

Feedback: GEHS Special Working Committee meeting – 24 May 2023

A hybrid meeting was held on 24 May 2023 where the employer tabled the progress report on the Government Employees Housing Scheme (GEHS). The employer also tabled the development of the GEHS Roadmap and Feasibility Study on a funding model.

Progress report

The employer reported that there are still 197 390 employees who are eligible for a homeowner's allowance but not receiving the allowance, 4 372 employees are receiving the old housing allowance, and about 189 856 employees are receiving a housing allowance as tenants. The report was concerning in that around 189 856 employees are still not owning houses whilst 197 390 employees are eligible to receive the allowance, yet they are not receiving it. It was further reported that through the individual-linked saving facility (ILSF), R19 billion was saved by approximately 189 856 employees and that approximately R300 million is saved monthly. It must be noted that the overarching aim of PSCBC Resolution 7/2015 and the Determination and Directive on Housing Allowance for Employees in the Public Service was to facilitate home ownership for public servants through the facilitation of accessible housing loans and finances.

Development of GEHS Roadmap

The employer presented GEHS Roadmap as follows:

Targets	Key activities	Timeline
Meetings of Directors-General	DPSA/National Department of Human Settlements and National Treasury to be convened	15 June 2023
Develop a draft structure, possible funding mechanism, and mode of operations with advice from the Chief Directorate: Organisational Design and Job Grading and DPSA Legal Services	Workgroup meetings and submission for approval to the Executive	June to November 2023

PSCBC Resolution 7/2015 (Clause 4.2.1) provides for the employer to improve access to affordable housing finance. Consolidation of the Affordable Housing Finance Product Research	1. PIC/GEPF market research	May 2023 – February 2024
	2. Affordable housing typologies for salary levels 1 – 10	May 2023 – January 2024
	3. Consultation with Labour and MPSA	Quarterly: 31 March 2024
Enrolment System	1. Migration of enrolment system from <i>SA Home Loans</i> to DPSA	January 2026
	2. Migration of Call Centre from <i>SAHL</i> to DPSA	March 2025
	3. Dissolution and separation plan	April 2023 – March 2026

The PSA raised concerns regarding the roadmap as 2026 is too far and members need houses now. However, there was agreement that labour would report back to their principals to obtain a proper mandate.

Feasibility study on funding model

Both the GEPF and the PIC presented options that could be considered although research was ongoing and not yet approved by the Board. In the main, they pointed out main challenges ranging from high indebtedness of public servants, ineligibility of public servants for subsidised housing schemes, and income limitations. The funding model to be considered must therefore focus on rehabilitative, curative, preventative, and support incentives, which can then facilitate preferential interest rates, provision of 100% loans and financial empowerment. Possible funding models include the affordable housing model and pension-backed home loans. The PSA noted the presentation and urged the employer to research further in terms of the funding model and it to be detailed to enable labour to properly engage.

Members will be informed of developments.

Employees who want to join the PSA can visit the PSA's website (www.psa.co.za), send an email to ask@psa.co.za or contact PSA Provincial Offices.

GENERAL MANAGER