Many rounds of collective bargaining to improve the working and living conditions of public service workers, which often included NEHAWU-led strikes, have passed with no concrete solution being found on our long-standing demand for the creation genuine Government Employees Housing Scheme (GEHS). As NEHAWU and other COSATU unions in the public service, we have consistently rejected the South African Home Loans (SAHL) as a solution.

The housing allowance was a non-start in addressing the fact that despite having security of employment, the overwhelming majority of public service workers are without their own homes. Too many of our members and public service workers in general have lost hope of owning homes because of indebtedness and exclusion by monopoly financial institutions. Those that obtained bonded-houses, the banks have imposed extremely heavy interests.

The PSCBC Resolution 5 of 2017 that established an Advisory Body has helped to speed up the process. Acting together with other unions, as NEHAWU we are committed to addressing this housing crisis, which for example is reflected in the fact that:

• Households earning between R5 000 and R15 000 gross monthly income don’t qualify for a fully subsidised RDP house.
• Resultantly, about 850 000 public sector employees do not have their own homes.
• Instead, about 566 563 public sector workers are forced into unsustainable renting arrangements.
• Financial institutions are reluctant to give bonds in rural areas and often impose heavy interest in township areas.

Our primary objective is to ensure that our members and public sector workers in general have access to housing and realise their own homes. As a militant and transformatory union we also see the creation of the GEHS as a strategic mechanism to disrupt the current housing-bond landscape that is dominated by monopoly financial institutions, majority of which are partially foreign owned.

An important aspect of the Resolution 5 of 2017 is the fact that it helped to kick start the process and the appointment of the Advisory Body has helped to speed up the process to date. We can now say that we have finally managed to agree with government on the broad framework that backs up our demand, including on the following:

• The GEHS shall be located within government rather than outsourced or created as a stand-alone entity.
• The employees’ pension fund shall be used to back up housing financing for employees.
• Using market power, the GEHS shall work with financial institutions that are prepared to agree on prime-minus interest, rather than the current prime-plus interest arrangement of the SAHL.
• The medium to long-term objective is to use the GEHS to facilitate the realisation of a state-bank, as a catalyst for the transformation of the economy.
• The GEHS shall provide value-added service such as insurance, maintenance and repairs, estate planning, conveyancers, etc.
• The GEHS shall provide a comprehensive financial wellness solutions for employees that are highly indebted so as eventually to access housing finance.
Below is the Roadmap towards the realisation of the GEHS

**Phase 1:**
Current State & Design
Consolidation of the Pilot & Design

- Mid May to Mid July
- Assess pilot
- Consolidate gains/lessons learnt
- Ensure continuity
- Institutional Form
- Negotiate prime minus (GPEF)
- Design of: Capabilities(What)
  - Operating Model(How)
  - Org Structure(Who)
  - Products
  - Services
  - Customer Journeys
  - Marketing and Comms

Design blueprint for the GEHS Entity

**Phase 2:**
Build
Build The capabilities, Products & Services

- Mid July to End August
- Build:
  - Capabilities
  - Operating Model
  - Org Structure
  - Products
  - Services
  - Approval of the Institutional Form
  - Separate the Run from the Build activities with dedicated resources

Build a fully operational GEHS Entity

**Phase 3:**
Transfer & Operate
Implement & Run the Entity as a stand alone org.

- September onwards
- Establish Entity
- Launch entity
- Establish GEHS administration
- Implement financial Solutions

GEHS Entity is operational and sustainable