

# Vote 16

## Social Development

### Adjusted budget summary

| R thousand                       | 2009/10  |                        |          |               |
|----------------------------------|--|------------------------|----------|---------------|
|                                  | Main appropriation                                 | Adjusted appropriation | Decrease | Increase      |
| <b>Amount to be appropriated</b> | <b>86 408 338</b>                                  | <b>86 508 187</b>      | <b>-</b> | <b>99 849</b> |
| <i>of which:</i>                 |  |                        |          |               |
| Current payments                 | 449 155  | 462 149                | -        | 12 994        |
| Transfers and subsidies          | 85 949 425   | 86 036 280             | -        | 86 855        |
| Payments for capital assets      | 9 758  | 9 758                  | -        | -             |
| Executive authority              | Minister of Social Development                     |                        |          |               |
| Accounting officer               | Director-General of Social Development             |                        |          |               |
| Website address                  | <a href="http://www.dsd.gov.za">www.dsd.gov.za</a> |                        |          |               |

### Aim

*The aim of the Department of Social Development is to provide protection against vulnerability and poverty and ensure the provision of a comprehensive, integrated and sustainable social development service.*

### Mid-year performance status

| Indicator<br>As published in the 2009 ENE  | Programme<br>Programme linked to the indicator                             | Annual performance                                       |  |                                   |
|--|--|--|--|-----------------------------------|
|  |  | Projected for 2009/10<br>as published in the<br>2009 ENE | Achieved in the first six<br>months of 2009/10<br>(April to September) | Change of estimate<br>for 2009/10 |
| Total number of old age grant beneficiaries  | Comprehensive Social Security  | 2.5 million  | 2 478 910  | -                                 |
| Total number of war veterans grant beneficiaries   | Comprehensive Social Security  | 1 386  | 1 412  | -                                 |
| Total number of disability grant beneficiaries   | Comprehensive Social Security  | 1.4 million  | 1 284 696  | -                                 |
| Total number of child support grant beneficiaries  | Comprehensive Social Security  | 9.7 million  | 9 122 325  | -                                 |
| Total number of foster care grant beneficiaries  | Comprehensive Social Security  | 536 260  | 524 804  | -                                 |
| Total number of care dependency grant beneficiaries  | Comprehensive Social Security  | 110 145  | 108 696  | -                                 |
| Total number of registered early childhood development sites captured on the national database | Policy Development, Review and Implementation Support for Welfare Services | 16 276   | 14 170   | -                                 |
| Total number of social work scholarships awarded   | Community Development  | 5 250  | 6 502  | 6 502                             |

The estimated total number of social work scholarships awarded in 2009/10 has been increased because the fees on average were lower than projected and the department could support more students.

## Adjusted Estimates of National Expenditure 2009

| Programme   | 2009/10            |                          |                           |                |                |                   |                                | Adjusted appropriation |
|---|--------------------|--------------------------|---------------------------|----------------|----------------|-------------------|--------------------------------|------------------------|
|   | Main appropriation | Additional appropriation |                           |                |                |                   | Total additional appropriation |                        |
| R thousand  |                    | Roll-over                | Unforeseeable/unavoidable | Virement       | Function shift | Other adjustments |                                |                        |
| 1. Administration   | 156 374            | –                        | 1 078                     | 11 198         | –              | –                 | 12 277                         | 168 651                |
| 2. Comprehensive Social Security  | 85 573 159         | 52 412                   | 34 918                    | (2 894)        | –              | –                 | 84 436                         | 85 657 595             |
| 3. Policy Development, Review and Implementation Support for Welfare Services | 329 324            | –                        | 1 473                     | (1 913)        | 1 500          | –                 | 1 060                          | 330 384                |
| 4. Community Development  | 248 361            | 1 055                    | 1 002                     | (1 542)        | –              | –                 | 514                            | 248 875                |
| 5. Strategy and Governance  | 101 120            | –                        | 6 411                     | (4 849)        | –              | –                 | 1 562                          | 102 682                |
| <b>Total</b>  | <b>86 408 338</b>  | <b>53 467</b>            | <b>44 882</b>             | <b>–</b>       | <b>1 500</b>   | <b>–</b>          | <b>99 849</b>                  | <b>86 508 187</b>      |
| <b>Economic classification</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current payments</b>   | <b>449 155</b>     | <b>–</b>                 | <b>10 390</b>             | <b>1 104</b>   | <b>1 500</b>   | <b>–</b>          | <b>12 994</b>                  | <b>462 149</b>         |
| Compensation of employees   | 220 000            | –                        | 5 390                     | –              | –              | –                 | 5 390                          | 225 390                |
| Goods and services  | 229 155            | –                        | 5 000                     | 1 104          | 1 500          | –                 | 7 604                          | 236 759                |
| <b>Transfers and subsidies</b>  | <b>85 949 425</b>  | <b>53 467</b>            | <b>34 492</b>             | <b>(1 104)</b> | <b>–</b>       | <b>–</b>          | <b>86 855</b>                  | <b>86 036 280</b>      |
| Departmental agencies and accounts  | 5 489 186          | –                        | 34 492                    | –              | –              | –                 | 34 492                         | 5 523 678              |
| Foreign governments and international organisations                           | 1 915              | –                        | –                         | (104)          | –              | –                 | (104)                          | 1 811                  |
| Non-profit institutions   | 63 018             | 1 055                    | –                         | (1 000)        | –              | –                 | 55                             | 63 073                 |
| Households  | 80 395 306         | 52 412                   | –                         | –              | –              | –                 | 52 412                         | 80 447 718             |
| <b>Payments for capital assets</b>  | <b>9 758</b>       | <b>–</b>                 | <b>–</b>                  | <b>–</b>       | <b>–</b>       | <b>–</b>          | <b>–</b>                       | <b>9 758</b>           |
| Machinery and equipment   | 9 195              | –                        | –                         | –              | –              | –                 | –                              | 9 195                  |
| Software and other intangible assets  | 563                | –                        | –                         | –              | –              | –                 | –                              | 563                    |
| <b>Total</b>  | <b>86 408 338</b>  | <b>53 467</b>            | <b>44 882</b>             | <b>–</b>       | <b>1 500</b>   | <b>–</b>          | <b>99 849</b>                  | <b>86 508 187</b>      |

## Details of adjustments to Estimates of National Expenditure 2009

### Roll-overs – R53.467 million

Programme 2: Comprehensive Social Security

R52.412 million has been rolled over for social relief of distress commitments.

Programme 4: Community Development

R545 000 has been rolled over for the transfer payment to the National Association of People Living with HIV and Aids.

R510 000 has been rolled over for the transfer payment to the National Association of Burial Societies of South Africa.

### Unforeseeable and unavoidable expenditure – R44.882 million

Programme 1: Administration

An additional R1.078 million is allocated for higher salary increases than the main budget provided for.

Programme 2: Comprehensive Social Security

An additional R34.918 million is allocated for the National Department and the South African Social Security Agency for the higher salary increases than the main budget provided for.

**Programme 3: Policy Development, Review and Implementation Support for Welfare Services**

An additional R1.473 million is allocated for higher salary increases than the main budget provided for.

**Programme 4: Community Development**

An additional R1.002 million is allocated for higher salary increases than the main budget provided for.

**Programme 5: Strategy and Governance**

An additional R1.411 million is allocated for higher salary increases than the main budget provided for and an additional R5 million is allocated to settle outstanding social assistance litigation costs.

## Virements

| <b>Programmes</b>   |  |                   |   |   |                   |
|---|--|-------------------|---|---|-------------------|
| 1. Administration   |  |                   |   |   |                   |
| 2. Comprehensive Social Security  |  |                   |   |   |                   |
| 3. Policy Development, Review and Implementation Support for Welfare Services |  |                   |   |   |                   |
| 4. Community Development  |  |                   |   |   |                   |
| 5. Strategy and Governance  |  |                   |   |   |                   |
| <b>FROM:</b>  |  |                   | <b>TO:</b>  |   |                   |
| <b>Programme by economic classification</b>                                   | <b>Motivation</b>  | <b>R thousand</b> | <b>Programme by economic classification</b>                   | <b>Motivation</b>   | <b>R thousand</b> |
| <b>Programme 2</b>  |  | <b>(2 894)</b>    | <b>Programme 1</b>  |   | <b>2 894</b>      |
| Goods and services  | Reduction in travel and subsistence, and venues                      | (2 130)           | Goods and services  | For lease agreement   | 2 130             |
|   | Reduction in travel and subsistence, and venues                      | (764)             | Goods and services  | For lease agreement   | 764               |
| <b>Programme 3</b>  |  | <b>(2 093)</b>    | <b>Programme 1</b>  |   | <b>1 913</b>      |
| Goods and services  | Reduction in travel and subsistence, and venues.                     | (643)             | Goods and services  | For lease agreement   | 643               |
|   | Reduction in travel and subsistence, and venues                      | (1 270)           | Goods and services  | For lease agreement   | 1 270             |
|   | Reduction in travel and subsistence, and venues.                     | (180)             | <b>Programme 3</b>  |   | <b>180</b>        |
|   |  |                   | Foreign governments and international organisations (current) | For social welfare subsidies in terms of Walvis Bay agreement | 180               |
| <b>Programme 4</b>  |  | <b>(1 542)</b>    | <b>Programme 1</b>  |   | <b>1 111</b>      |
| Goods and services  | Reduction in travel and subsistence, and venues                      | (101)             | Goods and services  | Outstanding commitments from 2008/09                          | 1 111             |
| Non-profit institutions (current)   | Reduction in transfer to the National Religious Leaders Forum        | (1 000)           |   |   |                   |
|   |  |                   | <b>Programme 5</b>  |   | <b>431</b>        |
| Foreign governments and international organisations (current)                 | Reduction in transfer to the South African Youth Workers Association | (441)             | Goods and services  | Outstanding commitments from 2008/09                          | 431               |
| <b>Programme 5</b>  |  | <b>(5 437)</b>    | <b>Programme 5</b>  |   | <b>157</b>        |
| Goods and services  | Reduction in travel and subsistence, and venues                      | (157)             | Foreign governments and international organisations (current) | For Partners in Population and Development                    | 157               |
|   | Reduction in travel and subsistence, and venues                      | (5 280)           | <b>Programme 1</b>  |   | <b>5 280</b>      |
|   |  |                   | Goods and services  | For leasing the Appeals Tribunal                              | 5 280             |
| <b>Total</b>  |  | <b>(11 966)</b>   |   |   | <b>11 966</b>     |

### Function shifts – R1.5 million

R1.5 million is shifted from the Department of Justice and Constitutional Development for developing a national diversion accreditation framework.

## Expenditure for 2008/09 and preliminary expenditure for 2009/10

| Programme   | 2008/09<br>Expenditure outcome |                   |  |                   |  | 2009/10<br>Preliminary expenditure |                   |  |
|---|--------------------------------|-------------------|--|-------------------|--|------------------------------------|-------------------|--|
|   | Adjusted appropriation         | Apr 08 - Sep 08   | Apr 08 - Sep 08<br>% of adjusted appropriation | Apr 08 - Mar 09   | Apr 08 - Mar 09<br>% of adjusted appropriation | Adjusted appropriation             | Apr 09 - Sep 09   | Apr 09 - Sep 09<br>% of adjusted appropriation |
| R thousand  |                                |                   |  |                   |  |                                    |                   |  |
| 1. Administration   | 156 189                        | 82 750            | 53.0   | 163 764           | 104.8  | 168 651                            | 94 403            | 56.0   |
| 2. Comprehensive Social Security  | 75 846 728                     | 36 832 870        | 48.6   | 75 392 314        | 99.4   | 85 657 595                         | 44 933 763        | 52.5   |
| 3. Policy Development, Review and Implementation Support for Welfare Services | 211 245                        | 156 474           | 74.1   | 265 261           | 125.6  | 330 384                            | 257 167           | 77.8   |
| 4. Community Development  | 237 790                        | 81 685            | 34.4   | 171 991           | 72.3   | 248 875                            | 110 607           | 44.4   |
| 5. Strategy and Governance  | 102 199                        | 43 451            | 42.5   | 103 350           | 101.1  | 102 682                            | 63 872            | 62.2   |
| <b>Total</b>  | <b>76 554 151</b>              | <b>37 197 230</b> | <b>48.6</b>                                    | <b>76 096 680</b> | <b>99.4</b>                                    | <b>86 508 187</b>                  | <b>45 459 812</b> | <b>52.5</b>                                    |
| <b>Economic classification</b>  |                                |                   |  |                   |  |                                    |                   |  |
| <b>Current payments</b>   | <b>431 584</b>                 | <b>186 924</b>    | <b>43.3</b>                                    | <b>428 671</b>    | <b>99.3</b>                                    | <b>462 149</b>                     | <b>249 046</b>    | <b>53.9</b>                                    |
| Compensation of employees   | 192 469                        | 86 615            | 45.0   | 184 067           | 95.6   | 225 390                            | 102 654           | 45.5   |
| Goods and services  | 239 115                        | 100 309           | 42.0   | 242 552           | 101.4  | 236 759                            | 146 392           | 61.8   |
| Financial transactions in assets and liabilities                              | -                              | -                 | 0.0  | 2 052             | 0.0  | -                                  | -                 | 0.0  |
| <b>Transfers and subsidies</b>  | <b>76 113 872</b>              | <b>37 005 342</b> | <b>48.6</b>                                    | <b>75 659 700</b> | <b>99.4</b>                                    | <b>86 036 280</b>                  | <b>45 208 516</b> | <b>52.5</b>                                    |
| Departmental agencies and accounts  | 4 878 459                      | 2 385 568         | 48.9   | 4 878 459         | 100.0  | 5 523 678                          | 2 775 661         | 50.3   |
| Foreign governments and international organisations                           | 1 869                          | -                 | 0.0  | 1 359             | 72.7   | 1 811                              | 292               | 16.1   |
| Non-profit institutions   | 57 735                         | 15 311            | 26.5   | 55 709            | 96.5   | 63 073                             | 11 350            | 18.0   |
| Households  | 71 175 809                     | 34 604 463        | 48.6   | 70 724 173        | 99.4   | 80 447 718                         | 42 421 213        | 52.7   |
| <b>Payments for capital assets</b>  | <b>8 695</b>                   | <b>4 964</b>      | <b>57.1</b>                                    | <b>8 309</b>      | <b>95.6</b>                                    | <b>9 758</b>                       | <b>2 250</b>      | <b>23.1</b>                                    |
| Machinery and equipment   | 7 866                          | 4 964             | 63.1   | 8 309             | 105.6  | 9 195                              | 2 250             | 24.5   |
| <b>Total</b>  | <b>76 554 151</b>              | <b>37 197 230</b> | <b>48.6</b>                                    | <b>76 096 680</b> | <b>99.4</b>                                    | <b>86 508 187</b>                  | <b>45 459 812</b> | <b>52.5</b>                                    |

## Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 99.4 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R45.460 billion, or 52.5 per cent of the adjusted appropriation of R86.508 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was R37.197 billion, or 48.6 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R8.263 billion or 22.2 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure increase compared to 2008/09 is due to the increased take-up of social assistance grants and increased salaries.

## Departmental receipts

|  | 2008/09           |   |                 |   |                 | 2009/10           |                 |   |                |
|--|-------------------|---|-----------------|---|-----------------|-------------------|-----------------|---|----------------|
|  | Adjusted estimate | Audited outcome                           |                 |   | Actual receipts |                   |                 |   |                |
| Apr 08 - Sep 08                                    |                   | Apr 08 - Sep 08<br>% of adjusted estimate | Apr 08 - Mar 09 | Apr 08 - Mar 09<br>% of adjusted estimate | Budget estimate | Adjusted estimate | Apr 09 - Sep 09 | Apr 09 - Sep 09<br>% of adjusted estimate |                |
| R thousand   |                   |   |                 |   |                 |                   |                 |   |                |
| <b>Departmental receipts</b>                       | <b>2 394</b>      | <b>2 330</b>                              | <b>97.3</b>     | <b>16 484</b>                             | <b>688.6</b>    | <b>163</b>        | <b>163</b>      | <b>2 503</b>                              | <b>1 535.6</b> |
| Sales of goods and services produced by department | 92                | 46  | 50.0            | 95  | 103.3           | 28                | 28              | 34  | 121.4          |
| Interest, dividends and rent on land               | 2 210             | 2 207                                     | 99.9            | 14 490                                    | 655.7           | 30                | 30              | 2 256                                     | 7 520.0        |
| Financial transactions in assets and liabilities   | 92                | 77  | 83.7            | 1 899                                     | 2 064.1         | 105               | 105             | 213                                       | 202.9          |
| <b>Total</b>                                       | <b>2 394</b>      | <b>2 330</b>                              | <b>97.3</b>     | <b>16 484</b>                             | <b>688.6</b>    | <b>163</b>        | <b>163</b>      | <b>2 503</b>                              | <b>1 535.6</b> |

## Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R2.5 million, or 1535.6 per cent of the adjusted revenue estimate of R163 000 for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R2.3 million, or 97.3 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 increased by R173 000 or 7.4 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue increase compared to 2008/09 is due to payments made by debtors and interest earned on advance payments for grants into the regional bank account.

## Changes to transfers and subsidies, and conditional grants

### Summary of changes to transfers and subsidies

| R thousand   | 2009/10            |                          |                           |                |                |                   |                                | Adjusted appropriation |
|--|--------------------|--------------------------|---------------------------|----------------|----------------|-------------------|--------------------------------|------------------------|
|  | Main appropriation | Additional appropriation |                           |                |                |                   | Total additional appropriation |                        |
|  |                    | Roll-over                | Unforeseeable/unavoidable | Virement       | Function shift | Other adjustments |                                |                        |
| <b>2. Comprehensive Social Security</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Departmental agencies and accounts</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Departmental agencies (non-business entities)</b>                                 |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>5 114 404</b>   | –                        | <b>34 492</b>             | –              | –              | –                 | <b>34 492</b>                  | <b>5 148 896</b>       |
| South African Social Security Agency   | 5 114 404          | –                        | 34 492                    | –              | –              | –                 | 34 492                         | 5 148 896              |
| <b>Households</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Social benefits</b>   |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>80 380 306</b>  | <b>52 412</b>            | –                         | –              | –              | –                 | <b>52 412</b>                  | <b>80 432 718</b>      |
| Social Assistance transfers  | 80 380 306         | 52 412                   | –                         | –              | –              | –                 | 52 412                         | 80 432 718             |
| <b>3. Policy Development, Review and Implementation Support for Welfare Services</b> |                    |                          |                           |                |                |                   |                                |                        |
| <b>Foreign governments and international organisations</b>                           |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>28</b>          | –                        | –                         | <b>180</b>     | –              | –                 | <b>180</b>                     | <b>208</b>             |
| International Council on Alcohol and Addiction                                       | 18                 | –                        | –                         | (10)           | –              | –                 | (10)                           | 8                      |
| United Nations International Drug Control Programme                                  | 10                 | –                        | –                         | 10             | –              | –                 | 10                             | 20                     |
| Walvisbay  | –                  | –                        | –                         | 180            | –              | –                 | 180                            | 180                    |
| <b>4. Community Development</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Foreign governments and international organisations</b>                           |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>441</b>         | –                        | –                         | <b>(441)</b>   | –              | –                 | <b>(441)</b>                   | <b>–</b>               |
| South African Youth Workers Association  | 441                | –                        | –                         | (441)          | –              | –                 | (441)                          | –                      |
| <b>Non-profit institutions</b>   |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>2 245</b>       | <b>1 055</b>             | –                         | <b>(1 000)</b> | –              | –                 | <b>55</b>                      | <b>2 300</b>           |
| National Association of Burial Societies of South Africa                             | 825                | 510                      | –                         | –              | –              | –                 | 510                            | 1 335                  |
| National Association of People Living with HIV and Aids                              | 420                | 545                      | –                         | –              | –              | –                 | 545                            | 965                    |
| National Religious Leaders Forum   | 1 000              | –                        | –                         | (1 000)        | –              | –                 | (1 000)                        | –                      |
| <b>5. Strategy and Governance</b>  |                    |                          |                           |                |                |                   |                                |                        |
| <b>Foreign governments and international organisations</b>                           |                    |                          |                           |                |                |                   |                                |                        |
| <b>Current</b>   | <b>157</b>         | –                        | –                         | <b>157</b>     | –              | –                 | <b>157</b>                     | <b>314</b>             |
| Partners in Population and Development   | 157                | –                        | –                         | 157            | –              | –                 | 157                            | 314                    |

