

## Feedback: PSCBC meeting

### Establishment of a Government Housing Scheme (PSCBC Resolution 7 of 2015)

Labour indicated to the employer that there has not been much progress with the establishment of the Housing Scheme since the signing of the Resolution. Concerns were also raised that the Advisory Committee, as directed by the Resolution, is not meeting. Labour therefore demanded that the process be placed back on the agenda of the PSCBC to ensure that labour is updated and involved in the effective implementation of the Scheme. The matter will be discussed at the next Council meeting.

### Pension-Backed Housing Guarantee

The GEPF made a presentation on the proposed amendment to the GEPF Law to provide for a pension-backed home loan as an alternative form of housing finance. The loan will be secured by the member's retirement savings instead of the actual property. This concept is currently regulated by the *Pensions Fund Act* through a guarantee by the Fund.

A law amendment is required to empower the GEPF to provide for guarantees for home loans, which includes for an express provision permitting deduction from a member's benefit. Previously members were requested a mandate on the proposed amendments. However, labour raised a concern that the latest presentation does not speak to the issues raised in the PSCBC Resolution on Housing and requested that the presentation from the GEPF should be aligned accordingly for a follow-up discussion at the next Council meeting.

The GEPF further indicated that the Board of the GEPF decided not to amend the actuarial interest factors owing to the current economic climate of the country. The PSA placed it on record that it can only note the decision, but that the PSCBC is not the appropriate forum to have any consultation on the actuarial factors as per the recent judgment granted by the Labour Appeal Court in favour of the PSA.

### GEMS presentation

GEMS made a presentation on the financial status of GEMS. The PSA demanded for GEMS to substantiate the request for the 6,75% increase in contributions. GEMS indicated that it budgeted for R900 million for the 2021-financial year despite incurring a savings of R3,8 billion this year. Labour expressed concerns on the percentage increase and indicated that GEMS should bear in mind that public servants have not received their salary increase this year. Labour therefore requested that the Board reconsider the percentage increase. Noting that representatives from the Board were also in the meeting, it was indicated that a Board meeting will be held later during the day to reconsider the percentage requested. Council will be informed of the outcome thereof as soon as possible.

## Clause 8 on Outstanding Matters – Previous Resolutions

### ***Clause 8.1.2: Resolution 4/2015 (Clause 4.1.4) Clause 8.1.3, Resolution 5/2015 (Clause 3) (Danger Allowance)***

In terms of the provision of the above-resolutions, Sectoral Councils were tasked to identify additional categories to receive a danger allowance. These categories will be negotiated in the PSCBC. The reports from Sectoral Councils, except from the SSSBC, indicated that parties could not reach agreement on the inclusion of the additional categories and therefore escalated the matter to the PSCBC for further engagement. The employer responded that it is still awaiting information from a few Departments and will be able to respond to the demand at the next Council meeting. Research that was conducted on the Danger Allowance will be presented by the researcher at the next Council meeting.

### ***Commencement of wage negotiations: Pre-negotiation process***

Labour raised that PSCBC Resolution 3/2017 directs that there should be a pre-negotiation process of the exchange of documentation and information upon commencement of wage negotiations. The employer supported the scheduling of the pre-negotiation process and the dates will be determined by the Secretariat. Labour also expressed anger and concerns over the guidelines released by Treasury as well as the announcement made by the Minister of Finance in the budget policy on 28 October 2020, which clearly states that there will be no salary increases for public servants over the next four years. Labour regarded these statements as disrespectful and undermining the collective bargaining process and demanded that the employer confirms if this is its official mandated position. It was further proposed that the employer should distance itself from the statement and that a joint media statement be issued to confirm parties' commitment to the negotiation process. The employer indicated that it does not have a mandate nor a response made by the Treasury and the Minister of Finance. The employer will also seek a mandate on the request from labour to restore the credibility of PSCBC processes by issuing a media statement at the next Council meeting.

Members will be informed of developments.

GENERAL MANAGER