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TO ALL NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

ADJUSTMENT OF MAXIMUM HOUSING ALLOWANCE WITH EFFECT FROM 1 OCTOBER 2006

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 July 2006 was 11%.
3. Consequently, the Minister for the Public Service and Administration gave approval for the adjustment of the maximum housing allowance with effect from 01 October 2006 as shown in the attached Annexure. The Financial Manual will be amended accordingly.
4. Treasury approval under reference SM.25/30 dated 05 October 2006 has been obtained for the relevant adjustment. Expenditure in respect of this approval must be accommodated within departments' existing MTEF allocation.


DIRECTOR-GENERAL

DATE: 6/10/2006

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Staatsdiens en Administrasie • Ditirelo tsa Puso le Tsamaiso • Ditshebeliso tsa Mmuso le Tsamaiso • uMnyango wemiSebenzi kaHulumeni nokuPhata

Muhasho wa Tshumelo ya Muvhuso na Vhulanguli • Kgoro ya Ditirelo tsa Mmušo le Taolo • Ndzawulo ya Vutirhela-Mfumo na Valawuri

LITiko le Tebasebeni baHulumende nekuPhatsa • ISebe leNkonzo kaRhulumente noLawulo • UmNyango wemiSebenzi kaRhumende nokuPhata

ANNEXURE A

REVISION OF THE MAXIMUM HOUSING ALLOWANCE

Date effective	Weighed Average Interest Rate	Monthly Maximum Housing Allowance
1 April 2005	11%	R374
1 July 2005	11%	R374
1 October 2005	10.5%	R346
1 January 2006	10.5%	R346
1 April 2006	10.5%	R346
1 July 2006	10.5%	R346
1 October 2006	11%	R374