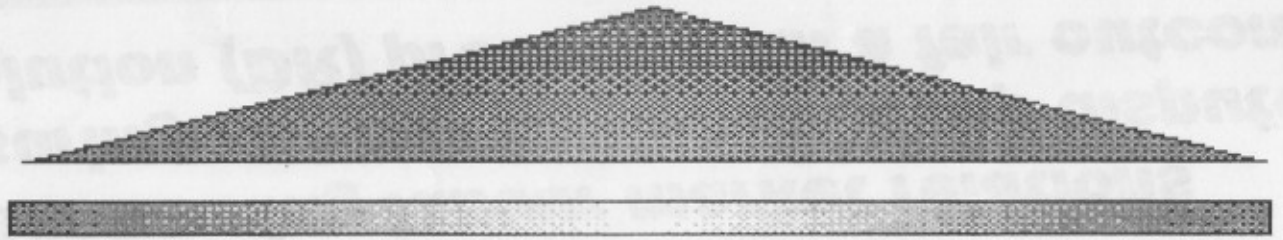
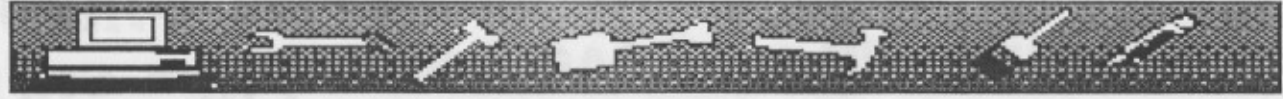


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CCMA



COMMISSION
FOR
CONCILIATION, MEDIATION & ARBITRATION

**BRIEFING TO PARLIAMENTARY
PORTFOLIO COMMITTEE**

14 March 2006

CCMA

VISION

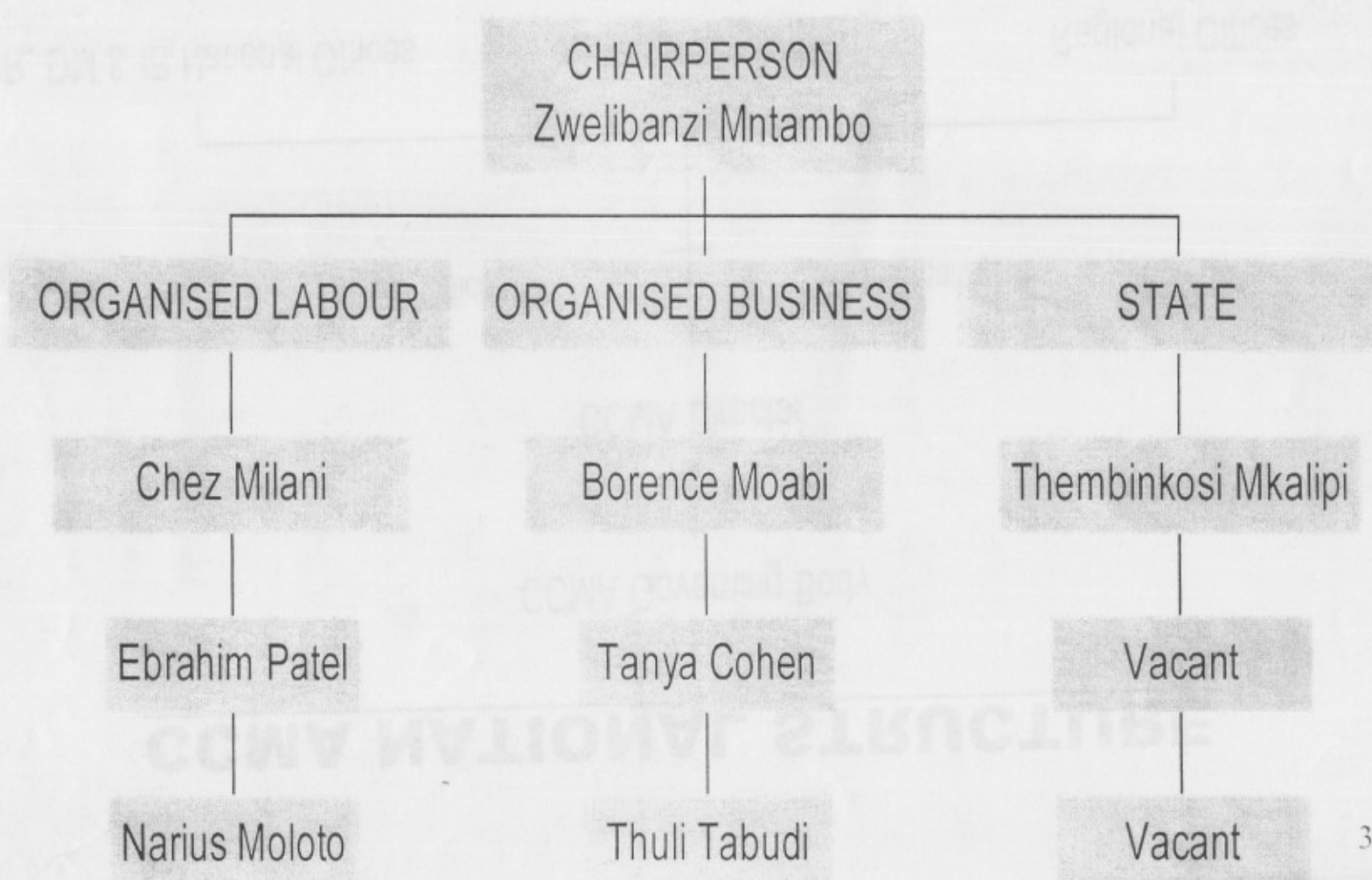
To promote social justice and economic growth with the social partners by transforming relations in the labour market.

This will be achieved by delivering high quality, low cost, dispute resolution and prevention services.

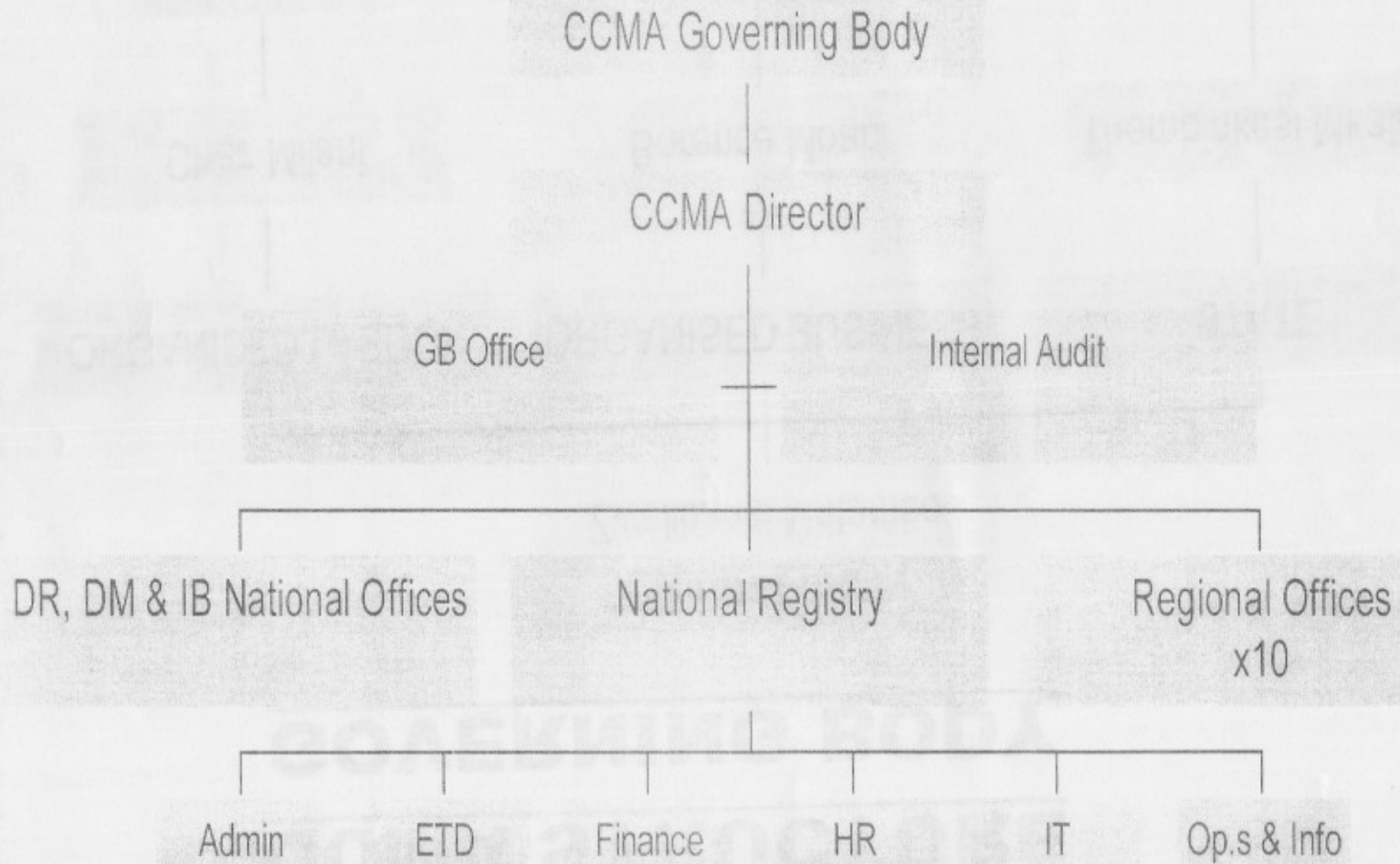
Key challenges:

- Transforming labour market relations**
- Ensuring a simple, quick & cheap dispute resolution (DR) process with a fair outcome**

CCMA STRUCTURE GOVERNING BODY



CCMA NATIONAL STRUCTURE



CCMA

PEOPLE PROFILE

- Total HR resources = 951**
 - Full-time employees = 396**
 - Part-time contractors = 555**

- Total commissioner complement = 409**
 - 76 full-time commissioners**
 - 333 part-time commissioners**

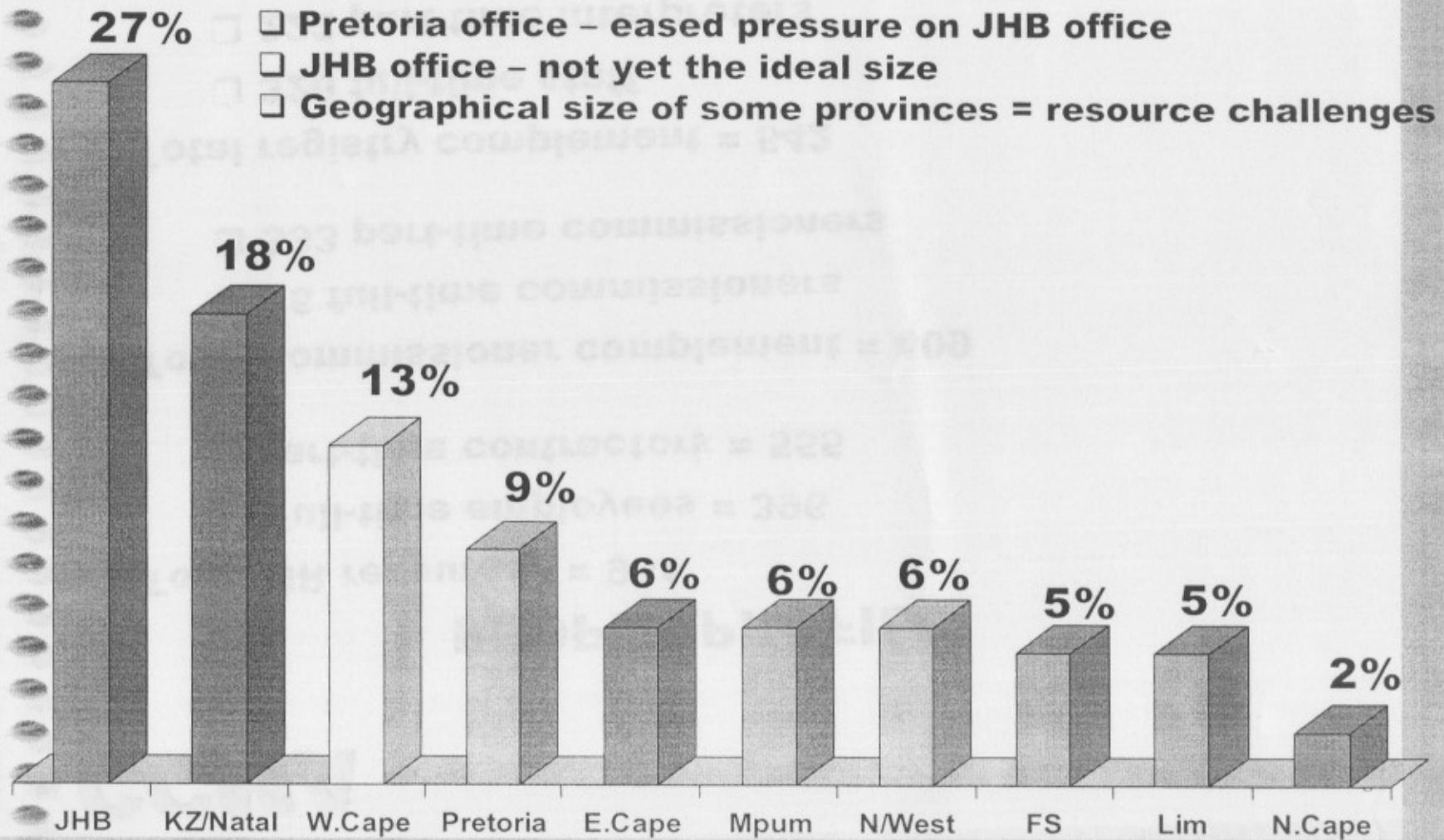
- Total registry complement = 542**
 - 320 full-time staff**
 - 222 part-time interpreters**

Key challenges:

- Attracting & retaining competent managers & commissioners**
- Continuous professional development of commissioners**

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CASELOAD BY REGION



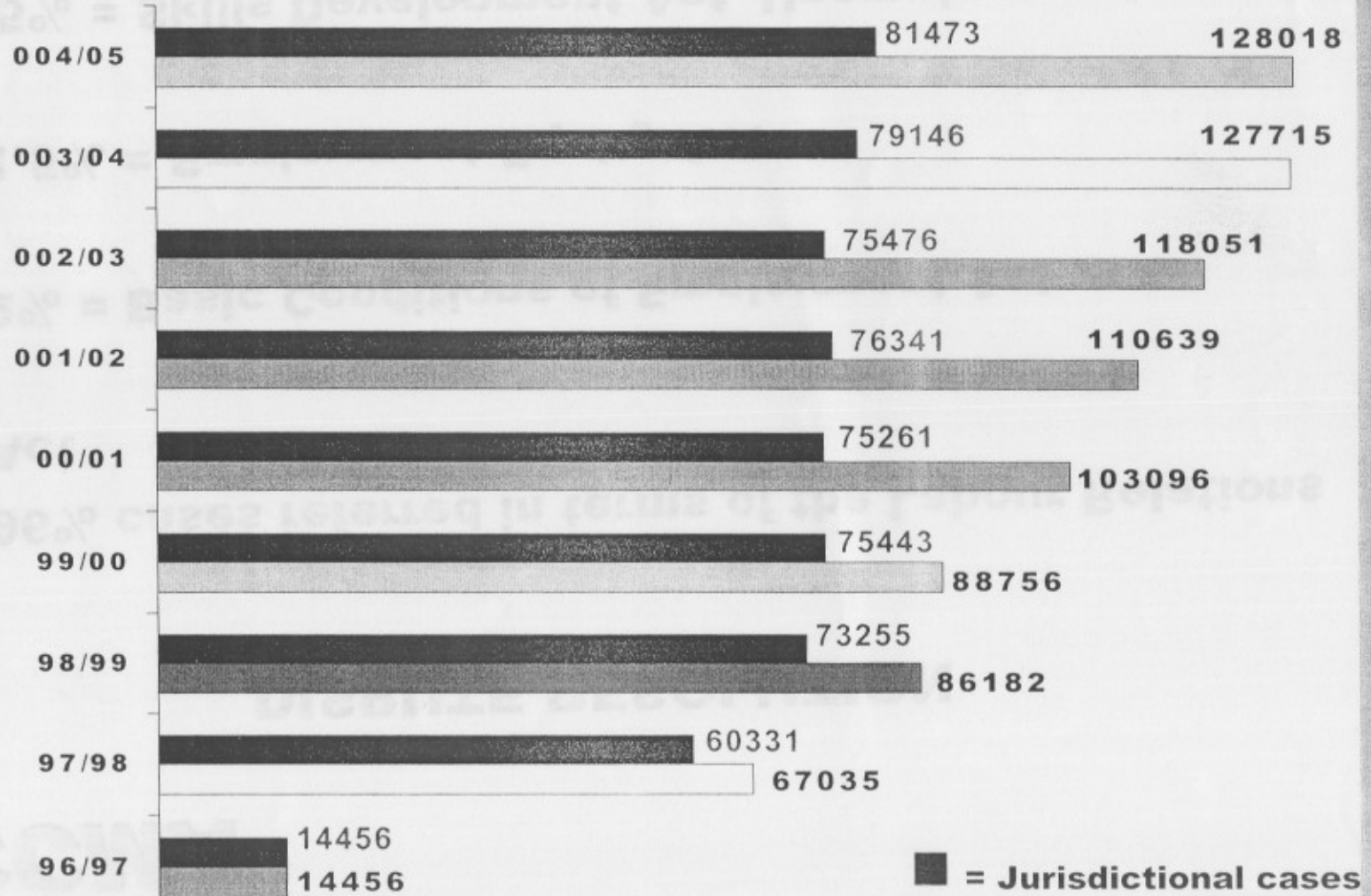
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DISPUTE RESOLUTION

- 96% cases referred in terms of the Labour Relations Act**
- 2% = Basic Conditions of Employment Act**
- 1.5% = Employment Equity Act**
- .5% = Skills Development Act, Unemployment Insurance Act, Mine Health & Safety Act**

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CASE REFERRALS vs JURISDICTIONAL CASES



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CASE REFERRALS vs JURISDICTIONAL CASES

% increase in case referrals between 1997 – 2005 = 91%

**% increase in out-of-jurisdiction cases between 1997 – 2005
= 594%**

Total % referrals screened out = 31%

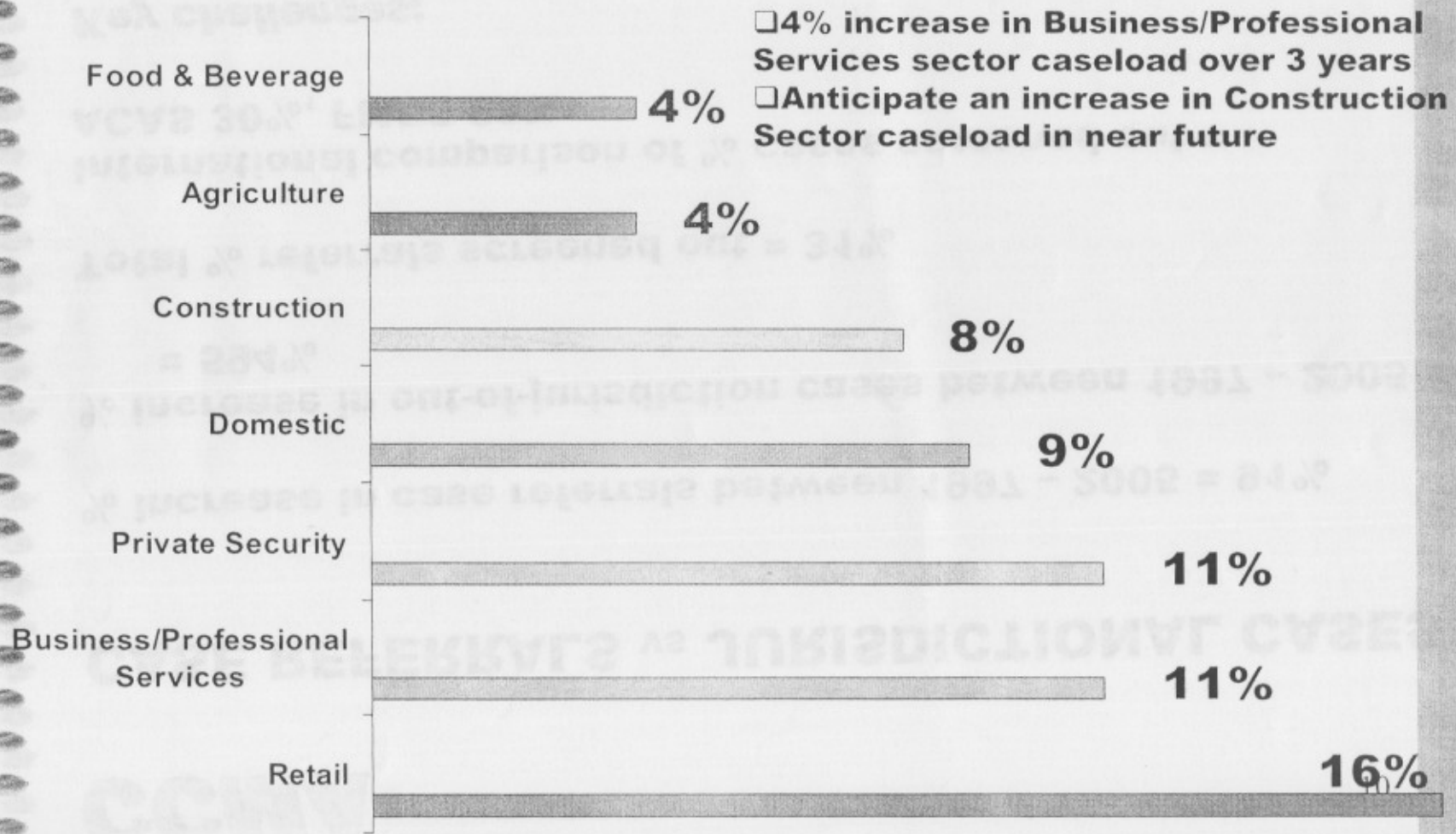
**International comparison of % cases screened out =
ACAS 30%, FMCS 22%**

Key challenges:

- Cost of dealing with out-of-jurisdiction cases**
- Educating the public - the correct forum for their issues**
- CCMA viewed as the “1st port of call”**

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CASELOAD BY SECTOR (OTHER SECTORS 3% OR LESS)



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STATUTORY DR DELIVERY

CONCILIATIONS (LRA requirement = 30 days)

- Conciliation cases take an average of 26 days from referral to outcome

On day of referral	1- 30 days	31 - 40 days	40 days +
9%	77%	11%	3%

- 5% of 14% out of time = with agreement of parties

- Settlement rate = 61%

Key challenges:

- 9% set down beyond 30 days without agreement of the parties
- 14% completed beyond the 30-day requirement

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STATUTORY DR DELIVERY cont.

ARBITRATION (CCMA internal target = 90 days)

An arbitration case takes an average of 50 days from referral to outcome broken down as follows:

0 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 days +
40%	32%	19%	7%	2%

Key challenges:

Non-attendance by parties - 15%

High rate of interlocutory applications (13% increase in in limine applications & 21% increase in rescission applications over last year)

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STATUTORY DR DELIVERY cont.

ISSUING OF ARBITRATION AWARDS (LRA requirement = 14 days)

% of late awards:

2002/2003	2003/2004	2004/2005	2005/2006
43%	19%	18%	10%

• **Special project – 23% reduction in late awards from November to December & a further 37% reduction to end January – a total 60% reduction over 3 months**

• **Key challenges:**

% late awards

Quality of awards

CCMA

STATUTORY DR DELIVERY – MUTUAL INTEREST INTERVENTIONS

S150 Interventions

Total number referred in 2005/2006 = 38

Settled = 50%

Major interventions = SAA, Harmony Gold, Pick 'n Pay

Key challenges:

- Party reluctance to accept CCMA invitation at early stage***
- To make S150 process attractive to parties***
- To build a resource pool of sectoral experts***

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STATUTORY DR DELIVERY – MUTUAL INTEREST INTERVENTIONS cont.

Total number referred in 2005/2006 = 3 204

Settled = 50%

% of caseload = 4%

Categories :

Wage disputes

Unilateral changes to terms & conditions of
employment

Picketing

Refusal to Bargain

Key challenge:

To build a resource pool of mutual interest experts

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IMPACT OF THE 2002 LEGISLATIVE AMENDMENTS

- Con/Arb – one process - conciliation/arbitration if not settled:**
 - 41% of all cases of which 76% finalised in one event**
 - Key challenges:**
 - Objections to the con/arb process*
 - National consistency of % cases con/arb'd*
- S188A Pre-Dismissal Arbitration:**
 - Key challenges:**
 - Diminishing demand – 25% drop from last year*
 - 54 conducted in the current year & < 200 since inception*

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IMPACT OF THE 2002 LEGISLATIVE AMENDMENTS (cont.)

S189A Facilitation for retrenchments:

- Over 600 conducted to date
- 32% increase over last year

Key challenge:

- Sustainable job retention

S143 Enforcement of awards:

- 6 940 processed this year – 62% CCMA & 32% BCs

Key challenges:

- Capacity to handle the volume
- Expediting processing

CCMA

DISPUTE MANAGEMENT & PREVENTION (DM)

Reduce cases at the CCMA and improve the quality of those referred through building the capacity of CCMA users to:

- resolve problems and disputes at the workplace level**
- avoid inappropriate dispute referrals to the CCMA**
- effectively manage referrals brought to the CCMA**

Key challenges:

- HR capacity to meet increasing demands for DM service*
- Reaching constituency involved – 75% applicants un-represented*
- Trade union levels of organisation declining & fluid nature of union leadership*
- Design of interventions to achieve DM objectives*

CCMA

DISPUTE MANAGEMENT & PREVENTION cont.

Focus

- Best practice workshops & presentations**
 - 497 workshops +/- 10 594 learners**
- Public awareness**
 - Community radio**
 - Roadshows (joint partnerships with DOL)**
- Breakfast & labour law seminars**
- User forums**
- Strategic facilitations**
- Bilateral briefings with high frequency users of CCMA services**

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INSTITUTION BUILDING

FOCUS

- Accreditation of bargaining councils dispute resolution functions**
- Accreditation & training of bargaining councils panelists**
- Administration of bargaining council subsidies**
- Administration of bargaining council S143 applications (enforcement of arbitration awards)**
- Providing support for bargaining council dispute resolution processes**
- Technical support to new DR services in SADC countries & the rest of Africa**
- Collaborative work & technical assistance to other SA institutions**

CCMA

INSTITUTION BUILDING

Key Challenges

- Ensuring all BCs have established rules – currently 30 have rules
- Making CCMA's case management system accessible to all BCs
- Transforming BCs in terms of equity & demographics
- Forming BCs or statutory councils in other industries, e.g. retail, security, financial sectors
- Co-ordination of work between DOL and the CCMA in relation to BCs
- BC training saturated (581 BC personnel trained to date)
- Implementation of a new subsidy formula – in context of current discussions

CCMA

INSTITUTION BUILDING - STATUTORY DISPUTE RESOLUTION DELIVERY

Financial Year	CCMA Caseload (jurisdictional)	PSCBC Caseload	Other Bargaining Councils Caseload	Total Statutory DR Caseload
04/05	81 473 (91% of total)	2 722	5 394	89 589 (1% increase over previous year)
03/04	79 146 (89% of total)	3 780	6 006	88 932 (9% increase over previous year)
02/03	75 476 (92% of total)	3 423	2 895	81 794

SERVICE DELIVERY INITIATIVES

- SMS notification of hearing dates & details
- Call Centre & Website
- Commissioner training – 1 276 trained
- Public courses – 969 members of the public trained
- Short session presentations:
 - how best to use CCMA & the law – catering to small businesses
- Commissioner/Panelist qualifications & associated learnerships

WORKLOAD TO RESOURCES

Year	Budget	% Change (year-on-year)	Human Resources	% Change	Caseload	% Change
06/07	R203m	3% (inflationary adjustment) →	403	0%	128 018 (projected)	0%
05/06	R198m	15%	403	-1%	128 018	0%
04/05	R172.6m	10%	409	1%	128 018	.24%
03/04	R156.5m	7%	405	3%	127 715	8%
02/03	R147m	8%	403	0%	118 051	7%
01/02	R136m	9%	405	3%	110 639	7%
00/01	R125m	-3%	393	-5%	103 078	16%
99/00	R129m	22%	415	-3%	88 756	3% ₂₄
98/99	R106m	14%	429	-2%	86 182	29%

CCMA

KEY ISSUES & CHALLENGES FACING THE CCMA

- CCMA ability to meet increasing demands with diminishing budget and limited HR capacity**
- Labour market conditions & relatively volatile IR climate, e.g. restructuring, rationalisation**
- Ensuring nationally consistent, high quality CCMA products & services**
- Internal equity issues – gender balance, disabled employees**
- Capacity of CCMA users to access CCMA services**
- The role of the courts – to balance the CCMA vision of simple, quick & cheap DR against the legalistic approach of the courts**
- Negative public perceptions of the CCMA, e.g. over-proceduralism**

CCMA

BUDGET

	Budget 2005/6	05/06 Budget - mid-term reallocation	% Change - mid- term over original 05/06 budget	Budget 2006/2007	% Change over 05/06 reallocated budget
Rollover	0	0		0	
Funding Income	187,945,000	197,945,000 ¹	5%	203,171,000	3%
Investment and Service Income	4,466,678	4,466,678	0%	5,000,000	12%
Gross Income	192,411,678	202,411,678	5%	208,171,000	3%
Staff Costs	89,442,451	85,442,451	-4%	89,530,351	5%
Governing Body Fees	200,000	228,000	14%	250,000	10%
Case Disbursements	52,376,217	62,309,493	19%	61,124,471	-2%
General Administration	7,666,789	10,028,109	31%	8,966,134	-10%
Consultants Fees	1,324,000	1,509,360	14%	1,476,600	-2%
Rentals & Maintenance	23,718,273	27,108,831	14%	28,472,061	6%
Finance Expenses	535,000	735,000	37%	760,000	3%
Advertising and Promotion	0	0	0%	27,000	100%
Communication Expense	4,956,667	5,219,667	5%	5,156,529	-1%
Training Expense	2,358,477	2,533,477	7%	1,693,703	-33%
Institution Building	4,617,140	2,017,140	-56%	4,700,000	133%
Travel and Motor Expenses	1,416,664	2,600,150	84%	2,264,151	-13%
Court Litigation	250,000	550,000	120%	750,000	36%
TOTAL EXPENSE	188,861,678	200,281,678	6%	205,171,000	3%
CAPITAL EXPENDITURE	3,550,000	2,130,000	-40%	3,000,000	41%
TOTAL	192,411,678	202,441,851	5%	208,171,000	3%