



**REPORT NO. 6 OF 2015**

**Public Service Co-ordinating Bargaining Council (PSCBC) Meeting  
HELD 2 MARCH 2015**

The PSCBC dealt with the following matters:

**1. The Government Employee Housing Scheme**

The Employer returned to the table with an offer involving two options, with Labour being given the prerogative of selecting one. The options are as follows:

**Option 1**

Salary Level	Current Housing Allowance	Basic Housing Allowance	Housing Allowance Augmentation	Total Housing Allowance
1	R900 per month	R1000 per month	R400 per month	R1400 per month
2	R900 per month	R1000 per month	R400 per month	R1400 per month
3	R900 per month	R1000 per month	R200 per month	R1200 per month
4	R900 per month	R1000 per month	R200 per month	R1200 per month
5 - 8	R900 per month	R1000 per month		R1000 per month
9 – 10 and the OSD employees not	R900 per month	R1000 per month		R1000 per month

on total cost to employer packages				
11 – 12	As per applicable total cost to employer package			

The draft agreement says that:

- New employees who are entering the public service will only be eligible for the housing allowance if they are paying a bond and are buying a new home as a primary residence
- The additional housing augmentation for levels 1, 2, 3 and 4 will only be available up to the 21 March 2025. And by 01 April 2017 the housing allowance shall be discontinued for employees who are not repaying home loans for a primary residence

## **Option 2**

- For employees who own a house and are repaying a home loan, the housing allowance shall be R1500 per month.
- The amount shall be adjusted annually on the basis of the average Consumer Price Index (CPI) for the preceding year, with effect from 1 July 2018.
- With effect from 1 April 2017, the housing allowance shall be discontinued for employees who own a house and are not repaying a home loan for a primary residence.
- For employees who are renting, the housing allowance shall remain R900 per month. This amount shall not be subject to an annual adjustment and shall be discontinued with effect from the 01<sup>st</sup> of April 2017.

Labour chose Option 2, but later a dispute arose as to the conditions stated by the Employer in the above bullets. Hence Labour and the Employer are in a dispute on the Government Employee Housing Scheme (GEHS).

## **2. Annual Wage Increase**

Labour moved from 15% to 10%, and are committed to a single-term agreement. The Employer, on the other hand, is strongly proposing a multi-term agreement whereby:

- For the financial year 2015/2016, they are offering a 5.8% across-the-board annual adjustment;
- For the financial year 2016/2017, the Employer is offering CPI projected by Treasury as 5.9% across the board; and
- For the financial year 2017/2018, the Employer is offering CPI projected by Treasury as 5.6% across the board.

Labour rejected this offer in totality, and the Employer requested some time to approach its Principals for a new mandate.

## **3. The Medical Assistance**

Labour has reinstated its demand that the Employer should still adjust the subsidy by 28%, as adjustments were not implemented in the past few years (2012 to 2015). The Employer agreed to seek a mandate with regard to this matter