further training processes in companies, this paper argued that there was more to be done in tackling shortcomings in further training. Successful collective agreements on further training need more binding rules and a close coupling with work-organisation and wage policy. Beyond that, there is a need for central and sectoral institutions which continue the IVT system, to develop, control and certify transferable further training modules as well as enable participation of all employee groups.

Due to its prompting of employers to invest in skills, the German dual system is often described as an incisive or even "picture-book" solution for the problem of collective action in offering high-quality training and transferable skills (Finegold 1999: 404; Johansen 2002: 302). It is worth noting that German trade unions urge for quantitative and qualitative extensions (Streeck et al. 1987: 3).

Therefore, trade union influence in the dual system encourages a non-particularistic and qualification-oriented modernisation policy, stabilizes occupation as a concept of social integration and identity as well as ensures transferability of skills. Conversely, the dual system is an important field in which trade unions' role and prestige as socio-political and labour market actors are developed and institutionalised.

#### **iv. TRACK 4: (13 September 2006):**

Policies of Social Protection

### **PROTECTING OVERSEAS FILIPINO WORKERS IN THE CONTEXT OF A GLOBALISED ECONOMY**

This paper examines the issues around labour migration and social protection matters associated with migration and is by Professor Virgel C. BINGHAY, University of the Philippines

## ABSTRACT

The Philippines is well-known in the area of overseas labour migration as among the largest exporters of cheap labour with 7.4 million stock estimates of Overseas Filipino Workers (OFW) at the end of December 2001. Faced with difficulties due to the unwavering chronic employment and underemployment problems in the country and the prospect of an ever-dimming future that lays ahead, more and more Filipinos are opting to seek employment abroad, hoping to obtain improvements in their economic and social conditions.

These exported workers are labelled as the "modern-day heroes of the land" because of the billions they remit each year that keeps saving the Philippine economy from collapse. However, historical evidences have long indicated the need to examine the phenomenon of labour migration beyond the conventional focus on employment promotion and worker's remittances. The country reduces its unemployment and underemployment rates and improves its balance of payment but do these considerations really outweigh the consequences that the OFWs and the entire nation have to bear? For one, it is well documented that these migrants are exploited and their human rights violated by unscrupulous recruiters, traffickers and employers while nations stand by.

It is true that overseas labour migration is a worldwide phenomenon and that exploitation is not an exclusive experience to OFWs. Migrant workers from other labour sending countries also suffer the brunt of serving others abroad. But this is no palliative. This is alarming especially because exploitative and demeaning treatment continue despite international conventions to protect the rights of migrant workers have long been in place such as the 1990 UN (United Nations) Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. These global understandings rely mainly on the capacity and sincerity of governments to implement programs envisioned by these international conventions. Many host countries have shown little regard for the rights of migrant workers in the past and seem unenthusiastic about changing this stance in the future not least because a lot of labour-surplus economies are ready to provide cheap labour. Threatened by the glut of own cheaper labour from rival labour -exporting countries, sending countries like the Philippines are hesitant to bargain seriously for the protection of the rights of their workers.

This situation calls for a multilateral solution. Without the strong cooperation and joint action of sending and receiving countries, respect for core labour standards will remain an elusive goal. Such multilateral solution could be made possible only if there is an international body vested with the authority to direct the compliance of governments to international labour standards. Given the situation, it is time to consider forming and/or strengthening an international body that can monitor, investigate and take action on the violations of basic labour standards.

## **INTRODUCTION**

Protection of human rights of migrants has become one of the most challenging dilemmas facing our world today. According to ILO estimates, there are around 70 to 85 million international migrant workers worldwide, 30 million of them irregular or undocumented (Harima, 1999). These workers are commonly from developing countries like the Philippines. The very situation of these workers as migrant workers qualifies them as particularly vulnerable group of people in the host society and reports of abuses and exploitation are common not only towards OFWs but to migrants from other labour-sending countries as well.

The acceleration of globalisation during the more recent decades is largely to be blamed for this growing vulnerability of foreign labour. As exports, migrant workers become mere commodities in the global market to be exploited in the name of economic progress. Although this kind of situation highlights the urgent need to institute international human rights protection particularly for these foreign workers, the remarkable development of the establishments of international covenants reveals its limitations and insufficiency since power still fully rests within the nation states. As a result, agreements advancing international labour standards stay put as mere rhetoric and the political will to enforce those remains intangible.

How then do we provide protection for migrant workers in the context of a globalised economy? This is the critical question this paper aims to tackle. The first task of this paper is to discuss the general categories of migrant workers and to provide historical and statistical background about labour migration in the Philippines. A thorough discussion about the situation of our overseas workers follows with a focus on the common challenges usually encountered by these OFWs before their departure, during their stay in the host country, and upon their return to the homeland. The third task of the paper is to identify and discuss the social costs of labour migration, introducing one thing that is left untouched by the literatures in the field -- the issue on the possible effects of the Philippines' labour export policy to the national sense of "oneness." The fourth provides an overview of the legal protection provided for migrant workers both at the national and international levels, inferring that the problem is not so much legislation to protect migrant workers but in its fair and impartial implementation. More importantly, this part highlights how globalisation has paved the way for the "commodification" of migrant workers and how this works in preventing the enforcement of agreements aiming to protect the dignity of foreign labour. The last part contains the concluding notes and recommendations of the author.

**v. TRACK 5: (14 September 2006):**

Integration and Free Trade in the Americas

**THE MIGRATION OF HEALTHCARE PROFESSIONALS: BRAIN DRAIN OR FREE TRADE?**

This paper examined the globalisation of the labour market for healthcare professionals and the subsequent migration of these practitioners from poor to affluent countries. Statistics documenting the worldwide shortage of healthcare workers are presented, with a particular focus on registered nurses. The manner in which this shortage drives the migration of healthcare professions is discussed. The negative impact the migration of these workers has on the quality of healthcare in less affluent countries is examined in detail. The paper concludes with a discussion of the strategies available for addressing the negative consequences of an unregulated global market for healthcare professionals.

### **Worldwide Shortage of Healthcare Professionals**

Healthcare systems around the world are in crisis. On all continents, in developed and developing countries, these systems are struggling to meet the needs of the people dependent upon them. One of the most critical challenges these systems face is a shortage of healthcare professionals.

In developed countries, national healthcare systems periodically experience shortages of nurses and other healthcare professionals. Usually these shortages are simply a function of demand growing faster than supply. This is most often corrected by introducing greater incentives into the labour market. In contrast, developing countries have long experienced chronic shortages of these workers. The shortages usually are rooted in a lack of resources that prevent the training or retaining of sufficient numbers of nurses, physicians, or other healthcare professionals.

However, in recent years, a number of demographic and societal changes have combined to create, what many observers believe will be, significant and long-term shortages in developed and developing countries alike. Most problematic is an almost universal shortage of RNs caused by an increase in demand in the face of a declining supply.

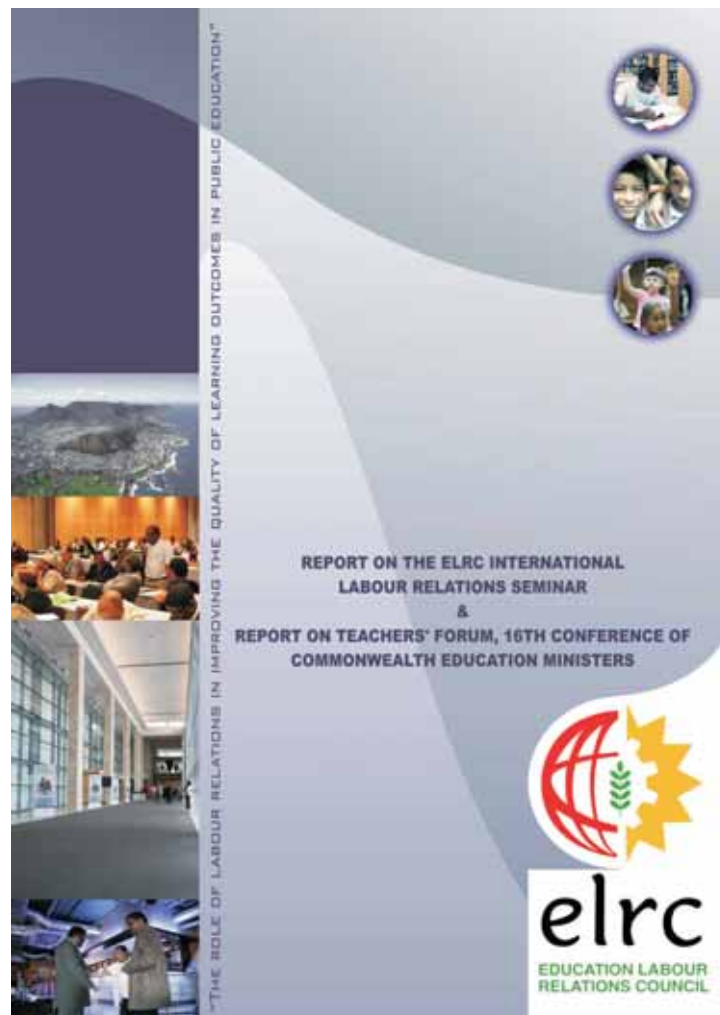
The nurse shortage in the U.S. is projected to grow to almost 150,000 in 2005, to more than 275,000 by 2010, and to over 800,000 by 2020 (US Department of Health and Human Services 2002). Other developed countries are experiencing similar nurse shortages. The United Kingdom (UK) currently has 57,000 less nurses than they need to staff the National Health Service (NHS) (Sick and Tired 2001). The Canadian Nurses Association has estimated that by 2011 Canada could have a shortfall of 78,000 nurses (RNABC 2004). And of the 100,000 nurses jobs in Saudi Arabia, only 54,000 are filled (1,000 by Saudi nurses and 53,000 by nurses recruited from abroad) (Pakkiasamy 2004).

Compiled by Willie Kutumela

## ANNEXURE C

### REPORT ON THE ELRC INTERNATIONAL LABOUR RELATIONS SEMINAR &

### REPORT ON TEACHER'S FORUM, 16TH CONFERENCE OF COMMONWEALTH EDUCATION MINISTERS.



For the full report, please refer to the Report on the *ELRC International Labour Relations Seminar & Report on Teacher's Forum, 16th Conference of Commonwealth Education Ministers* publication - RP39/2007

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## ELRC REGULAR PUBLICATIONS



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EDUCATION LABOUR RELATIONS COUNCIL

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- Calling for a turnaround strategy in negotiations process of the ELRC
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### ELRC sets the standard high

ELRC International Seminar - CT

The 16<sup>th</sup> Conference of Commonwealth Education Ministers (CCEM) was successfully held from 10-14 December 2006 and the ELRC was afforded the opportunity to market the council to the commonwealth countries through having a presentation at the Teachers' Forum and by participating at the exhibition.



Mr Firoz Patel (Teach Report booth)

Supporting the Teachers' Forum of the 16th CCEM, the ELRC International Education Labour Relations Seminar was held on 14 and 15 December 2006 and focussed on the role of labour relations in improving the quality of learning outcomes in public education.

Its main objective was to facilitate the sharing of experiences from various countries on issues in the broad arena of education labour relations and possible improvements in the quality of education. The seminar was held at the Cape Town International Convention Centre and went down without a hitch.

On the first day of the seminar, the president of COSATU and SADTU Mr William Madisha, gave the welcoming address on behalf of all teachers in South Africa. In his address Mr Madisha pointed to the importance of teachers in the education system and the need to ensure that labour peace prevails "so that the appropriate environment prevails for productive teaching and learning".


A necessary condition for such labour peace is the establishment of appropriate institutional arrangements for effective negotiations between employee and employer organisations.



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## LABOUR BULLETIN

Education Labour Relations Council  
in association with the  
Labour and Social Security Law Unit of the  
Nelson Mandela Metropolitan University



**Nelson Mandela  
Metropolitan  
University**  
FOR LEARNING

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### 1. From the Editor

The Labour and Social Security Law Unit (LSSLU) which is a sector at the Law Faculty of the Nelson Mandela Metropolitan University has joined forces with the ELRC in order to bring the Labour Law Bulletin to you quarterly. The intention is to provide up to date information on topical labour law developments in South Africa with particular reference to the Education Sector.

We trust that you will find the information interesting.

In addition to important case law development we also bring to you summaries of some arbitration awards of the ELRC. An in-depth discussion on a particular labour law issue will be included in each edition as well.

We would like to hear from you, and comments and suggestions on how to improve the Labour Law Bulletin can be e-mailed to [Adriaan.vanderwall@nmmu.ac.za](mailto:Adriaan.vanderwall@nmmu.ac.za). Any question or issue you wish to have addressed may also be emailed and we will attempt to address these issues in future editions.

A judgment of utmost importance was handed down in the Supreme Court of Appeal in *Transnet v Chirwa*. The Court held that dismissals of public sector employees for misconduct, incapacity or operational requirements and un-

fair labour practices do not constitute administrative action reviewable under the Promotion of Administrative Justice Act 5 of 2000 (PAJA). In addition, it was held that the Labour Court has exclusive jurisdiction to entertain disputes involving public servants, if such disputes are specifically covered by the LRA. This judgment is significant and will have the effect of limiting the significant number of cases emanating from dismissals that are referred by public service employees to the High Court.

In *Rustenburg Platinum Mines v CCMA* the Supreme Court of Appeal held that the Promotion of Administrative Justice Act (PAJA) applies to reviews of arbitration awards issued under the auspices of the CCMA and it accordingly extended the grounds of review available to parties in CCMA arbitrations. The Court also held that when commissioners consider the appropriateness of a sanction in dismissal for misconduct cases, they should show a degree of deference to the sanction imposed by the employer, because the latter has the right to spell out the standards that will be applied in its organisation.

In *CWU v Latex Surgical Products (Pty) Ltd* it was held that a retrenchment was substantially unfair because the employer did not show that there was a reason to downsize the organisation substantially and, in addition, used subjective selection criteria. An outside consultant rated

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