TO ALL NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

(FOR ATTENTION: HR MANAGERS/ HEADS OF CORPORATE SERVICES/ CHIEF FINANCIAL OFFICERS)

ADJUSTMENT OF THE MAXIMUM HOUSING ALLOWANCE WITH EFFECT FROM 1 APRIL 2007

1. According to PSCBC Resolution 2 of 2004 and the Determination on Housing made by the Minister for the Public Service and Administration, the maximum monthly housing allowance is revised on the first day of each quarter based on the weighed average interest rate levied by the five biggest financial institutions as on 01 January, 01 April, 01 July and 01 October of each year.

2. According to a survey conducted, the weighed average interest rate levied by the five biggest financial institutions as on 01 January 2007 was 12.5%.

3. Consequently, the Minister for the Public Service and Administration gave approval for the adjustment of the maximum housing allowance with effect from 01 April 2007 as shown in the attached Annexure. The financial manual will be amended accordingly.

4. National Treasury approval under reference SM.25/30 dated 22 March 2007 has been obtained for the relevant adjustment. Expenditure in respect of the increased allowance must be accommodated within departments’ existing MTEF allocation.

DIRECTOR-GENERAL

DATE: 24/3/2007
## REVISION OF THE MAXIMUM HOUSING ALLOWANCE

<table>
<thead>
<tr>
<th>Date effective</th>
<th>Weighed Average Interest Rate</th>
<th>Monthly Maximum Housing Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2005</td>
<td>11%</td>
<td>R374</td>
</tr>
<tr>
<td>1 July 2005</td>
<td>11%</td>
<td>R374</td>
</tr>
<tr>
<td>1 October 2005</td>
<td>10.5%</td>
<td>R346</td>
</tr>
<tr>
<td>1 January 2006</td>
<td>10.5%</td>
<td>R346</td>
</tr>
<tr>
<td>1 April 2006</td>
<td>10.5%</td>
<td>R346</td>
</tr>
<tr>
<td>1 July 2006</td>
<td>10.5%</td>
<td>R346</td>
</tr>
<tr>
<td>1 October 2006</td>
<td>11%</td>
<td>R374</td>
</tr>
<tr>
<td>1 January 2007</td>
<td>11.5%</td>
<td>R403</td>
</tr>
<tr>
<td>1 April 2007</td>
<td>12.5%</td>
<td>R456</td>
</tr>
</tbody>
</table>