

ANNUAL REPORT 2020



NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.



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ACRONYMS

AGM	Annual General Meeting	NDoH	National Department of Health
AMCU	Association of Mineworkers and Construction Union	NTM	National Transport Movement
ARC	Audit and Risk Committee	NEASA	National Employers Association of South Africa
ART	Antiretroviral Therapy	NPC	Non-Profit Company
ARVs	Antiretrovirals	NQF	National Qualifications Framework
ATM	Automated teller machine	PALSA	Paralegal Association of South Africa
BCEA	Basic Conditions of Employment Act	PDP	Professional Driving Permit
BIA	Business Impact Analysis	PHC	Primary Health Care
CEP	Corridor Empowerment Project	PMP	Performance Management Policy
CCMA	Commission for Conciliation, Mediation and Arbitration	POPI	Protection of Personal Information
CMRA	Centre for Municipal Research and Advice	PTAWU	Professional Trade and Allied Workers Union
CMS	Council for Medical Schemes	REMCO	Remuneration Committee
CSI	Corporate Social Investment	RETUSA	Revolutionary Transport Union of South Africa
COSO	Committee of Sponsoring Organisations	RFA	Road Freight Association
DITUSA	Democratic and Independent Trade Unions of SA	SABCOHA	South African Business Coalition on Health and AIDS
DOL	Department of Employment and Labour	SACTWU	Southern African Clothing and Textile Workers' Union
ETI	Employee Tax Incentive	SAP	Systems Applications and Products
GTAS	Grant Thornton PS Advisory Proprietary Limited	SAPS	South Africa Police Services
HCM	Human Capital Management	SAQA	South African Qualifications Authority
HCT	Voluntary Counselling and Testing	SATAWU	South African Transport and Allied Workers Union
HVAC	Heating, ventilation and air conditioning	SIDA	Swedish International Development Agency
HTA	Health Technology Assessment	SLA	Service Level Agreement
ICAS	Independent Counselling and Advisory Services	STATSSA	Statistics South Africa
IT	Information Technology	STI	Sexually transmitted infections
ITIL	Information Technology Infrastructure Library	TASWU	Tiriso Transport and Services Workers Union (TASWU)
KPI	Key Performance Indicator	TAWU of SA	Transport and Allied Workers' Union of South Africa
KZN	KwaZulu-Natal	TWP	Trucking Wellness Programme
LRA	Labour Relations Act	ULP	Unfair Labour Practice
M&E	Monitoring and evaluation	VCT	Voluntary HIV Counselling and Testing
MBSA	Mercedes-Benz South Africa	WAD	World AIDS Day
MOU	Memorandum of Understanding	WCT	Western Cape
MTWU	Motor Transport Workers Union		
NBCRFLI	National Bargaining Council for the Road Freight and Logistics Industry		

CHAIRMAN'S REPORT



The theme for 2019/20 at the National Bargaining Council for the Road Freight and Logistics Industry (referred to as the Council or NBCRFLI) was 'Sustainability'. We have amply demonstrated our sustainability, having had a highly successful period under review, notwithstanding challenges: the year was marked by crippling blackouts, a weaker economy and a new wave of xenophobic violence. Since the close of our current financial year, the world has become afflicted by the Covid-19 pandemic. The year under review has not been affected, and we are of course hoping it won't have too much of a negative effect in the coming year.

The South African economy entered a recession when it contracted by 1.4% in the fourth quarter of 2019, following a contraction of 0.8% (revised) in the third quarter. Nevertheless, the Council's sustainability is demonstrated by the fact that I

am able to report with pride that our financial performance for the 2019/20 financial year has exceeded expectations, despite these economic challenges. Council's surplus increased from R70.6m for the previous financial year to R95.5m, a substantial increase of 35.13%. The Wellness Fund has also shown significant improvement. Our surplus for the year-to-date 31 January 2020 is currently R8.72m and there has been no need for Council to use its reserves to fund any deficit for wellness-related activities. This achievement echoes one of our strategic objectives of maintaining financial stability through tight financial controls and a determined focus on cost saving.

Representivity of Parties to Council to the Industry continues to be a serious threat to the existence of the NBCRFLI, and hence our sustainability. Membership is not growing at the desired rate. There are a number of causes of this, primarily the adverse economic conditions and employees exiting our Industry.

In an effort to mitigate the challenge of representivity, Parties to Council developed recruitment and retention strategies, embarked on recruitment campaigns to increase party membership and are committed to continue working towards increasing their respective representativeness in the new financial year. This demonstrates Parties to Council's determination to increase their representivity, which will in turn assist with the sustainability of the Council.

The year under review is certainly another one to celebrate, notwithstanding its challenges. Following a period of economic turbulence across the Industry at large, I am pleased to announce improved compliance levels to the provisions of the Main Collective Agreement by employers and employees in the Industry. Hence, we have witnessed an improved willingness to voluntarily comply with the Agreement.

However, we are concerned that there are companies in our Industry that still do not want to comply with provisions of the Main Collective Agreement, as well as companies that do not wish to register with the Council - even though they fall under our registered scope. Hence, we remain committed to strengthening our enforcement mechanisms to root out non-compliance in our Industry and to ensure that every company is registered with us.

One of the serious challenges of the period under review was the violence and vandalism that marred our Industry. Violence in the Industry has the potential to taint the image of the Council, but more importantly, it has caused great instability. As the representative of the interests of the Road Freight and Logistics Industry, we collaborated with various Government departments - including the Departments of Home Affairs, Transport, Police, Employment and Labour - to try resolve the impasse relating to the employment of foreign nationals within our Industry. We also participated in the Inter-Ministerial Task Team wherein we worked with Government to fast-track the review of immigration-related legislation, for consistency and harmonisation purposes.

In this regard, we assure our stakeholders and ordinary members of society that efforts are underway to avert what is a potential crisis that could contribute to the collapse of our economy, and especially the transport sector, if this issue of the employment of foreign nationals is not resolved amicably.

The year 2019 marked a momentous milestone for the Trucking Wellness Programme (TWP). The Programme has had an incredible impact not only on the Industry but also in communities throughout South Africa; both in the fight against HIV and AIDS, as well as all devastating lifestyle ailments like diabetes and hypertension.

The lessons of the past have clearly spelt out for us that the future of the TWP will continue to be driven by innovation, growth and improved quality of service, informed by the ever-changing needs of its clients. This exciting journey will remain focused on the prevention, treatment and care of HIV, STIs and other lifestyle diseases.

Our Council remains committed to providing oversight, whilst supporting Council Administration in delivering on the organisational mandate. As the Council, we make every effort to adhere to good governance principles by implementing and improving our internal controls and strengthening governance processes. For the year under review, the Council has developed and implemented various governance frameworks

to assist in maintaining and strengthening governance systems and instilling a culture of accountability.

For instance, Council approved a Business Continuity Plan and implemented a Compliance Framework. The Business Continuity Plan will greatly assist the organisation to operate even during the times where Council staff members and stakeholders are unable to access Council's buildings for whatever reasons. The Framework will assist to maintain and strengthen governance systems and instill a culture of accountability.

Council continued its review of various organisational policies in order to strengthen internal controls, focusing this year on charters and terms of reference of various Council committees. This aims to ensure the effectiveness and efficiency of these Committees.

The world of business evolves each day and we operate in a dynamic, fast-paced world in which we need to make increasingly complex decisions in shorter response times and amid greater uncertainty. This makes it imperative for us to continually invest in being a learning and reflective organisation that is in tune with the needs of the people we serve.

Cybercrime poses a challenge for most organisations. As Council, we are aware that a lack of focus on cyber security poses great consequences to our organisation. I am therefore pleased to report that during the year under review, Council embarked on various interventions to protect itself from cybercrime.

It is with great sadness that we ended this financial year with the passing of one of our own, a dear friend and colleague, Tabudi Ramakgolo, who served Council as a board member for over 14 years. Tabudi was deeply concerned with improving the lives of workers in the Industry and demonstrated exceptional discipline and commitment to ensure that the workers always came first.

This year we encountered both opportunities and challenges, and it is comforting to know that we have a capable and competent leadership at the helm. They are in turn supported by a dedicated group of employees and this team is doing its utmost to navigate these challenging times. In this regard, I would like to extend my grateful thanks to all the Councillors, Council Administration, panelists and those who provide professional assistance, for tirelessly giving their time, skills and guidance to ensure that the NBCRFLI runs smoothly. As always, our Industry partners have played an instrumental role in assisting us to effectively serve the Road Freight and Logistics Industry. I offer a sincere thank you to them all: the Departments of Employment and Labour, Home Affairs, Health, Police and Transport, the Commission for Conciliation, Mediation and Arbitration (CCMA), and the representatives of the labour and employer organisations, for their valued contributions during another successful year.



Jack Mazibuko
Chairman's Report
NBCRFLI

NATIONAL SECRETARY'S **REPORT**



It is with great pleasure that I present the National Bargaining Council for the Road Freight and Logistics Industry's Annual Report for the financial year 1 March 2019 to 29 February 2020. The report demonstrates our sustainability, as well as our continued commitment to transparency and accountability to our Industry members.

Despite the turbulent economy of the country, the National Bargaining Council for the Road Freight and Logistics Industry (referred to as the Council) has experienced a relatively good financial year. Hence, I am proud to reflect on yet another successful year for the Council. While the Covid-19 pandemic has been the major economic crisis of the past calendar year, its impact has not materially affected the results of the financial year currently under review.

One of the highlights for this financial year is another improvement of the Council's surplus to R95.7m from the previous financial year's R70.7m, which is a 35.34% increase. As part of our commitment to maintaining fiscal stability, we continue to focus on improving and maximising our revenue streams through a series of financial and other operational management strategies. For the year under review, I am pleased to report that the implementation of the organisation's investment strategy is progressing well in that the Registrar of Labour Relations has since endorsed the Council's investment strategy for implementation. The investment strategy will go a long way to assist Council to maximise its revenue streams while ensuring preservation of the capital amount invested.

During the year under review, cost-saving initiatives were undertaken and have had a further positive impact on the increase in the Council's surplus. These initiatives were introduced without compromising on our service to the Industry. For instance, among the initiatives taken was the insourcing of cleaning and maintenance services in our Cape Town office, as well as insourcing cleaning services for the Gauteng office.

We have also made improvements on our building infrastructure in order to improve the health and safety environment of our employees and stakeholders, including the installation of biometrics and a gun safe at our head office.

Information and Communications Technology (ICT) is an integral support service of the Council which serves to safeguard the Council's business information and ensure that there are no interruptions in services. While we are implementing and improving our ICT environment, we take cognisance of the recent risks and key challenges that have emerged as a threat in the ICT environment in general.

One of the key challenges that most organisations are faced with is cybercrime. To minimise cyber security risks, the Council conducted a Cyber Risk Assessment Audit in order to identify the cyber risks associated with the Council and to put measures in place to mitigate risks identified. Furthermore, a formal user awareness training programme was conducted with all users as well as the deployment of the Mimecast Email and Cyber Enhanced Security System.

As always, we are committed to providing excellent service to our Industry. Consequently, we continuously enhance our systems with the objective of streamlining processes to ensure that we deliver efficient and effective service to members. For the year under review, the new Arbitration System's Automated Document Generation, Email Delivery Process and Proof of Service were optimised, leading to a significantly higher success rate for the delivery of enforcement documents.

Furthermore, the development and implementation of the Litigation System is in the final phase of the digitisation process to provide an end-to-end integrated Enforcement, Arbitration and Litigation Case Management Solution. This system will digitise all aspects of the litigation process, automate the generation of documentation and provide transparency in the Litigation Case Management process. The system will also track litigation cases and alert users wherever action is required, to ensure that service targets are achieved. This system will greatly assist us to improve, integrate and report on our service delivery across the enforcement, arbitration and litigation processes.

We strive to provide our Industry employers with a user-friendly experience when utilising our E-Business online system. Hence, for the year under review, the E-Business Section deployed the new and improved version 5 on the online portal. This version is designed to make data exploration, navigation and user performance easier.

“

...we continuously enhance our systems with the objective of streamlining processes to ensure that we deliver efficient and effective service to members.

”

“ Our core function is to ensure that Industry members comply with the Main Collective Agreement. ”

Council's achievements came in the face of a fair share of challenges: a major one being the torching of trucks amid violence in the Industry. To mitigate this challenge, Council participated in a joint inspection task team comprising the Departments of Employment and Labour, Home Affairs, and Transport, to conduct inspections throughout the Industry. This was in response to complaints that local drivers were losing out on employment opportunities due to truck companies employing illegal foreign nationals.

Gaps in immigration policies related to legislation, protocols and directives were identified as a contributing factor to the employment of foreign nationals, prompting the establishment of an Inter-Ministerial Task Team to address this problem. We are pleased to report that the Council is part of the Inter-Ministerial Task Team, which comprises the Departments of Employment and Labour, Home Affairs, Transport and other relevant Government departments tasked with identifying and closing the gaps in the immigration laws.

The Council condemns all such violence, which we view as economic sabotage. We continue to call upon the South African Police Service to act against any lawlessness.

Our core function is to ensure that Industry members comply with the Main Collective Agreement. I am pleased to report a reduction in non-compliance. For this financial year, Industry voluntary compliance has improved to 84% - an indication that Industry members view the Council as their trusted partner.

As part of our continuing goal of bringing the Council closer to the people, for the year under review we embarked on a successful outdoor advertising campaign in Gauteng and KwaZulu-Natal. This campaign improved usage of the National Call Centre: in the third quarter alone, the Call Centre received 25 796 calls and answered 23 321 (90%) of those calls with an average handling time of 00:2:39.

One of our strategies is to elevate the Human Resources function within the Council to ensure that this Department acts as a strategic partner to all other departments in aligning the culture, capacity and capability to the achievement of our objectives. To this end we implemented an Elite Team Development Programme with the purpose of transitioning various teams from 'Good' to 'Great' through targeted development initiatives. The Programme was implemented accordingly and I am delighted to report it has been well received. Furthermore, a formal and standardised new Employee Induction Programme was launched. This ensures that new employees across the organisation subscribe to the values and culture of the organisation with ease.

As we ended this financial year with the onset of Covid-19, I know this pandemic is currently causing many uncertainties regarding the future of our Industry. I encourage everyone to be positive, to not get despondent and to have confidence that this pandemic will be conquered. To Council, I would like to thank you all for your innovative, collaborative and inclusive way in which you have demonstrated your work ethic. I look forward to seeing more innovative and progressive projects in the next financial year.



Musawenkhusi Ndlovu
National Secretary
NBCRFLI

ORGANISATIONAL PROFILE

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) was established in 1946 and is governed by the Labour Relations Act of 1995. The Act allows for registered employer and employee organisations to establish a bargaining council for an industry.

The organisation is led by a governing body made up of an equal number of members from the employer and employee parties. Twenty-four Councillors in total are appointed proportionally according to the representation.

The Council is led by the Chairperson and Deputy Chairperson, assisted by the National Secretary. The National Secretary leads Council Administration, which has a national footprint of 18 offices spread across all nine provinces.

The Council facilitates collective bargaining through which unions and employer organisations, that are party to Council, are able to negotiate matters of mutual interest in the Road Freight and Logistics Industry. The agreements concluded between Parties to Council are called Collective Agreements. These agreements are binding to Parties to Council that concluded the agreement, as well as to Non-Parties. This applies if the Agreement has, in terms of the provisions of Section 32 of the Labour Relations Act, been extended to Non-Parties in the Industry by the Minister of Employment and Labour. This approach allows for better regulation of matters relating to the Industry as a whole,

such as minimum standards and conditions of employment. The effective regulation of these matters ultimately contributes to labour stability and development within the South African economy as a whole. The NBCRFLI is proactive with regards to promoting peaceful and sound labour relations, which has a stabilising influence on the Industry.

The Council supports Industry members through a number of service offerings, which are:

- Setting minimum standards and conditions of employment as outlined in the Collective Agreements.
- Ensuring all employers and employees who fall within the scope of the NBCRFLI adhere to the Collective Agreements, by conducting proactive and on-going educational inspections, investigating complaints, or by any other means that the Council may adopt.
- Resolving disputes between employers and employees in the Industry.
- Managing the Industry's annual, sick leave and holiday bonus funds.
- Providing wellness services to the Industry, such as Trucking Wellness and the NBCRFLI Health Plan.

Employers are obliged, in terms of the Collective Agreement, to ensure that deductions are made from the wages of their employees in respect of retirement (provident/pension) funds to be paid over to the fund concerned, as per the Financial Services Laws Amendment Act of 2013 which makes the non-payment of retirement fund contributions by employers a criminal offence.

“The NBCRFLI is proactive with regards to promoting peaceful and sound labour relations, which has a stabilising influence on the Industry.”

GOVERNANCE PROFILE

NBCRFLI Governing Body

The main purpose of the NBCRFLI's Council is to oversee and provide strategic direction to the Council's management and administration staff. The Council ultimately guides and supports Council Administration to provide excellent service to the Industry. This is achieved through the adoption of strategic plans and policies to ensure the integrity of the Council's management and internal controls.

The Council ensures awareness of and compliance with policies, governance frameworks, applicable legislation and regulations, by calling on Council employees to adhere to a Compliance Framework and Regulatory Universe, which resides with the Risk and Compliance Officer. Councillors and Committee Members who serve on Committees of Council are nominated by Parties to Council and appointed at the Annual General Meeting (AGM). This process, as stipulated by the Constitution of the Council, occurs annually.

Parties to Council

Parties to Council include the employer organisations, namely: The Road Freight Association (RFA) and the National Employers Association of South Africa (NEASA) and trade unions, namely the South African Transport and Allied Workers' Union (SATAWU), the Motor Transport Workers' Union (MTWU), the Transport and Allied Workers' Union of South Africa (TAWU of SA) and the Professional Transport and Allied Workers' Union (PTAWU).

The number of representatives each Party had to Council for the year ending 29 February 2020 was:

SATAWU:.....	6
MTWU:	5
PTAWU and TAWU (acting jointly)	1
RFA:	10
NEASA:	2

Council Governance Structures

The Council

The Council is the highest decision-making body and is made up of 24 Councillors appointed proportionally from all . It meets three times a year, in terms of the Constitution. The Chairperson and Deputy Chairperson are appointed at the AGM each year.

Executive Committee

The Executive Committee (EXCO) is made up of five members appointed proportionally from the employer parties, and five members appointed proportionally from employee parties to Council. In addition, the Chairperson, Deputy Chairperson and National Secretary serve as members of the EXCO. The EXCO meets four times a year in terms of the Constitution.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is constituted as a statutory committee of the NBCRFLI in respect of its statutory duties outlined in Section 94 (7) of the Companies Act, No 71 of 2008, and in respect of all other duties that the Council has assigned to it. Consisting of at least three members, the majority of the members are independent members appointed at the AGM, with two members representing employer and employee parties.

The primary role of the ARC is to provide oversight of the financial reporting process, the audit process, the NBCRFLI's system of internal controls and compliance with Council's governance frameworks, policies, applicable laws and regulations. It achieves this by overseeing the management's role in creating and maintaining an effective control environment within the organisation.

Wellness Fund Committee

This Committee assists Council in discharging its oversight roles and responsibilities relating to taking care of the Wellness Fund projects delivered through the Trucking Wellness Programme, which comprises clinics offering free primary healthcare and HIV/AIDS management services, including the Integrated Health Plan, for the purposes of promoting, advocating and educating Industry members and of maintaining a healthy lifestyle to maximise work performance, as well as dealing with any outstanding wage matters as stipulated in the signed wage agreement.

The Wellness Fund Committee is made up of five members appointed by employer parties and five appointed from employee parties.

Membership and Compliance Committee

The Membership and Compliance Committee (MEMCO) assists Council to fulfil its oversight responsibilities of monitoring compliance and enforcement of the provisions of the Main Collective Agreement by Industry members, monitoring party retention and recruitment strategies so as to ensure that Parties to Council achieve majority representation within the registered scope of the Council, as well as dealing with outstanding wage matters as delegated by Council from time to time. Ten members, who are representative of all Parties to Council, serve on this Committee.

Independent Exemptions Body and Independent Exemptions Appeal Body

The Independent Exemptions Body is made up of three independent members who have expertise in law, human resources and finance. It meets every month to determine all applications for exemptions made to the Council from any provision of the Collective Agreement. Aggrieved applicants may appeal to the Independent Exemptions Appeal Body, which is made up of an advocate and attorneys. The Exemptions and Dispute Resolution Collective Agreement stipulates the processes to be followed during the hearings.

Human Resources and Remuneration Committee

The role of the Human Resources/Remuneration (HR/REMCO) Committee is to assist Council in ensuring that Councillors, Committee Members and Council Administration staff are remunerated fairly and responsibly, with the long-term interests of Council in mind. It also ensures that the Council's human resources policies are in place, reviewed regularly, aligned with the Council's strategy, and applied consistently throughout the NBCRFLI at all employee levels. REMCO is made up of eight members who are representative of all Parties to Council.

Outstanding Wage Matters Committee

This Committee assists Council in discharging its oversight responsibilities of dealing with outstanding wage matters, as stipulated in the signed wage agreement. The Outstanding Wage Matters Committee consists of 10 members, who are representative of all Parties to Council.

Governance Committee

The Governance Committee was set up to ensure that the Council complies with its Governance Framework, Policies, applicable laws and governance requirements in South Africa, as guided by the Principles of Good Governance. Ten members, who are representative of all Parties to Council, serve on this Committee.

Investment Committee

The Committee assists Council in discharging its oversight roles and responsibilities relating to the investment of the Council's assets, trust funds including the surplus/reserves

earned, with the exception of immovable property registered in the name of the Council, whilst ensuring the preservation of capital amounts at all material times.

The Investment Committee is made up of five members who are representative of all Parties to Council.

Trucking Wellness Programme

The NBCRFLI established the Trucking Wellness Programme (NPC), a non-profit company. Through canvassing for donations and the provision of funds, the NPC is expected to provide the following benefits to all its members: the provision of clinics and mobile clinics; primary healthcare, sex education, family planning, educational programmes relating to HIV/AIDS and educational measures on preventing HIV/AIDS; care, counselling or treatment of beneficiaries infected with HIV/AIDS, as well as offering care and counselling for their families and dependants.

Risk Management Committee

The Risk Management Committee oversees and ensures efficient and effective management of significant operational risks. It establishes, maintains and reviews procedures at management and operational level in order to identify, monitor and mitigate operations risks as per the NBCRFLI's risk oversight and management policies. This includes checking that those procedures are designed to maintain the NBCRFLI's operational viability and to safeguard its assets and interests.

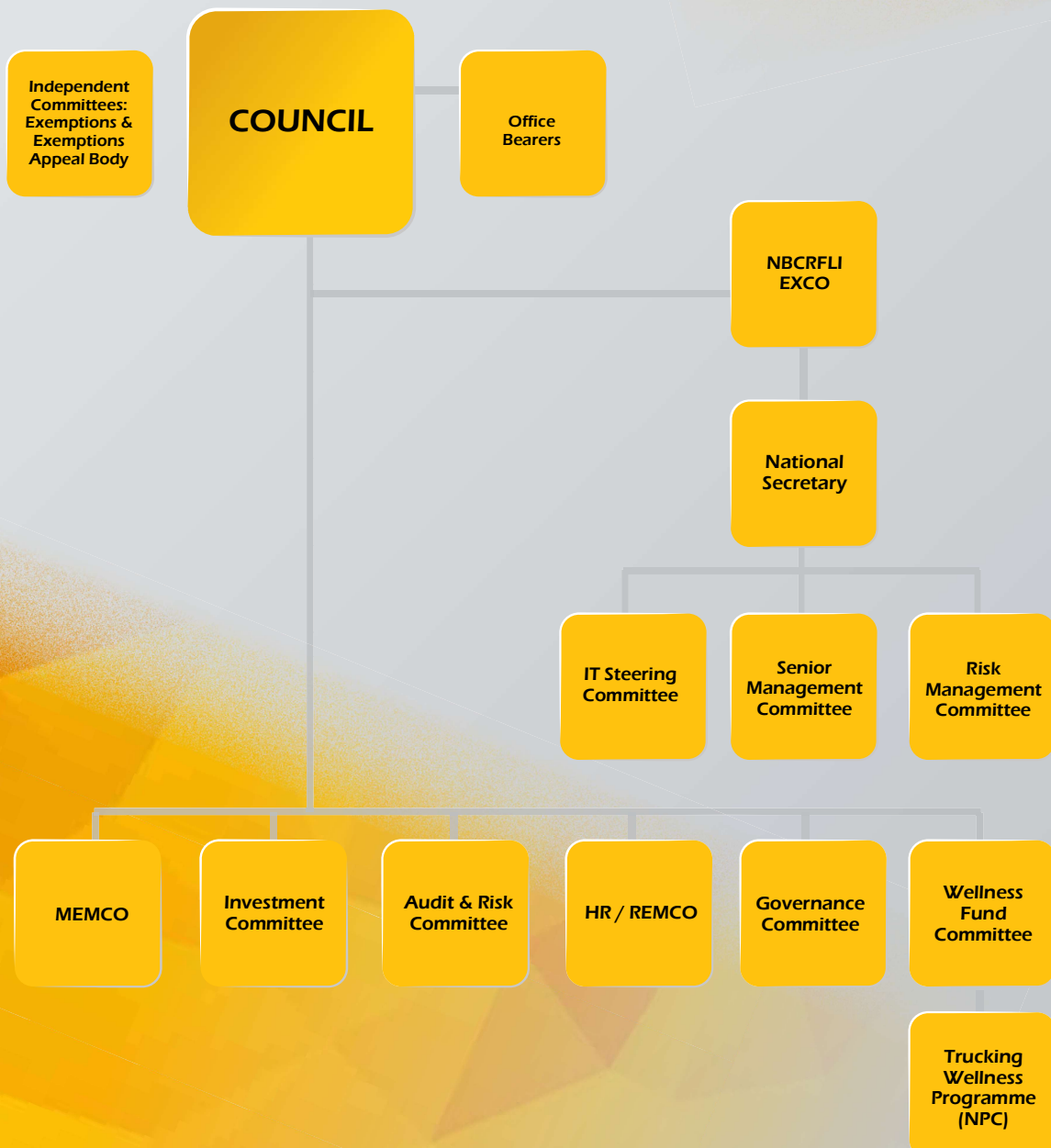
The National Secretary and General Managers of all the business units serve on the Risk Management Committee. An independent member who serves on the ARC and who is a risk specialist, has a standing invitation to attend meetings of this Committee.

Information Technology Steering Committee

The Information Technology (IT) Steering Committee was established to promote and support the effective use of IT across the NBCRFLI and to ensure that the ICT initiatives assist the NBCRFLI to achieve its strategic goals and objectives through identifying, prioritising and proposing ICT initiatives. An independent member who serves on the ARC and who is a risk specialist, has a standing invitation to attend its meetings.



NBCRFLI GOVERNANCE & DELEGATION Structure



COUNCIL BOARD MEMBERS

LABOUR



1



2



3



4



5

SATAWU

1. Jack Mazibuko
(Chairperson)
2. Mavhayisi Shivuri
3. Betty Mashiyane
4. Sabelo Myeni
5. Albert Silangwe



1



2



5



3



4

MTWU

1. Mdumiseni Mabaso
2. Petros Mthembu
3. Solomon Mothibedi
4. Zodwa Makhanya (Zama)
5. Themba Ndungane

TAWU/PTAWU

Zack Mankge



COUNCIL BOARD MEMBERS

EMPLOYERS



RFA

1. Fred Meier (*Deputy Chairperson*)
2. Penwell Lunga
3. Magretia Brown-Engelbrecht
4. Dave Behrens
5. Lucky Kolobe
6. Graeme Barnard
7. Franz Verhufen (*August 2019 – 17 November 2019*)
8. Ravina Reddy (*18 November 2019 to date*)
9. Christiaan Oelofse
10. Tony d'Almeida
11. Angela Dick



NEASA

1. Dewaldt Potgieter
2. Chantal Schoombie



(EXCO) EXECUTIVE COMMITTEE

LABOUR



1

SATAWU

1. Jack Mazibuko
2. Mavhayisi Shivuri



2



1

MTWU

1. Mdumiseni Mabaso
2. Petros Mthembu



2

TAWU of SA & PTAWU (acting jointly)

Zack Mankge



EMPLOYERS



1



2



3



4



5

RFA

1. Fred Meier
2. Penwell Lunga
3. Magretia Brown-Engelbrecht
4. Dave Behrens
5. Lucky Kolobe

NEASA

Dewaldt Potgieter



COMMITTEES

MEMBERSHIP & COMPLIANCE COMMITTEE (MEMCO)

LABOUR	EMPLOYERS
SATAWU Mavhayisi Shivuri Betty Mashiyane MTWU Solomon Mothibedi Hlasinyane Motaung TAWU of SA & PTAWU (acting jointly) Lovemore Masango	RFA Magretia Brown-Engelbrecht Graeme Barnard Hennie de Villiers Tony d'Almeida NEASA Chantal Schoombie

OUTSTANDING WAGE MATTERS COMMITTEE

LABOUR	EMPLOYERS
SATAWU Mavhayisi Shivuri William Lekgoathi MTWU Solomon Mothibedi Zodwa Makhanya (Zama) TAWU of SA & PTAWU (acting jointly) Lovemore Masango	RFA Magretia Brown-Engelbrecht Lucky Kolobe Tony d'Almeida Franz Verhufen NEASA Chantal Schoombie

COMMITTEES

BUILDING ACQUISITIONS COMMITTEE

LABOUR	EMPLOYERS
SATAWU Betty Mashiyane Albert Silangwe Ncumisa Mbobo MTWU Junior Gys Nketse Nkadameng TAWU of SA & PTAWU (acting jointly) Zack Mankge	RFA Lucky Kolobe - Chairperson Hennie de Villiers Tony d'Almeida Nicolette Cronje NEASA Dewaldt Potgieter

AUDIT AND RISK COMMITTEE

MEMBERS
Jack Mazibuko (Chairperson) Tony d'Almeida Given Sibiya Maemili Ramataboe Oupa Mokgoantle

WELLNESS FUND STEERING COMMITTEE

LABOUR	EMPLOYERS
SATAWU Mavhayisi Shivuri MTWU Solly Mothibedi Mbuso Nzama TAWU of SA & PTAWU (acting jointly) Zack Mankge	RFA Magretia Brown-Engelbrecht Graeme Barnard Tony d'Almeida Louis Hollander NEASA Dewaldt Potgieter

COMMITTEES

GOVERNANCE COMMITTEE

LABOUR	EMPLOYERS
SATAWU Mavhayisi Shivuri MTWU Zodwa Makhanya (Zama) Bongani Herbert Moyo TAWU of SA & PTAWU (acting jointly) Lovemore Masango	RFA Graeme Barnard Magretia Brown-Engelbrecht Lucky Kolobe Fred Meier NEASA Dewaldt Potgieter

INVESTMENT COMMITTEE

LABOUR/EMPLOYERS	INDEPENDENT MEMBERS
RFA Penwell Lunga SATAWU Jack Mazibuko	Michael Mgwaba Puseletso Mbele Reshoketswe Ralebepa

COMMITTEES

HR AND REMUNERATION COMMITTEE (REMCO)

LABOUR	EMPLOYERS
SATAWU Mavhayisi Shivuri MTWU Mdumiseni Mabaso TAWU of SA & PTAWU (acting jointly) Lovemore Masango	RFA Magretia Brown-Engelbrecht Penwell Lunga Fred Meier NEASA Dewaldt Potgieter

TRUCKING WELLNESS PROJECT (NPC)

DIRECTORS
Jack Mazibuko (Chairperson) Tony d'Almeida (Deputy Chairperson) Faith Jaja Masaccha Mbonambi Sibongile Kubheka Louis Hollander Solly Mothibedi Musawenkosi Ndlovu

COMMITTEES

SAFETY COMMITTEE

LABOUR	EMPLOYERS
SATAWU Sabelo Myeni MTWU Zodwa Makhanya (Zama) TAWU of SA & PTAWU (acting jointly) Zack Mankge	RFA Magretia Brown-Engelbrecht Tony d'Almeida Fred Meier Penwell Lunga NEASA Chantal Schoombie

ENTERPRISE DEVELOPMENT COMMITTEE

LABOUR	EMPLOYERS
SATAWU Jack Mazibuko MTWU Mdumiseni Mabaso Zodwa Makhanya (Zama) TAWU of SA & PTAWU (acting jointly) Zack Mankge	RFA Magretia Brown-Engelbrecht Dave Behrens Tony d'Almeida Louis Hollander NEASA Jaco Swart

COMMITTEES

EXEMPTIONS BODY

INDEPENDENT MEMBERS

Komeshan Naidoo (*Chairperson*)
 Gerhard Wessels
 Nomsa Nkosi

EXEMPTIONS APPEAL BODY

INDEPENDENT MEMBERS

Yusuf Nagdee
 Zandile Gail Mpungose
 Solomon Mngomezulu

MEMCO TASK TEAM ON TEMPORARY EMPLOYMENT-RELATED MATTERS

LABOUR

SATAWU

Mavhayisi Shivuri

MTWU

Zodwa Makhanya (Zama)

TAWU of SA & PTAWU (acting jointly)

Lovemore Masango

EMPLOYERS

RFA

Magretia Brown-Engelbrecht

Angela Dick

Tony d'Almeida

NEASA

Chantal Schoombie

ORGANISATIONAL Priorities

Priorities identified for the 2019/20 financial year as per the Council strategy were as follows:

Key Performance Area	Performance Rating
Representivity	Y
Marketing of NBCRFLI	G+
Fiscal Stability	G+
Enforcement	G
Governance	G

G – Target achieved G+ – Target exceeded R – Target not achieved Y – Positive progress

RISK GOVERNANCE



Risk governance is the responsibility of everyone in the Council. Risk management provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for management to make informed decisions. It also increases the probability of achieving the Council's strategic objectives.

The risk and control processes followed by the Council are based upon best practice codes including the Committee of Sponsoring Organisations (COSO) Principles, and the King IV Report on Corporate Governance. All risk management activities are aligned to the Council's objectives and aim to protect and enhance the reputation and standing of the Council.

The process of risk management and the system of internal control is regularly reviewed for effectiveness. Council's risk management strategy encompasses ongoing risk register reviews and updates to ensure that risk management forms part of the Council's daily operations.

Risk management in the Council is managed proactively. The aim is to anticipate and, where possible, avoid risks rather than deal with the consequences. Strategic and operational risks are identified, objectively assessed and where it is considered appropriate, actively managed.

In determining an appropriate response, the cost of control/risk management and the impact of risks occurring will be balanced with the benefit of reducing and/or managing the risk. This means that the Council does not necessarily set up and monitor controls to counter risks where the cost and efforts are disproportionate to the impact or expected benefits.

Significant efforts have been made by management over the past 12 months in implementing risk mitigation strategies to manage identified risks. The Council recognises that some risks can be managed by transferring them to third parties.

Should the Council ever be faced with a disastrous incident that impacts on its activities, it has a disaster recovery site built into its IT processes. It should be noted that the Council is cognisant of the critical nature of a Disaster Recovery Plan and has a contingency plan in case of a disaster.

Financial Governance

The Council is in a financially sustainable and stable position with considerable reserves. It utilises Nexia SAB&T as its external auditors. For the year under review, the Council obtained an unqualified audit. To ensure that its expenditure is spent appropriately and in line with the approved budget, the Council has a Delegation and Limits of Authority Policy stipulating governance structures authorised to approve the budget and expenditures. Furthermore, all goods/services must be procured according to the approved Supply Chain Management Policy.

Information Technology Governance

The Information Technology (IT) Steering Committee assists the National Secretary in monitoring IT governance and risk

management. This Committee (through the National Secretary) reports to the Audit and Risk Committee (ARC), EXCO and Council to facilitate their oversight responsibilities regarding IT. This report by the Committee is prepared in accordance with the requirements for good corporate governance. It describes how the Committee has performed its regular duties, as well as such additional duties assigned to it by the ARC and the Council in respect of the financial year ended 29 February 2020. The Council has appointed an independent IT specialist to the ARC to strengthen IT governance matters within the organisation.

Remuneration of Council Members and Council Administration

The Council, through its Remuneration Committee, oversees the Council's remuneration structure and makes decisions regarding the remuneration of Councillors, Executives, Committee Members and Council Administration staff members.

Council Governance Framework

The Council has approved the Council Governance Framework, which is guided by the Principles of Good Governance. Furthermore, the Council has put in place the Delegation and Limits of Authority Policy, which prescribes the powers and responsibilities of the organisation's governance structures and Council Administration respectively. Its purpose is to give defined authority to Council governance structures and Council Administration.

Committee Secretary

The General Manager: Secretariat assists the National Secretary with providing an administrative and support service to the NBCRFLI in terms of the functioning of its Committees and Board, thereby improving the overall level of governance and effectiveness of the Council.

In terms of the Governance Framework, the General Manager: Secretariat is important to the proper governance of the NBCRFLI. It is the responsibility of the Council to ensure that the General Manager: Secretariat remains capable of fulfilling the function for which he/she has been appointed. The National Secretary should ensure that the appointee has the requisite attributes, experience and qualifications to properly discharge his/her duties. The General Manager: Secretariat works closely with the Office Bearers and the National Secretary to ensure the proper and effective functioning of the NBCRFLI and the integrity of the NBCRFLI governance process.

Acknowledgements

The Council is grateful to all internal and external strategic partners for their contributions towards the attainment of success during the year under review. It acknowledges all NBCRFLI staff members, managers and committees for their hard work, as well as the organisation's strategic partners for their unconditional support. This includes all Council employees, Councillors, industry employers and employees, Nexia SAB&T, the Department of Employment and Labour, the Department of Health, the CCMA and the Registrars of the Labour Courts. The Trucking Wellness Project's achievements would not have been possible without the support of its stakeholders, donors and partners.

ADMINISTRATIVE ORGANISATIONAL Structure



OPERATIONS DEPARTMENT

This Bargaining Council is committed to ensuring it has advanced systems in place that seek to create labour peace. This is achieved through a variety of mechanisms for the enforcement of compliance and seamless communications channels.

Dispute Resolution and Enforcement

CCMA accreditation

The Commission for Conciliation, Mediation and Arbitration (CCMA) accredited the NBCRFLI for the period 1 March 2019 to 28 February 2022, to conduct

conciliations and arbitrations (including pre-dismissal arbitrations), subject to compliance with CCMA efficiencies.

This prestigious accreditation was granted in recognition of the outstanding dispute resolution service offered by the Council, which is in line with the CCMA's requirements for all stakeholders within the Road Freight and Logistics Industry. During the year in review, the Council continued to provide a high standard of dispute resolution services, while strictly using only the CCMA panel of accredited commissioners.

Subsidies

For each closed case from the CCMA, the Council receives a subsidy of R683,80 in the financial year. During the year under review, the Council received a total of R957 096 from the CCMA, which is a 33% decrease from last year's R1 430 569.



Case Management System

The CCMA's online Case Management System (CMS) is used to objectively measure the Council's efficiency. CMS supplies monthly statistical reports, case numbers and information such as the length of service, monthly earnings (categorised into lower, middle and higher groups) and age of the applicant.

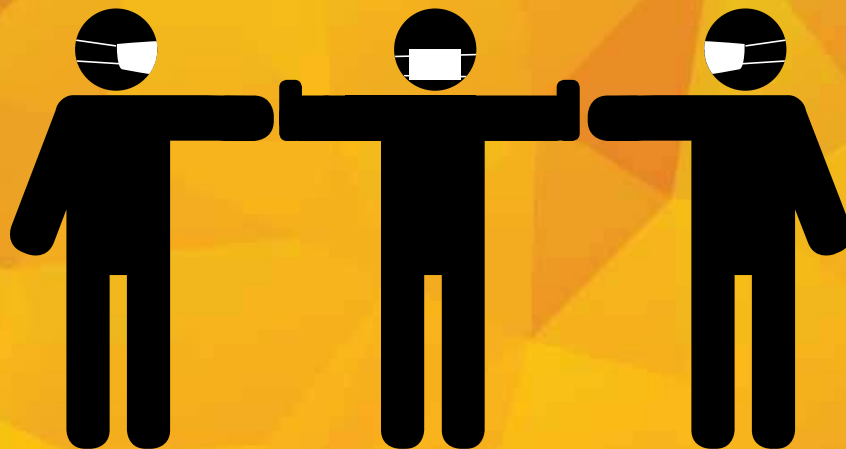
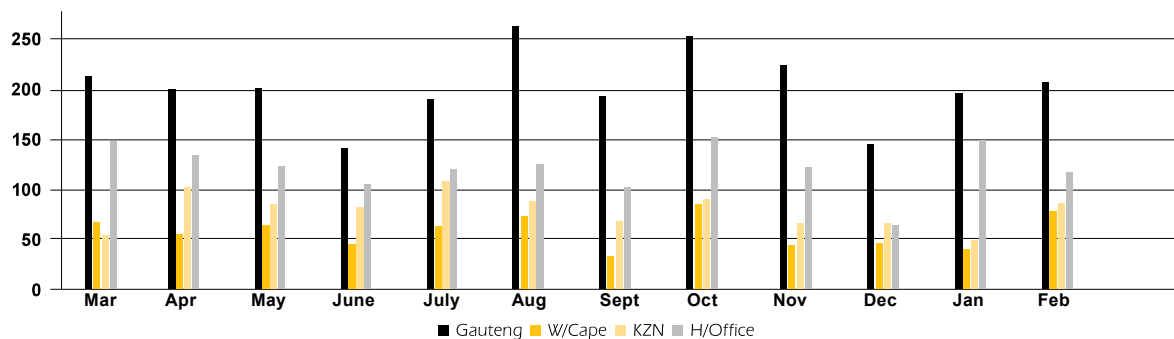
Council's 18 offices countrywide all make use of the CMS to assist members with monitoring the progress of their cases and to communicate with the CCMA on matters of jurisdiction for the Industry. This system is user-friendly and efficient and has gone a long way in assisting the Council and the CCMA to effectively hear cases.

Referrals

During the 2019/20 financial year, the Council received a total of 5 497 conciliation referrals, a slight increase from the previous year's 5 474.

Regions	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Gauteng	212	200	201	140	190	263	193	253	224	144	196	206	2 422
W/Cape	66	55	64	44	62	72	32	84	43	45	39	77	683
KZN	54	101	85	81	107	88	67	90	65	65	48	86	937
H/Office	147	133	123	104	120	125	101	152	122	64	148	116	1 455
Totals	479	489	473	369	479	548	393	579	454	318	431	485	5 497

REFERRALS



Conciliations heard 2019/20

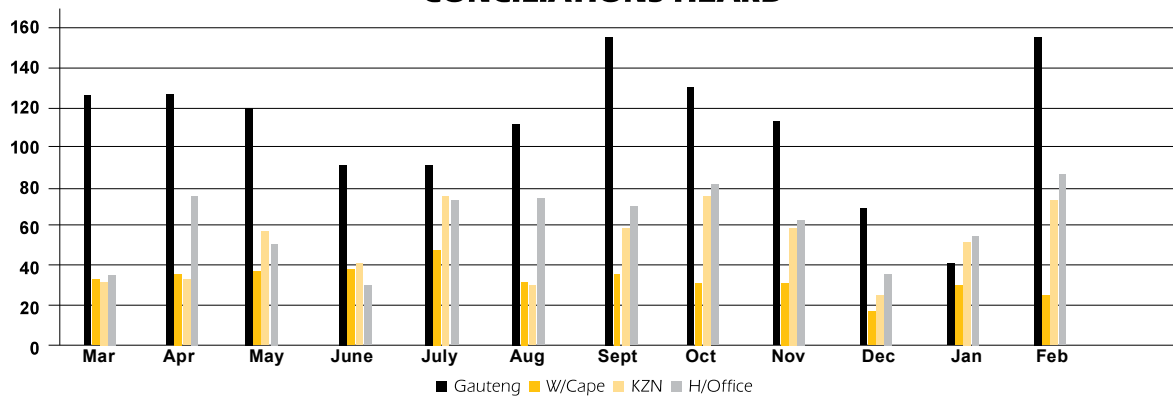
A total of 3 066 conciliation hearings were conducted during the year. This is a slight decrease from 3 709 for the previous year.

The Council also continued with its campaign highlighting conciliation as the preferred method of dispute resolution. Conciliation is preferable for the following reasons:

- It is far more beneficial for parties to resolve disputes at the lowest level of resolution. By attending the hearing, both parties are able to avoid the unnecessary costs involved in the arbitration process. These costs are due to the length of the process, the possible attendance of witnesses, the time that the parties need to take off from work to attend the arbitration and the extra administration that is involved.
- The conciliation process is private, confidential and without prejudice.
- It is less time-consuming than arbitration.
- The conciliation hearing is a process where a CCMA accredited commissioner, selected by the NBCRFLI, meets with the parties in dispute, separately and/or together, and explores ways to settle the dispute by agreement.
- The NBCRFLI has 18 offices countrywide, thereby making it more convenient for Council stakeholders to resolve their disputes through the conciliation process.

Regions	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Gauteng	126	127	120	91	91	112	156	130	113	69	41	156	1 332
W/Cape	33	36	37	38	48	32	36	31	31	17	30	25	394
KZN	32	33	57	41	75	30	59	75	59	25	52	73	611
H/Office	35	75	51	30	73	74	70	81	63	36	55	86	729
Totals	226	271	265	200	287	248	321	317	266	147	178	340	3 066

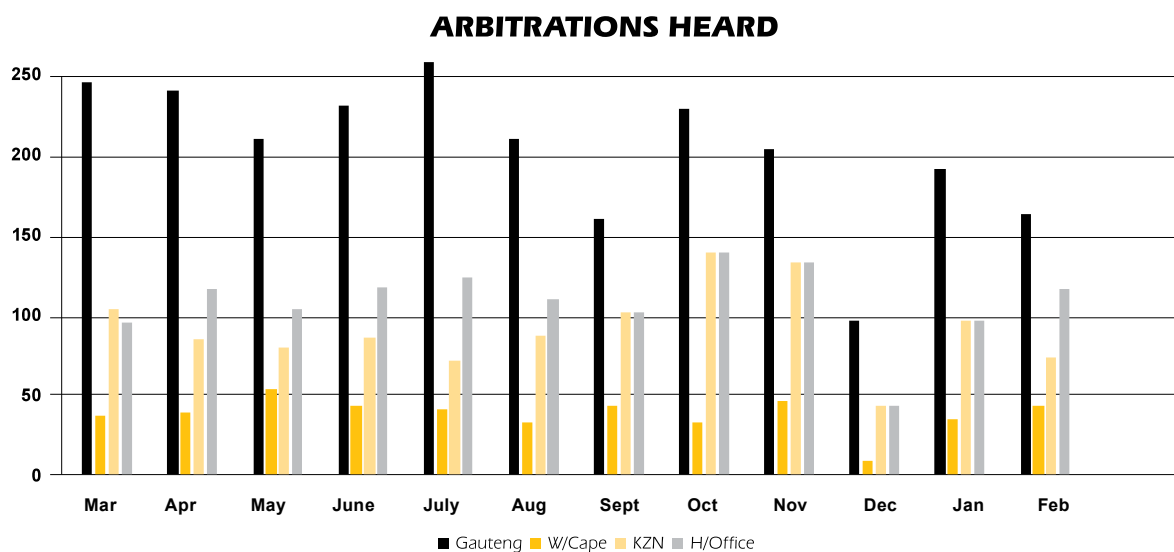
CONCILIATIONS HEARD



Arbitrations heard 2019/20

The total number of arbitration hearings conducted during the year in review was 5 270, a notable increase from last year's 4 911.

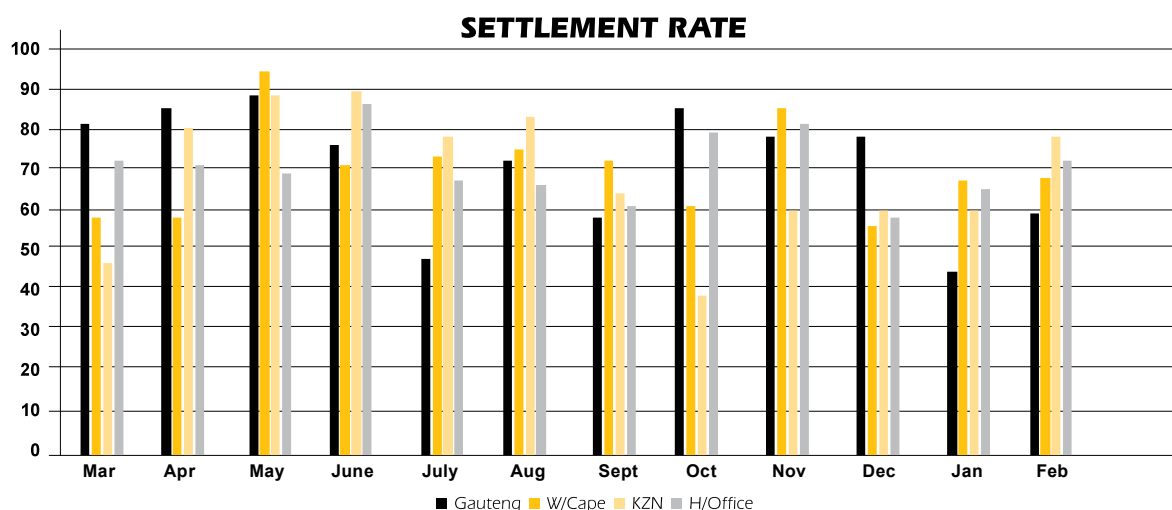
Regions	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Gauteng	245	240	210	231	258	210	160	229	204	96	191	163	2 437
W/Cape	36	38	53	43	40	32	43	32	46	8	34	43	448
KZN	103	84	79	85	71	87	101	139	133	43	96	73	1 094
H/Office	95	116	103	117	123	109	101	139	133	43	96	116	1 291
Totals	479	478	445	476	492	438	405	539	516	190	417	395	5 270



Settlement rate

The settlement rate for conciliation and arbitration was 71% for the year in review, a notable decrease from the previous year 81%.

Regions	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Gauteng	81	85	88	76	48	72	58	85	78	78	45	59	72%
W/Cape	58	58	94	71	73	75	72	61	85	56	67	68	70%
KZN	47	80	88	89	78	83	64	39	60	60	60	78	69%
H/Office	72	71	69	86	67	66	61	79	81	58	65	72	71%
Totals	65	74	85	81	67	74	64	66	76	63	59	69	71%



Referral by issue

Unfair dismissals disputes continued to account for the largest percentage of issues in dispute. During the year in review, these disputes were 83% of the caseload.

Regions	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Unfair dismissals	392	405	384	303	412	451	319	477	380	278	368	397	83%
ULP	38	41	50	40	43	62	42	58	44	22	41	44	10%
Mutual interest	25	29	24	12	15	17	16	21	13	11	8	16	4%
Non jurisdiction	1	0	0	1	0	0	0	0	1	0	1	2	0%
Collective	5	2	7	5	3	4	2	8	3	1	1	4	1%
Other	7	10	2	4	7	12	9	14	9	2	8	14	2%
Totals	468	487	467	365	480	546	388	578	450	314	427	477	

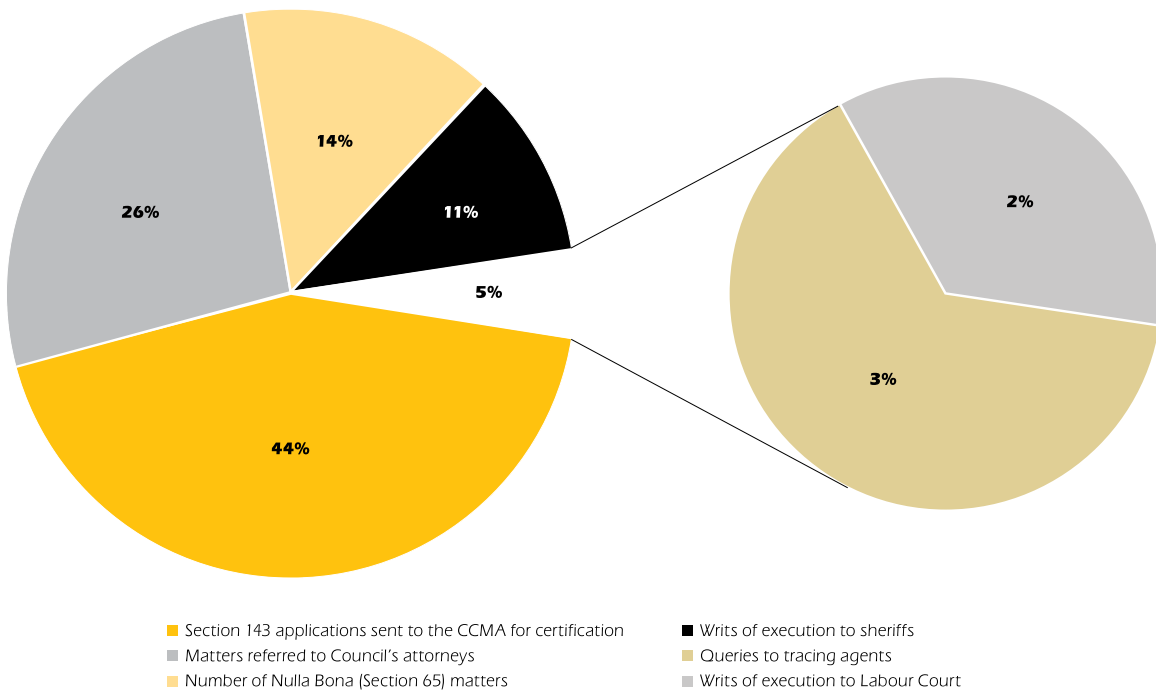
Litigation

The Litigation section keeps strict control over non-compliance in general. This includes reviewing post-arbitration agreement contraventions cases.

The statistics around litigation processes are as follows:

- Total number of Section 143 applications sent to the CCMA for certification: 4 274.
- Number of writs of execution to sheriffs: 1072.
- Number of queries to tracing agents: 287.
- Number of writs of execution to Labour Court: 162.
(For all arbitration awards dated after 1 January 2015, the cases are no longer signed by Labour Court, but referred to the CCMA for certification.)
- Number of matters referred to Council's attorneys: 2 572.
- Number of Nulla Bona (Section 65) matters: 1 404.

Litigation



DURING THE 2019/20 FINANCIAL YEAR...



83%

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During the year in review, these disputes were 83% of the caseload.



71%

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5 270

The total number of arbitration hearings conducted during the year in review was 5 270, a notable increase from last year's 4 911.

“During the year under review, a number of changes were made to Council Agreements.”

Enforcement

Collective Bargaining and Agreement Administration and Compliance

The Council plays a key role in ensuring compliance with and enforcement of the Collective Agreements within the Road Freight and Logistics Industry. To this end, the Council makes a great effort to ensure that all who fall under its jurisdiction are registered and comply with the provisions of Council's Agreements.

During the 2019/20 financial year a number of changes were made to the Agreements affecting the Council, in the form of amendments made to the following clauses:

- Clause 1: Application of Agreement.
- Clause 2: Duration of Agreement.
- Part 8 Clause 56.
- Schedule 5: Remuneration and other monetary benefits.
- Clause 7 (1) Dual Driver Subsistence.

Agents to Council

In terms of the Labour Relations Act, the Council's duty is to ensure that all stakeholders in the Industry comply with the provisions of the Council's Agreements. The Designated Agents, who are appointed by the Minister of Labour at the request of a bargaining council, play a vital role in ensuring the promotion, monitoring and enforcement of compliance with any Collective Agreement negotiated by Parties to Council and which has been published in the Government Gazette. They achieve this by conducting regular educational inspections, which ultimately helps to reduce the number of complaints and non-payment of returns, as well as ensure that those who fall under the Council's jurisdiction are registered.

We are determined to improve the quality of our inspections and our efforts can clearly be seen in the Skills Development Programme completed by Agents, which mainly focused on maintaining compliance in all areas of their operations. In order to advance the sustainability agenda of the Council, an Agent Learnership Programme was implemented during the year. This Programme was rolled out as a nationwide project which aims to ensure consistency among Agents on their understanding and interpretation of the Main Collective Agreement.

Enforcement of the Main Collective Agreement was a strategic objective of the Council throughout the year. The Agent Ratio System assists Agents with conducting quality inspections, by ensuring each Agent has an equal number of companies allocated to them.

Administration and Compliance

In 2018, the Council underwent a process of Industry wage negotiations, with the current Agreement expiring in February 2022. In terms of this Agreement, in February 2021 Parties to Council will be negotiating a new three-year agreement. Parties start by drawing up a negotiation protocol, which seeks to guide Parties on what they need to do and expect during the negotiation process.

The year under review was characterised by violence in our Industry with issues around the employment of foreign nationals. The Council sought to mitigate this by holding

meetings between stakeholders to discuss and to find a solution to end the violence. The perpetrators of the violence are known – they represent truck drivers but are not with registered trade unions.

Enforcement

Section 33A of the Labour Relations Act, 1995, makes provision for a bargaining council to monitor and enforce compliance with collective agreements concluded by Parties to the Council. The most important aspect of enforcement and ensuring compliance is to educate employees and employers. The biggest challenge that the Enforcement Unit experiences each year is companies that avoid registration. The Unit has enjoyed success in dealing with non-compliant employers and has reduced non-compliance by means of:

- Conducting workshops for employees and employers.
- Employing tracers to ensure employers register and become compliant.
- Undertaking cross-region checking for companies operating under different names across provinces.

This has contributed significantly to dealing with non-compliant employers and reducing non-compliance.

Another challenge was that the CCMA typically took longer to certify the documents. This challenge has been addressed by the appointment of a CCMA commissioner who deals only with certification of the Council's documents. This has improved the turnaround time, though delays are still being experienced.



Regular educational inspections ultimately help reduce the number of complaints and non-payment of returns.



One of the strategic objectives of the year under review was to ensure that the industry complied with the Main Agreement. In order to do this, Council embarked on joint inspections with the Departments of Employment and Labour, Home Affairs and Transport.

Demarcation

Section 62 of the Labour Relations Act of 1995 makes provision for disputes about demarcations between sectors and areas. Bargaining councils may not perform this function, therefore a demarcation is a process whereby a CCMA Commissioner determines:

- Whether any employee, employer, class of employers is or was engaged in activities which fall within a section, ie an industry or service, and an area.
- Whether any provision of any arbitration award, collective agreement or wage determination made in terms of the Wage Act is or was binding on any employee, employer, and class of employees or employers.

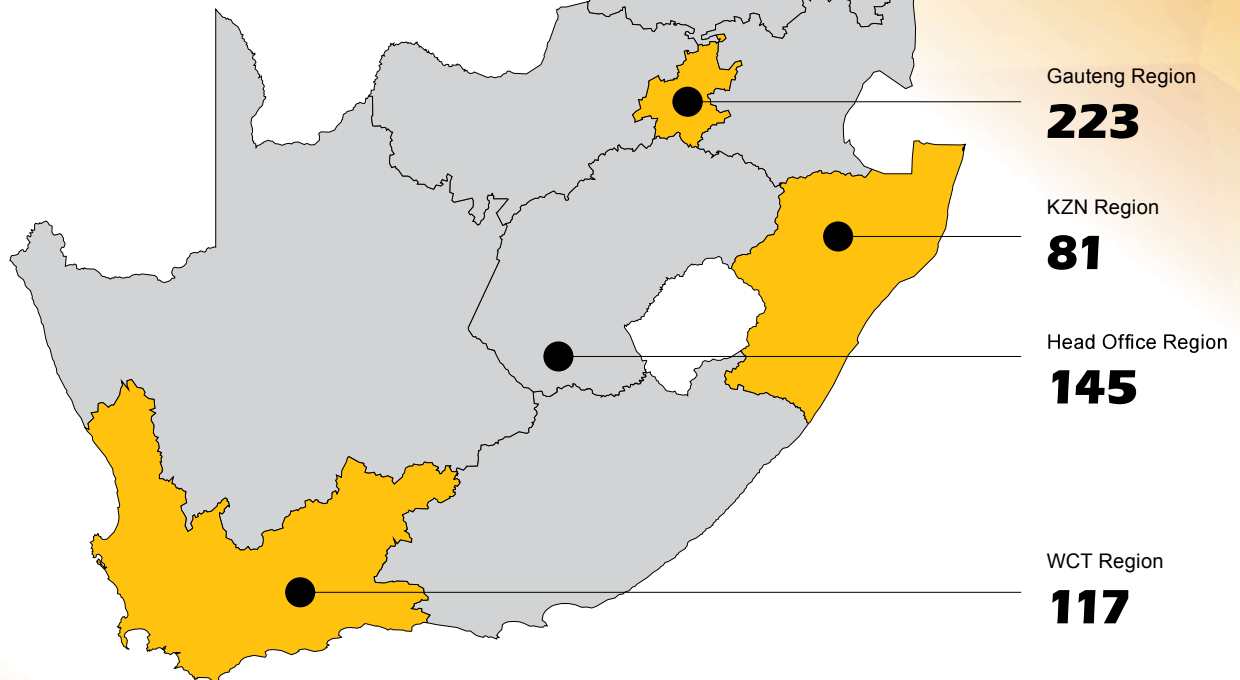
Stakeholder Relationship Management

During the 2019/20 financial year, one of the main priorities was to build strong stakeholder relationships. A number of initiatives were implemented during the year under review, such as the hosting of training sessions across all regions and attendance by Council at various Wellness Day events.

In addition, the KwaZulu-Natal region held meetings, including one-on-one meetings with party trade unions including SATAWU, MTWU, and PTAWU to discuss issues of concern. A further 28 meetings were held with non-party members that included the Revolutionary Transport Union of South Africa (RETUSA), Democratic and Independent Trade Unions of SA (DITUSA), the Association of Mineworkers and Construction Union (AMCU), the Tirisano Transport and Services Workers Union (TASWU) and the National Transport Movement (NTM). The Western Cape region similarly held meetings last year to train with all the unions as well as employers in the Industry. Thirty joint inspection were held for the Head office regions during the period under review.

For the year under review, The Council participated in the Inter-Ministerial Task Team, which comprises the Departments of Employment and Labour, Home Affairs, Transport and other relevant Government departments tasked with identifying and closing the gaps in the immigration laws. This was in response to complaints that local drivers were losing out on employment opportunities due to truck companies employing illegal foreign nationals.

New Registrations by Region

Total 566**Owner-drivers: 51****Completed inspections****4 756**

8 709 Compliance orders

Employers that ceased to operate**321**

14 Liquidated

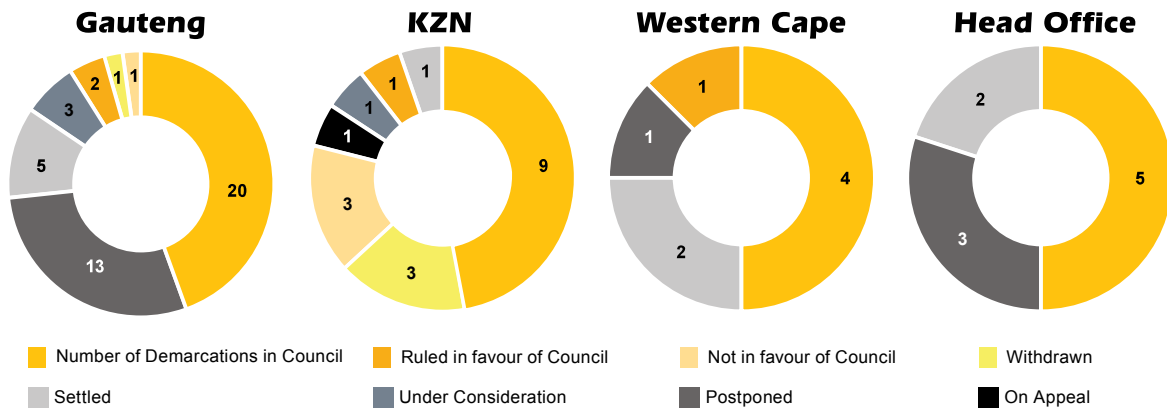
Complainant cases**1 264**

118 Settled

Cases referred to arbitration**712****Section 143 applications****4 998**

sent to CCMA

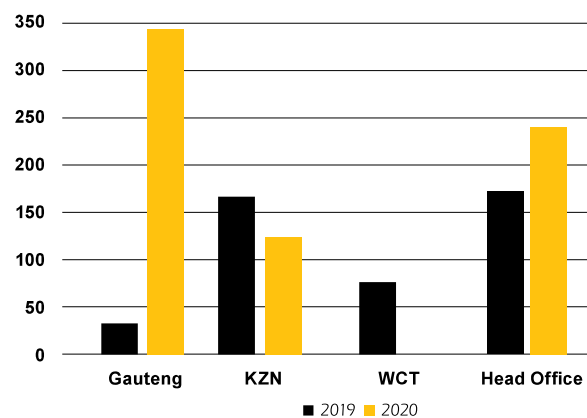
DEMARICATION



“ ... one of the main priorities was to build strong stakeholder relationships...” ”

EXEMPTIONS	
Exemption applications heard by the Independent Exemptions Body	106
Applications for Exemption by Parties to Council received	3
Applications granted	0
Exemption applications refused	0
Exemption applications withdrawn	0
Exemption applications placed under consideration	0
Exemption applications postponed	0
Applications for Exemption from non-parties	103
Exemption applications granted	70
Exemption applications refused	12
Exemption applications withdrawn	12
Exemption applications placed under consideration	2
Exemption applications postponed	7

Comparison of arbitration cases



The explanations for some of these unusual variations in figures are that companies experiencing subdued economic conditions in some cases avoided registering with the Council; and in other cases withheld contributions of active employees.

COMMUNICATIONS AND **MARKETING**



The NBCRFLI's Communications and Marketing Section has been successful and consistent in communicating the Council's key messages to stakeholders during the year under review.

Communications and Marketing is a vital pillar which ensures that each department within the organisation works harmoniously and efficiently towards achieving Council's strategic objectives. It has cemented its role as a facilitator of strategy through the execution of a number of initiatives during the year under review:

- A street pole advertising campaign was launched. This medium was identified from all advertising methods as the most appropriate for showcasing the services provided by Council due to its ability to reach the largest number of people at the most reasonable cost. Adverts were initially flighted in strategic areas around Gauteng and later extended to KwaZulu-Natal, in Durban, Pinetown, KwaDukuza, Richards Bay and Newcastle. The return on investment of this type of advertising manifested in an increase in call volumes received by our Call Centre. There was a sharp rise of calls received from 4 636 in September to 11 170 by end-November.
- A media training workshop was organised for management, with a service provider conducting the session. This proved timeous during the year's unrest

and violence targeted towards truck drivers on our national roads. As Council became inundated with media enquiries, relevant managers were equipped to deal with them swiftly and directly. A number of media releases were issued during this time to address and condemn the violent protests and to advise both the industry and public via the media what Council was doing to deal with the concerns raised.

- The Section ensured consistency through all its communication platforms and these were optimally utilised in addressing queries, most notably via our website. This uniformity of message can be attributed to regular updates of the platforms with relevant information.
- The Section was proud to organise and host another productive three-day Agents Conference at Kopanong Conference Centre in the East Rand, Gauteng.
- The National Secretary embarked on a walkabout, during which he engaged with employees face-to-face. This enabled them to raise concerns and issues directly with him.

The Communications and Marketing Section has a philosophy of continuous learning and improvement. Through this policy it improves its support and service to stakeholders by consistently learning new ways of doing things and learning from past mistakes. It consequently remains one of the most visible sections within Council.

FUNDS & WELLNESS ADMINISTRATION

Funds Administration

The Council's Funds and Wellness Administration Department (the Department) is in continuous pursuit of excellence in the administration of Industry funds. Over recent years, regular improvements have been made to the efficiency, efficacy and user-friendliness of the system.

E-business Online and the Funds Administration System

Employers draw immense time-saving benefits from using the online return service, which is paperless and equipped with built-in verification capabilities. It is for this reason that Council seeks continuous improvement in the E-business online and fund administration systems.

During the prior 2018/19 financial year, the Department transitioned from Version 3 to Version 5.5. The new version provides faster uploading of data, and a faster, more efficient search function. The new version was phased in so that queries and user impact could be managed. This managed approach successfully limited the impact on employers.

The new version is simpler, better and faster, and received positive endorsement from employers, such as the following, "very nice program – very smart" from one user.

Adoption and usage statistics

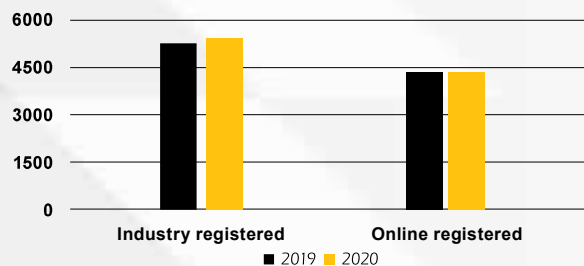
As the world heads towards the Fourth Industrial Revolution, Funds Administration is committed to remaining ahead of the curve in terms of technological advancement, for the benefit of internal and external users and their ultimate customer satisfaction levels.

Payouts process

There was a continuation in the positive appreciation of the payouts process, and another good year-end payouts process was recorded – both of which were among the highlights of the year for Funds Administration. However, late submission or changes to banking details continue to be a challenge during the year-end payout process. There has been a steady improvement in this regard as calculations are automatically confirmed by the system if the employer did not confirm within 72 hours. The pro-rata calculation is automated, as the termination applications are now compulsory on the online system. Notifications are sent to the employers regarding process changes.

The Paycard system was introduced three years ago, eliminating the need for employers to upload details or apply for bank approval. Payments are made directly into the Paycard which provides automated teller machine (ATM) and cross-border access. This eliminates the potential for fraud, which is a risk with manual data-collection processes.

Adoption and usage statistics

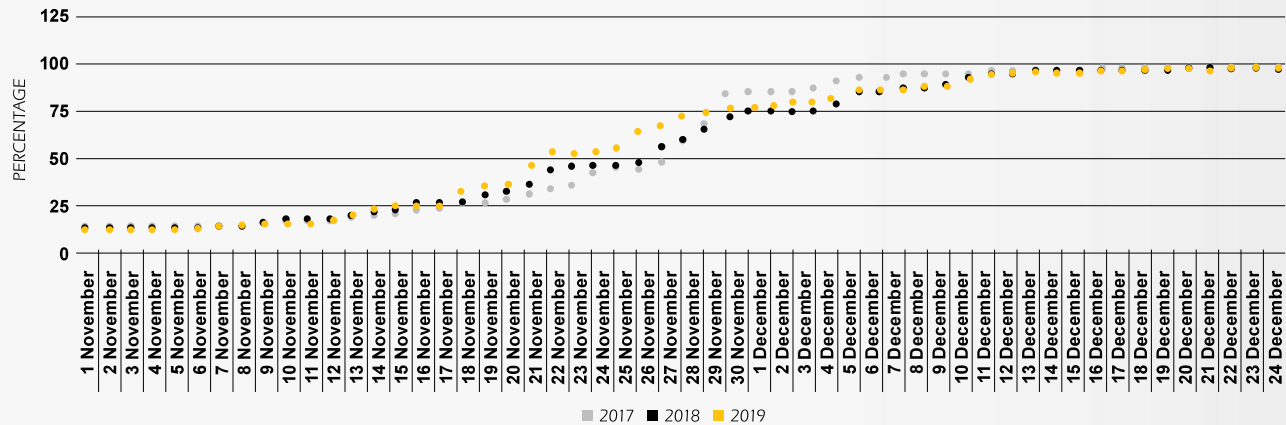


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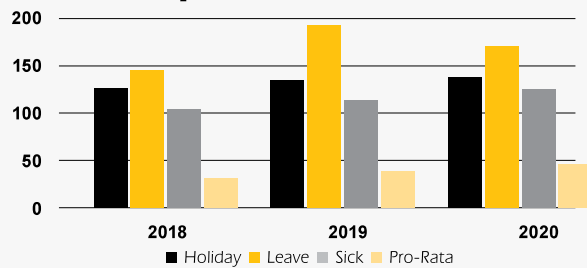
...the Department will continue its focus on streamlining internal processes to effectively and efficiently administer Industry funds.

”

Yearend 2019 Progress Holiday Bonus



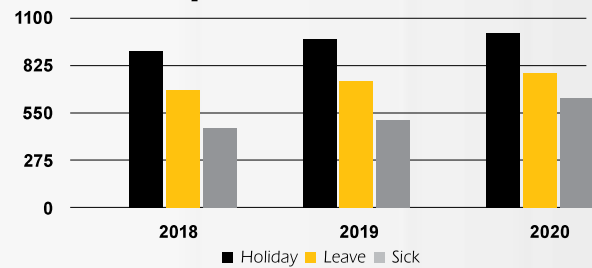
Funds Disbursed Comparison 2018 - 2020



Usage varies based on the number of employees on the system, and fluctuations are typically caused by the movements of foreign nationals.

A total of 19 920 Paycards were issued: 8 981 for foreign nationals (for whom the system is compulsory) and 10 939 for South African citizens (for whom the system is voluntary).

Funds Collected Comparison 2018 - 2020



Conclusion

During the year ahead, the Department will continue its focus on streamlining internal processes to effectively and efficiently administer Industry funds. A key focus area for the coming year will be tracing members with unclaimed benefits, thereby reducing the unclaimed benefits account.

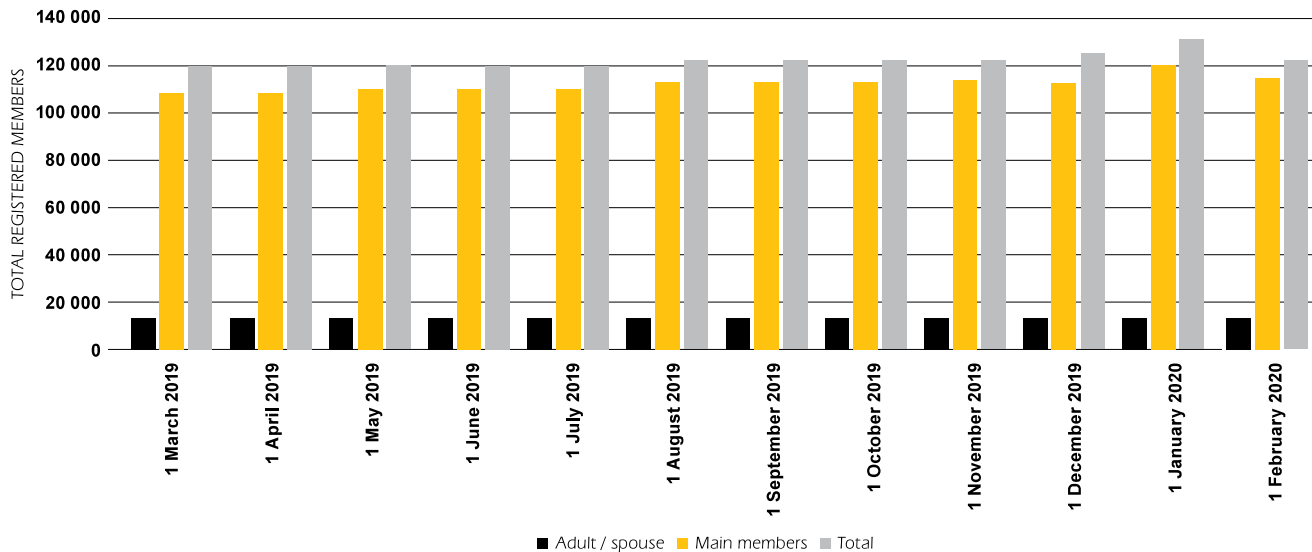
Wellness Fund Health Plan

The Wellness Fund Health Plan protects the wellbeing of employees within the Road Freight and Logistics Industry. It is available to all active NBCRFLI members who are contributing to the Wellness Fund and meet the stipulated eligibility criteria. The Council and service provider each year review benefits to identify members' specific requirements, resulting in a tailor-made Industry solution.

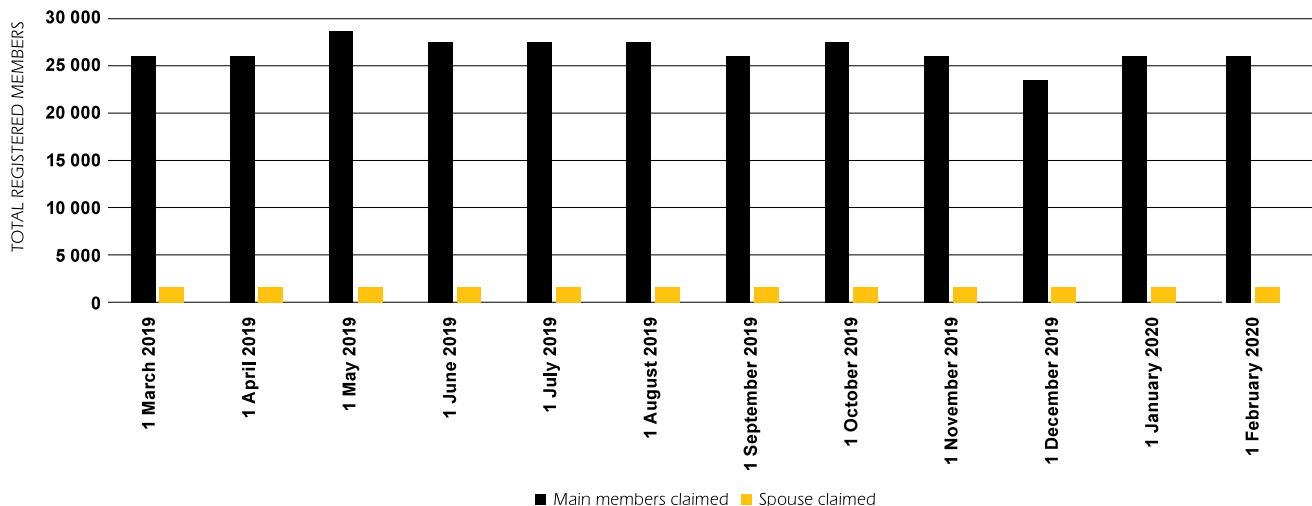
The 2019/20 benefits for the Wellness Fund Health Plan included:

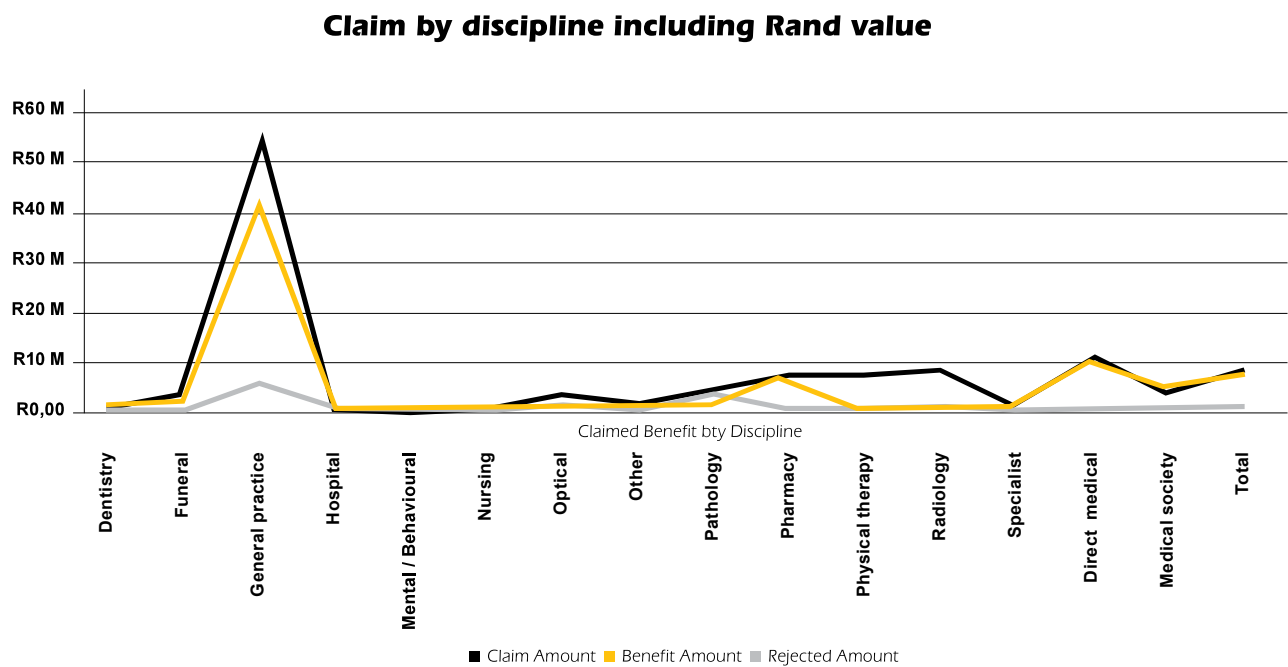
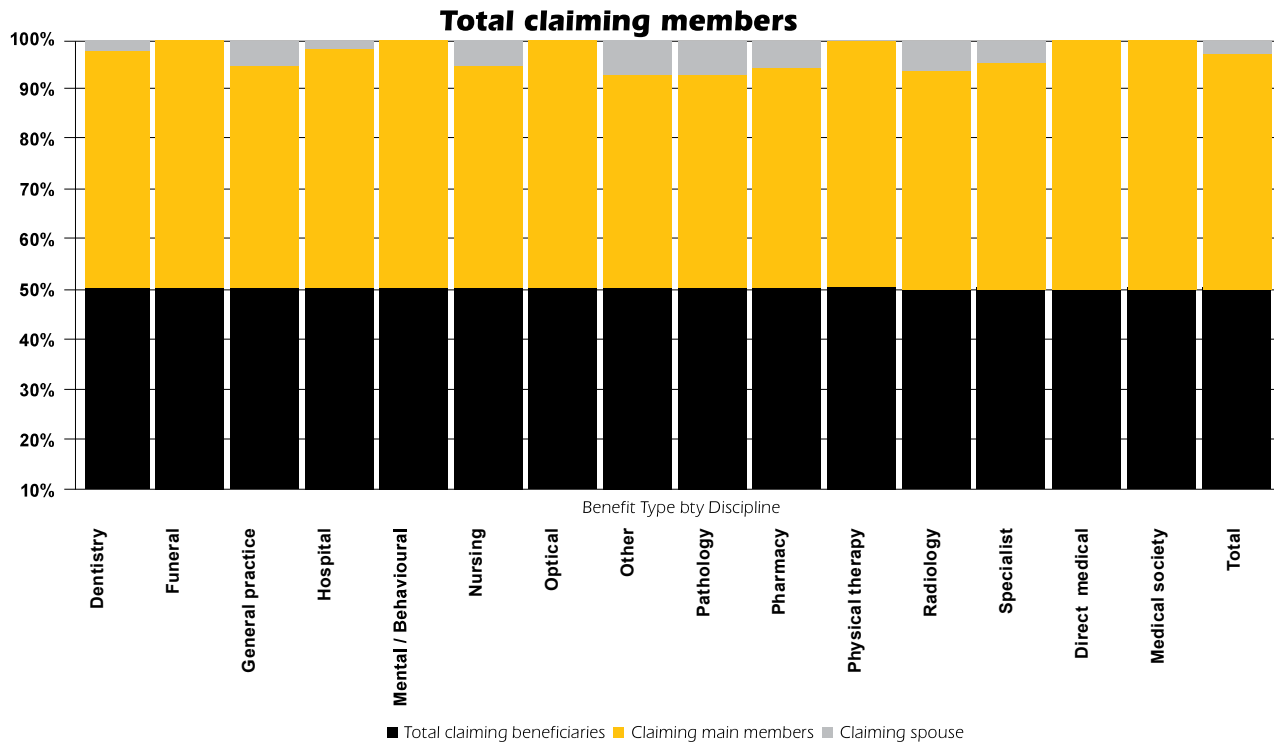
- Unlimited visits and acute medication at one of the medical society facilities.
- Unlimited network GP consultations, with pre-authorisation required from the sixth consult in a year.
- Unlimited telephonic consultations and over-the-counter medications.
- Chronic medicine according to the formulary at network pharmacies.
- Basic radiology and pathology, as referred by a GP.
- Emergency transportation/ambulance services.
- Acute medication up to R1 000 per member each year.
- Hospital accident benefits resulting from an accident up to a maximum of R75 000 per incident.
- Funeral assistance benefit of R10 000 for eligible members.

Registered members vs spouse

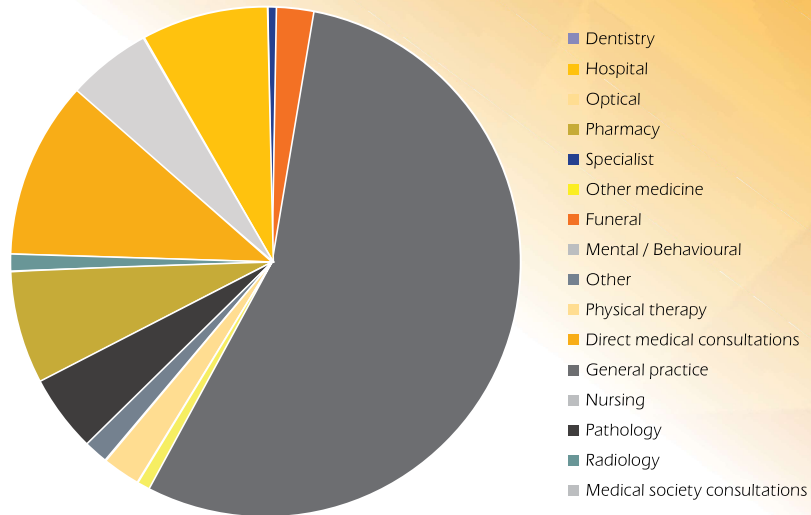


Average amount of members and spouses who use the Health Plan

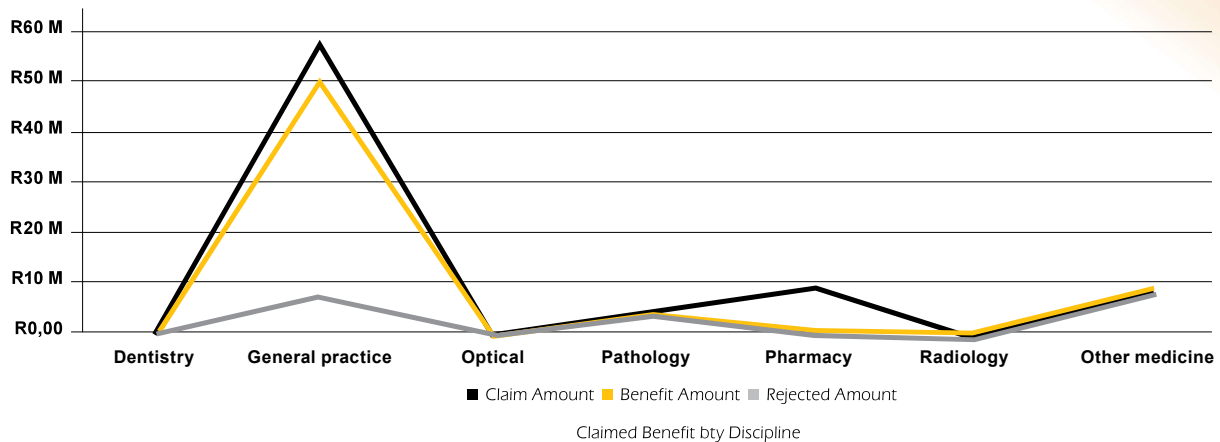




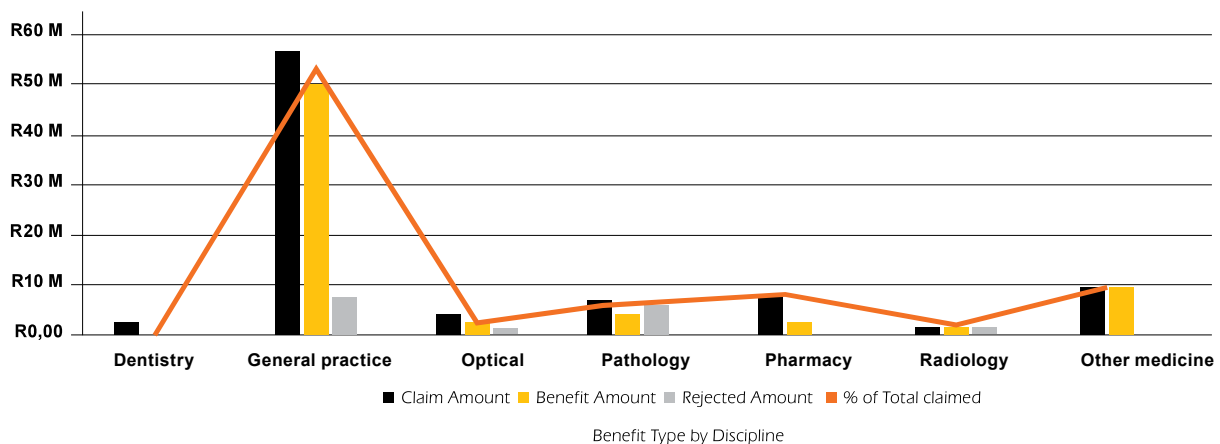
Claim per discipline



Percentage of total claims per discipline



Percentage of total claims per discipline





Driving the well-being of the industry.

Trucking Wellness Programme's 20th Anniversary

The Trucking Wellness Programme (TWP) was launched 20 years ago to create awareness around HIV/AIDS and sexually transmitted infections among long-distance truck drivers, commercial sex workers and others at risk such as spouses and partners.

Since 1999, the Programme has grown exponentially due to expansion of the range of free primary healthcare services which are offered via TWP's 21 Trucking Wellness Centres and Mobile Wellness Centres, which are located at the roadside at truck stops along South Africa's major transport routes.

The mobile clinics are an innovation which enables the Programme to serve many more members. They are booked to a single location for 10 days at a time to serve all companies within that region. Since the establishment of the Wellness Centres, there has been a marked increase in the number of people gaining access to primary healthcare and accessing counselling and testing for HIV infection.

Additionally, TWP has increased its efforts to educate and motivate those within the Road Freight and Logistics Industry to live healthier lifestyles, thereby encouraging a more productive labour force. This initiative by TWP reduces labour risk and expenses to Council members and positively impacts the stability and growth of the Industry and the South African economy.

Sustainability

TWP is working towards self-sustainability to enable the Programme to become an integral part of the Road Freight and Logistics Industry. However, the TWP has not yet achieved this state of sustainability whereby its activities pay for themselves. It consequently continues to require external funding to enable the Programme to grow and increase its footprint into other areas to serve the ever-demanding and changing transport environment.

It is grateful to all sponsors, and in particular the following who have stepped up to assist during the year under review: N3 Toll Concession, Imperial Logistics, Reef Tankers, Daimler Trucks and Buses Southern Africa, Unitrans, SABCOHA and the nine Provincial Departments of Health.

Clinic Revamp

During the financial year, Mooirivier Wellness Centre moved out of its existing location at the truck stop, as this building was not easily accessible by drivers, into an area more accessible to them.

The opportunity was taken to simultaneously revamp the Wellness Centre. Its reconfiguration means it is more convenient, effective and efficient, and is assisting in providing improved healthcare to members.



Following the revamp, Mooirivier now has four rooms: one nursing consultation room, one co-ordinator consultation room, a toilet and a small storage room. A more visible colour was chosen for revamped clinics to stand out and draw members.

Clinic usage

This year has seen some upgrades in providing improved healthcare to members.

Mobile Wellness Centres

There was an increase of 1 938 more people receiving services from the TWP's Mobile Wellness Clinics during the financial year – an increase of 21.12% over the prior financial year. In total, 438 Industry companies accessed the centres in the year.

Wellness Clinics

The usage of the Clinics increased during the financial year, and a higher number of HIV positive people were identified and referred to be enrolled on the HIV management programme.

Period	Sites Visited	Total HIV	HIV +	HIV -	Prevalence
March 2018 - February 2019	472	9 175	219	8 956	2,39%
March 2019 - February 2020	438	11 113	274	10 839	2,47%

Period	Total HIV	HIV +	HIV -	Inconclusive	Prevalence
March 2018 - February 2019	14 683	517	14 164	2	3,52%
March 2019 - February 2020	16 077	596	15 478	3	3,71%

Period	Patients	Awareness Training	STIs Treated	Condoms Distributed
March 2018 – February 2019	33 980	38 662	1 786	2 200 230
March 2019 – February 2020	34 423	39 245	1 960	2 264 065
<i>Difference</i>	-443	-583	-174	-63 835
<i>%</i>	1,30%	1,51%	9,74%	2,90%

Period	Black African	White	Coloured	Indian / Asian	Non Dominant
March 2018 - February 2019	14001	70	551	59	2
March 2019 - February 2020	15372	54	572	81	3

Period	Patients tested for HIV	HIV+ Patients	% Infection Rate
March 2018 to February 2019	14 683	517	3,52%
March 2019 to February 2020	16 077	596	3,71%
<i>Variation</i>	1 394	79	-0,19%
<i>%</i>	9,49%	15,28%	

Period	Total HCT	% from treatment seeking patients
March 2018 to February 2019	14 683	43,21%
March 2019 to February 2020	16 077	46,70%

IMPROVEMENT STATISTICS

9.49%

INCREASE IN
HCT UPTAKE

1.51%

INCREASE IN
AWARENESS TRAINING

2.9%

INCREASE IN
NUMBER OF
CONDOMS
DISTRIBUTED

Year's Achievements

As the TWP celebrated its 21 anniversary this financial year, we took a look back at some of its major highlights and achievements.

1. Operational costs for Mobile HCT have decreased as follows:
 - January 2018 to December 2018 - R1 980 594.
 - January 2019 to December 2019 - R1 547 439.
2. Trucking Wellness started development of a cloud-based HCT capturing database for the Roadside Wellness Clinics, to relieve the labour in updating weekly statistics. This system - similar to one currently in use in the Mobile Wellness Clinics - allows the capture of patient details and immediate upload to a cloud-based database. This will facilitate quicker reporting and quality control. TWP is in the process of finalising the HCTAPP to be implemented in September/October 2020.
3. The annual CEP employee workshop took place during the last week of March 2019 in Boksburg, with 43 CEP employees participating. The following clinical issues were presented and discussed by multiple clinical experts:
 - The latest treatment and care in HIV.
 - Rapid HIV testing.
 - Wound care.
 - Grief.
 - Organ donation.
 - Burn wounds.
 - Prostate and testicular cancer.
 - The latest treatment and care in TB.
 - Medical waste management.
4. CEP announced the winners of the Roadside Wellness Centre of the Year competition for 2018 at the 2019 annual workshop. Centres were evaluated and scored on the following key points:
 - HIV statistics.
 - Effort.
 - Clinic cleanliness.
 - Reporting to head office.
 - Attendance.
 - Truck stop size and volume of trucks parking at the truck stop.



The first place winners were Hanover Wellness Clinic. As part of continuous quality improvement activities and in-service training, three nurses participated in a dispensing course facilitated by the Health Science Academy. A further three nurses' information was submitted for Dispensing Licences to the Department of Health.

5. At Marianhill Roadside Wellness Centre clinic, the Shell Truck Stop has provided a gym for truck drivers to use.



6. Since the Programme's inception until February 2020:
 - 852 975 truck drivers and women at risk have been reached through training and education.
 - 499 560 have been treated as patients.
 - 84 007 have been treated for sexually transmitted diseases.
 - An estimated 24 328 275 condoms have been distributed since 2002.
7. For the year under review the following statistics were achieved:
 - Awareness education: Truck drivers and women at risk - 39 245.
 - Patients visiting clinic: Truck drivers and women at risk - 34 423.
 - Number of STI treatments: Truck drivers and women at risk - 1 960.
 - Estimated number of condoms distributed - 2 264 065.
8. Northern Cape: A Memorandum of Understanding was signed in April with the Department of Health to support Colesberg and Hanover with Primary Health Care (PHC) and STIs. This will extend to supplying ARVs once a monitoring system is in place.
9. Statistical improvements: Between the 2018/19 and 2019/20 financial years, there was:
 - A 9.49% increase in HCT uptake.
 - An increase from 43.21% to 46.70% in HCT uptake when seeking treatment, indicating a successful up-scaling of HCT services at the clinics.
 - A 1.3% increase of patients visiting the clinic for primary healthcare.
 - An increase in awareness training of 1.51%.
 - An increase of 2.9% in the total number of condoms distributed at the clinics.

Roadside Wellness Centre HIV Counselling and Testing								
Clinic Name	Total tested	+	-	Incon-clusive	Male tested HIV	Female tested HIV	Industry member	Non industry member
Alrode North and South	393	1	392	0	356	37	194	199
Beaufort West	179	6	173	0	162	17	128	51
Cape Town	829	27	802	0	783	46	615	241
Colesberg	735	16	719	0	705	30	498	237
East London	802	26	776	0	795	7	70	732
Hanover	812	57	755	0	784	28	487	325
Harrismith	748	10	738	0	719	29	356	392
Kokstad	782	41	741	0	748	34	328	454
Komatipoort	1 012	93	919	0	840	172	18	994
Marianhill	1 310	89	1 221	0	1 283	27	620	690
Moorriver	684	17	667	0	644	40	512	172
Mthatha	295	8	287	0	286	9	13	282
Musina	1 687	45	1 641	1	1 452	235	200	1487
Port Elizabeth	626	15	610	1	606	20	455	171
Roodekop	937	21	916	0	921	16	66	871
Tugela	467	20	447	0	460	7	11	456
Ventersburg	163	2	161	0	162	1	24	139
Villiers	1 570	58	1 511	1	1 560	10	160	1 410
Warden	617	13	604	0	605	12	281	336
Zeerust	1 429	31	1 398	0	1 312	117	239	1 190
Total	16 077	596	15 478	3	15 183	894	52 755	10 802

Mobile Wellness Centre HIV Counselling and Testing												
Month	Total sites visited	Total tested HIV	Total HIV -	Total HIV +	Health Screening	Total Clients Seen	Estimated Employees	Male	Female	Industry Members	Non-Industry Members	Prevalence
March 2019	49	1 239	1 202	37	504	1 743	6 490	1 489	254	1 085	658	2,99%
April 2019	54	1 453	1 413	40	675	2 128	5 101	1 739	389	1 244	884	2,75%
May 2019	58	1 550	1 513	37	628	2 178	6 746	1 784	394	1 201	977	2,39%
June 2019	27	846	823	23	320	1 166	2 851	962	204	736	430	2,72%
July 2019	26	579	561	18	278	857	1 449	683	174	386	471	3,11%
August 2019	40	861	848	13	347	1 208	3 792	952	256	505	703	1,51%
September 2019	36	771	748	23	262	1 033	2 396	797	236	574	459	2,98%
October 2019	38	891	864	27	383	1 274	2 057	1 040	234	664	610	3,03%
November 2019	30	668	654	14	243	911	4 320	779	132	392	519	2,10%
December 2019	28	537	529	8	173	710	3 422	539	171	326	384	1,49%
January 2020	17	456	449	7	199	655	1 530	585	70	444	211	1,54%
February 2020	35	1 262	1 235	27	487	1 749	5 695	1 442	307	1 031	718	2,14%
Total	438	11 113	10 839	274	4 499	15 612	45 849	12 791	2 821	8 588	7 024	2,47%

Roadside Wellness Centre Primary Healthcare											
Combined	Roodekop	Alrode North & Alrode South	Villiers	Warden	Tugela	Moorriver	Harrismith	Marianhill	Kokstad	Mthatha	Total
Number of clients seen at HTA sites (headcount)	1 440	1 902	2 576	1 424	1 312	1 456	1 815	1 293	1 299	545	15 062
Number of people who attended awareness training sessions at HTA sites	1 373	1 386	3 177	1 526	3 814	1 230	1 839	2 459	1 379	257	18 440
Number of truck drivers seen at HTA sites	1 147	631	2 232	1 218	643	1 167	1 469	1151	969	426	11 053
Number of sex workers seen at HTA sites	11	0	8	18	60	1	1	5	0	0	104
Number of men who have sex with men (MSM) seen at HTA sites	106	0	0	0	0	0	0	0	0	0	106
Number of male condoms distributed	17 723	9 432	105 933	67 206	37 900	56 550	205 400	141 986	43 390	5 940	691 460
Number of female condoms distributed	284	0	0	0	400	242	7	1125	706	21	2 785
STI treated: new episode	131	26	183	46	71	0	181	11	186	32	867
STI partner treated: new	0	0	0	0	3	0	0	0	0	0	3
Male urethritis syndrome treated - new episode	0	2	0	0	0	0	0	0	0	0	2

TWP Conclusion

The focus of the TWP over the coming 12 months will be to streamline the Programme, reduce costs by implementing cloud-based technologies, and improve the quality of healthcare by enhancing the service delivery of Wellness Centre staff through training and education.

ARV Programme

Percentage increase in the number of employees on ARV	7.4%
Percentage of ARV users who have achieved viral suppression	91%
Total number of active beneficiaries enrolled on the NBCRFLI ARV treatment programme	4 555
Percentage enrolled members who are in pre-ARV monitoring	17%

The National Department of Health (NDoH) has adopted the World Health Organisation's (WHO) 90-90-90 recommendation. This involves having 90% of HIV positive people knowing their status, 90% of these people being placed on antiretroviral therapy (ART), and 90% of those on ART being adherent and virally suppressed. Achieving these targets translates into an AIDS-free generation by 2030.

The NBCRFLI ARV Programme has been an Industry leader in its commitment to combating HIV among members and in actively working to reach and maintain this target.

Category	Description	Feb-20	Feb-19	% Change
Finding	TW Testing	27 190	12 788	
	Members referred from Trucking Wellness to CareWorks	384	324	18%
	Members referred from Health Plan and Occupational Health	389	456	-14.7%
	Spouses referred into CareWorks	113	129	-12.4%
	Total	886	909	-2.5%
Linking	Non-members referred from Trucking Wellness to CareWorks	489	408	19.6%
	% linking of members into CareWorks Programme	99%	98%	1%
	% linking of non-members to NDoH HIV clinics	45%	51%	-11.7%
Treating	Active members enrolled on CareWorks Programme	4 555	4 172	9.2%
	Spouses of active members enrolled	606	685	-11.5%
	On ART (antiretroviral therapy)	3 167	2 950	7.4%
	Pre-ART monitoring	790	729	8.4%
	NBCRFLI membership resignations	761	1 165	-34.6%
	Adherence (on CareWorks ART > 1yr) – target is 90%	91%	92%	-1.0%

The table above looks at the achievements of the NBCRFLI ARV Programme from March 2018 to February 2019, through a 90-90-90 view.

Finding

Overall referrals into the treatment programme were relatively unchanged when compared to the previous financial year. Of note is that there was an 18% increase in member referrals and a 20% increase in non-member referrals from TWP.

Linking

The 2019/20 financial year showed a 1% increase in member linkages, from 98% to 99%. This means that 99% of members referred to the ARV Programme were registered on the Programme. This is significant, as the comparable percentage on the NDoH HIV programme is 71%. This achievement is owed to a proactive approach to reaching members. This involves continued HIV education and close psychosocial support to help someone who is HIV positive understand their future options in keeping well. The ARV Programme has reached and maintained a linkage rate of over 90% for more than six years.

Treating

The 2019/20 financial year had a total 4 555 registered members, a 9% increase over the prior year. This is the result of targeted marketing efforts conducted during the year to reach more members who would otherwise not be reached through traditional means.

The ARV Programme is aligned to national and international best practice. However, not all newly diagnosed HIV positive people are ready to commit to taking ART 'every day forever'. Experience has shown intensive drug-readiness

counselling and education prior to initiation results in improved adherence and health outcomes. Therefore, we classify the total cohort into two categories: 'Pre-ART' and 'On-ART'. The net result of this is that the number of people On-ART has increased by 7.4% and Pre-ART by 8.4%. Though Pre-ART shows an increase, it is an improvement compared to the 23% increase seen in the previous year. In 2019/20 we ran a successful targeted campaign to move more members into the ART cohort.

ART requires high levels of adherence to minimise treatment failure and the need to change to more expensive ART regimens. Viral load is used to measure response to treatment and patient adherence. The ARV Programme showed an increase in the viral suppression rate to 91%. This has been achieved by utilising the CareWorks virtual clinic model that proactively caters for the needs of male dominated, mobile populations on ARVs through centralised care co-ordination and support.

Notable achievements

The ARV Programme has been providing HIV treatment to Council members for 10 years. Despite an ever-changing environment characterised by high rates of churn, the Programme has shown reassuring growth over time.

Some of the overview highlights of the current year include:

- Increased registrations onto the Programme, following a targeted marketing drive.
- Increase in members on ART.
- Maintained the WHO's 90-90-90 recommendation.
- Maintained first line therapy.

Other notable achievements include:

1. The past financial year was one which focused on thoroughly marketing the ARV Programme to members and spouses. The Programme embarked on road shows at different employers' premises across the country in collaboration with TWP and the NBCRFLI's staff. Individual road shows often resulted in on-the-day registrations and an increase in calls to CareWorks of between 4-10% during the following week.

This increase in awareness of the Programme resulted in:

- A 9% increase in membership.
 - More members and spouses on treatment.
 - Decreased transmission of the virus through disease control.
 - Improved productivity at work.
2. CareWorks has been providing HIV treatment to NBCRFLI members for 10 years. The ARV Programme has also continued to outperform the NDoH by achieving and maintaining over 90% viral suppression. This success is largely attributable to keeping 96% of members on first line therapy. This strategy has multiple benefits:
 - Cost savings to the NBCRFLI.
 - Increased life expectancy for members.
 - Improved productivity and decreased absenteeism for employers.
 3. In keeping with the Council's commitment to transformation and skills development, in 2019/20 the ARV Programme through CareWorks provided training to 30 TWP staff to the value of R459 715. The training focused on HIV testing and counselling which will result in standardised, accurate HIV testing across TWP clinics. In addition, over 12% of ARV Programme revenue was spent on a qualifying small business enterprise.

ARV Programme Conclusion

The NBCRFLI ARV Programme has been successful in providing evidence-based HIV prevention, testing and treatment to members for many years. In 2019 the target was set out to increase the access of HIV positive NBCRFLI members and spouses to the ARV programme – this has been achieved in collaboration with all stakeholders.

At the end of February 2020, Council appointed Affinity Health to take over the ARV programme from CareWorks.

“CareWorks appreciates the opportunity over the past 10 years to be of service to the Council, the Industry and its members, and wishes them all the very best going forward.”
– CareWorks.

9%
**INCREASE IN REGISTERED
MEMBERS**

7.4%
**INCREASE IN PEOPLE
ON ART**

8.4%
**INCREASE OF PEOPLE
PRE-ART**

18%
**INCREASE IN MEMBER
REFERRALS**

20%
**INCREASE IN
NON-MEMBER REFERRALS**

Affinity Health was appointed as the successful bidder of the now Integrated Health Services programme through an open tender process for the Health Plan and ARV treatment programme, which has been consolidated. Integrating the two programmes will facilitate a reduction of costs by eliminating any duplication within the service offerings.

HUMAN RESOURCES



The Council fully embraces employee growth and development, and consequently dedicates considerable resources to this purpose.

The Human Resources (HR) Department performs a critical role in advancing organisational development, performance management, training and development, legislative compliance, as well as enhancing the health and wellness of the Council's employees. For the year under review, the organisational structure of Council's Administration remained unchanged.

Highlights and Achievements

The HR Department is proud to report several achievements for the year under review, as follows:

- Employees have shown a keen interest in HR offerings, resulting in growing demand for training and development interventions, as well as an increase in the number of bursary applications to the value of R510 195. This is evidence that employees are taking their careers and development seriously and Council is highly supportive and encouraging of this welcome trend. A particular achievement has been the award to two employees of bursary funding for Masters' degrees, and one has since qualified. In addition, Council's recruitment drive has

resulted in a number of internal applicants being promoted to internal positions. Such internal successes have proven to be major morale boosters among staff.

- Wellness Days were rolled out to all offices nationally, and the year under review saw an increase in Wellness Day participation across all regions, as well as positive feedback from employees and service providers alike. Through HR support of all sports activities, teams in netball and soccer have joined their respective leagues. Three employees also participated in the 2019 Comrades Marathon.
- The feedback and recommendations from the organisational survey were implemented in phases, starting with team dynamics. A Succession Planning Framework was implemented and will be operationalised during the next financial year in order to try and retain knowledge and critical talent.

Emphasising the need for such a framework was the resignation of key roles of the Facilities Manager, Agreement and Compliance Manager, and Regional Manager: Western Cape during the year under review. In addition to the Succession Planning Framework, HR is working to overcome the challenge of losing key staff, by drafting a Recognition Framework and Retention Strategy for critical roles identified.

NBCRFLI - RACIAL PROFILE

African

234

Coloured

31

Indian

7

White

28

“

Employees are taking their careers and development seriously and Council is highly supportive and encouraging of this welcome trend.

”

Performance Management Policy

The Council continuously assesses and evaluates individual performance to ensure that there is clear understanding of the work to be delivered and that there is feedback on how employees are performing. The main objective is to drive a high-performance culture that will benefit the Industry and yield exceptional results for sustainability. In line with the Council's Performance Management Policy, the average performance of the Council for the year under review was at Level 3.7 out of 5, defined as: 'At most times exceeding expectations, goals and objectives and the quality of work overall was very good, and at other times, excellent'.

Health and Wellbeing

HR is dedicated to looking after the health and wellbeing of the Council's employees. The Council understands that healthy employees are happy employees, and happy employees allow the Council to deliver a high standard of service to the Industry.

During the year under review, 314 employees participated in Wellness Day events, including contract cleaners and security staff. The Wellness Day events are held every February in all regions, including all small branches and among Trucking Wellness Programme employees. The goal of the wellness initiative is to develop programmes that improve employee health behaviours so as to reduce health risks and elevate wellness.

Wellness programmes potentially:

- Decrease absenteeism.
- Help improve employee recruitment and retention.
- Increase employee morale.

- Improve individual motivation for taking initiatives on improving one's own health, in being more active in sports and in healthy eating.

Wellness programmes typically aim to motivate employees to do the following: have regular health risk and wellness assessments; weight loss competitions; exercise, stress management or resiliency education and smoking cessation programmes; that are designed to help individuals or employees eat better, lose weight and improve their physical health.

During the year under review, we implemented the Exec Care Wellness Programme. This Programme assesses individual health risk assessments for General Managers and provides a report on the health profile of the organisation's leaders.

Council includes compulsory medical schemes as part of their employment package with employees. Contributions towards medical scheme membership are made up of 66.67% by Council and 33.33% by employees.

ICAS continues to provide a comprehensive range of preventative care and counselling services to the NBCRFLI's employees. Its approach is flexible and professional, ensuring that the Council employees receive a holistic service including:

- Psychological counselling services.
- Life management services.
- eCare online services.
- Account management and service promotion.
- Reporting and in-depth analysis.
- Critical incident and trauma management.
- HIV/AIDS support services.
- Managerial consulting services.

SERVICES

Professional Counselling



Face to face



Telephone counselling



Group sessions

Operational Administrative Services



Clinical information



Service queries



Financial advisors



Legal advisors

Referral Services



Formal referrals

Trauma Management



Follow-up intervention

Health@Hand



Medical advisory

“ The trustees are ultimately responsible for the running of the Fund and must ensure that members’ interests are protected at all times ”

Staff Pension Fund

All eligible permanent Council employees are required to join the Sanlam Umbrella Fund as a condition of their employment. For some, this Fund is their only retirement saving provision. Participation in the Umbrella Fund means that the Council is able to offer employees packaged and flexible savings, at a reduced cost. The Umbrella Fund makes the following benefits available to the Council's eligible employees: retirement, death, accident, family funeral, burial repatriation, disability and trauma benefits, as well as spouse life cover.

The Fund is managed by a board of six trustees, three appointed by Sanlam and three elected by pension fund members from a panel of suitably qualified and independent industry professionals. The trustees put the Fund structure in place, allowing the Council to select the most appropriate benefits and options for their members. The trustees are ultimately responsible for the running of the Fund and must ensure that members' interests are protected at all times. The Council has established a Joint Forum consisting of 50% of members elected by employee pension fund members, representing Council employees, and 50% of members appointed by Council management, representing employers. The Joint Forum attends to Council members' needs and ensures they are kept informed about Fund-related issues. The Joint Forum ensured there was ongoing communication distributed to members during the year under review.

Learning and Development

Future sustainability of the Council was a major strategic objective for the year under review, and the HR Department was tasked with:

- Developing a Learnership Programme for Shop Stewards to assist them with the application and interpretation of the Main Collective Agreement
- Fast-tracking the Agent Learnership Programme to ensure

consistency on the understanding and interpretation of the Main Collective Agreement among the Agents.

The Agents also successfully attended a six-month in-house training programme. The purpose of this programme was to provide the Agents with a broad understanding of the key knowledge underpinning the role of a professional Agent.

One of the key modules focused on a thorough understanding and interpretation of the Main Collective Agreement. As a way of reinforcing the learning, a Main Collective Agreement guide for Agents is being designed and developed.

Senior Agents underwent training on the practical component of the qualification - workplace experience. A number of virtual classes were developed to assist delegates with completing the workload. Senior Agents were prepared in order to sit for Compliance board exams to qualify as compliance officers.

The Trade Union Practice Qualification for Industry Shop Stewards was launched in October 2019 with a total of 39 delegates. The purpose of this course was to provide a platform for Industry Shop Stewards to build a foundation of learning in trade union practice, as well as provide access to other related qualifications. This course will be rolled out nationally in the near future.

HR hosted a series of behavioural workshops on performance management, emotional intelligence, employment equity training and more. Technical training workshops on Microsoft and other IT-related subjects took place during the year under review, in addition to seminars and conferences which were developmental in nature. The Management Development Programme was specifically designed and developed to enhance and capacitate current and future potential managers with competencies required to operate efficiently within a diverse environment. Staff training at the Council is customised in a way that it fits its unique environment and contributes to the overall strategic objective of the Council.

Other

The table below represents internal appointments made during the period under review:

INTERNAL APPOINTMENTS

Old Position	Grade	New Position	Grade	Date Appointed in the New Position
Case Management Officer and Exemptions	C3	Designated Agent	C3	1 May 2019
Client Liaison Officer	B4	Arbitrations Administrator	C1	1 June 2019
Office Administrator	B4	Office Administrator	B4	1 June 2019
Case Management Officer	C2	Case Management Officer and Exemptions	C3	1 August 2019
Litigation Officer	C1	Litigation Officer	C1	1 August 2019
Arbitrations Administrator	C1	Case Management Officer	C2	1 September 2019
Client Liaison Officer	B4	Litigation Administrator	C1	1 November 2019
Client Liaison Officer	B4	Arbitrations Administrator	C1	1 January 2020
Designated Agent	C3	Designated Agent	C3	1 January 2020
Senior Agent	C5	Agreement Compliance Manager	D5	1 February 2020

EXTERNAL APPOINTMENTS

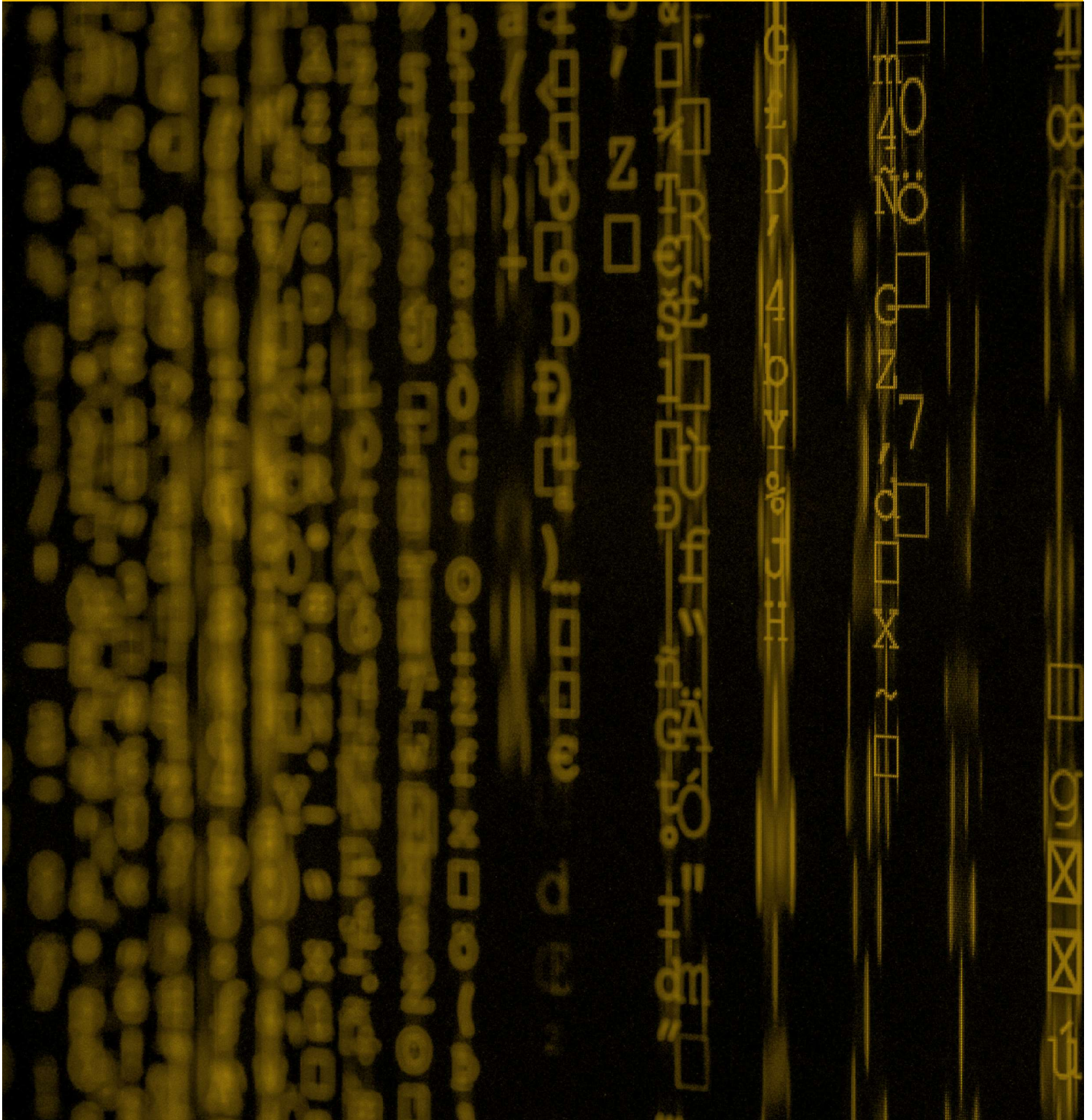
Job Title	Date Engaged
Human Resources Information System	1 March 2019
Document Management Clerk	1 March 2019
Wellness Centre Co-ordinator	1 March 2019
Office Administrator	1 May 2019
Designated Agent	1 June 2019
Office Administrator	1 June 2019
Enforcement Administrator	1 July 2019
Client Liaison Officer	1 August 2019
Facilities Officer	1 August 2019
Cleaner	1 August 2019
Funds Administration Clerk	1 September 2019
Procurement Manager	1 September 2019
Internal Auditor	1 October 2019
Client Liaison Officer	1 January 2020
Designated Agent	1 January 2020
Cleaner	1 January 2020
General Manager Secretariat	1 February 2020

In terms of the male/female ratio, as well as employment equity status of the new recruits, of the total 27 positions filled, 17 were female appointments and 10 male.

GENDER PROFILE NEW RECRUITS



INFORMATION **TECHNOLOGY**



Notwithstanding an environment of heightened external risk during the financial year 2019/20 - particularly as regards cybercrime - the NBCRFLI's Internal Audit Department throughout the period discharged its responsibilities in line with its approved Charter and the King IV Report on Corporate Governance. Internal Audit provided management and Council with independent assurance by means of a risk-based audit coverage consistent with Council goals and priorities.

The Information Technology (IT) Department plays a crucial role in enabling the Council to deliver an effective and efficient service to all its stakeholders. It does so in a number of ways - by:

- Keeping abreast with the development of technology.
- Ensuring the organisation adopts IT governance, management controls and service management frameworks, based on industry good practices.
- Creating business systems to support and enable the Council's core business processes.
- Developing and maintaining IT infrastructure based on IT best practices.

National Call Centre System Enhancement

During the 2018/2019 financial year, the Council's regional call centre was expanded to become a national call centre, with IT's role being to focus on developing the technology components of the enlarged call centre in order to ensure its efficient operation. For the year under review, the Department focused on system enhancement, by developing a customised call centre case management system based on the workflow solution.

Cyber Security

Cybercrime poses a challenge for most organisations and the Council's IT Steering Committee prioritised the

improvement of cyber security controls as one of the strategic objectives for both the previous and the current periods of review. During the 2019/20 financial year, an enhanced email security solution was deployed to protect users against email threats, while the anti-virus solution was upgraded to provide improved malware and spyware protection. For the year under review, the Department followed up on this by focusing on user awareness training, which was compulsory for all the Council's users to attend. These training sessions empowered them to recognise and mitigate potential cyber threats.

2021 IT Focus

1. Enhancing the Business Continuity Management IT solution in case of disaster.
2. Further enhancement of the cyber security solution.
3. Continued cyber security awareness training.
4. Finalising the IT Strategy for the 2020/21 financial year.
5. Moving all computer devices from desktop to portable.
6. Implementing a remote working system with the following characteristics:
 - Deploying remote collaboration tools such as Teams and Diligent Boards.
 - Driving remote video conferencing to facilitate remote meetings.
 - Enabling branch offices to perform arbitration hearings remotely.
7. Optimising the Arbitration Case Management System and, deploying and enhancing the Business Information and Reporting solutions for the Enforcement and Litigation case management process.
8. Consolidating the IT Security policies into a single simplified document, by splitting user-related IT security policies from service-related operational processes and policies.

“

... the Department focused on system enhancement, by developing a customised call centre case management system...

”

FINANCE DEPARTMENT

Finance

The year was a challenging one, and while this financial year's 29 February cut-off date means it misses the entirety of the Covid-19 lockdown, this momentous event will significantly impact on next year's results. Even before that, the Council struggled with low growth and flat interest rates in respect of investments.

Notwithstanding these headwinds, the NBCRFLI's financial performance for the period under review was exceptional. The Council was successful in improving efficiencies around levy collection, increasing compliance among members, and controlling expenditure. These improvements stand us in good stead when we face the impact of closing the entire economy in next year's accounts.

Performance Overview

Council delivered a notable financial performance in a challenging economic environment:

- The Council recorded a surplus of R103.9m (compared with financial year 2018/19: R69.4m), an increase of 49.6% year on year. Operational expenditure was R507.3m (FY2018/19: R478.6m), an increase of 6%.
- Main Council surplus was R95.5m (FY2018/19: R70.7m), an increase of 35%.
- Capital expenditure for the period was R7.3m.
- Property value was R31.9m.
- NBCRFLI group operating expenditure was R507.3m (FY2018/19: R478.7m), an increase of 5.9%.
- Income generated for the period was R611.2m (FY2018/19: R548.1m), an increase of 11.5% year on year.
- Levies for the period were R109.0m (FY2018/19: R97.5m), an increase of 11.8%.
- Main Council income for the period was R347.8m (FY2018/19: R310.2m), an increase of 12.1%.
- CCMA subsidy income was R0.9m (FY2018/19: R1.4m).
- Capital expenditure decreased by 5.5% to R7.3m (FY2018/19: R7.7m).

Financial Assets

The NBCRFLI's Main Council and trust funds' investments are held with major banks in South Africa. These investments yielded returns of between 7% and 7.9% (FY2018/19: 7% and 7.89%). The market value of the Main Council investments was R516.5m (FY2018/19: R477.2m), a growth of 8.2%.

The consolidated market value of the Holiday Pay Fund, Leave Pay Fund and Sick Pay Fund was R2.07bn (FY2018/19: R1.92bn). The balances of the investments grew by 7.3% which is primarily attributable to an increase in contributions received from trust funds (in respect of holiday, leave, and sick pay funds); increased frequency of investments; and re-investments of interest yield during the period.

Expenditure

Main Council operating expenditure was 4.7% below budget. The actual expenditure was R241.7m against a budget of R253.7m. The saving is attributable to ongoing cost containment measures, which continue to yield positive results, as well as the delayed implementation of some projects.

The 11.5% increase in Group revenue year on year was driven mainly by increased levies as a result of increased compliance levels from Industry members and by favourable rates of return on the investments. The increase in Group surplus is primarily attributable to higher revenue.

GROUP REVENUE ANALYSIS

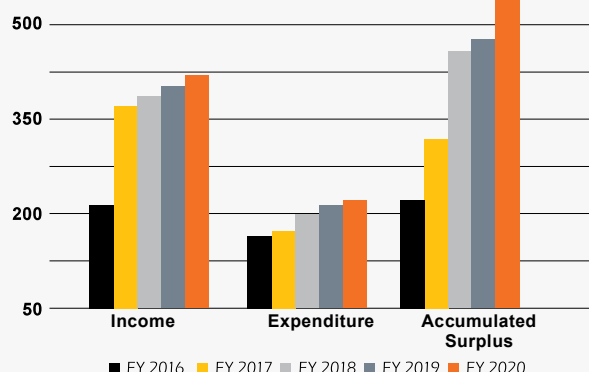


Rm	Main Council	Holiday Pay Fund	Leave Pay Fund	Sick Pay Fund	Wellness Fund	Total
FY2019	143.9	48.4	50.8	66.9	237.9	548.0
FY2020	167.5	51.9	56.5	71.8	263.4	611.1

Main Council Five-Year Performance

Below is the graph for the Main Council five-year performance (in million Rands).

Main Council 5 Year Performance



Trade and other receivables

The total trade and other receivables increased by 14.3%. Total trade receivables were R9.5m (FY2018/19: R8.3m). The increase is largely attributable to rental income and CCMA subsidy income.

Cash Flow

Council had a positive cash flow. Total cash at year end was R90.4m (FY2018/19: R80.0m).

Budget

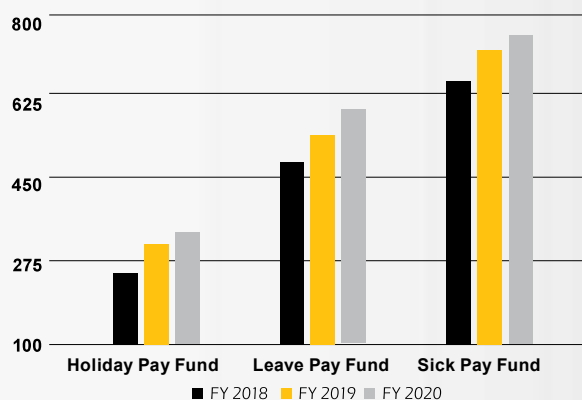
A total budget of R230.4m was approved for the period ending 29 February 2020. The total capex budget approved for the period ending 29 February 2020 was R13.9m.

Although Council anticipates a drop in revenue in terms of reduced interest rates and the decline in contribution levels due to the Covid-19 impact, it anticipates that it will retain a surplus position, albeit a reduced surplus, for the 2020/21 financial year. Council will implement strict cost containment measures in order to manage the operating costs and to ensure the surplus position is realised.

Trust Fund Liabilities

The graph below shows figures for the movement and balances in the trust fund liabilities (2019–2020):

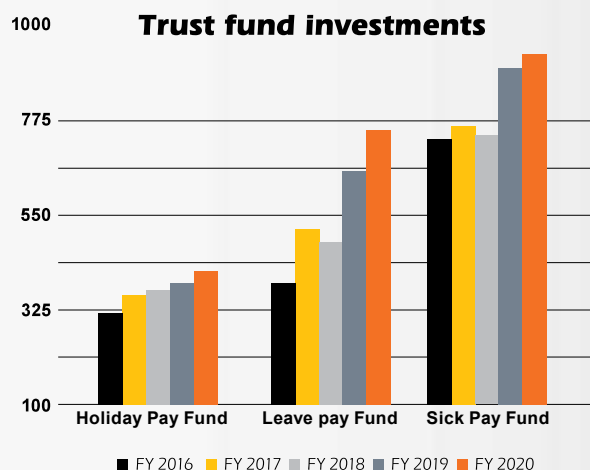
Trust Fund Liabilities



Trust fund investments

The graph shows the balances for the trust fund investments for the period 2016 – 2020:

Trust fund investments



PROCUREMENT & PAYROLL

The Procurement Section is an integrated function that operates within the Finance Department. Its continued existence is propelled by its key objectives that include supporting the operational requirements; managing the procurement process and supply base effectively and efficiently; developing and maintaining strong relationships with all departments; and developing cohesive strategies that reinforce the organisation's overall strategy, goals and objectives. To effectively carry out its mandate, the Procurement Section is sharpening its focus on continuous improvement, through the adoption of global best practices and adherence to all established regulations.

Legislative requirements

The NBCRFLI's existence is driven and regulated by the requirements of the Labour Relations Act and its activities are governed under the Department of Employment and Labour, and ultimately the Minister of Labour. It is for these reasons that the NBCRFLI, in terms of its operations, will always be informed by best practices in both the public and private sectors: this in order for the Council to serve its stakeholders efficiently.

Procurement activities

Key procurement activities include:

- Stock management.
- Supplier database management.
- Tender management.
- Service level agreement management.
- Insurance/risk cover.
- Daily processing of orders through SAP.
- Regular review of risk and strategy.
- Regular review of policy and procedures.

Other activities

In the 2018/19 financial year, the Procurement Section completed a Project Charter to address the concerns of appropriately accruing for expenses. This Project Charter was successfully implemented in the year under review and will continue to be diligently monitored in 2020/21.

“ ... the Procurement Section is sharpening its focus on continuous improvement, through the adoption of global best practices and adherence to all established regulations. ”

Payroll

Introduction

The primary mission of the Payroll Section is to ensure that all employees and other stakeholders are paid accurately and timeously with the correct withholdings and deductions; and to ensure that such withholdings and deductions are remitted in good time. This includes salary payments, tax withholdings, and deductions from earnings. The Payroll Section's mission is achieved through working with all other departments within the NBCRFLI, including the Human Resources Department.

Legislative requirements

The Payroll Section is obliged to comply with the following legislative requirements:

- SARS requirements (EMP201 and EMP501).
- The Basic Conditions of Employment Act (BCEA).
- Department of Labour requirements (UIF, Maternity).
- Statistics South Africa (StatsSA).
- Workman's Compensation.
- Pension Fund Act.
- Labour Relations Act.

FACILITIES & ADMINISTRATION

Preventative maintenance plan

The Facilities and Administration Management Unit (the Unit) has developed a preventative maintenance plan to help circumvent and eliminate the occurrence of major failures. This is achieved by the early detection and correction of minor problems within the Unit's systems.

The objective of the plan is to timeously execute scheduled maintenance activities during each financial year. The plan ensures that the Unit continuously improves the quality of service it delivers in respect of administration, maintenance and operations. Included in the Preventative Maintenance Plan is critical capital equipment such as the HVAC (heating, ventilation, and air conditioning) and generators.

Health, Safety and Environmental issues

The NBCRFLI is subject to and bound by the provisions of the Occupational Health and Safety Act No. 85 of 1993 (the Act). This Act requires employers to provide and maintain, as far as is reasonably feasible, a workplace that is safe and without risk to the occupational health and safety (OHS) of its employees, stakeholders and suppliers.

This moral and legal commitment also extends to making sure that all the Council's operations and activities do not expose local communities to risks of injury and illness, or the environment to the threat of damage.

Under section 16(2) of the Act, the NBCRFLI has duly appointed health and safety representatives. This ensures the proper functioning of the Health and Safety Committee and improves the overall safety of the workplace and enhances environmental sustainability. The Health and Safety Committee's Physical Security Policy Manual received approval from Council in August 2020, and will be in force for the next two years. The policy sets out the broad objective, goals and minimum standards of the NBCRFLI in relation to both physical, document, personnel, physical asset security, contingency plans, occupational safety and physical security of ICT equipment and systems in all their different areas of focus of the NBCRFLI.

Contracts/Service level agreement management section

This section, which is located within the Facilities Unit, is assigned the task of managing the various suppliers that provide services with focus on continuous improvement of the NBCRFLI's service facilities. By means of Service Level Agreements (SLAs), the section monitors and coordinates all contractual activities such as cleaning, hygiene, document

management, security management and courier services.

Document Management

The Administration and Facilities Department's Records Management Policy Manual received approval from Council in August 2020, and will be in force for the next two years. This is a governance tool that will enable the organisation to implement a clear process flow of documentation management, while always remaining compliant with the regulations of the Protection of Personal Information Act (POPI). A committee, whose duty will be to oversee the recommendations of this policy, has been elected from the respective departments.



INTERNAL AUDIT

The NBCRFLI's Internal Audit Department reports functionally to the Audit and Risk Committee (ARC), with an administrative reporting line to the National Secretary in order to promote and strengthen independence.

These reporting lines were maintained throughout the financial year and the Internal Audit Department was able to discharge its responsibilities in line with the Charter approved by the ARC. In line with the King IV Report on Corporate Governance, Internal Audit provides the Council management with the reasonable assurance that internal controls are adequate and effective. This is achieved by means of a risk-based audit coverage plan that caters for the evaluation of governance, risk management and internal controls through the identification of process control gaps and/or weaknesses for corrective action and improvement. Internal Audit has the mandate to effectively discharge its responsibilities in contributing to the achievement of Council objectives.

Internal Audit assists the Council in determining whether the Council's risk management, governance and internal control systems and processes, designed and implemented by management, are adequate and assure that:

- The Council has an effective enterprise-wide risk management process in place.
- Governance processes are communicated and complied with across the Council.
- Significant financial, operational and management information is reported, and analysed accurately, reliably, and timeously.
- Policies and procedures, as well as statutory and contractual requirements, are always complied with.

- Economic and effective management and safeguarding of financial, human, and other resources are in place.
- Quality and continuous improvement are integral to the Council's internal control processes.
- Significant legislative or regulatory issues affecting the Council are recognised, addressed, and reported on.

Internal Audit is further responsible for ensuring that:

- The Annual Audit Plan is implemented, including, when appropriate, any special tasks or projects as requested by senior management. Internal Audit will action the request, once it has been approved by the ARC.
- Integrated assurance is provided as to the adequacy, effectiveness, and efficiency of internal controls over risk, as identified in conjunction with management and other assurance providers.
- Senior management follows up and monitors all internal and external audit deficiencies to ensure that the necessary management actions have been implemented, or that management has accepted the risk for not taking action, and that management has effectively documented the criteria for such risk acceptance.
- The approved combined assurance and internal control frameworks are implemented, while continuously auditing projects and working closely with forensic investigators to ensure the Council's compliance with all laws and regulations.

Internal Audit works closely with the Council's external auditors to ensure effective and efficient co-ordination of efforts in terms of combined assurance.

“ ... Internal Audit works closely with the Council's external auditors to ensure effective and efficient co-ordination of efforts in terms of combined assurance... ”

Year's Highlights

During the year under review, Internal Audit successfully finalised all audit engagements planned for the reporting period, and received clean audit reports for the following areas:

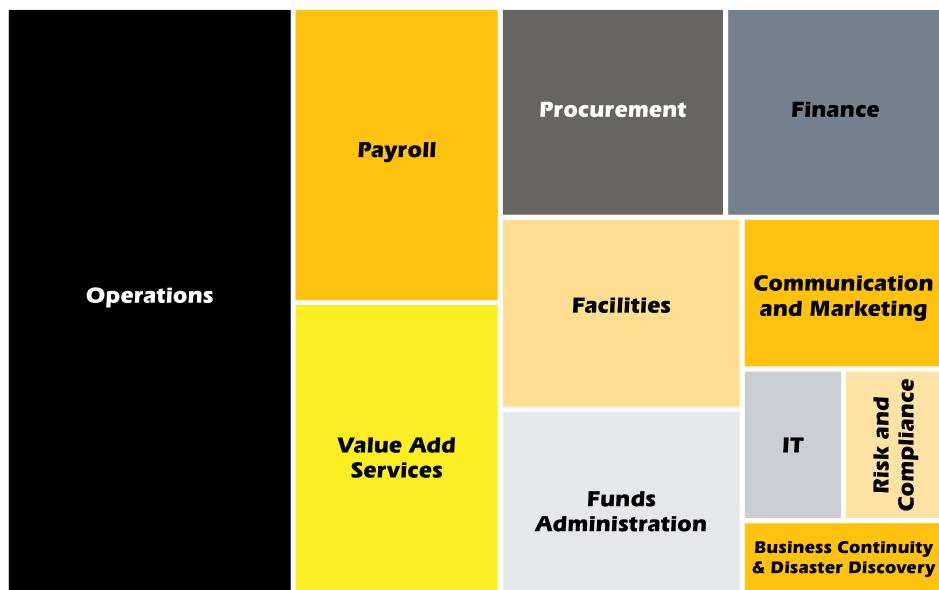
- Funds administration: Year-end payouts review.
- Funds Administration and Wellness: Income processing review.
- Fund Administration: Daily payouts – death claims.
- The Department liaises with management regularly to ensure that audit recommendations are implemented timeously and as agreed in the final reports. For the reporting period out of the 196 findings that were reported to date, 76% of the findings were resolved.

Summary of Internal Audit Results

The completed reviews are summarised below, including the overall rating and number of findings:

No.	Audit	No. of findings	High	Medium	Low	Value Add Recommendation
1	Procurement:					
1.1	Procurement: Inventory review	6	5	1	-	-
1.2	Procure to pay and database management review	7	2	5	-	-
2	Finance Audits:					
2.1	Finance: Budgets and forecasts	2	1	1	-	-
2.2	Finance: Financial reporting	-	-	-	-	1
2.3	Finance: Forfeitures, cash management and accounts receivable	10	3	6	1	-
2.4	Travel and claim review	4	2	1	1	-
3	Agreement administration:					
3.1	Agreement Administration: New registration review and master data review	3	1	2	-	-
3.2	Agreement Administration: Foreign nationals inspection review	2	2	-	-	-
3.3	Agreement Administration: Incentive scheme review	1	-	1	-	-
4	Fund administration and wellness:					
4.1	Funds administration: Year-end payouts review	-	-	-	-	-
4.2	Funds administration & wellness: Income processing review	-	-	-	-	-
4.3	Fund administration: Daily payout – death claims	0	-	-	-	-
4.4	Fund administration: Daily payout	9	2	6	1	1
5	Information technology:					
5.1	SAP basis review	4	-	4	-	-
6	Human resources					
6.1	HR master data review	4	-	4	-	-
6.2	Leave management review	7	3	3	1	-
7	Operations					
7.1	Agreement administration: enforcement new collective agreement post implementation review	22	2	20	-	-
TOTAL		81	23	54	4	2
	Follow-up reviews:	Total	Resolved	Partially addressed	Not Addressed	
8	Application control on council core application systems: Follow-up review	17	14	3	-	-
9	Finance follow up	5	1	1	3	-
TOTAL		22	15	4	3	-

Summary of Internal Audit Plan 2019 – 2020 Projects



Independence and authority

The independence of Internal Audit is formally considered by the ARC on an annual basis, or as and when changes to the organisation occur. It has been determined and confirmed that Internal Audit has remained independent of all operational functions, and that the functional reporting to the ARC and administrative reporting to the National Secretary have enabled appropriate organisational positioning.

The Head of Internal Audit has access to the Chairman of the Council, as well as the ARC.

Annual internal audit assurance statement

Internal Audit assurance can only be reasonable and not absolute and does not supersede the Council's and management's responsibility for the ownership, design, implementation, monitoring and reporting of governance, risk management and internal controls.

Fraud management

The Council is committed to the highest standards of good corporate governance and honesty, integrity and transparency. To this end it took a decision to maintain an outsourced, anonymous and confidential disclosure service, Be Heard. This was implemented in order to provide employees and other stakeholders with channels to report practices and activities that are unlawful, inappropriate and in conflict with Council policies and procedures.

As part of the Council's policy of zero tolerance to fraud, during the year under review the Internal Audit Department appointed a panel of forensic investigators to expedite the investigation process. The Council is strongly committed to fighting fraud in the Industry and



...The Council is strongly committed to fighting fraud in the Industry and encourages other Industry employers and employees to do the same, in the name of good governance...



encourages other Industry employers and employees to do the same, in the name of good governance.

The Council is deeply aware that crime and recent violence negatively impacts on the profits, salaries and infrastructure of the Road Freight and Logistics Industry.

Training

The year under review saw a continued review of the Fraud and Ethics Awareness training material, updates in legislation and relevant prescripts, as well as recent relevant survey results.

Throughout the assignment, the Department worked in conjunction with all stakeholders to agree on the manner and level in which the amount of fraud and corruption within the Council could be reduced.

The overall approach to this engagement included the following categories:

- Fraud and Ethics awareness training material.
- Fraud and Ethics awareness training.
- Training evaluation forms.
- The facilitation of Fraud and Ethics awareness training is interactive and includes practical case studies of how fraud, corruption, unethical conduct and other irregularities can manifest itself within the Council.

The NBCRFLI has a zero tolerance to fraud and for the 2020/21 financial year, the Department will continue to train all staff members across Council offices on fraud awareness and prevention.

Be Heard

The NBCRFLI is committed to the highest standards of good corporate governance and honesty, integrity and transparency.

The disclosure service to the NBCRFLI is provided by Be Heard®, a division of Honey Badger Solutions (Pty) Ltd, which is independent of the Council's internal and external auditors. It is independent and anonymous.

Most of the reports received through Be Heard relate to enforcement or disputes resolutions, which are monitored by the Operations Department. Council Agents visit companies for investigations, and based on the outcome of the investigation, the enforcement process is initiated. During the year under review, in this manner we managed to get a number of unregistered companies registered with Council.

Below is the statistical information of the number of Be Heard reports that were received during the financial year.

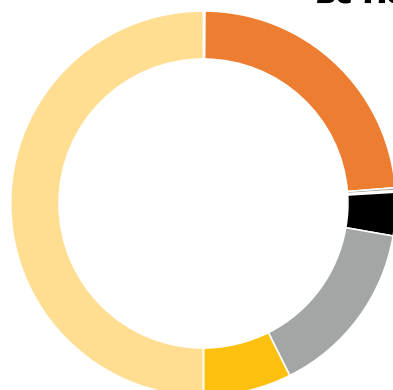
Statement of internal controls

The organisation's internal audit function is co-sourced to BDO Advisory Services. Internal Audit conducted a detailed

review of the systems of internal control over areas of high risk as identified in the Risk Register and approved by ARC. BDO has performed internal audit reviews over the following processes in the year under review, as per the approved annual internal audit plan:

- Procurement: Procurement to pay.
- Procurement: Supplier database review.
- Procurement: Inventory review.
- Finance: Budgets and forecasts.
- Finance: Financial reporting.
- Finance: Forfeitures, cash management and accounts receivable.
- Agreement Administration: Enforcement of new Collective Agreement post-implementation review.
- Agreement Administration: New registration review and master data review.
- Agreement Administration: Inspections review.
- Agreement Administration: Foreign nationals inspection review.
- Agreement Administration: Incentive scheme review.
- Operations: Complainant case review.
- Operations: Cease-to-operate review.
- Operations: Enforcement compliance orders and arbitration review.
- Operations: Enforcement litigation review.
- Funds administration: Year-end payouts review.
- Funds Administration and Wellness: Income processing review.
- Funds Administration and Wellness: Daily payouts review.
- SAP basis review.

Be Heard reports



- Complaints
- Feedback requested
- Additional information provided
- Assistance
- Concern
- Total

72% Reports being investigated

28% Reports closed unfounded

- Application control on Council Application Systems: Follow-up review (two systems).
- HR master data review.
- Travel and claims review.
- Leave management review.
- Physical security maintenance, mail handling and fleet management follow-up.

Internal Audit conducted a full documented review of the above-mentioned processes. This was focused on the design, implementation and effectiveness of the internal controls during the period of 1 November 2019 to 29 February 2020. The reviews covered transactions and processes in the current financial year and the results were presented to and considered by the ARC. Controls and areas that were identified as needing improvement are in the process of being addressed by the management of the various divisions within the NBCRFLI.

Based on the results of the reviews of the abovementioned processes and considering the scope, information and explanations given by management, nothing came to our attention to indicate that any material breakdown

in the functioning of these controls, procedures or systems occurred during the year under review.

However, of the total number of findings, 28% of these are rated as significant for 2020 and a large portion of significant findings relate to core business processes in the organisation. These identify weaknesses in the internal control environment of the NBCRFLI. Consequently, a concerted effort will be made in 2021 to address these findings urgently, to ensure that control improvements are put in place as soon as possible. Management has committed to reducing the number of significant findings.

A risk-based internal audit approach is followed by Internal Audit, based on the outcome of the risk assessment. High-risk areas are identified for audit. It should be noted that Operations, Funds and Wellness, as well as Finance, are audited almost every year, as those are core to the Council's business and to stakeholders.

Risk management

A number of strategic risks were identified and managed in the reporting period. The following table indicates the number of action plans completed, in progress and which are ongoing to mitigate the risks within tolerance.



Risk	Mitigation
Representivity (Failure to reach representation quota) ■ Insufficient representivity levels by Parties to Council as defined in the Labour Relations Act (i.e. 50% + 1 of both employee and employer organisations).	■ Oversight role of MEMCO overseeing membership risk. ■ Constitutional amendments to allow Council Parties to partner with smaller parties which are not meeting the threshold. ■ Frequent reporting to the Department of Employment and Labour (DOL). ■ Party recruitment campaigns and roadshows. ■ Monthly reports of unorganised members provided to parties to assist with recruitment. ■ Frequent DOL verification of Parties' good standing. ■ Industry awareness drives. ■ Membership department within Council. ■ Council recruitment financial support.
Insufficient funding ■ Insufficient fees, levies and interest income.	■ Formulation of an Investment Committee and strategy that provides access to different investment vehicles. ■ Delegation of Authority and Governance protocols. ■ Safety reserves. ■ Oversight committees such as ARC and other governance structures. ■ Appropriate systems and capable human resources. ■ Reviewed capex and opex budget.
Fraud and Corruption Misappropriation, mismanagement and theft of the organisation's assets.	■ Policies and procedures to manage fraud risk are in place, including Financial, HR, Procurement, Conflict of Interest, Fraud Allegation Register and Gift Register. ■ Workshops and awareness of policies and procedures. ■ Procurement controls and governance structures. ■ Fraud hotline. ■ Regular review of delegation of authority. ■ Governance framework. ■ Reporting to ARC. ■ Panel of forensic investigators.
Negotiations deadlock Failure of Parties to Council to reach an agreement such as wage agreements.	■ Constitution of the Council is in place. ■ Negotiation protocols. ■ Governance controls and structures.
Enforcement failure Non-enforcement of the provisions of the Council's Collective Agreement or failure to enforce the Council's Collective Agreement consistent with the provisions.	■ Oversight by governance bodies (MEMCO and EXCO) is in place. ■ Agent and accredited commissioner rotation. ■ Independent exemption body. ■ Shorten the enforcement process by eliminating some of the enforcement steps and research investigation consultation engagement with relevant bodies.
Reputational damage Negative perception of the organisation.	■ Governance framework. ■ Code of conduct. ■ Disciplinary code for consequence management. ■ Media monitoring tool.
Lack of skills and capacity Inadequate skills and competencies to effectively run the organisation.	■ Agent directives and job descriptions. ■ Sound HR and recruitment policies. ■ Good workforce planning. ■ Governance structures in place. ■ Job descriptions and role definition, organograms.

Emerging risks

The following emerging risks were identified and managed in the reporting period:

- **Reputational risk:** Illegal employment of foreign nationals in the Road Freight and Logistics Industry.
- **Cybercrime and data breach:** Due to the nature of the business, cyber security is one of the priority areas of focus for Internal Audit. The Department conducted cyber assessment and penetration testing in 2019 and will be conducting a similar engagement in 2021 to ensure that all security controls remain effective.
- **Financial:** a post year-end risk that has emerged in the wake of the Covid-19 pandemic is the low interest rate environment. Consequently, the major financial risk that we foresee is a shortage of funding to run the Council's operations, as our current funding model is heavily reliant on the interest rate that we receive from investments. Any major fall in the interest rate will negatively affect our revenue.
- **Industry violence:** During the year under review, the Industry experienced incidents of violence and torchings. Several measures were taken:
 - A circular was issued to Industry employers to remind them to comply with Clause 58 of the Main Collective Agreement.
 - Council formed a task team to engage with other stakeholders around the employment of foreign nationals.
 - Joint inspections with the Departments of Home Affairs and Employment and Labour have strengthened the enforcement process.
 - Strikes were interdicted through courts and security measures were put in place by the authorities.
 - Council participated in various inter-ministerial committees.

Corporate governance matters

The Council is working in terms of its Governance Framework towards aligning its governance processes with the King IV Report on Corporate Governance. The Governance Framework implements delegation and limits of authority, and outlines the roles and responsibilities of different governance structures within Council.

The Institute of Directors (IoD) has been appointed for the forthcoming financial year to conduct a governance assessment on the Council's processes. The completed assessment will be followed by a workshop with Councillors to formulate action plans to address findings emanating from the assessment. In addition, a King IV Report on Corporate Governance training workshop will be hosted for all Councillors and members of senior management.

Financial governance

The Council is in a financially stable position with a sufficient amount of reserves. It utilises Nexia SAB & T as its external auditors. For the year under review, the Council obtained an unqualified audit. To ensure that the Council's expenditure is spent appropriately and is in line with the approved budget, Council Administration follows the Delegation and Limit of Authority Policy as approved by Council. Furthermore, all goods/services must be procured according to the approved Procurement Policy.

Information Technology (IT) governance

The IT Steering Committee monitors all IT risks and the Council's major IT projects. The Council Administration has formulated and obtained the approval of all IT related policies and frameworks to meet governance requirements. IT best practices and frameworks like Cobit 5, Information Technology Infrastructure Library (ITIL), ISO 38500 and ISO 27000 have been adopted to improve and mature the overall governance and control landscape. The Council has appointed an independent IT specialist at the ARC to strengthen IT governance matters within the Council.

Remuneration of Council Members and Council Administration

The Council, through its Remuneration Committee, oversees the Council's remuneration structure and makes decisions regarding the remuneration of Councillors, General Managers, Committee Members and Council Administration staff members.

Council Governance framework

The Council has approved the Council Governance Framework, which is guided by the Principles of Good Governance. Furthermore, the Council has put in place the Delegation of Authority Policy, which prescribes the powers and responsibilities of the Council's governance structures and Council Administration, respectively.

**“ ... Internal Audit
successfully finalised
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AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("the Committee") of NBCRFLI is pleased to present its report for the financial year ended 28 February 2019. The Committee complies with relevant legislation, regulation and governance practices.

Audit and Risk Committee Mandate

The Committee is governed by a formal Audit and Risk Committee Charter which incorporates the relevant requirements of the Companies Act of South Africa, No 71 of 2008 ("the Act"). This Charter guides the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Council.

The Committee recognises its important role as part of the risk management and corporate governance processes and procedures within the Council and its duties are stipulated in its Charter.

Committee composition and attendance at meetings

The Committee consists of two non-executive members (councillors) and four independent non-executive members including the Chairperson of the Committee. The Chairperson is an independent member and is not the Chairperson of the Council. The following members served on the Committee during the year under review:

Committee Member	Capacity	Meeting Attendance
G Sibiya	Chairperson and Independent Member	4/4
O Mokgoantle	Independent Member	4/4
M Ramataboe	Independent Member	4/4
T Ramakgolo	Councillor	4/4
T d'Almeida	Councillor	4/4

From the table above Council can confirm a 100% committee meeting attendance rate.

During the year under review, four Audit and Risk Committee meetings were held in accordance with the requirements of the Committee's Charter. The Committee works to a standard of programme of work. Accordingly, these meetings were spread evenly throughout the year to ensure that its core work and reports were produced at the appropriate timeline to coincide with the Council's reporting cycles.

The Chairperson of this Committee has an open invitation to attend meetings of the Council.

COMMITTEE EVALUATION

The effectiveness of the Committee is assessed as part of the annual Council and Committee self-evaluation process. In the previous financial year, the Audit and Risk Committee developed specific key performance indicators (KPIs), in addition to aspects dealt with in the annual plan. This was aimed at setting out objective measures for the Committee and internal audit function to assist management to achieve Council's strategic objectives. The Committee set the following KPIs for 2019:

- Greater oversight in implementation of compliance governance.
- Greater oversight on information technology governance (IT) and its maturity.
- Greater oversight on IT audits and the use of computer-assisted auditing techniques.
- Greater oversight on implementation of the combined assurance model.
- Improved use of the strategic dashboard to manage and monitor the risks and associated internal controls (incl. internal financial controls).
- Greater oversight in embedding a risk management culture.
- Greater oversight in strengthening the control environment by ensuring that all policies are updated and approved by Council.

The Chairperson of the Committee attends the Annual General Meetings of the Council to answer any questions on the Committee's activities.

Effectiveness of internal controls

Based on the assessment of the system of internal financial controls conducted by the Internal Audit Department, as well as information and explanations provided by management and discussions held with the external auditor on the results of their audit, the Committee is of the opinion that the NBCRFLI's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements in respect of the year under review.

External audit

NBCRFLI's external auditor is Nexia SAB & T. The external auditor's plan for the annual audit of NBCRFLI's financial statements, which included the identification of significant risks and how they are to be addressed during the audit, is presented and approved at a meeting of the Committee before the commencement of audit fieldwork.

The external auditor has unrestricted access to NBCRFLI's records and management. The external auditor furnishes a

written report to the Committee on significant findings, if any, arising from the annual audit and is able to raise matters of concern directly with the Chairman of the Committee.

Internal audit

The Committee was satisfied that Internal Audit had properly discharged its functions and responsibilities during the year under review. The capacity of Internal Audit has been enhanced a co-sourced arrangement with BDO.

Auditor independence

The Committee is satisfied that the external auditor Nexia SAB& T and the designated audit partner are independent of NBCRFLI and management, and are therefore able to express an independent opinion on the fair presentation of NBCRFLI's annual financial statements.

The Committee resolved to limit the provision of non-audit services by the external auditors. For the period under review total fees of R 818 894.00 were paid to external auditors as outlined in the table below. The amount include non-audit service fees of R 18 860.00.00 which equates to 2% of the total spent.

Fees	Statutory Audit	Non-Audit Services
External Audit	R 800,034.00	-
Non-Audit Service fees	-	R 18 860.00
Total	R 800 034.00	R 18 860.00

Whistle blowing

During the year under review, the Committee reviewed the whistle-blowing programme and reports resulting from the programme. We have ensured that, where appropriate, management instituted independent investigations based on the reports received and took appropriate corrective action.

Legal and regulatory requirements

During the year under review, the Audit and Risk Committee reviewed with management all legal matters that could have a material impact on NBCRFLI.

Risk management

NBCRFLI is still in the process of formalising the risk governance processes and structures. For the year under review:

- All scheduled Risk Management Committee meetings for the year were held.
- Operational risk assessments were conducted across all NBCRFLI departments.
- SNG Grant Thornton was appointed to assist with the operational risk assessment for the core business and risk management awareness training.
- Implementation of risk mitigations was monitored.
- There was effective functioning of the IT Steering Committee to monitor IT governance and capital projects.

- The Compliance Framework and Regulator Universe was developed.
- The Risk Management Framework and Policy was finalised and approved by Council.

During the new financial year, the NBCRFLI intends finalising the risk appetite and tolerance levels. The NBCRFLI also intends to finalise risk governance processes.

APPROVAL OF THE REPORT

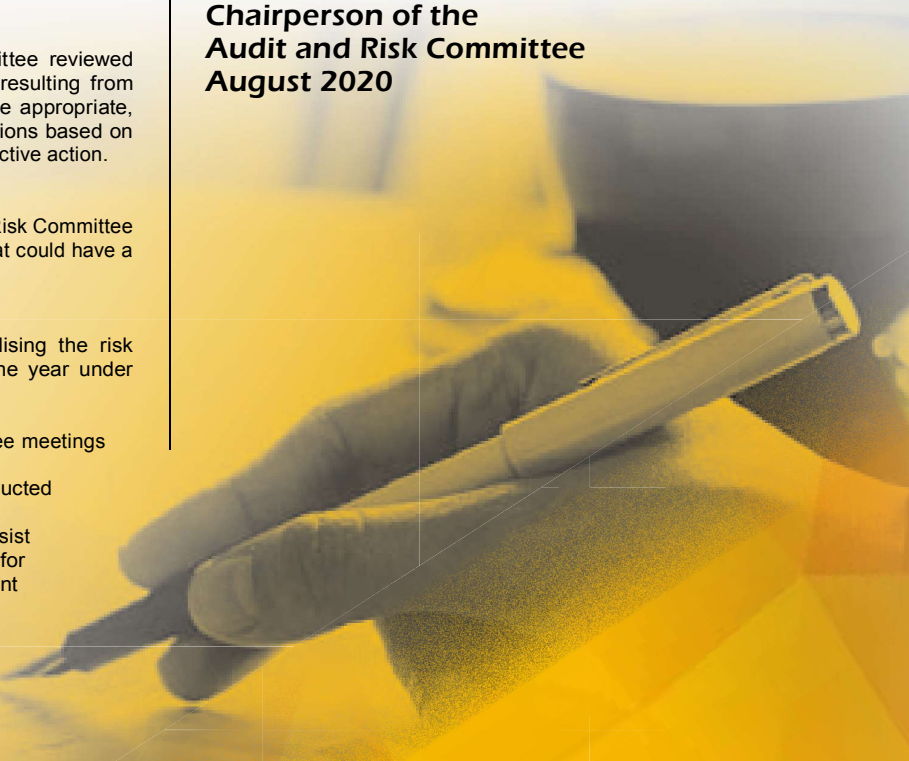
Following the review by the Audit and Risk Committee of the annual financial statements of NBCRFLI for the year ended 28th February 2019 and the opinion of the External Auditor, the Audit and Risk Committee is of the view that they fairly present in all material respects, the financial position of Council as at the 28 February 2019. The Audit and Risk Committee has satisfied itself of the integrity of the remainder of the annual report.

The Audit and Risk Committee has recommended the annual financial statement and the remainder of the annual report for the year ended 28th February 2019 for approval to Council.

On behalf of the Audit and Risk Committee



G Sibiya
Chairperson of the
Audit and Risk Committee
August 2020



AUDITED FINANCIAL **STATEMENTS**

FOR THE YEAR ENDED 29 FEBRUARY 2020



COUNCIL RESPONSIBILITIES & APPROVAL

The Council members are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the Council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing, and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council members have reviewed the Council's cash flow forecast and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Council's financial statements. As part of monitoring the impact of Covid-19, Council established the Crisis Management Committee for continuous monitoring of events around and resulting from Covid-19. The committee comprises representatives of Parties to Council who are mostly Exco members. In order to assist the employers and employees in the Road Freight Industry in minimising the negative impact of Covid-19, Council entered into the memorandum of understanding with the Unemployment Insurance Fund in order to assist with the process of facilitating payments for Temporary Employer-Employee Relief Scheme (TERS). Council also introduced the process of applying for advance leave from the trust fund administered by Council. The two processes assisted in maintaining stability for the industry and minimised the negative impact for the jobs in the Road Freight and Logistics Industry. The closure of companies in the Road Freight and Logistics Industry has been assessed at this stage and full assessment of this will be done in due course. We anticipate the drop in revenue due to reduced interest rates and drop in the contributions level. However, this is anticipated to only reduce future surplus and not create a deficit for the 2021 financial year. Our revised forecast still indicate that Council will be able to raise sufficient revenue to meet the expenditure requirements for the 2021 financial year. Council has a build-up reserves of over R628m to cushion against the negative impact on its liquidity and cash flow position. The financial statements have been examined by the Council's external auditor and their report is presented on pages 97 to 98.

The financial statements set out on pages 74 to 92 which have been prepared on the going concern basis, were approved by the Council members on 25 August 2020 and were signed on its behalf by:



Mr Musawenkosi Ndlovu
National Secretary



Mr Jack Mazibuko
Chairperson

STATEMENT OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2020

FIGURES IN RAND	NOTE(S)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	40,834,254	42,012,743
Intangible assets	3	3,140,723	6,625,212
Other financial assets	4	2,612,753,969	2,405,554,360
		2,656,728,946	2,454,192,315

Current assets			
Inventories	6	163,883	113,620
Trade and other receivables	5	13,545,789	8,295,210
Cash and cash equivalents	7	90,364,603	80,017,054
		104,074,275	88,425,884
Total Assets		2,760,803,221	2,542,618,199

Equity and liabilities			
Equity			
Reserves		8,494,136	8,494,136
Surplus funds		628,336,780	524,391,112
		636,830,916	532,885,248

Current liabilities			
Trade and other payables	9	29,418,212	46,659,543
Industry trust and unclaimed benefit liability	10	2,077,727,978	1,947,161,423
Provisions	11	16,826,115	15,911,985
		2,123,972,305	2,009,732,951
TOTAL EQUITY AND LIABILITIES		2,760,803,221	2,542,618,199

STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	NOTE(S)	2020	2019
Revenue	12	604,250,917	542,305,364
Other income	13	7,025,925	5,798,354
Operating expenses	14	(507,331,174)	(478,648,412)
Surplus for the year		103,945,668	69,485,306
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		103,945,668	69,455,306

STATEMENT OF CHANGES IN FUNDS

FIGURES IN RAND	REVALUATION RESERVE	ACCUMULATED SURPLUS	TOTAL FUNDS
Balance at 1 March 2018	8,494,136	454,935,806	463,429,942
Surplus for the year	-	69,455,306	69,455,306
Total comprehensive income for the year	-	69,455,306	69,455,306
Balance at 1 March 2019	8,494,136	524,391,112	532,885,248
Surplus for the year	-	103,945,668	103,945,668
Total comprehensive income for the year	-	103,945,668	103,945,668
Balance at 29 February 2020	8,494,136	628,336,780	636,830,916

STATEMENT OF CASH FLOWS

FIGURES IN RAND	NOTE(S)	2020	2019
Cash flows from operating activities			
Cash generated from operations	17	94,057,339	86,725,729
Cash flows to investing activities			
Purchase of property, plant and equipment	2	(5,069,722)	(6,653,274)
Proceeds from disposal of assets	2	202,859	17,373
Purchase of intangible assets	3	(2,209,871)	(1,025,383)
Inflow of other financial assets	4	6,244,880,509	3,944,965,107
Outflow of other financial assets	4	(6,452,080,118)	(4,439,959,001)
Net cash outflow from investing activities		(214,276,343)	(502,655,178)
Cash flows from financing activities			
Inflow of industry trust liability	10	2,490,702,656	2,240,074,661
Outflow of industry trust liability	10	(2,360,136,103)	(2,074,426,965)
Net cash inflow from financing activities		130,566,553	165,647,695
Total cash movement for the year		10,347,549	(250,281,754)
Cash at the beginning of the year		80,017,054	330,298,808
TOTAL CASH AT END OF THE YEAR	7	90,364,603	80,017,054

ACCOUNTING POLICIES

General information

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) is an organisation registered as a bargaining council in terms of section 29 (15)(a) of the Labour Relations Act 1995. The Act allows for registered employer and employee organisations to establish a Bargaining Council for an industry. The Council facilitates collective bargaining whereby unions and employer organisations, which are party to the Council, are able to negotiate matters of mutual interest in the Road Freight and Logistics Industry. The Agreement concluded between Parties to Council is called the Collective Agreement. The Agreement is applicable and binding to Parties to Council who concluded the agreement as well as to non-parties, if the agreement has, in terms of provisions of section 32 of the Labour Relations Act 1995, been extended to non-parties in the Industry by the Minister of Employment and Labour. The Parties signed a three-year agreement which was promulgated by Minister of Labour and was extended to non-parties in the Government Gazette No.42312 of 15 March 2019. The promulgated agreement came into effect from 25 March 2019.

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis, except for the revaluation of land and buildings, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1. Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The Council reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. The residual values and useful lives of property, plant and equipment are based on management estimates.

Impairment testing

The Council reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Trade and other receivables

The Council assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Council holds for its own use or for rental to others and which are expected to be used for more than one period. Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the carrying

amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the net revalued carrying amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any remaining decrease in excess of such credit is recognised in surplus or deficit in the current year.

The revaluation surplus related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

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

Land is not depreciated.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50
Motor vehicles	Straight line	5
Office equipment	Straight line	5
Furnitures and fixtures	Straight line	5
IT equipment	Straight line	3
Containers	Straight line	5
Land		Indefinite

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

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

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

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



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

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred. Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	3

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 Trade and receivables

Trade and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimate irrecoverable amounts are recognised in the surplus or deficit when there is objective evidence that the asset is impaired.

1.6 Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

1.7 Industry trust accounts

The provisions of the agreement made and entered into by Parties to Council, promulgated under Government notice 15 January 1971 sub clause of Holiday Pay Bonus, Leave Pay Fund and Sick Fund Pay Fund made the following provisions on the administration of benefits trust funds.

All the money paid into any of the benefits funds referred to in clause 24 must be deposited in a special bank account to be operated for and in the name of that benefit fund.

Income earned on invested money accrues to the Council.

Any money in a benefit fund that is not required for immediate use may be invested by the Council from time to time in terms of section 53 (5) of the Act.

Any contribution paid to a benefit fund which is not claimed or otherwise legally disposed of within five years of receipt of that contribution will be forfeited to the forfeiture liability of the contribution concerned.

1.8 Unclaimed benefit liability

Contributions not claimed or otherwise disposed off within 5 years after the date of receipt were forfeited to the general funds of the NBCRFLI in terms of the Main Collective Agreement. This policy was changed as of 1 March 2006 to transfer such receipts forfeited to forfeitures liability account in this fund and will be applied prospectively.

1.9 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include other financial assets, cash and cash equivalents, industry trust liability, unclaimed benefit liability, trade receivables and trade payables. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.11 Impairment of assets

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

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

If an impairment loss subsequently reverses, the carrying

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

1.12 Provisions

Provisions are recognised when the Council has an obligation at the reporting date as a result of a past event, it is probable that the Council will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.14 Revenue

Revenue is recognised, to the extent that the Council has rendered services under an agreement, provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Council. Revenue is measured at the fair value of the consideration received or receivable.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to a significant risk of changes in value. These are initially recognised at fair value and subsequently at amortised cost.

1.16 Other financial assets

These financial assets are initially recognised at fair value plus direct transactions costs, and subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN RAND	2020			2019		
Property, plant and equipment						
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	12,000,000	-	12,000,000	31,234,573	-	31,234,573
Buildings	19,863,436	-	19,863,436	-	-	-
Furniture and fixtures	6,940,347	(4,202,858)	2,737,489	14,775,788	(11,832,762)	2,943,026
Motor vehicles	3,979,776	(2,913,529)	1,066,247	4,534,366	(2,672,163)	1,862,203
Office equipment	1,938,386	(802,230)	1,136,156	4,282,407	(3,449,415)	832,992
IT equipment	7,452,144	(3,748,387)	3,703,757	19,160,101	(14,698,566)	4,461,535
Containers	1,660,809	(1,333,640)	327,169	2,347,669	(1,669,255)	678,414
TOTAL	53,834,898	(13,000,644)	40,834,254	76,334,904	(34,322,161)	42,012,743

Reconciliation of property, plant and equipment - 2020							
	Opening balance	Additions	Disposals	Transfers from land	Transfers to buildings	Depreciation	Closing balance
Land	31,234,573	-	-	(19,234,573)	-	-	12,000,000
Buildings	-	628,863	-	-	19,234,573	-	19,863,436
Furniture and fixtures	2,943,026	1,350,364	-	-	-	(1,555,901)	2,737,489
Motor vehicles	1,862,203	-	-	-	-	(795,956)	1,066,247
Office equipment	832,992	719,611	(572)	-	-	(415,875)	1,136,156
IT equipment	4,461,535	2,370,884	(10,857)	-	-	(3,117,805)	3,703,757
Containers	678,414	-	-	-	-	(351,237)	327,169
TOTAL	42,012,743	5,069,722	(11,429)	(19,234,573)	19,234,573	(6,236,774)	40,834,254

Reconciliation of property, plant and equipment - 2019					
	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	30,600,000	634,573	-	-	31,234,573
Furniture and fixtures	2,355,002	1,543,005	-	(954,981)	2,943,026
Motor vehicles	2,057,862	529,694	-	(725,353)	1,862,203
Office equipment	403,446	804,335	-	(374,789)	832,992
IT equipment	4,541,011	3,141,667	(64,104)	(3,157,039)	4,461,535
Containers	1,029,651	-	-	(351,237)	678,414
TOTAL	40,986,972	6,653,274	(64,104)	(5,563,399)	42,012,743

FIGURES IN RAND	2020			2019		
Property, plant and equipment (continued)						
Movement in assets	Furniture and fixtures	Motor vehicles	IT equipment	Intangible assets	Office equipment	Total
Cost 2019	14,775,788	4,534,366	19,160,101	24,750,719	4,282,407	67,503,381
Retired/ impaired	(9,185,805)	(554,590)	(14,067,984)	(22,137,840)	(3,063,060)	(49,009,279)
Additions	1,350,364	-	2,370,884	2,209,871	719,611	6,650,730
Disposal	-	-	(10,857)	-	(572)	(11,429)
Cost 2020	6,940,347	3,979,776	7,452,144	4,822,750	1,938,386	25,133,403
COST PER AFS	6,940,347	3,979,776	7,452,144	4,822,750	1,938,386	25,133,403

Revaluations

The Council's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value. There was no revaluation of the land and buildings for the period ended 29 February 2020 (The previous revaluation was performed as at 28 February 2018). The revaluation on the land and buildings was performed by an Independent Valuer, Mr Grant Fraser, who is not related to the Council. The valuation stated was on the basis that the properties would be sold on the assumption of vacant possession.

The carrying value of the revalued assets are as follows:

Erf 2915 Johannesburg 31 De Korte Street, Braamfontein	13,400,000	13,400,000
Erf 2914 Johannesburg 29 De Korte Street, Braamfontein	11,000,000	11,000,000
Erf 7498 Parrow 141 Voortrekker Road, Parrow	7,463,436	6,834,573
	31,863,436	31,234,573

Details of properties at cost

Erf 2914 29 De Korte Street, Johannesburg		
- Purchase price and date: 2003	10,752,259	10,752,259
Erf 2915 31 De Korte Street, Johannesburg		
- Purchase price and date: 1984	12,863,529	12,863,529
Erf 7498 Parrow 141 Voortrekker Road		
- Purchase price and date : 2010	6,618,785	6,618,785

FIGURES IN RAND	2020			2019		
3. Intangible assets						
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4,822,750	(1,682,027)	3,140,723	24,750,719	(18,125,507)	6,625,212

Reconciliation of intangible assets - 2020

		Opening balance	Additions	Amortisation	Impairment of assets	Total
Computer software		6,625,212	2,209,871	(1,060,620)	(4,633,740)	3,140,723

Reconciliation of intangible assets - 2019

			Opening balance	Additions	Amortisation	Total
Computer software			7,141,619	1,025,383	(1,541,790)	6,625,212

FIGURES IN RAND	2020	2019
4. Other financial assets		
At amortised cost		
Wellness Fund Investment	17,040,943	15,870,952
Main Council Investment	516,521,795	477,178,870
Holiday Pay Fund Investment	456,645,547	406,786,394
Leave Fund Investment	713,315,639	636,464,126
Sick Fund Investment	909,230,045	869,254,018
	2,612,753,969	2,405,554,360
The investments are held at a variety of financial institutions. These investments bear interest between 7% and 7.92% (2019: 7% and 7.89% per annum.)		
Opening Balance	2,405,554,360	1,910,560,466
Inflow - interest accrued and investments made during the year	6,452,080,118	4,439,959,001
Outflow - investments matured during the year	(6,244,880,509)	(3,944,965,107)
	2,612,753,969	2,405,554,360
5. Trade and other receivables		
Deposits - utilities and rentals	580,782	574,402
Sundry debtors	257,532	21,075
Accrued income - SARS and trade unions	12,587,883	7,519,445
Current accounts - Main and Wellness	-	6,682
Prepaid expenses	119,592	173,606
	13,545,789	8,295,210
6. Inventories		
Inventory	163,883	113,620
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	90,329,024	79,977,181
Petty cash	35,579	39,873
	90,364,603	80,017,054

FIGURES IN RAND	2020	2019
8. Revaluation		
Opening balance	8,494,136	8,494,136
9. Trade and other payables		
Trade payables	18,745,375	32,490,552
Vat VDP	-	3,228,743
Industry trade union and subscription fees	644,045	1,122,201
Leave pay accrual	4,033,520	4,007,997
Trust account	5,995,272	5,810,050
	29,418,212	46,659,543
Trust account relate to the enforcement cases by the industry employees against the employer. The funds paid by the employer after the award by the Commissioner and settlement between Council and the employer regarding the enforcement cases are allocated to the trust account.		
Included in the trade payables is an amount of R454 419 which relates to intercompany transactions between Main Council and Section 21 from 2018 to 2020. Section 21 was established in 2018.		
10. Industry trust and unclaimed benefit liability		
At amortised Cost		
Balance for the year	2,077,727,977	1,947,161,423
	2,077,727,977	1,947,161,423
Movements during the year contribution received		
Holiday Pay Fund	1,085,821,017	977,643,557
Leave Pay Fund	802,037,227	723,197,135
Sick Pay Fund	602,844,412	539,233,950
	2,490,702,656	2,240,074,642
Payout for the year		
Holiday Pay Fund	(1,067,487,629)	(945,467,291)
Leave Pay Fund	(727,269,906)	(652,298,988)
Sick Pay Fund	(565,378,568)	(476,660,686)
	(2,360,136,103)	(2,074,426,965)
Current liabilities		
At amortised cost	2,077,727,978	1,947,161,423

11. Provisions				
Reconciliation of provisions - 2020				
	Opening balance	Additions	Utilised during the year	Total
Incentive bonus	15,911,985	16,826,115	(15,911,985)	16,826,115

Reconciliation of intangible assets - 2019					
		Opening balance	Additions	Utilised during the year	Total
Incentive bonus		13,646,217	15,911,985	(13,646,145)	15,911,985

FIGURES IN RAND	2020	2019
12. Revenue		
Interest received	233,521,232	208,609,938
Wellness Fund contribution	261,668,166	236,153,236
Levies received	109,061,519	97,542,190
	604,250,917	542,305,364
13. Other income		
CCMA subsidy income	957,096	1,430,570
Legal fees recovered	454,648	42,079
Services SETA income	286,056	32,994
Rental income	365,166	406,615
Sheriff fees legal arbitration	21,107	31,229
Income arbitration costs	2,084,996	1,963,723
Sundry income - Wellness	-	167,374
Profit on sale of fixed assets	202,859	2,854
Income - arbitrations penalties	2,653,997	1,720,916
	7,025,925	5,798,354
14. Operating expenses		
Operating expenses for the year are stated after accounting for the following:		
Amortisation on intangible assets	5,694,361	1,541,790
Depreciation on property, plant and equipment	6,236,783	5,563,381
Employee costs	143,709,093	133,844,926
Pension fund contribution	5,302,179	4,436,510

FIGURES IN RAND	2020	2019
15. Taxation		
No provision has been made for taxation as the fund is currently exempt from income taxation in terms of section 10(1)(cA)(i) of the Income Tax Act (Confirmed on 17 February 2003).		
16. Auditor's remuneration		
Audit fees	930,170	772,397
17. Cash generated from operations		
Profit before taxation	103,945,668	69,455,306
Adjustments for:		
Depreciation and amortisation	11,931,144	7,105,171
Loss on scrapping of assets	11,427	49,585
Profit on sale of assets	(202,859)	(2,854)
Movements in provisions	914,130	2,265,768
Changes in working capital:		
Inventories	(50,263)	28,358
Trade and other receivables	(5,250,577)	(4,091,103)
Trade and other payables	(17,241,331)	11,915,498
	94,057,339	86,725,729
18. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	3,378,358	3,017,873
- in second to fifth year inclusive	5,602,600	6,296,556
	8,980,958	9,314,429
Operating lease payments represent rentals payable by the Council for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.		
19. Key Executive Management Remuneration 2020		
	Remuneration	Total
Executive Management and Council Members Remuneration	17,992,837	17,992,837
Key Executive Management Remuneration 2019		
	Remuneration	Total
Executive Management and Council Members Remuneration	17,173,002	17,173,002
Key executive management personnel include 24 Council members who serve on the Council board and various sub committees, 7 Senior Managers and the National Secretary who is the head of Council Administration.		

20. Categories of financial instruments						
	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2020						
Assets						
Non-current assets						
Property, plant and equipment	2	-	-	-	40,834,254	40,834,254
Intangible assets	3	-	-	-	3,140,723	3,140,723
		-	-	-	43,974,977	43,974,977
Current assets						
Inventories	6	-	-	-	163,883	163,883
Other financial assets	4	2,612,753,969	-	-	-	2,612,753,969
Trade and other receivables	5	13,545,789	-	-	-	13,545,789
Cash and cash equivalents	7	90,364,603	-	-	-	90,364,603
		2,716,664,361	-	-	163,883	2,716,828,244
Total assets		2,716,664,361	-	-	44,138,860	2,760,803,221
Equity and liabilities						
Equity		-	-	-	8,494,136	8,494,136
Reserves		-	-	-	628,336,780	628,336,780
Accumulated surplus		-	-	-	636,830,916	636,830,916
		-	-	-	636,830,916	636,830,916
Total equity					636,830,916	636,830,916
Current liabilities						
Industry trust and Unclaimed benefit liability	10	-	2,077,727,978	-	-	2,077,727,978
Trade and other payables	9	-	29,418,212	-	-	29,418,212
Provisions	11	-	-	-	16,826,115	16,826,115
		-	2,107,146,190	-	16,826,115	2,123,972,305
Total liabilities		-	2,107,146,190	-	16,826,115	2,123,972,305
Total equity and liabilities		-	2,107,146,190	-	653,657,031	2,760,803,221

20. Categories of financial instruments						
	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial instruments - 2019						
Assets						
Non-current assets						
Property, plant and equipment	2	-	-	-	42,012,743	42,012,743
Intangible assets	3	-	-	-	6,625,212	6,625,212
		-	-	-	48,637,955	48,637,955
Current assets						
Inventories	6	-	-	-	113,620	113,620
Other financial assets	4	2,405,554,360	-	-	-	2,405,554,360
Trade and other receivables	5	8,121,604	-	-	173,606	8,295,210
Cash and cash equivalents	7	80,017,054	-	-	-	80,017,054
		2,493,693,018	-	-	287,226	2,493,980,244
Total assets		2,493,693,018	-	-	48,925,181	2,542,618,199
Equity and liabilities						
Equity						
Reserves		-	-	-	8,494,136	8,494,136
Accumulated surplus		-	-	-	524,391,112	524,391,112
		-	-	-	532,885,248	532,885,248
Total equity				-	532,885,248	532,885,248
Current liabilities						
Industry trust and unclaimed benefit liability	10	-	1,947,161,423	-	-	1,947,161,423
Trade and other payables	9	-	43,430,800	-	3,228,743	46,659,543
Provisions	11	-	-	-	15,911,985	15,911,985
		-	1,990,592,223	-	19,140,728	2,009,732,951
Total liabilities		-	1,990,592,223	-	19,140,728	2,009,732,951
Total equity and liabilities		-	1,990,592,223	-	552,025,976	2,542,618,199

21. Going concern

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

The Council has reviewed the cash flow forecast and in light of this review and the current financial position, they are satisfied that Council has access to adequate resources to continue in operational existence for the foreseeable future.

22. Events after the reporting period

Council anticipates a drop in revenue due to the Covid-19 impact. The reduced interest rates and drop in the contribution level will have an impact on revenue. However, this is anticipated to only reduce future surplus and not create a deficit for the 2021 financial year. The revised forecast indicates that Council will be able to raise sufficient revenue to meet the expenditure requirements for the 2021 financial year. Council has also built-up reserves of over R628m to cushion against negative impact on its liquidity and cashflow position.

FIGURES IN RAND	Note(s)	2020	2019
Revenue			
Interest received		233,521,232	208,609,938
Wellness fund contribution		261,668,166	236,153,236
Levies received		109,061,519	97,542,190
	12	604,250,917	542,305,364
Other income			
CCMA subsidy income		957,096	1,430,570
Legal fees recovered		454,648	42,079
Services SETA income		286,056	32,994
Rental income		365,166	406,615
Sheriff fees arbitration		21,107	31,229
Income arbitration costs		2,084,996	1,963,723
Sundry income		-	167,374
Profit on sale of assets		202,859	2,854
Income - arbitration penalties		2,653,997	1,720,916
		7,025,925	5,798,354
Expenses		(507,331,174)	(478,648,412)
Surplus for the year		103,945,668	69,455,306

The supplementary information presented does not form part of the financial statements and is unaudited.

DETAILED INCOME STATEMENT			
FIGURES IN RAND	Note(s)	2020	2019
Operating expenses			
Advertising		(6,192,006)	(6,092,993)
Non-reclaimable Vat		(583,811)	(1,215,690)
Auditors remuneration	16	(930,170)	(772,397)
Bad debts written off		-	(138,971)
Bank charges		(2,305,740)	(2,453,765)
Computer hardware, leasing and software maintenance		(25,415,185)	(27,545,547)
Consulting and professional fees		(4,406,360)	(4,603,191)
Depreciation, amortisation and impairments		(11,931,144)	(7,105,171)
Employee costs		(143,709,093)	(133,844,926)
Attendance fees		(3,380,559)	(3,929,304)
Paycard		(185,813)	(6,971)
Trucking Wellness funding		(14,259,906)	(14,989,546)
Arbitration expense		(21,127,494)	(21,781,984)
Bursary expense		(713,580)	(970,778)
Equipment hire		(3,721,731)	(3,549,303)
Exemption body expense		(465,538)	(689,576)
Lease rentals		(4,085,379)	(4,833,081)
Loss on scrapped assets		-	(49,585)
Penalties and interest		-	(511)
Treatment program costs		(30,332,850)	(28,650,091)
Beneficiary verification		(79,935)	(86,505)
Insurance		(982,842)	(1,100,313)
Legal expenses		(4,077,512)	(3,963,874)
Medical expenses		(195,435,877)	(184,126,906)
Motor vehicle expenses		(2,443,463)	(1,533,995)
Management fee - Wellness		(492,780)	(581,889)
Negotiation paradigm		(217,032)	(5,457,232)
Representativity campaign expenses		(1,775,000)	-
Postage		(245,227)	(645,417)
Printing and stationery		(6,330,861)	802,806
Seminars		(1,145,918)	(203,323)
Meeting expenses		(1,011,371)	(582,597)
Repairs and maintenance		(3,537,572)	(4,076,559)
Security		(3,058,605)	(2,240,800)
Chairman's allowance		(33,754)	(19,076)
Staff welfare		(2,480,577)	(1,872,050)
Electricity and water		(4,278,176)	(3,722,956)
Telephone and fax		(2,379,531)	(2,414,864)
Staff training		(1,524,772)	(821,249)
Training - Councillors		-	(78,502)
Travel - local		(1,446,721)	(2,090,963)
Travel - Councillors		(607,289)	(608,767)
		(507,331,174)	(478,648,412)



SIGNED INDEPENDENT **AUDITOR'S REPORT**



We have audited the financial statements of the National Bargaining Council for Road Freight and Logistics Industry set out on pages 75 to 96, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the National Bargaining Council for Road Freight and Logistics Industry as at 29 February 2020, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the provisions of the constitution relating to financial matters and in terms of section 53 (2) (b) of the Labour Relations Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for

Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council members are responsible for the other information which includes the Detailed Income Statement. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the Financial Statements

The Council members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of section 53 (2) (b) of the Labour Relations Act, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion



“

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit

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In preparing the financial statements, the Council members are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nexia SAB&T

Nexia SAB&T

Per: C Chigora

Director

Registered Auditors

21 September 2020



Parties to COUNCIL



GREEN



SMART



SAFE



LEGAL



FREIGHT

THE ROAD FREIGHT ASSOCIATION

WITHOUT TRUCKS, SOUTH AFRICA STOPS!

THE ROAD FREIGHT ASSOCIATION (RFA)

Block E1, Isando Business Park,
Gewel Street (Cnr Hulley Road), Isando, 1600
Tel: 011 974 4399 Fax: 011 974 4903
Email: enquiries@rfa.co.za ■ www.rfa.co.za



NATIONAL EMPLOYERS' ASSOCIATION OF SA (NEASA)

Brooklyn Bridge Office Park, Steven House, 3rd Floor, 570
Fehrsen Street, Brooklyn, Pretoria, 0181
Tel: 012 622 8971 Fax: 012 332 4347
Email: info@neasa.co.za ■ www.neasa.co.za



SOUTH AFRICAN TRANSPORT AND ALLIED WORKERS' UNION (SATAWU)

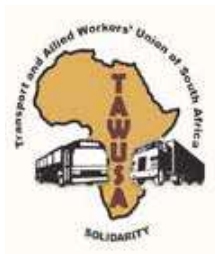
117 De Korte Street, SATAWU House, Braamfontein,
Johannesburg, 2001
Tel: 011 403 2077/117 Fax: 011 403 2021
Email: info@satawu.org.za ■ cecilia@satawu.org.za
■ www.satawu.org.za

Parties to COUNCIL



MOTOR TRANSPORT WORKERS' UNION (MTWU)

6th Floor, Samro House, 20 De Korte Street,
Braamfontein, Johannesburg, 2001
Tel: 011 403 1619 Fax: 011 403 1852
Email: info@mtwu.co.za ■ www.mtwu.co.za



TRANSPORT AND ALLIED WORKERS' UNION OF SOUTH AFRICA (TAWU OF SA)

5th Floor, Bono House, 14 New Street South,
Johannesburg, 2001
Tel: 011 838 3848
Email: headoffice.admin@tawusa.org.za
■ zack@tawusa.org.za



PTAWU
Professional Transport & Allied Workers
Union of S.A.

PROFESSIONAL TRANSPORT AND ALLIED WORKERS' UNION OF SA (PTAWU)

Elephant House, 107 Market Street, Johannesburg, 2001
Tel: 011 333 0904/1743 Fax: 011 333 1448
Email: headoffice@ptawu.co.za ■ ptwu1@telkomsa.net
■ www.ptawu.co.za

NBCRFLI CONTACT DETAILS

GAUTENG REGION

JOHANNESBURG

31 De Korte Street, Braamfontein, Johannesburg, 2001	Private Bag X69, Braamfontein, 2017	Tel: 011 703 7000 / 0861 777 996 Fax: 011 403 1555
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PRETORIA

401 Provisus Building, 523 Church Street, Arcadia, Pretoria, 0083	PO Box 55625, Arcadia, 0007	Tel: 012 440 8454 Fax: 086 766 3716
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HEAD OFFICE REGION

BLOEMFONTEIN

2nd Floor, Room 208, 2 President Brand Street, Bloemfontein 9301	PO Box 4485, Bloemfontein, 9300	Tel: 051 448 9422 Fax: 051 448 9480
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EAST LONDON

Suite 5, 1st Floor, Norvia House, 34 Western Avenue, Vincent, East London, 5247	PO Box 13463, Vincent, East London, 5217	Tel: 043 726 8525 / 043 726 8527 Fax: 043 726 8531
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KIMBERLEY

M Floor, MBA Building, 20 Currey Street, Kimberley, 8301	PO Box 3000, Kimberley, 8300	Tel: 053 831 6352 Fax: 053 832 1081
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KLERKSDORP

Room 204, 2nd Floor, Jade Square Corner, Margaretha, Prinsloo & Oliver Tambo Avenue, Klerksdorp, 2571	PO Box 10053, Klerksdorp, 2570	Tel: 018 462 8311 Fax: 018 462 8909
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NELSPRUIT

Beacon Corner Building, 2 Rothery Street, Cnr Rothery & Parkin Streets, Nelspruit, 1200	PO Box 1561, Nelspruit, 1200	Tel: 013 752 7420 Fax: 013 753 2386
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POLOKWANE

Suite 106, Forum Three, 23B Thabo Mbeki Street, Polokwane, 0699	PO Box 3602, Polokwane, 0700	Tel: 015 291 1533 Fax: 015 291 2531
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PORT ELIZABETH

1st Floor, Fiveways Centre, 62/64 Cape Road, Port Elizabeth, 6001	PO Box 20119, Humewood, 6013	Tel: 041 374 1786 / 041 374 1859 Fax: 041 374 1748
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RUSTENBURG

1st Floor, Room 103, Biblio Plaza Building, Cnr Nelson Mandela & President Mbeki Drive, Rustenburg, 0299	PO Box 5010, Rustenburg, 0300	Tel: 014 597 1320 Fax: 014 597 1547
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WITBANK

208(A) Parkmed Building, 64 Mandela Street, Witbank, 1034	PO Box 1731, Witbank, 1035	Tel: 013 656 1503 Fax: 013 656 1509
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WESTERN CAPE REGION		
CAPE TOWN		
Old Absa Building, 141 Voortrekker Road, Cnr Voortrekker Road & Van Eysen Street, Parow, 7499	Private Bag X22, Parow, 7499	Tel: 021 930 7720 Fax: 021 930 6032
GEORGE		
Ground Floor, Liberty Building, 98 Meade Street, George, 6530	PO Box 9753, George, 6530	Tel: 044 874 3098 Fax: 044 874 4839
CLANWILLIAM		
1st Floor, Spar Complex, 6 Main Road, Clanwilliam, 8135	PO Box 205, Clanwilliam, 8135	Tel: 027 482 1620 Fax: 027 482 1920

KWAZULU-NATAL REGION		
DURBAN		
5th Floor, Delta Towers, 300 Anton Lembede Street, Durban, 4001	Private Bag X54378, Durban, 4000	Tel: 031 307 6070 Fax: 031 307 6071
NEWCASTLE		
2 White Street, Block C, Suite 2, Newcastle, 2940	PO Box 2604, Newcastle, 2940	Tel: 034 315 1207 Fax: 034 312 9470
PIETERMARITZBURG		
Shop 12, Polly Shortts Centre, 1 Claveshay Road, Cleland, Pietermaritzburg, 3201	PO Box 3653, Pietermaritzburg, 3200	Tel: 033 396 5316 Fax: 033 396 3948
RICHARDS BAY		
2nd Floor, Office 14, 7 Trinidad Parkade, Lakeview Terrace, Richards Bay, 3900	PO Box 61, Richards Bay, 3900	Tel: 035 789 3847 Fax: 035 789 3849



NBCRFLI
National Bargaining Council for the Road Freight and Logistics Industry
Your Road Freight Partner.