

ANNUAL REPORT 2009/2010



16 Years of Service Excellence through Professionalism

Presentation to Parliament
19 October 2010



Honourable members of the Education Portfolio Committee:

Ms FI Chohan, Chairperson	ANC
Ms N Gina	ANC
Ms MT Kubayi	ANC
Ms NW Madikizela-Mandela	ANC
Mr ZS Makhubele	ANC
Mr KD Mataboge	ANC
Ms AC Mashishi	ANC
Ms N Mkhulisi	ANC
Ms FF Mushwana	ANC
Ms G Saal	ANC
Dr JC Kloppers-Lourens	DA
Mr JRB Lorimer	DA
Ms A Mda	COPE
Ms L Adams	COPE
Mr AM Mpontshane	IFP
Ms HS Msweli	IFP
Mr MH Hoosen	ID
Mr NM Kganyango	UDM
Mr RB Bhoola	MF
Ms C Dudley	ACDP
Mr KJ Dikobo	AZAPO

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Accounting Officer – Mr M Govender

INTRODUCTION

*"I believe the children are our
future*

*Teach them well and let them lead
the way*

*Show them all the beauty they
possess inside*

*Give them a sense of pride to make
it easier*

*Let the children's laughter remind
us of how it use to be"*

Michael Masser & Linda Creed



INTRODUCTION (CONT.)

The ELRC mandate

- Constitution of the RSA
- Legislation
- Applicable laws, regulations and conventions.

Constitutional Mandate

- Section 23
- Section 28(2)
- Section 29(1)

INTRODUCTION (CONT.)

Legislative Mandate

- Labour Relations Act
 - Sect. 28
 - Sect. 51
 - Sect. 64 to 69

Other Mandates

- ELRC Constitution
- FETC Act
- Employment of Educators Act
- Collective Agreements

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** 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

ORGANISATIONAL VALUES (Cont.)

- 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;
- We **commit** to our work and to the

PREAMBLE

- Fulfilled mandate to promote and maintain labour peace in public education
- Contributed towards; and Managed
 - Quality Learning and Teaching Campaign
 - Teacher Development Summit
 - Teacher Laptop Initiative
- Year Three – HIV/AIDS Intervention Project



COMPLIANCE REPORT

APPLICABLE LEGISLATION

Key legislation directing the ELRC in its core business:

- Labour Relations Act 66 of 1995;
- Employment of Educators Act 76 of 1998 (Prior to amendment by Act 57 of 2001); and
- Further Education and Training Colleges Act 16 of 2006

Secondary Legislation

- Public Finance Management Act 1 of 1999;
- Promotion of Access to Information Act 54 of 2002;

APPLICABLE LEGISLATION (Cont..)

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

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

LITIGATION AND APPEALS

During the period under review, the total number of reviews decreased from 23 to 18.

ACCOUNTING OFFICER'S REPORT

For the Financial Year ended 31 March 2010

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 grievance and disputes of educators and officials are resolved through conciliation and/or arbitration

Secondary business of the Council

Is to promote and maintenance of labour peace in the public education sector through the provision of consultation and negotiations between trade unions and the state as the employer, as represented by



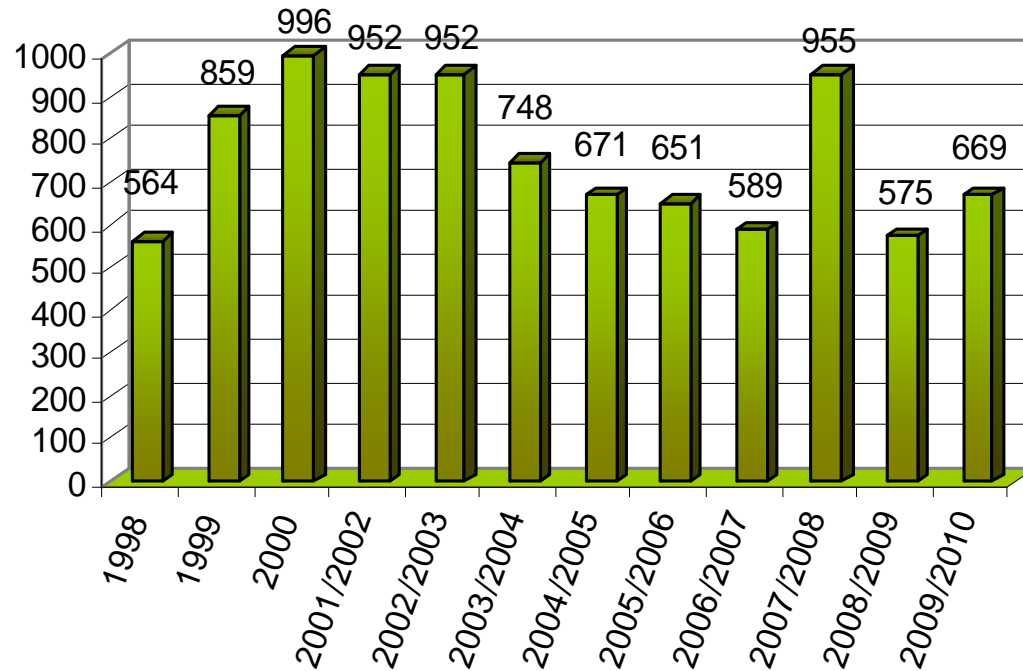
PERFORMANCE REPORT



PROGRAMME 1.1

DISPUTE RESOLUTION SERVICES

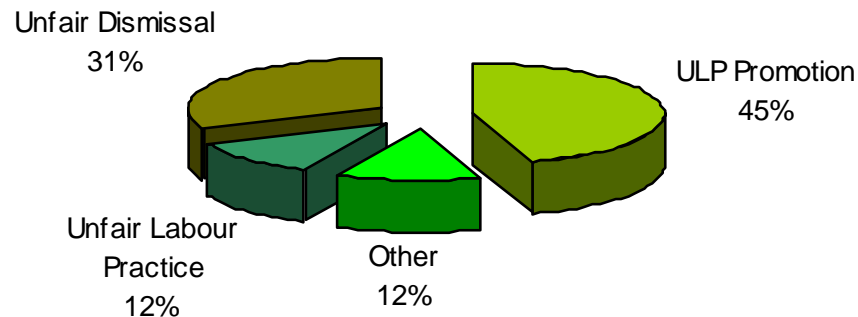
DISPUTES REFERRED BY YEAR



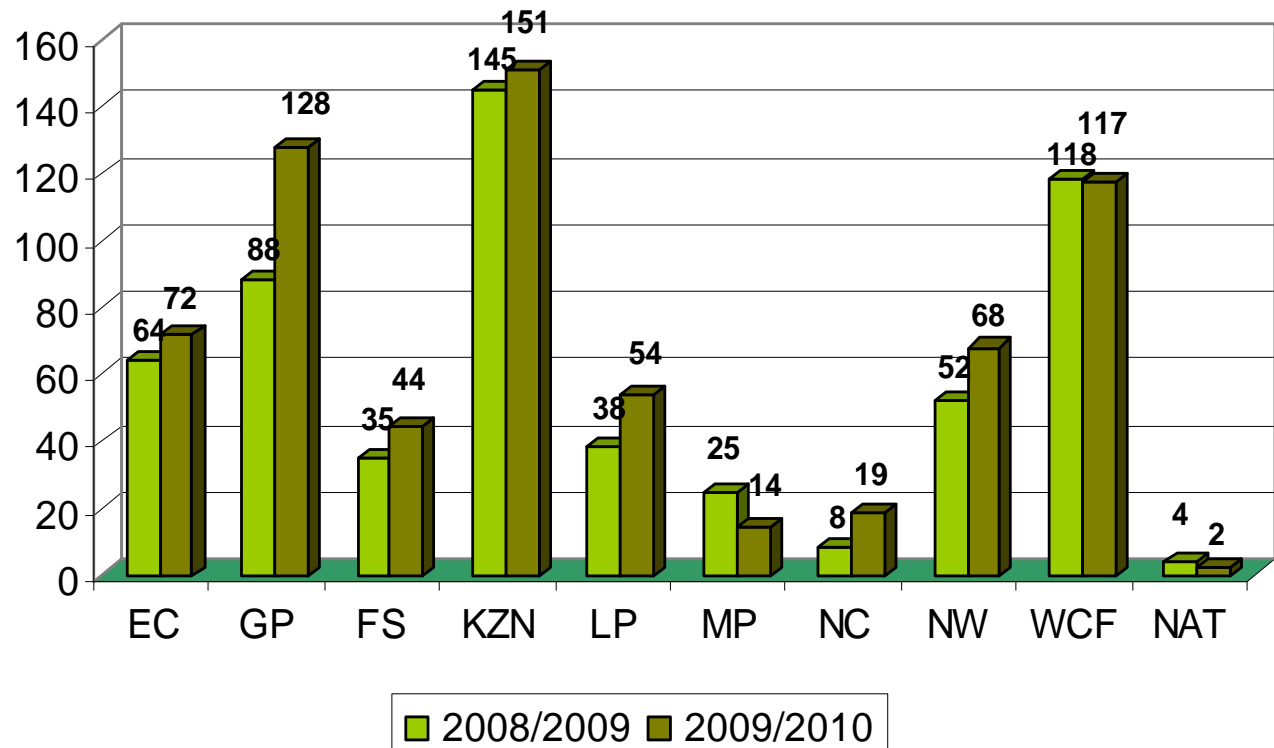
REFERRALS BY ISSUE IN DISPUTE

The majority of disputes referred to the Council relates to:

- ULP Promotion 45%
- Unfair Dismissal 31%
- Unfair Labour Practice 12%
- Other 12%



REFERRALS BY PROVINCE



DISPUTES RECEIVED: DISMISSAL FOR ALLEGED SEXUAL MISCONDUCT

- 12 disputes received nationally
 - 4 Kwazulu Natal
 - 3 North West
 - 2 Free State
 - 1 Eastern Cape
 - 1 Mpumalanga
 - 1 Western Cape
- 10 Disputes finalised via awards
- ELRC Panellist's upheld the dismissal of the applicants in all 10 finalised cases
- 2 Disputes are part heard and in the process of being finalised

SGB APPOINTED EDUCATORS

- Currently SGB appointed Educators are not subjected to the Employment of Educators Act by definition
- Department of Education has no legal standing to discipline such educators for any misconduct
- Department, however, assumes vicarious liability over the well being of learners
- Consideration to be given to amend the definition of "Educator" in EEA to include SGB appointed educators
- Would allow the Department to assume responsibility over the

SINGLE HEARING FOR SEXUAL MISCONDUCT MATTERS

- Misconduct of a Sexual nature is a serious offence and impacts on both learner and educator alike
- To avoid prejudice to both Learners or the Educator, such matters must be dealt with in the shortest possible time frame
- Currently the process has a prolonged timeframe for resolution (Investigation, Disciplinary Hearing, Appeals Procedure, Dispute lodged with ELRC)
- Proposal that such matters be prioritised and be dealt with by



PROGRAMME 1.2

TRAINING AND DEVELOPMENT SERVICES

TRAINING AND DEVELOPMENT

- Improve quality within the Dispute Resolution Processes
- Training of Dispute Resolution Practitioners on
 - Promotions and Appointments
 - Arbitrations and Conciliation hearings
 - Sexual Offences Act and Child Protection Act
 - Criminal Law Amendment Act (Sexual Offences matters)
 - Employment Equity Act
- Professional Development
 - Sexual Abuse misconduct cases
 - Rights of the child
 - Jurisdictional issues
 - Public interest in cases



PROGRAMME 2.1

COLLECTIVE BARGAINING SERVICES *NATIONAL*

COLLECTIVE AGREEMENTS – (General Public Education)

The following collective agreements were concluded and implemented at a national level:

- (1) Collective Agreement 2 of 2009:
Matters Identified for Collective Bargaining in Public Education
 - Items are currently serving on the agenda of Council
- (2) Collective Agreement 3 of 2009:
Implementation of an Interim Measure for Education Specialists (Therapists and Psychologists) Employed in Public Education
 - An across-the-board once-off

COLLECTIVE AGREEMENTS – (General Public Education) (Cont...)

- (3) Collective Agreement 4 of 2009: *Finalisation of Matters Linked to the Occupational Specific Dispensation in Education*
- Payments effected:
 - Recognition of Experience at one notch for every 3 years in the service
 - Salary progression 3 %
- (4) Collective Agreement 5 of 2009: *Vote Weights for Trade Unions that are Parties to Council*
- (5) Collective Agreement 1 of 2010: *Vote Weights for Trade Unions that are Parties to Council*
- Both Collective Agreements 5 of 2009 and 1 of 2010 implemented

RATIFICATION OF COLLECTIVE AGREEMENTS

The following Provincial collective agreements were ratified:

- (1) Collective Agreement No. 1 of 2009 of Free State – *Permanent Appointment of Temporary Educators*
 - 1092 Temporary Educators were permanently appointed
- (2) Collective Agreement No. 1 of 2009 of Limpopo – *Selection criteria for the appointment of grade 12 markers*
- (3) Collective Agreement No. 1 of 2009 of Mpumalanga – *Advertising of principals posts in the print media*

COLLECTIVE BARGAINING NATIONAL CONCLUSION

Finalisation of OSD negotiations

- (1) Significant work has been done
(Collective Agreement 4 of 2009:
*Finalisation of Matters Linked to the
Occupational Specific Dispensation in
Education*)
- (2) Outstanding matters subjected to
process (Task Teams)
- (3) Some matters will be finalised pending
the outcome of research findings
(Salary Structure)



PROGRAMME 2.2

COLLECTIVE BARGAINING SERVICES *PROVINCIAL*

COLLECTIVE BARGAINING PROVINCIAL

(1) Collective Bargaining

- 3 provinces concluded Collective Agreements: Free State, Limpopo and Mpumalanga

(2) Consultations

- MTEF/Post Provisioning consultations held

(3) Information Sharing

3.1 Employee Wellness

- Reports on implementation of HIV/AIDS Policy in schools were submitted

3.2 Performance Management

- Reports on implementation of IQMS

COLLECTIVE BARGAINING PROVINCIAL (Cont...)

3.3 Skills Development

- Reports on skills programme were received

3.4 Employment Equity

- Reports on implementation of Equity Plan and target received

(4) Professional Matters

4.1 Inclusive education

- Reports on implementation of inclusive education (LSEN) policies in schools received

(5) Monitoring

5.1 Temporary educators

- Reports on the absorption and utilisation of temporary educators received (Collective Agreement

COLLECTIVE BARGAINING PROVINCIAL CONCLUSION

Impasse between parties and the impact on the functioning of Chambers

- (1) Eastern Cape – Collective Bargaining has not been impeded by the impasse between parties outside the Chamber
- (2) KwaZulu Natal – Chamber activities have been disrupted and as such there has been intervention and facilitation (refer to the attached report)



PROGRAMME 2.3

DISPUTE PREVENTION SUPPORT SERVICES

ALLOCATION AND DISTRIBUTION OF SHOP STEWARDS

- Collective Agreement No. 2 of 2007 – *Shop Stewards in Education* – appointment of Shop Stewards in Education to facilitate negotiations, consultations, dispute resolution and dispute

	EC	FS	GP	KZN	LP	MP	NC	NW	WC	TOTAL
CTU-SADTU	7	8	6	12	8	1	6	5	8	61
CTU-ITU	3	4	6	6	4	2	2	3	3	33
TOTAL	10	12	12	18	12	3	8	8	11	94

ACHIEVEMENTS

SS work covered the following areas:

- Represented educators in disciplinary and con-arb (DR) hearings
- Represented unions in negotiations and consultations – provincial level
- Involved in the HIV/AIDS intervention programmes
- Assisted and communicated with educators about education, employment and Trade Union (TU) related matters
- Assisted TU in monitoring the



PROGRAMME 3

EXECUTIVE SERVICES

3.1 MANAGEMENT, INTERVENTION AND FACILITATION SERVICES

3.1.1 Teacher Development

3.1.2 Quality Learning and Teaching
Campaign (QLTC)

3.1.3 Teacher Laptop Initiative (slide 54
– 56)

3.1.4 ELRC HIV/AIDS Intervention
Programme (slide 52-53)

3.1.5 Facilitation (KwaZulu Natal)

3.1.6 Facilitation (Eastern Cape)

3.2 FINANCIAL AND RISK MANAGEMENT

–Fraud Prevent Plan

–Risk Management

–PFMA and Treasury Regulations

–Information Technology

Financial and Organizational Management

3.3 MOBLISING EMPLOYEES (Human Resource Management)



3.3 MOBILISING EMPLOYEES (Human Resource Management)

- The ELRC is committed to the continues development of its staff and to creating a culture of unity and harmony amongst its diverse workforce.
- We therefore make it our mission to invest in skills and knowledge development.
- Staff have been enrolled in various programmes related to their specific functions:

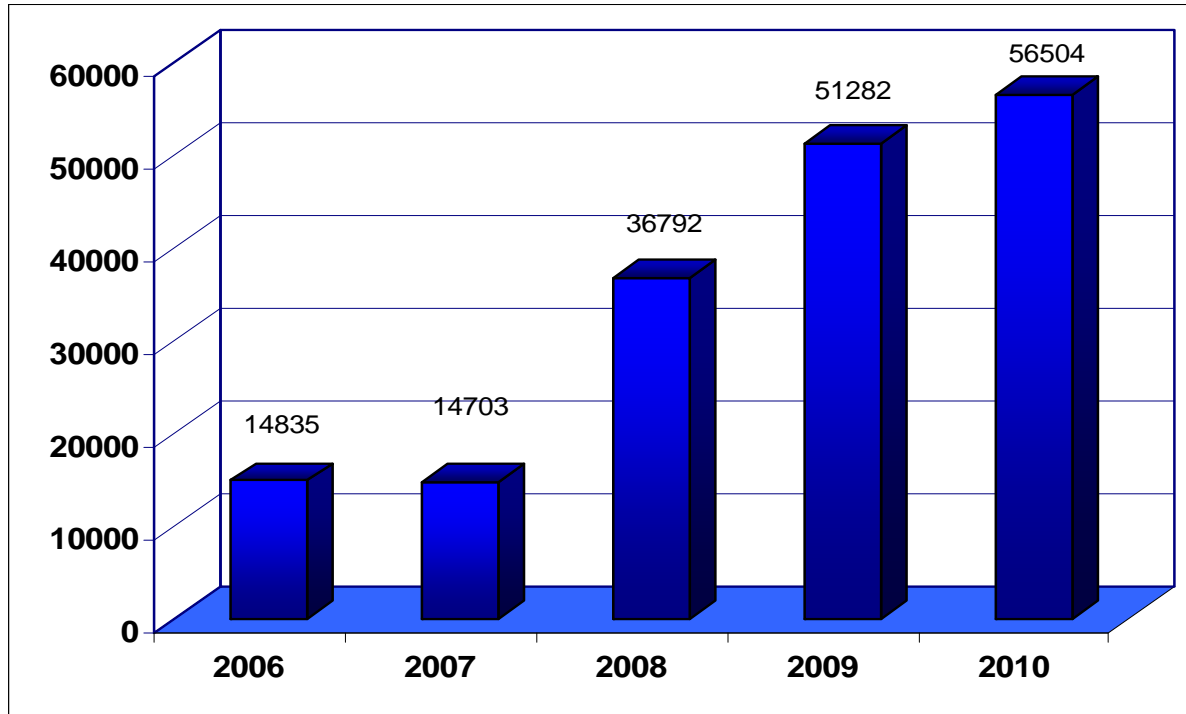
3.4 RESEARCH AND DEVELOPMENT

No formal research was conducted during the period under review

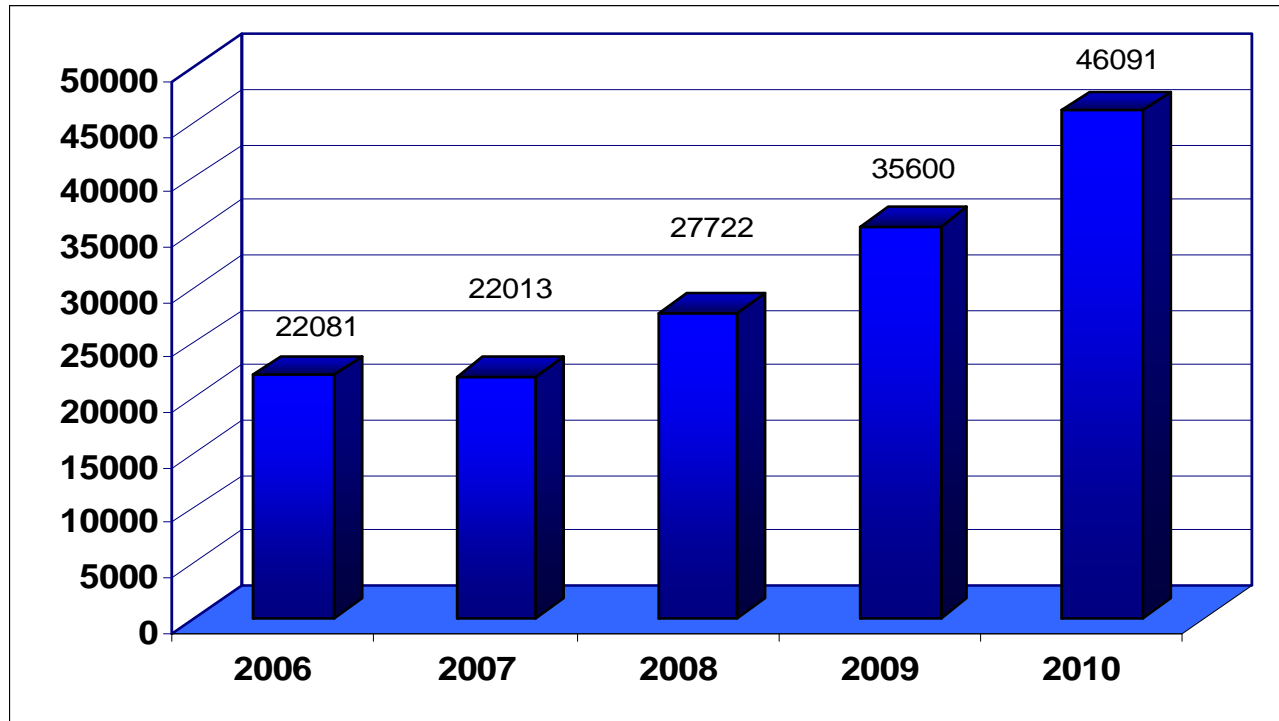


ANNUAL FINANCIAL STATEMENTS

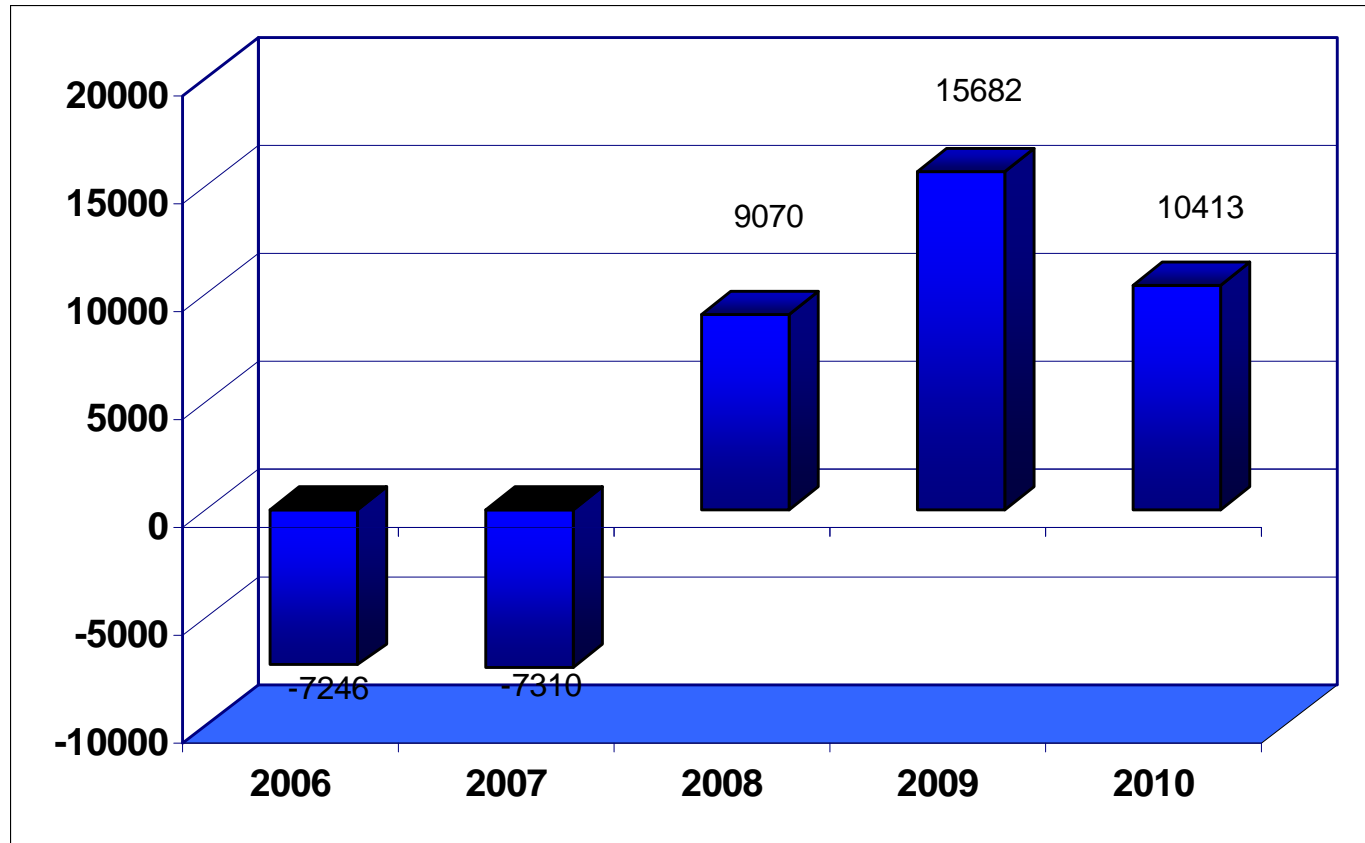
REVENUE 2006 - 2010



EXPENDITURE 2006 - 2010



Surplus/(Deficit) 2006 - 2010



FINANCIAL PERFORMANCE

For the year ending 31 March 2010

	%age Change	2010 R	2009 R
REVENUE	10	56,504,009	51,281,729
Levies	2,7	49,119,433	47,829,135
Investment income	18,6	3,998,788	3,371,495
Other income	1175	3,385,788	81,099
EXPENDITURE	29,5	46,090,797	35,599,939
Arbitration and mediation	62,7	3,783,278	2,324,602
Audit fees	(36)	689,419	1,081,765
Depreciation	(35)	809,344	1,237,082
Rental	(27)	740,147	1,019,919
Staff cost	49	12,434,201	8,322,892
Other administration and operating expenses	28	27,634,408	21,613,679
NET SURPLUS/(DEFICIT) FOR THE YEAR		10,413,212	15,681,790

BREAKDOWN OF EXPENDITURE

	2007/08	2008/09		2009/10
INCOME	36,792,195	51,281,729		56,504,009
	27%	23%		27%
1. Compensation of Employees	7,573,750	8,322,892		12,434,201
1.1 Senior Management	2,018,882	2,322,035	28	2,970,468
1.2 Other Staff	5,554,868	6,000,857	57	9,463,733
CORE SERVICES	14,375,067	18,175,086	-	24,504,756
2. Dispute Resolution Services	2,043,995	2,929,719	-	6,538,038
2.1 Dispute Resolution Services	2,043,995	2,562,554	-	4,239,373
Arbitration and Conciliation	1,459,471	2,194,528		3,349,892
Dispute Meetings/Workshops	106,238	85,017		62,767
Dispute Prevention	-			377,928
Other Costs	220,987	275,445		440,852
Transcriptions	257,299	7,564		7,934
2.2 Training & Development Services	-	367,165		2,298,665

BREAKDOWN OF EXPENDITURE

	2007/08	2008/09	2009/10
3. Collective Bargaining	11,601,776	14,783,253	17,329,359
3.1 Collective Bargaining (National)	1,863,558	762,373	3,510,157
Meetings	494,957	677,294	2,237,414
Administrative Expenses	9,606	74,037	105,092
Transcriptions	16,801	11,042	69,877
FETC implementation	1,342,194		849,191
Implementation of collective agreements			248,583
3.2 Collective Bargaining (Provincial)	1,770,885	2,351,146	2,034,152
3.3 Dispute Prevention Support Services	7,967,333	11,669,734	11,785,050
4. Governance Support Services	729,296	462,114	637,359

BREAKDOWN OF EXPENDITURE

	2007/08	2008/09	2009/10
SUPPORT SERVICES	5,772,808	9,101,961	9,151,840
5. Executive Services	2,276,315	6,454,936	6,668,580
5.1. Management, Intervention and Facilitation Services	29,233	1,920,519	3,585,665
5.2. Compliance and Investigation Services	897,118	1,107,546	862,355
5.3. Mobilising Employees Services	774,493	844,669	997,507
5.4 Research Services		1,855,497	142,610
5.5. Media and Communication	575,471	726,705	1,080,443
6. Corporate Services	3,496,493	2,647,025	2,483,260
Finance, Accounting and Facilities Services	3,496,493	2,647,025	2,483,260
	27,721,625	35,599,939	46,090,797

FINANCIAL POSITION

As at 31 March 2010

		2010	2009
	Notes	R	R
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	7,261,357	7,210,767
Intangible assets	5	283,042	-
Current Assets		73,454,612	51,423,086
Trade and other receivables	6	502,759	862,520
Cash and cash equivalents	7	72,951,853	50,560,566
Total Assets		80,715,969	58,633,853

FINANCIAL POSITION

As at 31 March 2010

	Notes	2010 R	2009 R
LIABILITIES			
Current Liabilities			
Trade and other payables	8	34,238,200	22,569,296
Total Liabilities		34,238,200	22,569,296
Net Assets		46,477,769	36,064,557
NET ASSETS			
Designated funds	9	46,477,769	36,064,557
Total Net Assets		46,477,769	36,064,557

FUTURE DEVELOPMENTS

- **REPORTING**

- BUDGET VARIANCES
- PERFORMANCE INFORMATION

- **AUDIT**

PREDETERMINED OBJECTIVES

- **OTHER CHALLENGES**

MANAGEMENT OF BUDGET



PROJECTS

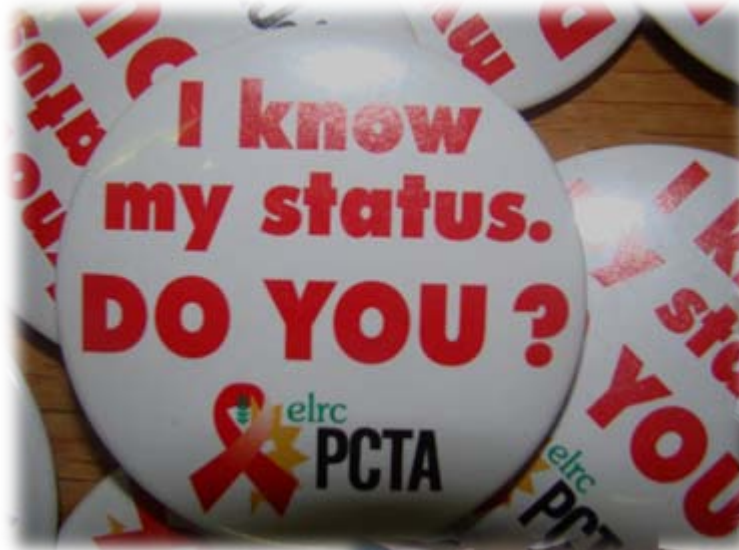


Highlights - 2010

- ⦿ Goal, objectives and approach of project are aligned with the NSP on HIV and AIDS
- ⦿ Reached 22,335 educators in all 9 provinces with HIV prevention, care and support messages
- ⦿ Working closely with National HCT School Campaign to reach goal of 200,000 teachers tested
 - ⦿ Member of the National Task Team for campaign
 - ⦿ Member of the Communications Team led by SANAC
 - ⦿ 128 Master Trainers and 1,580 Peer Educators to work with HCT School Campaign

What is in store for 2011

- ⦿ CDC-PEPFAR funding cycle complete in 2011
- ⦿ Collaborating with SADTU PPTC-OVC to design next intervention for teachers
- ⦿ Elements of next PCTA:
 - ⦿ Using a school-based approach
 - ⦿ Family members of educators and school community
- ⦿ Meeting with Provinces DBE, DOH to secure funding for programming and for sustainability
 - ⦿ DOE - Employee Assistance Programs
 - ⦿ Donor partners





TEACHER LAPTOP INITIATIVE

- Pres. Zuma - Initial intended Launch - July 2009
- Consultative Research however indicted that existing offers in the market consisting of bundles as specified by GG 32207 were way in excess of maximum R390 (3 X Allowance - R130)
- **SOLUTION:**
 - Centralized approach
 - Deal with Laptop Manufacturers / Connectivity Suppliers directly (No Middle Man)
 - One stop-shop approach
 - Public Engagement process



TEACHER LAPTOP INITIATIVE

- National Official Launch – December 2009
 - Intended rollout February 2010
- GG32207 specifies option of stop order deduction instead of debit order – security of stop order used to bargain reduced pricing with suppliers
- **ROLLOUT DELAYED – Finalization of Stop Order Deduction Codes with persal / treasury**
- Non issuing of codes due to new legislation
- Meeting with National Treasury – Recommendations:

- ESR accredited partners to be issued



TEACHER LAPTOP INITIATIVE

- Stop order code guarantees given June 2010
- Official Rollout Launch – 15 July 2010
- Provincial Launches to date:
 - KZN – 26 July 2010
 - MP – 2 October 2010
 - LP – 14 October 2010

CURRENT SITUATION:

Finalisation of Stop order codes still outstanding

SOLUTION:

High level Intervention



TEACHER LAPTOP INITIATIVE

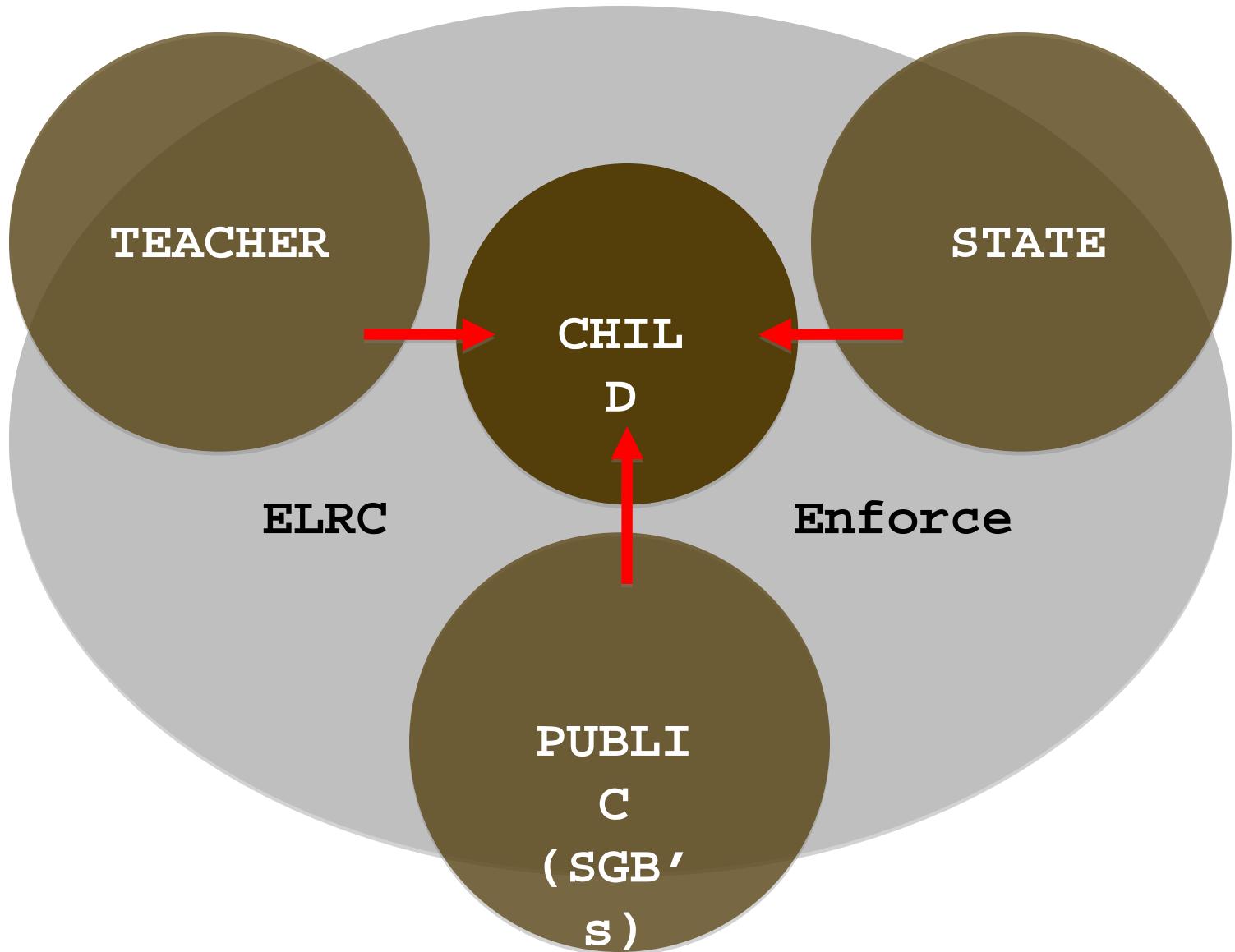




WAY FORWARD

FUTURE DEVELOPMENTS

SECTION 28 (2)



WAY FORWARD

CONSTITUTIONAL DUTY

To protect and advance the rights of the child as a vested third party to the Council.

The Constitution of our country (Section 28.2 “the principle of paramountcy”) and Section 29.1 (the right to basic education) changes traditional dimensions of ELRC

DISPUTE RESOLUTION

In DR process hearings concerning the child as a victim or a witness have been catered for.

- specialist team of
- team of intermediaries to protect the

WAY FORWARD

Special measures for the enforcement of BCEA provisions and rights.

Enforcement of collective agreements

DISRUPTIONS IN TEACHING AND LEARNING IN OUR SCHOOLS:

ELRC provide facilitation through **community engagement, mediation, RBO, etc** = creating a climate conducive to the delivery of quality learning and teaching.

Prevent "wild cat" strikes/disruptions from escalating.

COLLECTIVE BARGAINING

Promote and monitor the implementation of collective agreements through administrative processes.

WAY FORWARD

FETC BARGAINING UNIT

The FETC Bargaining Unit - continuous shortfall in the funding of their operations.

ELRC to subsidise the shortfall.

The monthly contribution made by the small number of FET college lecturers has put a strain on the resources of the Council and requires a review of funding by parties in that sector to ensure self-sustainability.

CONCLUSION

As the Accounting Officer of the ELRC and on behalf of the Executive Committee and the Audit Committee members, we convey our gratitude to you for assisting the Council in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and reporting practices of the ELRC and other duties as were directed by the Council from time to time.

For all the wisdom and the valuable time spent ensuring that the Council did not falter on its role to focus on the qualitative aspects of financial reporting to its stakeholders.



Thank You