

**VOTE 19** *Social Development*



National Treasury

# **BUDGET** 2012

***ESTIMATES OF NATIONAL EXPENDITURE***



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2012**

**National Treasury**

**Republic of South Africa**

22 February 2012



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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



**Lungisa Fuzile**  
**Director General: National Treasury**



# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za).





# **Social Development**

**National Treasury  
Republic of South Africa**



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# Vote 19

## Social Development

### Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	255 277	252 286	–	2 991	264 545	279 843
Social Assistance	104 887 916	–	104 887 916	–	113 206 841	121 982 101
Social Security Policy and Administration	6 308 700	106 088	6 201 438	1 174	6 644 591	6 994 443
Welfare Services Policy Development and Implementation Support	513 824	189 404	322 636	1 784	529 203	543 290
Social Policy and Integrated Service Delivery	251 044	79 030	171 240	774	262 616	276 543
<b>Total expenditure estimates</b>	<b>112 216 761</b>	<b>626 808</b>	<b>111 583 230</b>	<b>6 723</b>	<b>120 907 796</b>	<b>130 076 220</b>
Executive authority	Minister of Social Development					
Accounting officer	Director General of Social Development					
Website address	www.dsd.gov.za					

### Aim

*Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide leadership, management and support services to the department and the sector.

#### Programme 2: Social Assistance

**Purpose:** Provide income support to vulnerable groups.

#### Programme 3: Social Security Policy and Administration

**Purpose:** Provide for social security policy development and fair administration of social assistance.

#### Programme 4: Welfare Services Policy Development and Implementation Support

**Purpose:** Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices. Provide support to implementation agencies.

#### Programme 5: Social Policy and Integrated Service Delivery

**Purpose:** Support community development and promote evidence based policy-making in the department and the social development sector.

### Strategic overview: 2008/09 – 2014/15

The Department of Social Development's mandate relates to the broader social protection requirements expressed in section 27 of the Constitution. It delivers on this largely through the provision of income support to poor households, aimed at alleviating hardship and destitution experienced by vulnerable groups. The

department also plays a significant role in protecting the rights of children, youth, older persons, women and persons with disabilities through a range of welfare and community development services that contribute to social cohesion and nation building.

Given the development challenges facing South Africa, the department's strategy is to implement integrated policy interventions that respond to the immediate needs of vulnerable individuals and communities, while at the same time engaging in policy and research that explores long term strategies for addressing systematic poverty and inequality.

The department's key strategic priorities are to strengthen welfare services and community development and extend the reach and scope of social security provision. These priorities are anchored in government's outcomes based performance management framework, which requires the department to work towards achieving: a long and healthy life for all South Africans (outcome 2); decent employment through inclusive growth (outcome 4); and vibrant, equitable and sustainable rural communities with food security for all (outcome 7).

In working towards these outcomes, the social assistance system now supports 15.2 million South Africans and continues to be the largest budget responsibility of the department. In 2011/12, the South African Social Security Agency added 25 311 new old age grants, 58 160 foster care grants and 325 046 child support grant beneficiaries to the social grant payment system. Currently, 2 712 638 people receive the old age grant, 579 923 children the foster care grant and 10.8 million children benefit from child support grant payments. The department has successfully established an appeals tribunal to adjudicate social grants appeals and will now investigate the possibility of establishing an inspectorate to examine and maintain the integrity of the social security framework and systems.

The department will continue to support social security reform proposals aimed at introducing a mandatory pillar of social insurance to provide for retirement, disability and survivor benefits. Extensive consultations on specific proposals for the reforms will be undertaken during 2012. R10 million has been made available for the establishment of an inspectorate of social security to improve oversight over grant payments. An improved grant application process is being put into place to speed up and computerise the application processing system. These, together with the biometric identification system under the new payment contractor tender, the Special Investigating Unit and the anti-fraud division of the South African Social Security Agency, should ensure that the number of fraudulent beneficiaries is reduced and eventually eliminated.

#### Priorities over the medium term

The department's strategic priorities over the medium term are to strengthen welfare services and promote community development. It will do this by focusing on children, promoting and protecting older persons' rights, combating substance abuse and social crime, and working towards greater food security.

#### *Children*

The number of children in early childhood development sites subsidised by the department has increased from 270 096 in 2005 to 443 545 in 2011. The department will continue to expand access to early childhood development programmes to ensure that every child is given a good start early in life, an important aspect of the national development trajectory. This is supported by the budget allocations over the medium term, which emphasise strengthening child and youth care services, focusing on early childhood development and Isibindi projects, which are coordinated by the National Association of Child Care Workers. An additional 80 000 children will benefit from early childhood development services. The Isibindi projects will provide psychosocial support, particularly targeting rural communities, orphans and child-headed households. The projects focus on the appointment of child and youth care workers that provide support to children in their homes, and at the community level through safe parks and life skills programmes.

*Older persons*

Given the current trends in population demographics, which indicate that the size of the elderly population is growing by about 3 per cent per year over the MTEF period, one area of focus will be on active ageing, promoting and protecting the rights of older persons and promoting inter-generational solidarity that enables society to rely increasingly on the skills, experience and wisdom of older persons.

*Social crime*

Despite progress in expanding welfare services, the country continues to experience high levels of social crime, particularly violence against women and children. A key focus in 2012/13 will be on increasing resources to organisations working to prevent and reduce the incidence of children in conflict with the law and gender based violence.

In this regard, the department will also intensify its programmes to reduce substance abuse. These initiatives will include a review of policy and legislation regulating the marketing and distribution of alcoholic products.

*Promoting food security*

As part of government's strategic response to food insecurity and hunger experienced by poor and vulnerable groups, the department will lead the Food for All campaign, which involves creating awareness about how to prepare nutritious food, as well as about the need for households to create food gardens. The department will strive for coordination among various government programmes with similar goals and provide opportunities for other stakeholders to participate in addressing the plight of poor households experiencing food insecurity.

## Selected performance indicators

**Table 19.1 Social Development**

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total number of old age grant beneficiaries	Social Assistance	2.3 m	2.5 m	2.6 m	2.7 m	2.8 m	2.8 m	2.9 m
Total number of war veterans grant beneficiaries	Social Assistance	1 599	1 236	963	804	703	622	551
Total number of disability grant beneficiaries	Social Assistance	1.4 m	1.3 m	1.2 m	1.2 m	1.2 m	1.2 m	1.2 m
Total number of child support grant beneficiaries	Social Assistance	8.8 m	9.4 m	10.1 m	10.7 m	11.3 m	11.5 m	11.7 m
Total number of foster care grant beneficiaries	Social Assistance	476 394	489 322	490 390	590 030	671 307	768 776	873 457
Total number of care dependency grant beneficiaries	Social Assistance	107 065	118 972	120 917	123 109	133 915	140 726	146 587
Total number of grant-in-aid beneficiaries	Social Assistance	46 069	49 000	58 321	65 260	71 134	77 536	82 188
Percentage of appeals adjudicated within a period of 90 days.	Social Security Policy and Administration	-	-	-	80%	90%	100%	100%
Total number of social work scholarships awarded	Welfare Services Policy Development and Implementation Support	2 900	5 250	5 625	4 353	4 750	4 750	4 750
Total number of registered early childhood development centres captured on the national database	Welfare Services Policy Development and Implementation Support	10 755	15 837	18 826	21 013	23 200	25 387	27 574
Percentage of applications for registration as non-profit organisation dealt with within 2 months	Social Policy and Integrated Service Delivery	80%	77%	98%	80%	90%	100%	100%
Total number of facilities for older persons registered	Welfare Services Policy Development and Implementation Support	466	419	412	461	424	433	442
Total number of practitioners and service providers receiving accredited training on diversion services and social crime prevention programmes <sup>1</sup>	Welfare Services Policy Development and Implementation Support	-	-	600	800	900	1 000	1 100

1. No accreditation was done in the past.

## Expenditure estimates

**Table 19.2 Social Development**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
R thousand								
Administration	203 431	217 742	226 581	240 300	235 300	255 277	264 545	279 843
Social Assistance	70 715 885	79 259 748	87 492 906	97 103 213	96 703 213	104 887 916	113 206 841	121 982 101
Social Security Policy and Administration	4 699 658	5 253 754	5 768 082	6 244 549	6 237 549	6 308 700	6 644 591	6 994 443
Welfare Services Policy Development and Implementation Support	271 825	375 885	399 151	449 617	439 617	513 824	529 203	543 290
Social Policy and Integrated Service Delivery	205 881	211 031	144 310	246 208	243 208	251 044	262 616	276 543
<b>Total</b>	<b>76 096 680</b>	<b>85 318 160</b>	<b>94 031 030</b>	<b>104 283 887</b>	<b>103 858 887</b>	<b>112 216 761</b>	<b>120 907 796</b>	<b>130 076 220</b>
Change to 2011 Budget estimate				(448 810)	(873 810)	(1 307 267)	(1 167 751)	675 978

**Economic classification**

Current payments	426 619	464 908	500 533	544 860	519 860	626 808	643 272	662 905
Compensation of employees	184 066	220 123	246 980	279 892	279 892	307 718	326 156	345 498
Goods and services	242 553	244 685	253 508	264 968	239 968	319 090	317 116	317 407
<i>of which:</i>								
Administrative fees	2 925	3 525	2 689	8 531	8 531	10 965	11 400	12 124
Advertising	12 875	8 097	5 744	8 021	8 021	9 391	9 610	9 181
Assets less than the capitalisation threshold	3 183	552	694	1 492	1 492	2 053	2 173	2 340
Audit cost: External	9 941	11 603	9 768	8 030	8 030	9 994	10 056	10 353
Bursaries: Employees	535	678	1 136	1 232	1 232	1 219	1 279	1 346
Catering: Departmental activities	2 231	2 522	3 841	3 265	3 265	4 270	4 483	4 463
Communication	8 334	10 466	11 044	4 747	4 747	5 802	6 198	6 703
Computer services	16 086	9 583	23 540	11 558	11 558	11 621	12 214	12 495
Consultants and professional services: Business and advisory services	72 935	74 092	51 275	71 890	46 890	114 484	108 708	100 474
Consultants and professional services: Infrastructure and planning	–	–	–	2 000	2 000	2 300	2 500	3 000
Consultants and professional services: Legal costs	101	5 091	11 460	320	320	329	381	438
Contractors	2 633	4 759	5 130	6 002	6 002	5 020	5 286	5 688
Agency and support / outsourced services	380	2 381	3 440	4 871	4 871	5 622	5 843	6 164
Entertainment	377	766	393	353	353	423	467	551
Fleet services (including government motor transport)	7	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	8	75	15	87	87	120	126	131
Inventory: Materials and supplies	3	10	7	205	205	155	168	183
Inventory: Other consumables	251	294	455	301	301	901	986	1 070
Inventory: Stationery and printing	11 132	12 965	10 095	18 268	18 268	19 257	19 791	19 523
Lease payments	12 074	18 128	23 307	32 184	32 184	32 160	30 708	32 256
Property payments	–	1 846	3 431	10	10	–	–	–
Travel and subsistence	61 835	56 076	56 368	54 675	54 675	53 523	53 941	56 730
Training and development	4 611	4 726	3 306	6 208	6 208	6 835	7 116	7 569
Operating expenditure	4 844	1 812	2 237	3 200	3 200	3 089	3 289	3 500
Venues and facilities	15 252	14 638	24 133	17 518	17 518	19 556	20 392	21 125
Interest and rent on land	–	100	45	–	–	–	–	–

Table 19.2 Social Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
<b>Economic classification</b>								
<b>Transfers and subsidies</b>	<b>75 659 700</b>	<b>84 849 441</b>	<b>93 524 138</b>	<b>103 724 800</b>	<b>103 324 800</b>	<b>111 583 230</b>	<b>120 258 111</b>	<b>129 406 617</b>
Departmental agencies and accounts	4 878 459	5 523 678	5 940 856	6 549 017	6 549 017	6 622 533	6 974 715	7 343 508
Foreign governments and international organisations	1 359	1 860	1 509	2 418	2 418	2 344	2 458	2 584
Non-profit institutions	55 709	61 106	63 780	70 152	70 152	70 437	74 097	78 424
Households	70 724 173	79 262 797	87 517 993	97 103 213	96 703 213	104 887 916	113 206 841	121 982 101
<b>Payments for capital assets</b>	<b>8 309</b>	<b>3 811</b>	<b>6 173</b>	<b>14 227</b>	<b>14 227</b>	<b>6 723</b>	<b>6 413</b>	<b>6 698</b>
Machinery and equipment	8 309	3 811	5 881	13 868	13 868	6 368	6 008	6 243
Software and other intangible assets	–	–	292	359	359	355	405	455
<b>Payments for financial assets</b>	<b>2 052</b>	<b>–</b>	<b>186</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>76 096 680</b>	<b>85 318 160</b>	<b>94 031 030</b>	<b>104 283 887</b>	<b>103 858 887</b>	<b>112 216 761</b>	<b>120 907 796</b>	<b>130 076 220</b>

## Expenditure trends

Expenditure increased from R76.1 billion in 2008/09 to R104.3 billion in 2011/12, at an average annual rate of 11.1 per cent, mainly as a result of an extension of the child support grant to 18 years and the equalisation of the old age grant at 60 years. These grants, which use more than 90 per cent of the budget in each financial year, are where the department focuses its spending over the medium term, in order to boost the income of poor households who suffer the brunt of unemployment, poverty and deep inequalities that persist in South African society. The number of social grant beneficiaries increased from 13.1 million in 2008/09 to 15.6 million in 2011/12. Over the medium term, expenditure for the payment of social assistance grants is expected to increase to R122 billion, at an average annual rate of 7.9 per cent, to provide for inflation related increases to the grant values of the individual social assistance grant types. The government plans to pay social grants to 16.8 million beneficiaries by the end of March 2015.

In 2012/13, the department expects to transfer: R6.2 billion to the South African Social Security Agency to manage and administer the payments of social assistance grants to beneficiaries; R166.3 million to the National Development Agency; R256 million for social work bursaries; and R45.6 million for the loveLife programme. Transfers to departmental agencies are expected to increase from R6.5 billion in 2011/12 to R7.3 billion in 2014/15, at an average annual rate of 3.9 per cent. Transfers, however, increased at a rate lower than inflation over the MTEF period, due to efficiency savings.

The department receives the following additional allocations over the medium term:

- R90.3 million in 2012/13, R95.5 million in 2013/14 and R108.2 million in 2014/15 to pay social assistance grants to additional categories of refugees with official refugee status
- R6.7 million in 2012/13, R5.5 million in 2013/14 and R5.8 million in 2014/15 to support the rollout of child and youth care services through the Isibindi model
- R600 million in 2014/15 to provide for a projected shortfall on social grants
- R5.7 million in 2012/13, R6.3 million in 2013/14 and R7 million in 2014/15 for salary adjustments in the department
- R30 million in 2012/13, R31.5 million in 2013/14 and R33 million in 2014/15 to the South African Social Security Agency for salary adjustments
- R8.6 million in 2012/13, R8.4 million in 2013/14 and R8 million in 2014/15 to build capacity in the oversight function of the department to oversee the public entities, statutory bodies and boards
- R8.4 million in 2012/13, R6 million in 2013/14 and R6.7 million in 2014/15 to strengthen the victim empowerment programme

- R24.4 million in 2012/13 and R16.5 million in 2013/14 to audit early childhood development facilities across the country.

In aggregate over the MTEF period, Cabinet approved the total baseline reduction of R2.9 billion (R1.5 billion, R1.3 billion and R102.6 million). Details of the Cabinet approved baseline cuts will be discussed under the relevant subprogrammes.

Spending on consultants is equivalent to 29 per cent of the department's budget allocation for compensation of employees over the MTEF period. Additional funds are allocated for consultants to develop, upgrade and maintain information systems; and to conduct the infrastructure feasibility study and perform an audit of early childhood development centres.

## Personnel information

**Table 19.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup> 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<b>Department</b>	<b>688</b>	<b>688</b>	<b>106</b>	<b>607</b>	<b>612</b>	<b>625</b>	<b>628</b>	<b>749</b>	<b>749</b>	<b>749</b>
Salary level 1 – 6	165	165	57	145	157	150	152	175	175	175
Salary level 7 – 10	246	246	34	217	206	216	221	281	281	281
Salary level 11 – 12	171	171	3	154	148	159	157	182	182	182
Salary level 13 – 16	106	106	12	91	101	100	98	111	111	111
<b>Administration</b>	<b>335</b>	<b>335</b>	<b>39</b>	<b>276</b>	<b>250</b>	<b>295</b>	<b>301</b>	<b>335</b>	<b>335</b>	<b>335</b>
Salary level 1 – 6	104	104	19	93	89	94	97	104	104	104
Salary level 7 – 10	121	121	18	102	86	100	104	121	121	121
Salary level 11 – 12	58	58	–	47	45	53	50	58	58	58
Salary level 13 – 16	52	52	2	34	30	48	50	52	52	52
<b>Social Security</b>	<b>58</b>	<b>58</b>	<b>47</b>	<b>45</b>	<b>39</b>	<b>53</b>	<b>51</b>	<b>95</b>	<b>95</b>	<b>95</b>
<b>Policy and Administration</b>										
Salary level 1 – 6	10	10	31	6	4	8	8	15	15	15
Salary level 7 – 10	11	11	11	10	5	10	10	35	35	35
Salary level 11 – 12	17	17	2	16	11	16	16	23	23	23
Salary level 13 – 16	20	20	3	13	19	19	17	22	22	22
<b>Welfare Services</b>	<b>179</b>	<b>179</b>	<b>12</b>	<b>152</b>	<b>167</b>	<b>171</b>	<b>172</b>	<b>179</b>	<b>179</b>	<b>179</b>
<b>Policy Development and Implementation</b>										
<b>Support</b>										
Salary level 1 – 6	27	27	1	17	23	26	25	27	27	27
Salary level 7 – 10	67	67	5	55	64	62	65	67	67	67
Salary level 11 – 12	65	65	1	60	56	63	64	65	65	65
Salary level 13 – 16	20	20	5	20	24	20	18	20	20	20
<b>Social Policy and Integrated Service Delivery</b>	<b>116</b>	<b>116</b>	<b>8</b>	<b>134</b>	<b>156</b>	<b>106</b>	<b>104</b>	<b>140</b>	<b>140</b>	<b>140</b>
Salary level 1 – 6	24	24	6	29	41	22	22	29	29	29
Salary level 7 – 10	47	47	–	50	51	44	42	58	58	58
Salary level 11 – 12	31	31	–	31	36	27	27	36	36	36
Salary level 13 – 16	14	14	2	24	28	13	13	17	17	17

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

As at 30 September, the department had a total funded establishment of 688 posts, excluding the minister and deputy minister. There were 106 posts at the senior level, 7 of which were vacant, 171 at the middle management level, 14 of which were vacant, and 411 at the lower level, 38 of which were vacant. In 2011/12, the department began a process to align its organisational structure with its key functions.

The department had a steady personnel growth from 2008/09 to 2011/12. Personnel increased from 607 posts in 2008/09 to 628 in 2011/12. Filled posts are expected to increase to 749 over the MTEF period.

The *Administration* programme had 335 employees, which constituted 44.7 per cent of the total establishment of the department. The ratio of support staff to line staff was 1:2.2.



## Departmental receipts

Table 19.4 Receipts

R thousand	Audited outcome			Adjusted estimate 2011/12	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11			2012/13	2013/14	2014/15
<b>Departmental receipts</b>	<b>16 484</b>	<b>30 617</b>	<b>10 508</b>	<b>10 080</b>	<b>22 035</b>	<b>15 640</b>	<b>16 845</b>	<b>18 060</b>
<b>Sales of goods and services produced by department</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>35</b>	<b>40</b>	<b>45</b>	<b>60</b>
Other sales	-	-	-	40	35	40	45	60
<i>of which:</i>								
<i>Sale of tender documents</i>	-	-	-	40	35	40	45	60
<b>Interest, dividends and rent on land</b>	<b>16 055</b>	<b>17 591</b>	<b>4 083</b>	<b>10 040</b>	<b>5 000</b>	<b>5 600</b>	<b>5 800</b>	<b>6 000</b>
Interest	16 055	17 591	4 083	10 040	5 000	5 600	5 800	6 000
<b>Sales of capital assets</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>429</b>	<b>12 921</b>	<b>6 425</b>	<b>-</b>	<b>17 000</b>	<b>10 000</b>	<b>11 000</b>	<b>12 000</b>
<b>Total</b>	<b>16 484</b>	<b>30 617</b>	<b>10 508</b>	<b>10 080</b>	<b>22 035</b>	<b>15 640</b>	<b>16 845</b>	<b>18 060</b>

Revenue is derived from interest earned on social assistance transfer funds deposited into the bank accounts of cash payment contractors before they are disbursed to beneficiaries, and recoveries from dormant accounts of social assistance grant beneficiaries. Other departmental receipts include interest on debt, cancelled uncashed cheques, parking fees for senior managers, recoveries of private telephone expenses and breach of study contracts.

Revenue increased from R16.5 million in 2008/09 to R22 million in 2011/12, due to interest earned. It decreases to R18.1 million in 2014/15.

## Programme 1: Administration

### Expenditure estimates

Table 19.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Ministry	26 140	31 680	25 683	23 740	19 741	20 710	21 885
Department Management	50 465	48 830	49 760	53 792	60 785	63 534	67 160
Corporate Management	73 029	70 842	83 817	84 616	84 316	89 020	94 247
Finance	40 923	46 927	39 947	46 032	47 963	50 271	53 102
Internal Audit	3 266	3 001	4 996	5 164	12 645	12 708	13 449
Office Accommodation	9 608	16 462	22 378	26 956	29 827	28 302	30 000
<b>Total</b>	<b>203 431</b>	<b>217 742</b>	<b>226 581</b>	<b>240 300</b>	<b>255 277</b>	<b>264 545</b>	<b>279 843</b>
Change to 2011 Budget estimate				6 276	9 938	8 694	7 034

#### Economic classification

	199 492	213 767	223 347	235 338	252 286	262 055	277 202
<b>Current payments</b>							
Compensation of employees	83 186	95 765	104 974	123 024	135 611	143 747	152 372
Goods and services	116 306	117 908	118 328	112 314	116 675	118 308	124 830
<i>of which:</i>							
<i>Administrative fees</i>	622	859	367	5 311	4 266	4 606	4 904
<i>Advertising</i>	3 151	1 119	2 004	992	1 146	1 240	1 396
<i>Assets less than the capitalisation threshold</i>	1 875	338	100	1 183	1 714	1 816	1 965
<i>Audit cost: External</i>	9 941	11 603	9 768	8 030	9 994	10 056	10 353
<i>Bursaries: Employees</i>	461	678	1 136	992	1 022	1 073	1 127
<i>Catering: Departmental activities</i>	879	1 069	394	622	1 048	1 120	1 237

Table 19.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Economic classification</b>							
<b>Current payments</b>							
Communication	7 921	9 932	6 642	2 795	2 809	3 064	3 390
Computer services	12 898	8 884	22 890	8 732	8 795	9 247	9 350
Consultants and professional services: Business and advisory services	25 916	24 643	14 060	13 292	15 977	16 457	17 279
Consultants and professional services: Infrastructure and planning	–	–	–	2 000	2 300	2 500	3 000
Consultants and professional services: Legal costs	–	–	359	320	329	381	438
Contractors	2 073	2 532	778	5 030	4 086	4 309	4 656
Agency and support / outsourced services	380	1 326	1 856	2 198	2 874	2 957	3 108
Entertainment	286	72	129	177	218	254	325
Fleet services (including government motor transport)	7	–	–	–	–	–	–
Inventory: Fuel, oil and gas	8	70	15	86	120	125	130
Inventory: Materials and supplies	3	10	1	4	4	9	14
Inventory: Other consumables	185	242	219	230	247	299	343
Inventory: Stationery and printing	4 185	4 274	1 973	5 729	5 562	5 699	5 987
Lease payments	10 796	17 262	20 682	25 682	28 256	26 589	27 874
Property payments	–	1 765	3 121	10	–	–	–
Travel and subsistence	23 369	25 148	25 062	21 864	18 682	18 867	19 784
Training and development	3 058	2 060	2 491	3 170	3 355	3 471	3 733
Operating expenditure	4 003	1 210	1 212	1 482	1 368	1 486	1 593
Venues and facilities	4 289	2 812	3 069	2 383	2 503	2 683	2 844
Interest and rent on land	–	94	45	–	–	–	–
<b>Transfers and subsidies</b>	<b>–</b>	<b>1 433</b>	<b>41</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	–	1 433	41	–	–	–	–
<b>Payments for capital assets</b>	<b>3 939</b>	<b>2 542</b>	<b>3 032</b>	<b>4 962</b>	<b>2 991</b>	<b>2 490</b>	<b>2 641</b>
Machinery and equipment	3 939	2 542	2 740	4 603	2 636	2 085	2 186
Software and other intangible assets	–	–	292	359	355	405	455
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>161</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>203 431</b>	<b>217 742</b>	<b>226 581</b>	<b>240 300</b>	<b>255 277</b>	<b>264 545</b>	<b>279 843</b>

**Details of transfers and subsidies**

<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	–	1 433	41	–	–	–	–
Employee social benefits	–	1 433	41	–	–	–	–

**Expenditure trends**

Expenditure increased from R203.4 million in 2008/09 to R240.3 million in 2011/12, at an average annual rate of 5.7 per cent, and is projected to increase to R279.8 million over the medium term, at an average annual rate of 5.2 per cent, due to inflationary increases. Office lease costs, a key expenditure item, are expected to be R28.3 million in 2012/13, R26.6 million in 2013/14 and R27.9 million in 2014/15.

The *Internal Audit* subprogramme receives an additional allocation of R25 million over the MTEF period to strengthen the department's oversight capacity on public entities, statutory bodies and boards.

Spending on consultants increases from R16 million to R17.3 million over the MTEF period, which is the equivalent of 11.5 per cent of the programme's spending on compensation of employees over this period. Consultants are used to develop, upgrade and maintain information systems.

## Programme 2: Social Assistance

### Objectives and measures

- Ensure the provision of a social assistance safety net in 2012/13, by transferring funds to the South African Social Security Agency for the transfer of grants to the households under their administration:
  - 2.8 million older person with income and assets below the set thresholds
  - 1.2 million disabled persons with income and assets below the set thresholds
  - 11.3 million children whose caregivers receive an income and assets below the set thresholds approximately 133 915 children with serious disabilities (care dependency grant) whose caregivers earn an income below the set threshold
  - 671 307 foster children.

### Subprogrammes

- *Social Assistance Transfers* provides for the payment of social assistance grants to beneficiaries that qualify for social assistance in terms of the Social Security Act (2004).
- *Old Age* provides income support to persons above the age of 60. These grants cost R37.3 billion in 2011/12 and 2 724 404 old age persons should have benefited by the end of 2011/12.
- *War Veterans* provides a grant for the men and women who fought in World War II and the Korean War. These grants cost R12 million in 2011/12 and 804 war veterans should have benefited by the end of 2011/12.
- *Disability* provides a grant for people living with a permanent or temporary disability. The grants cost R17.8 billion in 2011/12 and 1 215 641 disabled persons should have benefited by the end of 2011/12.
- *Foster Care* provides grants for children placed in foster care through a court order in terms of the Children's Act (2005). In 2011/12, approximately 597 851 foster children received a grant. The number of foster children is projected to increase to 874 000 by 2014/15. The grants are estimated to have cost R5.2 billion in 2011/12.
- *Care Dependency* provides a grant to caregivers in support of caring for a child who is mentally or physically disabled. The grant cost R1.9 billion in 2011/12 and 125 914 care dependent children should have benefited by the end of 2011/12.
- *Child Support* provides a grant to primary caregivers of children under the age of 18 years. The grant cost R34.4 billion in 2011/12 and 10 902 647 children should have benefited by the end of 2011/12.
- *Grant-in-aid* is an additional grant to the recipients of the older persons grant, disability grant and war veteran's grant who require regular attendance from another person due to their physical or mental condition. These grants cost R192 million in 2011/12 and 61 425 beneficiaries should have benefited by the end of 2011/12.
- *Social Relief* provides temporary income support, food parcels or other forms of relief to those facing undue hardship. This assistance, in the form of food parcels, cost R118 million in 2011/12.

## Expenditure estimates

**Table 19.6 Social Assistance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Old Age	25 933 971	29 826 420	33 750 600	37 318 583	39 323 119	42 526 169	45 822 550
War veterans	19 692	16 644	13 976	12 000	12 902	9 826	10 588
Disability	16 473 425	16 566 681	16 840 182	17 834 220	19 152 386	20 410 298	21 992 385
Foster Care	3 934 759	4 434 346	4 616 442	5 244 679	5 951 842	6 214 964	6 696 712
Care Dependency	1 292 470	1 434 143	1 586 452	1 948 063	1 856 901	2 106 957	2 270 276
Child Support	22 348 556	26 669 761	30 341 465	34 435 679	38 237 293	41 553 260	44 774 226
Grant-in-aid	90 000	146 295	170 052	191 989	188 144	202 855	218 579
Social Relief	623 012	165 458	173 737	118 000	165 329	182 512	196 785
<b>Total</b>	<b>70 715 885</b>	<b>79 259 748</b>	<b>87 492 906</b>	<b>97 103 213</b>	<b>104 887 916</b>	<b>113 206 841</b>	<b>121 982 101</b>
Change to 2011 Budget estimate				(457 000)	(1 367 700)	(1 202 500)	708 198

**Economic classification**

<b>Transfers and subsidies</b>	<b>70 715 885</b>	<b>79 259 748</b>	<b>87 492 906</b>	<b>97 103 213</b>	<b>104 887 916</b>	<b>113 206 841</b>	<b>121 982 101</b>
Households	70 715 885	79 259 748	87 492 906	97 103 213	104 887 916	113 206 841	121 982 101
<b>Total</b>	<b>70 715 885</b>	<b>79 259 748</b>	<b>87 492 906</b>	<b>97 103 213</b>	<b>104 887 916</b>	<b>113 206 841</b>	<b>121 982 101</b>

**Details of transfers and subsidies**

Households							
Social benefits							
Current	70 715 885	79 259 748	87 492 906	97 103 213	104 887 916	113 206 841	121 982 101
Old age grant	25 933 971	29 826 420	33 750 600	37 318 583	39 323 119	42 526 169	45 822 550
War veterans grant	19 692	16 644	13 976	12 000	12 902	9 826	10 588
Disability grant	16 473 425	16 566 681	16 840 182	17 834 220	19 152 386	20 410 298	21 992 385
Foster care grant	3 934 759	4 434 346	4 616 442	5 244 679	5 951 842	6 214 964	6 696 712
Care dependency grant	1 292 470	1 434 143	1 586 452	1 948 063	1 856 901	2 106 957	2 270 276
Child support grant	22 348 556	26 669 761	30 341 465	34 435 679	38 237 293	41 553 260	44 774 226
Grant-in-aid	90 000	146 295	170 052	191 989	188 144	202 855	218 579
Social relief assistance	623 012	165 458	173 737	118 000	165 329	182 512	196 785

## Expenditure trends

Expenditure on social assistance grants increased from R70.7 billion in 2008/09 to R97.1 billion in 2011/12, at an average annual rate of 11.1 per cent, and is projected to increase to R122 billion over the medium term, at an average annual rate of 7.9 per cent. The increase in both periods caters for an increase in the number of beneficiaries receiving social grants and inflation related adjustments to the individual grant values. Spending related to increasing the age limit for receiving the child support grant to 18, and due to the equalising of the old age grant for men to 60 years, which had been mostly phased in by the end of 2011/12. The percentage increase of beneficiaries receiving social grants was 6 per cent per year in 2010/11 and 2 to 3 per cent per year by the end of 2014/15, showing a declining rate of increase.

The number of social assistance grant beneficiaries increased from 13.1 million in March 2009 to over 15.2 million as at 31 December 2011. It is projected that the number of beneficiaries will increase to approximately 16.7 million by March 2015. R294 million is allocated over the MTEF period to pay social assistance grants to officially recognised refugees added to the group of beneficiaries, following several court challenges and previous amendments to disability and care dependency grants. A further R600 million has been allocated to provide for the projected shortfall on social grants in 2014/15. It is anticipated that more beneficiaries will apply than originally projected, based on the latest beneficiary trends.

R2.8 billion was approved as a baseline reduction over the MTEF period and R588.4 million of this was reprioritised to the different priority areas.

**Table 19.7 Social grants beneficiary numbers by type of grant, 2008/09 to 2014/15**

Type of grant	March 2009	March 2010	March 2011	March 2012 projected	March 2013 projected	March 2014 projected	March 2015 projected
Old age	2 343 995	2 489 637	2 646 732	2 724 404	2 772 745	2 835 018	2 881 146
War veterans	1 599	1 236	963	804	706	621	551
Disability	1 371 712	1 298 770	1 211 943	1 215 641	1 192 444	1 195 629	1 195 996
Foster care	476 394	489 322	490 390	597 851	671 307	768 645	874 001
Care dependency	107 065	118 972	120 917	125 914	131 246	140 965	146 658
Child support	8 765 354	9 380 713	10 153 635	10 902 647	11 300 559	11 548 698	11 658 553
Grant-in-aid	46 069	49 000	58 500	61 425	65 110	68 366	69 147
<b>Total (Excluding Grant-in aid)</b>	<b>13 066 118</b>	<b>13 778 649</b>	<b>14 624 580</b>	<b>15 567 261</b>	<b>16 069 007</b>	<b>16 489 577</b>	<b>16 756 905</b>

## Programme 3: Social Security Policy and Administration

### Objectives and measures

- Introduce social security reform including a mandatory retirement, disability and survivor benefit system by:
  - undertaking broad public consultation in respect of social security reforms through the National Economic Development and Labour Council forum by January 2013
  - setting up of the National Social Security Fund by March 2013
  - obtaining social cluster support for the creation of a Department of Social Security by March 2013.
- Improve the targeting of the disability grant by drafting regulations for the implementation of the harmonised assessment tools and providing training in all nine provinces by November 2012.
- Assess long term affordability of social services costs by launching a social budget for South Africa programme by March 2012.
- Strengthen social security by initiating policy consultations on universalising the old age, disability and children's grants by October 2012.
- Develop and review social security policy by:
  - establishing a programme management unit to oversee the policy establishment process through various functional subprograms and work streams by September 2012
  - conducting a comprehensive legislative review process to inform a policy proposal for the inspectorate for social security by March 2013
  - drafting the Social Assistance Amendment Bill and introducing it to Parliament to make provision for refugees to access social grants by 2012/13
  - establishing an inspectorate for social security, which will be responsible for the systematic assessments of legislative compliance, investigations of financial misconduct and any other necessary intervention to combat leakage and fraud associated with the social assistance administration system, to begin full operations by March 2015.
- Improve social security administration by enhancing capacity to improve service delivery by upgrading 300 pay points and improve the office space environment over the MTEF period.
- Provide an effective, efficient and accessible social assistance appeals service by adjudicating 90 per cent of the lodged appeals within 90 days of receiving them.
- Enhance the integrity of the social grants system by:
  - enhancing the national departments oversight through 4 interface meetings with the South African Social Security Agency by March 2013
  - producing quarterly social pensions data integrity reports to assess leakage in the grants administration system with proposals to reduce fraud
  - reviewing the legislation and finalising a business case for the establishment of the inspectorate for social assistance by March 2013.

## Subprogrammes

- *Social Security Policy Development* provides for the development and review of social security policy and legislation. This subprogramme had a staff complement of 45 and a total budget of R42 million in 2011/12, of which 37.5 per cent was used for compensation of employees. Key research areas for 2012/13 will include an investigation into the provision of support to vulnerable pregnant women, the development of a social budget, social security and youth, social assistance in support of alternative care arrangements, impact evaluation of child support grant, inputs into the government wide social security reform proposals with a specific focus on the introduction of a national social security fund to provide mandatory retirement, and death and disability benefits for those in formal employment.
- *Appeals Adjudication* provides a fair and just independent adjudication service for social assistance appeals. The unit had a total budget of R50.5 million in 2011/12, of which 33.3 per cent was used for compensation of employees. The unit finalised its establishment with footprints in all provinces to ensure easy access to its services. The unit had a backlog of 21 152 social assistance appeals, which will be dealt with by March 2012.
- *Social Grants Administration* provides for the operational costs of the South African Social Security Agency. R6.1 billion will be transferred to the agency for the administration of the grants, its own operations, the management information system and the reimbursement of payment contractors. Budget cuts of R130 million over the medium term (R20 million, R30 million, and R80 million) have been identified in the South African Social Security Agency.
- *Social Grants Fraud Investigations* provides for the continued funding of fraud investigations conducted by the South African Social Security Agency in partnership with law enforcement agencies. In 2011/12, R73.1 million was transferred to the agency for investigations. Budget cuts of R30 million over the medium term (R10 million, R10 million and R10 million) have been identified in this subprogramme.

## Expenditure estimates

**Table 19.8 Social Security Policy and Administration**

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Social Security Policy Development	38 875	29 482	71 164	41 960	56 055	58 143	60 841
Appeals Adjudication	23 197	47 772	56 055	50 522	43 454	45 931	48 687
Social Grants Administration	4 630 292	5 168 896	5 631 387	6 070 568	6 133 526	6 460 607	6 799 653
Social Grants Fraud Investigations	–	–	–	73 089	66 744	70 581	75 416
Programme Management	7 294	7 604	9 476	8 410	8 921	9 329	9 846
<b>Total</b>	<b>4 699 658</b>	<b>5 253 754</b>	<b>5 768 082</b>	<b>6 244 549</b>	<b>6 308 700</b>	<b>6 644 591</b>	<b>6 994 443</b>
Change to 2011 Budget estimate				147	12 675	3 764	(44 655)

### Economic classification

Current payments	56 794	81 758	108 749	97 201	106 088	110 934	116 758
Compensation of employees	19 290	25 329	32 988	36 340	43 930	46 326	48 864
Goods and services	37 504	56 429	75 761	60 861	62 158	64 608	67 894
<i>of which:</i>							
Administrative fees	733	1 735	1 162	168	174	183	193
Advertising	1 006	1 274	203	709	730	770	813
Assets less than the capitalisation threshold	529	36	459	83	87	92	98
Bursaries: Employees	74	–	–	100	50	53	56
Catering: Departmental activities	207	147	1 170	342	357	375	396
Communication	71	117	3 063	953	966	1 015	1 075
Computer services	3 181	11	649	2 824	2 824	2 965	3 143
Consultants and professional services: Business and advisory services	21 269	28 184	22 002	31 046	37 002	38 460	40 098
Consultants and professional services: Legal costs	–	4 977	10 846	–	–	–	–

Table 19.8 Social Security Policy and Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Economic classification</b>							
Contractors	49	233	3 928	462	378	397	420
Agency and support / outsourced services	–	1 007	1 351	2 140	2 179	2 292	2 426
Entertainment	1	7	153	55	57	59	63
Inventory: Materials and supplies	–	–	–	200	150	158	167
Inventory: Other consumables	33	9	207	15	18	19	21
Inventory: Stationery and printing	1 484	2 895	1 614	3 925	2 969	3 170	3 416
Lease payments	59	75	2 288	6 102	3 374	3 567	3 811
Property payments	–	81	279	–	–	–	–
Travel and subsistence	6 677	10 804	13 491	8 161	7 771	7 799	8 280
Training and development	564	489	149	1 583	1 646	1 734	1 831
Operating expenditure	73	388	543	813	814	855	906
Venues and facilities	1 494	3 960	12 204	1 180	612	645	681
<b>Transfers and subsidies</b>	<b>4 639 406</b>	<b>5 171 790</b>	<b>5 657 053</b>	<b>6 144 766</b>	<b>6 201 438</b>	<b>6 532 417</b>	<b>6 876 369</b>
Departmental agencies and accounts	4 630 292	5 168 896	5 631 387	6 143 657	6 200 270	6 531 188	6 875 069
Foreign governments and international organisations	826	897	864	1 109	1 168	1 229	1 300
Non-profit institutions	–	500	–	–	–	–	–
Households	8 288	1 497	24 802	–	–	–	–
<b>Payments for capital assets</b>	<b>1 406</b>	<b>206</b>	<b>2 272</b>	<b>2 582</b>	<b>1 174</b>	<b>1 240</b>	<b>1 316</b>
Machinery and equipment	1 406	206	2 272	2 582	1 174	1 240	1 316
<b>Payments for financial assets</b>	<b>2 052</b>	<b>–</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>4 699 658</b>	<b>5 253 754</b>	<b>5 768 082</b>	<b>6 244 549</b>	<b>6 308 700</b>	<b>6 644 591</b>	<b>6 994 443</b>
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>4 630 292</b>	<b>5 168 896</b>	<b>5 631 387</b>	<b>6 143 657</b>	<b>6 200 270</b>	<b>6 531 188</b>	<b>6 875 069</b>
South African Social Security Agency	4 630 292	5 168 896	5 631 387	6 143 657	6 200 270	6 531 188	6 875 069
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>826</b>	<b>897</b>	<b>864</b>	<b>1 109</b>	<b>1 168</b>	<b>1 229</b>	<b>1 300</b>
International Social Security Association	826	897	817	1 059	1 118	1 179	1 250
International Organisation of Pension Supervisors	–	–	47	50	50	50	50
<b>Non-profit institutions</b>							
<b>Current</b>	<b>–</b>	<b>500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
FinMark Trust	–	500	–	–	–	–	–
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	–	–	18	–	–	–	–
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>8 288</b>	<b>1 497</b>	<b>24 784</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Social relief	8 288	1 497	24 784	–	–	–	–
Disaster relief	–	–	–	–	–	–	–

## Expenditure trends

The cost of administering the social grant system took up approximately 6 per cent of total expenditure on grants in 2011/12 and will decline to 5.4 per cent in 2014/15. It is projected that the number of beneficiaries paid by the South African Social Services Agency will have increased from 15.7 million in December 2011 to about 16.8 million by the end of March 2015. Expenditure increased from R4.7 billion in 2008/09 to R6.2 billion in 2011/12, at an average annual rate of 9.9 per cent, and is expected to increase to R7 billion over the medium term, at an average annual rate of 3.9 per cent, due to an inflationary adjustment. Additional funding of R94.5 million is allocated to the South African Social Security Agency for improved conditions of service over the MTEF period. Also included in the allocation to the agency is R200 million in 2012/13, R215 million in 2013/14 and R227.9 million in 2014/15 for the implementation and rollout of the integrated grants application process and the implementation of a new social grants payment model.

Spending on consultants was R31 million in 2011/12. Consultants mainly provide advisory services for the panel members of the Independent Tribunal for Social Assistance Appeals.

R160 million was approved as a baseline reduction over the MTEF period and R30 million of this was reprioritised to the inspectorate function.

## Programme 4: Welfare Services Policy Development and Implementation Support

### Objectives and measures

- Facilitate enhanced welfare service provision by:
  - conducting a comprehensive evaluation study on the state of social welfare services by 2013/14
  - facilitating the implementation of the social welfare services framework in five provinces (Gauteng, Limpopo, Northern Cape, KwaZulu-Natal, North West) by March 2013
  - implementing the generic norms and standards in five provinces (Gauteng, Limpopo, Northern Cape, KwaZulu-Natal, North West) by March 2013
  - implementing the human resource model for social welfare services in five provinces (Gauteng, Limpopo, Northern Cape, KwaZulu-Natal, North West) by March 2013
  - increasing the total number of scholarships awarded to social work students to 4 750 by March 2013
  - conducting an impact evaluation on the scholarship programme by March 2013
  - improving funding support to non-governmental organisations and statutory bodies by March 2015
  - facilitating the approval of the policy on social service professions by March 2013.
- Create an environment that enables the protection and promotion of older persons' rights by:
  - providing residential and community based care services to older persons by 2013
  - registering 206 residential facilities and ensuring compliance with norms and standards by March 2013
  - ensuring that 50 per cent of reported cases on elder abuse are referred and resolved by social workers within 120 days of receiving them by March 2013
  - implementing community based services (intergenerational and active ageing programmes) in 4 provinces (Gauteng, Mpumalanga, North West, Limpopo) by March 2013.
- Protect and promote the rights of people with disabilities by:
  - facilitating the approval of a policy on social development services to people with disabilities by March 2013
  - developing a draft bill on social development services to people with disabilities by March 2013
  - training national and provincial officials on disability mainstreaming (the integration of disability into the planning, budgeting and implementation processes of the Department of Social Development) by March 2013.
- Improve services to children in their first 1 000 days from birth by providing access to early childhood development centres, nutritious food, and early learning by:



- increasing access to early childhood development programmes for children between 0 and school going age by 10 per cent in 2012/13
- conducting a comprehensive audit of 5 487 early childhood development centres in all provinces by March 2013
- establishing the project management office for the initial rollout of the Isibindi model, benefiting 858 000 children and adolescents, targeting rural communities, orphans and child headed households, by employing 10 000 youth workers to offer psycho social support and supervised activities
- strengthening the child protection services through the implementation of child care and protection measures and ensuring that:
  - the number of children accessing adoption services increases by 5 per cent by March 2013
  - the number of children accessing drop-in centres increases by 15 per cent by March 2013
  - registered partial care facilities increase by 10 per cent by March 2013
  - the number of children accessing foster care services increase by 10 per cent by March 2013
  - the number of children accessing children and youth care centres increases by 10 per cent by March 2013
  - 4 000 employees working with children are screened against the National Child Protection Register by 2013.
- Promote and strengthen families in South Africa by:
  - facilitating the approval of the White Paper on families by March 2013
  - implementing the integrated parenting framework by March 2013
  - implementing the research recommendations on the effectiveness of services to families by March 2013.
- Reduce the incidence of substance abuse in communities by providing treatment and prevention services by:
  - implementing the national anti-substance abuse programme of action at national level and in all 9 provinces by March 2013
  - finalising and facilitating the approval of the regulations for the Prevention of and Treatment for Substance Abuse Act (2008) by March 2013
  - facilitating the implementation of the treatment model in 4 provinces (Gauteng, Kwazulu Natal, Eastern Cape, Mpumalanga) by March 2013
  - intensifying the anti-substance abuse campaign nationwide by March 2013
  - facilitating the review and approval of the national drug master plan by March 2013.
- Reduce the incidence of social crime through capacity building and the monitoring of service implementation by:
  - training practitioners and 600 service providers on the social crime prevention programme, accreditation of diversion services and minimum norms and standards by March 2013
  - monitoring the implementation of the national integrated social crime prevention strategy action plan by all provinces in 2012/13
  - monitoring the implementation of the social crime prevention programmes in all provinces by March 2013.
- Improve the provision of the victim empowerment services in provinces by 2013 by:
  - completing draft legislation on victim support services by March 2013
  - facilitating the implementation of a gender based violence programme in all 9 provinces by March 2013
  - developing and piloting the accreditation system on anti-human trafficking by March 2013.
- Develop and facilitate the implementation of responsive and focused youth mobilisation, services and development by:
  - conducting youth outreach programmes in all provincial districts by March 2013
  - facilitating the implementation of intergenerational programmes in all provincial districts by March 2013

- facilitating the implementation of 18 youth social awareness and personal development camps nationwide by March 2013
- training 150 youth mentors by March 2012
- facilitating the participation of 200 young people who are in secure care facilities on leadership programmes by March 2013.
- Contribute to reducing the incidence and minimising the burden and psychosocial impact of HIV and AIDS and TB by facilitating a programme to reduce new HIV and AIDS infections by at least 50 per cent through social and behavioural change interventions, by March 2016 by:
  - reaching 27 wards, through social and behavioural change interventions by conducting dialogues in communities by March 2013
  - training 500 young people as facilitators to render social behaviour programmes by March 2013
  - facilitating 18 community conversations on HIV and AIDS by March 2013
  - ensuring that 408 funded home and community based care organisations implement social and behaviour programmes by March 2013.
- Mitigate the impact of HIV and AIDS, tuberculosis and other chronic illnesses by:
  - providing psychosocial support services to 442 112 targeted households and 980 000 orphaned and vulnerable children by March 2013
  - providing psychosocial support services to 49 226 child headed households by March 2013
  - providing psychosocial support services to 13 850 youth headed (age 18 to 25 years) households by March 2013.
- Strengthen the capacity of community based organizations by:
  - training 90 home based care community organisations on management by March 2013
  - ensuring that 531 funded home and community based care organisations report in accordance with the monitoring and evaluation system by March 2013
  - ensuring that 600 funded home and community based care organisations comply with norms and standards for delivering home community based care by March 2013
  - facilitating the strengthening of 9 functional provincial and 42 districts coordinating structures by March 2013.

## Subprogrammes

- *Service Standards* ensures the transformation and standardisation of social welfare services through developing and coordinating policies and legislation that promote integration and quality driven and professional service delivery. This subprogramme had a staff complement of 24 and a total budget of R21 million in 2011/12, of which 39.4 per cent was used for compensation of employees.
- *Substance Abuse* develops, supports and monitors the implementation of policies, legislation, and norms and standards for treating substance abuse. This subprogramme had a staff complement of 9 and a total budget of R10.5 million in 2011/12, of which 32.3 per cent was used for compensation of employees.
- *Older Persons* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to older people. The Older Persons Act (2010) is being implemented to promote, protect and uphold the rights of older persons. This subprogramme had a staff complement of 8 and a total budget of R9.6 million in 2011/12, of which 34.1 per cent was used for compensation of employees. Some of the funds were used to support 466 older persons' facilities in 2008/09 and 461 facilities were supported in 2011/12. It is expected that the budget will grow to R11.2 million in 2014/15, supporting 442 older persons' facilities.
- *People with Disabilities* develops, supports and monitors the implementation of policies, legislation and norms and standards for social welfare services to people with disabilities. Auditing of residential facilities, standardisation of services and the upholding of the rights of people with disabilities are some of the activities undertaken by the subprogramme. This subprogramme had a staff complement of 8 and a total budget of R8.4 million in 2011/12, of which 34.9 per cent was used for compensation of employees.
- *Children* develops, supports and monitors the implementation of policies, legislation, and norms and

standards for social welfare services to children. This subprogramme had a staff complement of 55 and a total budget of R39.4 million in 2011/12, of which 57 per cent was used for compensation of employees. An additional allocation of R24.4 million in 2012/13 has been allocated to audit all early childhood development facilities in South Africa.

- *Families* develops, supports and monitors the implementation of policies, legislation and programmes to strengthen families. This subprogramme had a staff complement of 9 and a total budget of R7.8 million in 2011/12, of which 48.9 per cent was used for compensation of employees.
- *Social Crime Prevention and Victim Empowerment* develops, supports and monitors the implementation of policies, legislation and programmes to protect, empower and support child, youth and adult offenders, and victims of crime and violence. This subprogramme had a staff complement of 22 and a total budget of R27.4 million, of which 32.1 per cent was used for compensation of employees. An additional allocation of R8.4 million in 2012/13 has been allocated to strengthen the victim empowerment programme.
- *Youth* develops and facilitates the implementation of policies, legislation and programmes to protect vulnerable youth. This subprogramme had a staff complement of 8 and a total budget of R6 million in 2011/12, of which 44.5 per cent was used for compensation of employees.
- *HIV and AIDS* develops, supports and monitors the implementation of policies, programmes and guidelines to prevent and mitigate the impact of HIV and AIDS, in line with the 2012-2016 national strategic plan. This subprogramme had a staff complement of 34 and a total budget of R67.4 million in 2011/12, of which 19.4 per cent was used for compensation of employees. R45.6 million has been made available for non-profit organisations and the loveLife campaign.
- *Social Worker Scholarships* provides full scholarships for students interested in studying social work. 5 574 students are currently sponsored at various universities. R111.9 million was allocated in 2008/09 to 2 900 students for social worker scholarships and increased to R244 million in 2011/12 was allocated to sponsor 4 353 students. The budget is set to increase to R286.2 million in 2014/15, and will provide 4 750 students with financial assistance.

## Expenditure estimates

**Table 19.9 Welfare Services Policy Development and Implementation Support**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Service Standards	9 817	17 393	19 838	20 990	23 139	24 351	25 701
Substance Abuse	10 502	7 667	12 152	10 481	11 273	11 794	12 458
Older Persons	8 527	10 446	8 046	9 646	10 170	10 640	11 235
People with Disabilities	6 486	8 877	7 670	8 381	9 196	9 652	10 209
Children	29 160	30 109	31 935	39 382	69 725	62 529	48 621
Families	6 155	6 250	5 852	7 847	7 721	8 095	8 556
Social Crime Prevention and Victim Empowerment	16 314	14 930	14 649	27 377	38 358	39 338	41 993
Youth	7 274	5 138	4 631	5 975	6 285	6 567	6 930
HIV and AIDS	61 042	58 193	60 943	67 425	72 725	76 451	80 996
Social Worker Scholarships	111 900	210 000	226 000	244 000	256 000	270 000	286 200
Programme Management	4 648	6 882	7 435	8 113	9 232	9 786	10 391
<b>Total</b>	<b>271 825</b>	<b>375 885</b>	<b>399 151</b>	<b>449 617</b>	<b>513 824</b>	<b>529 203</b>	<b>543 290</b>
Change to 2011 Budget estimate				(1 207)	39 681	26 449	12 229

Table 19.9 Welfare Services Policy Development and Implementation Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Economic classification</b>							
<b>Current payments</b>	<b>103 542</b>	<b>106 226</b>	<b>110 678</b>	<b>136 231</b>	<b>189 404</b>	<b>187 114</b>	<b>180 677</b>
Compensation of employees	49 439	61 180	68 634	73 269	76 277	81 069	85 945
Goods and services	54 103	45 040	42 044	62 962	113 127	106 045	94 732
<i>of which:</i>							
Administrative fees	408	420	341	2 618	5 980	6 036	6 417
Advertising	7 369	5 363	2 658	4 302	5 398	5 447	4 688
Assets less than the capitalisation threshold	565	117	77	92	119	124	128
Bursaries: Employees	–	–	–	15	16	16	17
Catering: Departmental activities	746	847	1 781	1 507	2 060	2 142	1 934
Communication	138	219	828	704	915	952	1 001
Computer services	2	2	–	–	–	–	–
Consultants and professional services: Business and advisory services	16 087	15 231	11 689	16 348	52 863	45 002	33 658
Consultants and professional services: Legal costs	101	16	245	–	–	–	–
Contractors	227	904	311	412	463	482	507
Agency and support / outsourced services	–	20	31	230	242	251	266
Entertainment	86	124	104	102	129	134	141
Inventory: Fuel, oil and gas	–	–	–	1	–	1	1
Inventory: Materials and supplies	–	–	6	1	1	1	2
Inventory: Other consumables	21	28	10	38	617	648	684
Inventory: Stationery and printing	2 957	3 761	4 780	4 737	6 540	6 498	5 386
Lease payments	1 128	600	177	210	330	343	349
Property payments	–	–	28	–	–	–	–
Travel and subsistence	17 215	10 672	11 607	18 985	22 046	22 006	23 073
Training and development	663	1 130	544	832	1 175	1 221	1 272
Operating expenditure	413	145	166	530	523	545	574
Venues and facilities	5 977	5 441	6 661	11 298	13 710	14 196	14 634
Interest and rent on land	–	6	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>166 077</b>	<b>268 905</b>	<b>288 085</b>	<b>308 063</b>	<b>322 636</b>	<b>340 197</b>	<b>360 610</b>
Departmental agencies and accounts	111 900	210 000	226 000	244 000	256 000	270 000	286 200
Foreign governments and international organisations	363	375	237	353	243	257	272
Non-profit institutions	53 814	58 414	61 848	63 710	66 393	69 940	74 138
Households	–	116	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2 206</b>	<b>754</b>	<b>383</b>	<b>5 323</b>	<b>1 784</b>	<b>1 892</b>	<b>2 003</b>
Machinery and equipment	2 206	754	383	5 323	1 784	1 892	2 003
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>271 825</b>	<b>375 885</b>	<b>399 151</b>	<b>449 617</b>	<b>513 824</b>	<b>529 203</b>	<b>543 290</b>

**Details of transfers and subsidies**

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>111 900</b>	<b>210 000</b>	<b>226 000</b>	<b>244 000</b>	<b>256 000</b>	<b>270 000</b>	<b>286 200</b>
National Student Financial Aid Scheme	111 900	210 000	226 000	244 000	256 000	270 000	286 200
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>363</b>	<b>375</b>	<b>237</b>	<b>353</b>	<b>243</b>	<b>257</b>	<b>272</b>
Walvis Bay	166	179	141	–	–	–	–
United Nations International Drug Control Programme	–	25	25	35	38	40	42
International Federation for the Aged	–	23	–	38	40	42	45
International Social Services	197	148	71	280	165	175	185

**Table 19.9 Welfare Services Policy Development and Implementation Support (continued)**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Details of transfers and subsidies</b>							
<b>Non-profit institutions</b>							
<b>Current</b>	<b>53 814</b>	<b>58 414</b>	<b>61 848</b>	<b>63 710</b>	<b>66 393</b>	<b>69 940</b>	<b>74 138</b>
loveLife	41 000	41 000	43 460	43 360	45 600	48 100	50 986
Service Standards national bodies	500	1 035	1 374	1 799	1 550	1 628	1 726
Substance Abuse national bodies	1 050	1 969	2 212	2 361	2 479	2 603	2 760
Older Persons national bodies	338	1 592	1 825	1 947	2 046	2 148	2 277
Disabilities national bodies	1 756	2 876	2 875	3 068	3 222	3 383	3 586
Children national bodies	2 684	5 545	5 666	6 046	6 504	6 831	7 241
Families national bodies	953	1 238	1 002	1 068	1 147	1 210	1 283
Social Crime Prevention national bodies	1 266	2 809	3 134	3 341	3 509	3 684	3 905
National Religious Leaders Forum	1 767	–	–	–	–	–	–
International Association for Schools of Social Work	1 500	–	–	–	–	–	–
Foundation for Professional Development	–	100	–	–	–	–	–
National Association of People Living with HIV and AIDS	1 000	250	300	720	336	353	374
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>–</b>	<b>116</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	–	116	–	–	–	–	–

## Expenditure trends

Expenditure increased from R271.8 million in 2008/09 to R449.6 million in 2011/12, at an average annual rate of 18.3 per cent, mainly due to the introduction of the social work scholarship programme, which supported 4 400 students. Spending on compensation of employees grew from R49.4 million in 2008/09 to R73.3 million in 2011/12, at an average annual rate of 14.1 per cent, to provide for expanding personnel capacity for policy development across all subprogrammes.

Expenditure is projected to increase to R543.3 million over the MTEF period, at an average annual rate of 6.5 per cent. R21.1 million is allocated over the MTEF period to strengthen the victim empowerment programme. A further R24.4 million and R16.5 million are provided in 2012/13 and 2013/14 to audit early childhood development facilities across the country.

At 52.1 per cent of the total budget over the medium term, the *Social Work Scholarships* subprogramme remains the largest expenditure item in this programme. The spending focus over the medium term in this subprogramme will be on increasing the supply of social workers to meet the demand for welfare services, by providing full scholarships to social work students.

Spending on consultants was equivalent to 22.3 per cent or R16.3 million of the programme's total expenditure on compensation of employees of R73.3 million for 2011/12. The main spending relates to the payment of information systems related to the integrated justice system and for the audit on the early childhood development centres.

The amount of R10.1 million was approved as a baseline reduction over the MTEF.

## Programme 5: Social Policy and Integrated Service Delivery

### Objectives and measures

- Build research, evidence based policy making and social policy capacity and expertise in the department and in the social development sector by:
  - training 50 policy makers in social policy and social policy analysis by March 2013

- working with directorates in the department in continuing development and review of policies by March 2013
- implementing a research management strategy by March 2013.
- Improve the effectiveness and efficient delivery of special projects and innovation by:
  - creating 187 000 job opportunities through social sector subprogrammes by 2012/13
  - extending the community works programme to 151 sites in municipalities by 2012/13.
- Support and monitor the implementation of community development services and programmes through facilitating:
  - support to change agents in 100 wards to act as catalysts in facilitating development in their households and communities by March 2013
  - the mobilisation of communities to take ownership of their own development initiatives in 100 wards by March 2013
  - the training of 580 community development practitioners by March 2013
  - the capacity building of 300 community based organisations on community development by March 2013
  - the profiling of 200 000 households in 100 wards in order to determine opportunities, vulnerabilities and develop appropriate and targeted interventions by March 2013.
- Contribute to the professionalisation of community development practice through the development of an occupational framework by March 2013.
- Facilitate and monitor the implementation of the Food For All programme in South Africa by:
  - mobilising communities for community based food production and self-reliance programmes by March 2013
  - promoting equitable access to food for 200 000 households by March 2013
  - conducting a study to evaluate current feeding programmes and systems by March 2013.
- Improve efficiency in registering non-profit organisations by:
  - processing 90 per cent of all non-profit organisations' applications within 2 months of receiving them
  - developing a non-profit organisation online registration system by March 2013
  - establishing an efficient walk-in centre at the national office by March 2013
  - facilitating the resolution of 80 per cent of non-profit organisations appeals adjudication within 3 months on receipt
  - facilitating capacity building of 1 500 non-profit organisations on non-profit organisation governance and on the Non-profit Organisations Act (1997)
  - facilitating capacity building of 200 provincial officials on non-profit organisation governance and on the Non-profit Organisations Act (1997).
- Increase the sustainability, effectiveness and efficiency of social development sector service delivery partners by:
  - conducting a situational analysis of all service delivery non-profit sectors by March 2013
  - developing a non-profit organisation funding model and systems by March 2013.
- Promote the implementation of South Africa's population policy by:
  - increasing capacity to integrate population factors into development plans by training 300 persons and providing advice/support to the municipalities in 20 districts/metropolitan areas, by March 2013
  - increasing understanding of the state of South Africa's population, by producing 10 draft research reports on progress with the implementation of the population policy by March 2013
  - improving teaching on population factors in school curricula in 18 education districts by March 2013 .

## Subprogrammes

- *Social Policy Research and Development* provides strategic guidance on social policy development, coordination and evaluation; and supports the department's initiatives and responsibilities in the United

Nations, the *United Nations Educational, Scientific and Cultural Organisation*, the African Union, and the Southern African Development Community (SADC) in areas relating to social policy, research and evidence based policy making. This subprogramme had a staff complement of 5 and a total budget of R6.5 million in 2011/12, and 48.8 per cent of budget in 2011/12 was used for compensation of employees.

- *Special Projects and Innovation* provides for the coordination, incubation and innovation of departmental and social cluster initiatives, such as the expanded public works programme. This subprogramme had a staff complement of 9 and a total budget of R10.1 million in 2011/12, of which 40.6 per cent of its total budget was for compensation of employees.
- *Population Policy Promotion* supports, monitors and evaluates the implementation of the White Paper on Population Policy for South Africa by conducting research on population trends and dynamics; raises awareness on population and development concerns; and supports and builds technical capacity to implement population policy. This subprogramme had a staff complement of 40 and a total budget of R20.9 million in 2011/12, of which 71.5 per cent was used for compensation of employees.
- *Registration and Monitoring of Non-Profit Organisations* improves the registration of non-profit organisations in terms of the Non-Profit Organisations Act (1997). This subprogramme had a staff complement of 56 and a total budget of R17 million in 2011/12, of which 68.5 per cent was used for compensation of employees.
- *Substance Abuse Advisory Services and Oversight* monitors the implementation of policies, legislation, and norms and standards for substance abuse, with the Central Drug Authority monitoring and providing support for implementing the national drug master plan. This subprogramme had a staff complement of 4 and a total budget of R5.5 million in 2011/12, of which 28.5 per cent was used for compensation of employees.
- *Community Development* develops and facilitates the implementation of policies, guidelines, and norms and standards to ensure the effective and efficient delivery of community development services and programmes. This subprogramme had a staff complement of 28 and a total budget of R22.4 million, of which 45.3 per cent was used for compensation of employees.
- *National Development Agency* provides grants to civil society organisations to implement sustainable community driven projects such as the Eureka Poultry projects which is a chicken and vegetable farming project that addresses food security and create employment and income opportunities. In 2011/12, R161.4 million was transferred to the National Development Agency.

## Expenditure estimates

**Table 19.10 Social Policy and Integrated Service Delivery**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Social Policy Research and Development	7 133	5 270	3 398	6 516	7 330	7 355	7 768
Special Projects and Innovation	4 311	6 392	6 680	10 106	6 922	7 291	7 713
Population Policy Promotion	25 367	20 413	19 116	20 927	22 268	23 602	25 018
Registration and Monitoring of Non-Profit Organisations	11 389	11 023	12 458	16 998	18 153	19 087	20 183
Substance Abuse Advisory Services and Oversight	696	3 332	3 484	5 522	5 843	6 082	6 410
Community Development	18 535	17 421	14 512	22 372	21 326	22 601	23 957
National Development Agency	136 267	144 782	83 469	161 360	166 263	173 527	182 239
Programme Management	2 183	2 398	1 193	2 407	2 939	3 071	3 255
<b>Total</b>	<b>205 881</b>	<b>211 031</b>	<b>144 310</b>	<b>246 208</b>	<b>251 044</b>	<b>262 616</b>	<b>276 543</b>
Change to 2011 Budget estimate				2 974	(1 861)	(4 158)	(6 828)

Table 19.10 Social Policy and Integrated Service Delivery (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Economic classification</b>							
<b>Current payments</b>	<b>66 791</b>	<b>63 157</b>	<b>57 759</b>	<b>76 090</b>	<b>79 030</b>	<b>83 169</b>	<b>88 268</b>
Compensation of employees	32 151	37 849	40 384	47 259	51 900	55 014	58 317
Goods and services	34 640	25 308	17 375	28 831	27 130	28 155	29 951
<i>of which:</i>							
Administrative fees	1 162	511	819	434	545	575	610
Advertising	1 349	341	879	2 018	2 117	2 153	2 284
Assets less than the capitalisation threshold	214	61	58	134	133	141	149
Bursaries: Employees	–	–	–	125	131	137	146
Catering: Departmental activities	399	459	496	794	805	846	896
Communication	204	198	511	295	1 112	1 167	1 237
Computer services	5	686	1	2	2	2	2
Consultants and professional services: Business and advisory services	9 663	6 034	3 524	11 204	8 642	8 789	9 439
Consultants and professional services: Legal costs	–	98	10	–	–	–	–
Contractors	284	1 090	113	98	93	98	105
Agency and support / outsourced services	–	28	202	303	327	343	364
Entertainment	4	563	7	19	19	20	22
Inventory: Fuel, oil and gas	–	5	–	–	–	–	–
Inventory: Other consumables	12	15	19	18	19	20	22
Inventory: Stationery and printing	2 506	2 035	1 728	3 877	4 186	4 424	4 734
Lease payments	91	191	160	190	200	209	222
Property payments	–	–	3	–	–	–	–
Travel and subsistence	14 574	9 452	6 208	5 665	5 024	5 269	5 593
Training and development	326	1 047	122	623	659	690	733
Operating expenditure	355	69	316	375	384	403	427
Venues and facilities	3 492	2 425	2 199	2 657	2 731	2 868	2 966
<b>Transfers and subsidies</b>	<b>138 332</b>	<b>147 565</b>	<b>86 053</b>	<b>168 758</b>	<b>171 240</b>	<b>178 656</b>	<b>187 537</b>
Departmental agencies and accounts	136 267	144 782	83 469	161 360	166 263	173 527	182 239
Foreign governments and international organisations	170	588	408	956	933	972	1 012
Non-profit institutions	1 895	2 192	1 932	6 442	4 044	4 157	4 286
Households	–	3	244	–	–	–	–
<b>Payments for capital assets</b>	<b>758</b>	<b>309</b>	<b>486</b>	<b>1 360</b>	<b>774</b>	<b>791</b>	<b>738</b>
Machinery and equipment	758	309	486	1 360	774	791	738
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>205 881.0</b>	<b>211 031.0</b>	<b>144 310.0</b>	<b>246 208.0</b>	<b>251 044.0</b>	<b>262 615.8</b>	<b>276 543.0</b>
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>136 267</b>	<b>144 782</b>	<b>83 469</b>	<b>161 360</b>	<b>166 263</b>	<b>173 527</b>	<b>182 239</b>
National Development Agency	136 267	144 782	83 469	161 360	166 263	173 527	182 239
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>170</b>	<b>588</b>	<b>408</b>	<b>956</b>	<b>933</b>	<b>972</b>	<b>1 012</b>
United National Research Institute for Department of Social Development	–	100	105	100	110	120	127
United Nations Population Fund	170	180	191	200	188	198	210
Partners in Population and Development	–	308	112	356	335	354	375
Organisation for Economic Cooperation and Development	–	–	–	300	300	300	300
<b>Non-profit institutions</b>							
<b>Current</b>	<b>1 895</b>	<b>2 192</b>	<b>1 932</b>	<b>6 442</b>	<b>4 044</b>	<b>4 157</b>	<b>4 286</b>
Soul City	–	1 000	1 000	4 500	1 000	1 000	1 000
National Association of Burial Societies of South Africa	240	386	455	956	1 000	1 050	1 113
Africa Institute for Community Driven Development	750	806	286	513	544	577	611
Edwin Mabitse Radithura Mabitsela	50	–	–	–	–	–	–
National Association of People Living with HIV and AIDS	855	–	191	473	500	530	562
Food Bank South Africa	–	–	–	–	1 000	1 000	1 000
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>–</b>	<b>3</b>	<b>244</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	–	3	244	–	–	–	–



## **Expenditure trends**

Expenditure decreased from R205.9 million in 2008/09 to R144.3 million in 2010/11, due to the budget decrease of R70 million for the National Development Agency.

Over the medium term, expenditure is expected to increase from R246.2 million in 2011/12 to R276.5 million in 2014/15, at an average annual rate of 3.9 per cent. The less than inflationary growth is due to the budget reductions as a result of efficiency savings. This will ensure equitable access to food for 200 000 households and creating 187 000 job opportunities through social sector subprogrammes. The main expenditure in this programme is the transfer to the National Development Agency, which accounts for 66.2 per cent of the programme's budget allocation in 2012/13.

Spending on consultants is R11.2 million, which is the equivalent of 23.7 per cent of the programme's spending on compensation of employees over the MTEF period. Consultants are used for research projects for community development initiatives.

R15.4 million was approved as a baseline reduction over the MTEF period.

## **Public entities and other agencies**

### **South African Social Security Agency**

#### **Overview: 2008/09 – 2014/15**

The South African Social Security Agency derives its mandate from the South African Social Security Agency Act (2004). The core business of the agency is to administer and pay social grants to beneficiaries. The agency is required to: develop and implement policies, programmes, standard operating procedures and systems for an efficient and effective social assistance benefits administration system; deliver innovative and cost effective services to beneficiaries and potential beneficiaries through multiple access channels; and pay the right grant to the right person at the right place and time.

Over the medium term, the agency's key strategic priorities are: service delivery improvement, in which provision will be made to improve conditions under which the beneficiaries are serviced; automation of business processes, which entails using innovative technology to deliver and improve the agency's services; a new payment model, under which alternate delivery models are being explored; and achieving a clean audit report, for which the agency is committed to addressing identified issues and is developing and implementing an integrated and coherent action plan towards ensuring clean audits.

The South African Social Security Agency receives R6.2 billion in 2012/13. The major cost driver of the budget is goods and services, which constitute 66.3 per cent. Compensation of employees constitutes 32.4 per cent to the total budget while transfers to households only take 0.3 per cent.

An improved grant application process is being put in place to speed up and computerise the grant application process.

#### **Performance**

There has been substantial growth in the number of beneficiaries receiving payment over the medium term. The number of child support and old age grant beneficiaries increased by 6.9 per cent and 2.6 per cent in 2011/12. The agency has improved the quality of services to beneficiaries by shortening the turnaround time in grant administration from application to approval by improving access for eligible beneficiaries and conditions of payments. An average turnaround time of 9 days from 21 days has been achieved.

The cost of administering social assistance grants through cash payment contractors has been reduced by about 9 per cent and the agency is in the process of shifting more beneficiaries to banks. From the current 39.4 per cent of beneficiaries making use of bank accounts, the agency is planning to increase this to close to 59 per cent by March 2015.

## Selected performance indicators

**Table 19.11 South African Social Security Agency**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Average cost of administering social assistance (R/beneficiary)	Grants administration and customer services	R31	R35	R31	R33	R32	R33	R34
Average direct cost of paying grants (R/grant)	Grants administration and customer services	R15	R15	R13	R13	R11	R10	R10
Percentage of beneficiaries receiving payments through the banking system	Grants administration and customer services	16.4% (2 109 361)	34% (4 616 369)	37.5% (6 948 980)	39.4% (7 699 241)	53% (8 516 574)	56% (9 234 163)	59% (9 886 609)
Number of pay points improved <sup>1</sup>	Grants administration and customer services	-	-	-	300	310	310	310
Number of local offices improved <sup>1</sup>	Corporate services	-	-	-	-	72	72	72

1. No past data, as these are new indicators.

## Programmes/activities/objectives

**Table 19.12 South African Social Security Agency**

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	46 901	235 020	257 438	193 557	203 235	213 396	224 066
Corporate services	618 214	739 288	699 370	941 442	989 404	1 038 917	1 090 862
Finance	3 096 964	2 770 030	2 539 350	2 941 084	2 772 425	2 911 520	3 058 262
Information technology	443 102	472 505	347 396	425 195	446 455	468 778	492 217
Grants administration and customer services	1 151 169	1 140 345	1 224 458	1 401 346	1 671 160	1 775 160	1 880 138
Strategy and business development	43 257	21 453	22 468	45 485	47 759	50 147	52 653
Internal audit	81 130	86 818	85 840	67 575	70 948	74 495	78 220
<b>Total expense</b>	<b>5 480 737</b>	<b>5 465 459</b>	<b>5 176 320</b>	<b>6 015 684</b>	<b>6 201 386</b>	<b>6 532 414</b>	<b>6 876 419</b>

The South African Social Security Agency had a total budget of R6 billion in 2011/12, of which 48.9 per cent was used mainly for payment contractors.

## Savings and cost effectiveness measures

Significant progress has been made in turning around the agency's financial position. An accumulated overdraft of R839.4 million by the end of 2008/09 has now been largely dealt with. In 2010/11, the agency had a surplus of R462.7 million, bringing the accumulated deficit down to R137 million. The accumulated deficit is likely to be cleared by 2011/12. Cost containment measures have been a key part of the intervention and included cutting costs on advertising, communication and travel.

In addition, the agency initiated the process of operating more efficiently, particularly with regard to the disbursement of social grants by encouraging beneficiaries to transfer to other less costly methods of receiving payment. The number of beneficiaries receiving their grants through banks or post banks is expected to increase as beneficiaries, particularly those residing in urban areas, becoming aware of the option. The banking infrastructure in rural areas is also improving and expanding. The entity is also implementing a new payment tender and payment model which is expected to reduce expenditure over the MTEF period. The new payment administrator, appointed through a tender process, starts operations on 1 April 2012, and brings the benefit of having reduced the cost of administering grants to R16.50 per grant nationally. This is a reduction from the previous cost of between R26 and R35 per grant paid.

## Expenditure estimates

**Table 19.13 South African Social Security Agency**

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>11 053</b>	<b>13 260</b>	<b>7 669</b>	<b>9 564</b>	<b>1 116</b>	<b>1 226</b>	<b>1 350</b>
Sale of goods and services other than capital assets	–	–	712	1 490	651	715	787
<i>of which:</i>							
Administration fees	–	–	712	705	649	713	785
Sales by market establishments	–	–	–	3	2	2	2
Other sales	–	–	–	782	–	–	–
Other non-tax revenue	11 053	13 260	6 957	8 074	465	511	563
<b>Transfers received</b>	<b>4 630 292</b>	<b>5 168 896</b>	<b>5 631 387</b>	<b>6 143 657</b>	<b>6 200 270</b>	<b>6 531 188</b>	<b>6 875 069</b>
<b>Total revenue</b>	<b>4 641 345</b>	<b>5 182 156</b>	<b>5 639 056</b>	<b>6 153 221</b>	<b>6 201 386</b>	<b>6 532 414</b>	<b>6 876 419</b>
<b>Expenses</b>							
<b>Current expenses</b>	<b>5 326 401</b>	<b>5 452 922</b>	<b>5 157 030</b>	<b>5 996 173</b>	<b>6 180 899</b>	<b>6 510 800</b>	<b>6 853 724</b>
Compensation of employees	1 396 847	1 563 502	1 623 468	1 729 142	2 007 731	2 024 861	2 125 146
Goods and services	3 838 169	3 835 733	3 472 322	4 207 641	4 109 917	4 419 587	4 658 908
<i>of which:</i>							
Payment contractors	2 397 371	2 439 789	2 232 186	2 474 319	2 172 000	2 040 000	2 074 000
Communication	53 601	103 140	101 976	73 384	77 077	80 963	85 011
Travel and subsistence	30 847	77 445	84 555	69 004	62 023	65 124	68 706
Other	1 356 350	1 215 359	1 053 605	1 590 934	1 798 817	2 233 500	2 431 192
Depreciation	48 020	51 535	59 441	57 501	61 267	64 270	67 483
Interest, dividends and rent on land	43 365	2 152	1 799	1 889	1 983	2 083	2 187
<b>Transfers and subsidies</b>	<b>154 336</b>	<b>12 537</b>	<b>19 290</b>	<b>19 511</b>	<b>20 487</b>	<b>21 614</b>	<b>22 694</b>
<b>Total expenses</b>	<b>5 480 737</b>	<b>5 465 459</b>	<b>5 176 320</b>	<b>6 015 684</b>	<b>6 201 386</b>	<b>6 532 414</b>	<b>6 876 419</b>
<b>Surplus / (Deficit)</b>	<b>(839 392)</b>	<b>(283 303)</b>	<b>462 736</b>	<b>137 537</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Statement of financial position</b>							
Carrying value of assets	472 343	508 164	450 576	396 944	339 744	279 747	216 750
Acquisition of assets	250 012	86 588	23 317	5 313	5 579	5 858	6 151
Inventory	6 214	14 869	13 703	27 110	28 466	29 889	31 384
Receivables and prepayments	67 758	20 274	34 646	242 272	173 914	175 733	177 643
Cash and cash equivalents	2 286	9 321	199 043	218 851	326 852	325 449	323 978
<b>Total assets</b>	<b>548 601</b>	<b>552 628</b>	<b>697 968</b>	<b>885 177</b>	<b>868 976</b>	<b>810 818</b>	<b>749 755</b>
Accumulated surplus / (deficit)	(393 303)	(600 274)	(137 537)	–	–	–	–
Borrowings	410 011	310 838	–	–	–	–	–
Finance lease	48 858	3 682	2 533	135 852	284 385	296 794	309 827
Trade and other payables	328 948	491 820	511 095	455 315	291 816	222 546	149 812
<b>Total equity and liabilities</b>	<b>548 601</b>	<b>552 628</b>	<b>697 968</b>	<b>885 177</b>	<b>868 976</b>	<b>810 818</b>	<b>749 755</b>

## Expenditure trends

Over the MTEF period, expenditure will grow from R6 billion in 2011/12 to R6.9 billion in 2014/15. The bulk of expenditure of R2.5 billion goes to goods and services towards payments of contractors hired to disburse grants to beneficiaries in 2011/12. An accumulated overdraft of R839.4 million by the end of 2008/09 has now been largely dealt with. In 2010/11, the agency had a surplus of R462.7 million, bringing the accumulated deficit down to R137 million. The accumulated deficit should have been cleared by 2011/12. Cost containment measures have been a key part of the intervention and included cutting costs on advertising, communication and travel.

The South African Social Security Agency revenue is mainly from transfers from the Department of Social Development. The revenue increased from R4.6 billion in 2008/09 to R6.2 billion in 2011/12 and is projected to increase to R6.9 billion in 2014/15.

The budget also caters for a project to improve the conditions under which beneficiaries are served, as well as infrastructure at pay points.

Legislation requires the agency to perform certain activities in relation to the administration of the grants such as the review of the status of grants administration. Provision is made for reviews and for notifying beneficiaries of the reviews, to ensure the continued eligibility of beneficiaries for social grants and that they are alive.

Another significant expenditure is assessment fees paid to medical practitioners contracted to perform medical assessments on disability grant applicants, to make sure that they are indeed eligible.

The budget also provides for an allocation that is focused on improving access to grants by citizens living in remote rural areas. This will be achieved under the integrated community registration outreach programme.

## Personnel information

**Table 19.14 South African Social Security Agency**

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	17	13	4	11	12	10	13	13	13	13
Senior management	310	196	114	227	212	200	196	196	196	196
Middle management	883	452	431	521	506	494	452	452	452	452
Professionals	1 323	411	912	510	474	478	411	411	411	411
Skilled	5 412	1 251	4 161	1 509	1 539	1 560	1 251	1 251	1 251	1 251
Semi-skilled	10 496	4 178	6 318	4 991	4 701	5 037	4 178	5 454	5 454	5 454
Very low skilled	36	12	24	76	56	54	12	12	12	12
<b>Total</b>	<b>18 477</b>	<b>6 513</b>	<b>11 964</b>	<b>7 845</b>	<b>7 500</b>	<b>7 833</b>	<b>6 513</b>	<b>7 789</b>	<b>7 789</b>	<b>7 789</b>
Compensation (R thousand)				1 396 847	1 563 502	1 623 468	1 729 142	2 007 731	2 024 861	2 125 146
Unit cost (R thousand)				178	208	207	265	258	260	273

1. As at 30 September 2011.

The number of filled posts grew from 7 845 in 2008/09 to 7 833 in 2010/11. Over the MTEF period, filled posts are expected to increase by 1 276, particularly at salary levels 5 to 8, which are required at the service delivery level. The increase in both periods is due to the drive to expand services to remote rural areas and to improve on the delivery of services to grant beneficiaries. The agency has taken a strategic decision that the ratio of support staff to line staff be at 20:80. This means that the majority of the posts to be filled will mainly be at the level of core service delivery.

## National Development Agency

### Overview: 2008/09 – 2014/15

The National Development Agency's mandate is outlined in section 3 of the National Development Agency Act (1998). The agency's primary mandate is to contribute to eradicating poverty and its causes by granting funds to civil society organisations to implement development projects in poor communities, and to strengthening the institutional capacity of civil society organisations that provide services to the poor. Its secondary mandate promotes consultation, dialogue and sharing of development experience between civil society organisations and relevant organs of state, and undertaking research and producing publications aimed at providing the basis for development policy.

The agency's strategic plan has been developed in the context of five government priorities: creation of decent work and sustainable livelihoods; education; health; rural development; food security and land reform. The agency will contribute to the Minister of Social Development's delivery agreement through specific focus on: quality basic education (outcome 2); decent employment through inclusive economic growth (outcome 4); and vibrant, equitable, sustainable rural communities contributing towards food security for all (outcome 7).

The agency's key strategic objectives over the medium term are to: build and enhance the capacity of civil society organisations to enable them to carry out development work effectively; grant funds, facilitate and manage poverty eradication programmes; influence policies, practices and strategies through comprehensive research and knowledge management; mobilise and leverage resources; and to position the agency as a premier development agency.

In 2010/11, a new board of the National Development Agency was appointed to oversee its work in terms of various legislative requirements. The new board adopted a new strategy, instituted a business process review and adopted human resource initiatives that will greatly enhance the National Development Agency's ability to deliver on its mandate.

The National Development Agency grants funds to civil society organisations for development projects for poor communities and for strengthening the institutional capacity of other civil society organisations that provide services to poor communities. It also promotes consultation and dialogue between civil society and the state, debates policy development and carries out research.

### Performance

R234 million was allocated to *civil society organisations* for projects between 2008/09 and 2010/11, benefiting 299 420 poor households. An average of 54 per cent of the total grant from government was committed to projects in 2011/12, with the remaining allocation available for administration costs

In accordance with its primary mandate, the National Development Agency committed R42.9 million to 43 community based organisations and non-profit organisations in 2010/11 which benefitted 226 254 poor people, of which 142 204 were women and 84 050 men. This includes 66 885 youth workers and 5 436 persons with disabilities.

The National Development Agency grants funds to civil society organisations for development projects for poor communities and for strengthening the institutional capacity of other civil society organisations that provide services to poor communities. It also promotes consultation and dialogue between civil society and the state, debates policy development and does research.

### Selected performance indicators

**Table 19.15 National Development Agency**

Indicator	Activity/Objective/Programme/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Amount committed to poverty eradication projects	Project funding and support	R118.2 m	R87.2 m	R55 m	R86.7 m	R84.3 m	R90.8 m	R96.2 m
Number of beneficiaries benefiting from committed poverty eradication projects	Project funding and support	26 366	28 800	18 000	36 202	41 346	43 827	48 000
Number of beneficiaries benefiting from capacity building initiatives	Capacity building initiatives for civil society organisations	7 500	12 000	7 500	18 000	25 000	26 500	30 000

### Programmes/activities/objectives

**Table 19.16 National Development Agency**

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Projects funding and support	139 967	111 520	70 910	126 136	117 777	124 582	126 438
Building capacity of civil society organisations to enable them to carry out development work	1 815	2 684	1 841	9 619	6 044	8 903	9 810
Research, dialogues and information management	14 619	5 937	7 499	6 900	7 874	8 387	8 883
Administration, support and governance	39 028	42 205	43 460	32 204	44 568	43 655	50 109
<b>Total expense</b>	<b>195 429</b>	<b>162 346</b>	<b>123 710</b>	<b>174 860</b>	<b>176 263</b>	<b>185 527</b>	<b>195 240</b>

The National Development Agency had a total budget of R174.9 million in 2011/12, of which 72.1 per cent was used for projects funding and support.

### Savings and cost effectiveness measures

The agency continues to manage its costs closely in to ensure that available financial resources are spent on fulfilling the mandate. Management intends to achieve this through a financial management model where 65 per cent of the available financial resources will be spent on mandate and 35 per cent will be spent on administration over the MTEF. The ratio was previously 48 per cent administration and 52 per cent mandate. The model was endorsed by the board in 2009/10. To achieve this split, management introduced cost saving initiatives to reduce its administration costs and allocate more of the financial resources towards service delivery.

The entity reduced administrative costs by 20 per cent in 2010/11 through implementing various cost saving initiatives, such as installing a telephone management system, which resulted in less use of telephones, and using technology such as Skype, and least cost routing, to reduce communication costs by 35 per cent.

**Table 19.17 National Development Agency**

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>27 182</b>	<b>16 289</b>	<b>10 206</b>	<b>13 500</b>	<b>10 000</b>	<b>12 000</b>	<b>13 000</b>
<i>Other non-tax revenue</i>	27 182	16 289	10 206	13 500	10 000	12 000	13 000
<b>Transfers received</b>	<b>136 267</b>	<b>144 782</b>	<b>83 469</b>	<b>161 360</b>	<b>166 263</b>	<b>173 527</b>	<b>182 239</b>
<b>Total revenue</b>	<b>163 449</b>	<b>161 071</b>	<b>93 675</b>	<b>174 860</b>	<b>176 263</b>	<b>185 527</b>	<b>195 239</b>
<b>Expenses</b>							
<b>Current expenses</b>	<b>84 011</b>	<b>80 018</b>	<b>83 318</b>	<b>83 284</b>	<b>81 846</b>	<b>84 412</b>	<b>92 153</b>
Compensation of employees	43 293	46 397	51 439	52 588	55 600	58 309	61 224
Goods and services	39 480	32 085	30 846	29 497	24 988	24 830	29 956
Depreciation	1 238	1 536	1 033	1 200	1 258	1 273	973
<b>Transfers and subsidies</b>	<b>111 418</b>	<b>82 328</b>	<b>40 392</b>	<b>91 576</b>	<b>94 417</b>	<b>101 115</b>	<b>103 086</b>
<b>Total expenses</b>	<b>195 429</b>	<b>162 346</b>	<b>123 710</b>	<b>174 860</b>	<b>176 263</b>	<b>185 527</b>	<b>195 239</b>
<b>Surplus / (Deficit)</b>	<b>(31 980)</b>	<b>(1 275)</b>	<b>(30 035)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	5 332	4 817	4 029	3 828	4 770	4 197	3 874
<i>of which:</i>							
Receivables and prepayments	2 050	1 299	901	1 135	1 215	1 300	1 391
Cash and cash equivalents	246 519	216 142	110 689	95 982	78 614	85 442	91 572
<b>Total assets</b>	<b>253 901</b>	<b>222 258</b>	<b>115 619</b>	<b>100 945</b>	<b>84 599</b>	<b>90 939</b>	<b>96 837</b>
Accumulated surplus / (deficit)	1 786	42 102	12 066	12 066	12 066	12 066	12 066
Trade and other payables	6 916	4 431	3 631	3 886	4 119	4 367	4 629
Provisions	2 933	3 108	4 006	4 109	4 314	4 530	4 756
Managed funds (e.g. Poverty alleviation fund)	242 266	172 617	95 916	80 884	64 100	69 976	75 386
<b>Total equity and liabilities</b>	<b>253 900</b>	<b>222 258</b>	<b>115 619</b>	<b>100 945</b>	<b>84 599</b>	<b>90 939</b>	<b>96 837</b>

### Expenditure trends

Over the MTEF period, expenditure will grow from R174.9 million in 2011/12 to R195.2 million in 2014/15. Expenditure is mainly driven by the number of projects funded. Expenditure decreased from R195.4 million in 2008/09 to R174.9 million in 2011/12, at an average annual rate of 3.6 per cent, due to deficits in previous years that needed to be paid back; and to a reduced transfer from the Department of Social Development in 2010/11. This was to allow the entity to restructure its commitments and reduce its cash reserves.

Staff costs have been increasing at an average annual rate of 6.7 per cent between 2008/09 and 2011/12, and are expected to increase at an average annual rate of 5.2 per cent over the medium term in line with inflation adjustments.

The National Development Agency has two sources of income: a grant from the Department of Social Development, and interest earned on funds committed to beneficiaries but not yet paid out. The revenue increased from R163.4 million in 2008/09 to R174.9 million in 2011/12 and is projected to increase to R195.2 million in 2014/15.

## Personnel information

**Table 19.18 National Development Agency**

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Executive management	8	8	–	8	7	9	8	8	8	8
Senior management	19	19	5	19	15	20	19	19	19	19
Middle management	37	37	2	31	33	34	37	37	37	37
Professionals	6	6	–	11	11	7	6	6	6	6
Skilled	28	28	–	28	25	25	28	28	28	28
Semi-skilled	9	9	–	–	1	2	9	9	9	9
<b>Total</b>	<b>107</b>	<b>107</b>	<b>7</b>	<b>97</b>	<b>92</b>	<b>97</b>	<b>107</b>	<b>107</b>	<b>107</b>	<b>107</b>
Compensation (R thousand)				43 293	46 397	51 439	52 588	55 600	58 309	61 224
Unit cost (R thousand)				446	504	530	491	520	545	572

1. As at 30 September 2011.

Over the MTEF period, the number of filled posts is expected to remain constant. The positions filled in 2011/12 were classified as critical under the mandated areas to deliver on the key strategic objectives. A moratorium was placed on the filling of certain vacancies resulting in certain support positions being put on hold and not filled as the agency undertook an organisational business diagnosis.

## Additional tables

**Table 19.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2010/11		2010/11	2011/12			2011/12
Administration	219 011	236 389	226 581	234 024	6 276	240 300	235 300
Social Assistance	89 368 151	89 368 151	87 492 906	97 560 213	(457 000)	97 103 213	96 703 213
Social Security Policy and Administration	5 768 346	5 772 005	5 768 082	6 244 402	147	6 244 549	6 237 549
Welfare Services Policy Development and Implementation Support	419 093	416 017	399 151	450 824	(1 207)	449 617	439 617
Social Policy and Integrated Service Delivery	154 460	148 499	144 310	243 234	2 974	246 208	243 208
<b>Total</b>	<b>95 929 061</b>	<b>95 941 061</b>	<b>94 031 030</b>	<b>104 732 697</b>	<b>(448 810)</b>	<b>104 283 887</b>	<b>103 858 887</b>

### Economic classification

<b>Current payments</b>	<b>542 964</b>	<b>549 101</b>	<b>500 533</b>	<b>543 743</b>	<b>1 117</b>	<b>544 860</b>	<b>519 860</b>
Compensation of employees	245 138	254 939	246 980	267 822	12 070	279 892	279 892
Goods and services	297 826	294 162	253 508	275 921	(10 953)	264 968	239 968
Interest and rent on land	–	–	45	–	–	–	–
<b>Transfers and subsidies</b>	<b>95 375 950</b>	<b>95 381 813</b>	<b>93 524 138</b>	<b>104 177 097</b>	<b>(452 297)</b>	<b>103 724 800</b>	<b>103 324 800</b>
Departmental agencies and accounts	5 940 856	5 940 856	5 940 856	6 549 017	–	6 549 017	6 549 017
Foreign governments and international organisations	1 735	1 998	1 509	1 938	480	2 418	2 418
Non-profit institutions	65 208	65 208	63 780	65 929	4 223	70 152	70 152
Households	89 368 151	89 373 751	87 517 993	97 560 213	(457 000)	97 103 213	96 703 213
<b>Payments for capital assets</b>	<b>10 147</b>	<b>10 147</b>	<b>6 173</b>	<b>11 857</b>	<b>2 370</b>	<b>14 227</b>	<b>14 227</b>
Machinery and equipment	9 602	9 602	5 881	11 498	2 370	13 868	13 868
Software and other intangible assets	545	545	292	359	–	359	359
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>186</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>95 929 061</b>	<b>95 941 061</b>	<b>94 031 030</b>	<b>104 732 697</b>	<b>(448 810)</b>	<b>104 283 887</b>	<b>103 858 887</b>

**Table 19.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Compensation of employees (R thousand)	184 066	220 123	246 980	279 892	307 718	326 156	345 498
Training expenditure (R thousand)	1 841	2 254	3 724	2 678	3 077	3 262	3 455
Training as percentage of compensation	1.0%	1.0%	1.5%	1.0%	1.0%	1.0%	1.0%
Total number trained in department (headcount)	378	400	437	–			
<i>of which:</i>							
Employees receiving bursaries (headcount)	54	74	75	–			
Leaverships (headcount)	–	13	58	–			
Internships (headcount)	76	64	–	–			
Households receiving bursaries (R thousand)	111 900	210 000	226 000	244 000	256 000	270 000	286 200
Households receiving bursaries (headcount)	2 900	6 500	–	–			



Table 19.C Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate				
							2008/09	2009/10	2010/11	Estimate	2011/12	2012/13	2013/14	2014/15
R thousand														
<b>Foreign in cash</b>														
United Kingdom Department for International Development	Programme for the development and evidence base for pro-poor policy in South Africa	Social Policy and Integrated Service Delivery	2004 to 2010	24 986	Goods and services	Concluded sectoral HIV and AIDS capacity building programme	15 386	7 578	-	-	-	-	-	-
Canadian International Development Agency	Child protection study	Welfare Services Policy Development and Implementation Support	2008 to 2013	30 000	Goods and services	Completed pilots in KwaZulu-Natal and Free State for research study	480	2 000	12 000	12 000	3 520	-	-	-
United Kingdom Department for International Development	Strengthening analytical capacity building	Welfare Services Policy Development and Implementation Support	2004 to 2010	53 200	Goods and services	Conducted research with the University of KwaZulu-Natal and Oxford University	-	-	-	-	-	-	-	-
Kreditanstalt Für Wiederaufbau (German Development Bank)	Building community care centres	Welfare Services Policy Development and Implementation Support	2009 to 2012	82 000	Goods and services	Developed a new project to construct drop in centres	-	10 000	35 000	20 000	9 000	8 000	-	-
United States Agency for International Development	Development of norms, standards and practice guidelines for the Children's Act (2005)	Welfare Services Policy Development and Implementation Support	2009	1 764	Goods and services	Promoted uniform implementation of the Children's Act (2005)	-	1 764	-	-	-	-	-	-
Kreditanstalt Für Wiederaufbau (German Development Bank)	Support for orphans and other vulnerable children	Welfare Services Policy Development and Implementation Support	2010 to 2013	51 570	Goods and services	Constructed and refurbished extended community care centres and developed and implemented training	-	-	-	20 000	20 000	11 570	-	-
Global Fund	Strengthening monitoring and evaluation systems for the programme of orphans and other children made vulnerable by HIV and AIDS	Welfare Services Policy Development and Implementation Support	2010 to 2011	5 687	Goods and services	Developed orphans and vulnerable children district or municipality advocacy kits	-	-	-	2 132	1 777	1 778	-	-

Table 19.C Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate	
							2008/09	2009/10		2010/11	2011/12
R thousand											
United Nations Children's Fund	Printing of comic grant book in partnership with UNICEF	Social Security Policy and Administration	2011/12	217	Goods and services	Information sharing	-	-	217	-	-
United Nations Children's Fund	Training provided by Dr R Rist	Administration	2011/12	191	Goods and services	Capacity building	-	-	191	-	-
In kind											
European Union	Victim empowerment	Welfare Services Policy Development and Implementation Support	2008 to 2012	220 000	Goods and services	Developed victim empowerment charter and supported non-governmental organisations	19 880	56	60	70	-
Japan International Cooperation Agency	Health based care and a monitoring and evaluation system for HIV and AIDS	Welfare Services Policy Development and Implementation Support	2005 to 2009	9 200	Goods and services	Developed health based care monitoring and evaluation tool in 3 provinces	2 840	-	-	-	-
United Nations Office on Drug and Crime	One stop centre for victims of violence	Welfare Services Policy Development and Implementation Support	2008/09	1 140	Goods and services	Constructed a one stop centres in Western Cape	1 140	-	-	-	-
United States Agency for International Development	Costing model and training on the policy framework on child abuse, neglect and exploitation	Welfare Services Policy Development and Implementation Support	2009 to 2011	3 524	Goods and services	Developed a costing model for the child protection system	-	529	2 642	353	-
United Nations Children's Fund	Raising awareness in communities on child protection workers	Welfare Services Policy Development and Implementation Support	2010	1 000	Goods and services	Capacitated communities on identifying child abuse	-	-	1 000	-	-
United Nations Children's Fund	Building capacity in communities on identifying child abuse	Welfare Services Policy Development and Implementation Support	2010	1 200	Goods and services	Ensured effective spreading of child protection programmes	-	1 200	-	-	-
United Nations Children's Fund	Building capacity of social work professionals on child protection	Welfare Services Policy Development and Implementation Support	2010	3 000	Goods and services	Ensured an effective response to managing child protection cases	-	3 000	-	-	-
United States Agency for International Development	Development of a monitoring and evaluation framework for the Children's Act (2005)	Welfare Services Policy Development and Implementation Support	2009	1 645	Goods and services	Monitored the implementation of the Children's Act (2005)	-	1 645	-	-	-

Table 19.C Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2008/09	2009/10	2010/11	2011/12 Estimate	2012/13	2013/14	2014/15
R thousand													
United States Agency for International Development	Development of training on the DVD on the Children's Act (2005)	Welfare Services Policy Development and Implementation Support	2009	919	Goods and services	Promoted audiovisual overview and training on the Children's Act (2005)	-	919	-	-	-	-	-
United States Agency for International Development	Development of a national policy framework for the Children's Act (2005)	Welfare Services Policy Development and Implementation Support	2009	1 157	Goods and services	Ensured that the Children's Act (2005) is implemented in a coordinated, uniform and integrated manner	-	1 157	-	-	-	-	-
United States Agency for International Development	Togomelo project	Welfare Services Policy Development and Implementation Support	2009/10	11 553	Goods and services	Registered a skills development programme on psychosocial wellbeing with the Health and Welfare Sector Education and Training Authority. 607 learners received training	-	11 553	-	-	-	-	-
United Nations Children's Fund	Child friendly booklets on the Children's Act (2005)	Welfare Services Policy Development and Implementation Support	2007	360	Goods and services	Provided a simplified version of the Children's Act (2005) for young readers and low literacy adults	-	-	-	-	-	-	-
United Nations Population Fund	PED in IRP training	Social Policy and Integrated Service Delivery	2011/12	150	Goods and services	Capacity building	-	-	-	150	-	-	-
United Nations Population Fund	Pan Africa population and climate change training course	Social Policy and Integrated Service Delivery	2011/12	400	Goods and services	Capacity building	-	-	-	400	-	-	-
United Nations Population Fund	APSTAR capacity building programme- University of KwaZulu Natal	Social Policy and Integrated Service Delivery	2011/12	270	Goods and services	Capacity building	-	-	-	270	-	-	-
United Nations Population Fund	Continuation of NWU Partnership initiative towards a centre of excellence in population and demography studies	Social Policy and Integrated Service Delivery	2011/12	140	Goods and services	Capacity building	-	-	-	140	-	-	-

Table 19.C Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand United Nations Children's Fund	Edit, design and layout of advocacy document on research done on prevention and early intervention programme in South Africa	Welfare Services Policy Development and Implementation Support	2011/12	150	Goods and services	Prevention and early intervention programmes aligned with chapter 8 of the Children's Act	-	-	-	150	-	-	-	
United Nations Children's Fund	Develop of a risk assessment tool for use by social work professionals-Phase 1	Welfare Services Policy Development and Implementation Support	2011/12	372	Goods and services	Prevention and early intervention programmes aligned with chapter 8 of the Children's Act	-	-	-	372	-	-	-	
United Nations Children's Fund	Develop of a risk assessment tool for use by social work professionals-Phase 2	Welfare Services Policy Development and Implementation Support	2011/12	900	Goods and services	Prevention and early intervention programmes aligned with chapter 8 of the Children's Act	-	-	-	900	-	-	-	
United States Agency for International Development	Implementation plan for Child Abuse, neglect and exploitation (CANE)	Welfare Services Policy Development and Implementation Support	2011/2013	3 594	Goods and services	Implementation plan for Child Abuse, neglect and exploitation (CANE)	-	-	-	705	2 890	-	-	
United States Agency for International Development	Development of conceptual framework for accredited training in Child Protection for Social Workers	Welfare Services Policy Development and Implementation Support	2011/2013	3 558	Goods and services	Development of conceptual framework for accredited training in Child Protection for Social Workers	-	-	-	1 157	2 402	-	-	
United Nations Children's Fund	Testing of norms and standards for cluster foster care	Welfare Services Policy Development and Implementation Support	2011/12	432	Goods and services	Testing of norms and standards for cluster foster care	-	-	-	432	-	-	-	
United Nations Children's Fund	Development of the assessment tool for children in alternative care	Welfare Services Policy Development and Implementation Support	2011/12	400	Goods and services	Development of the assessment tool for children in alternative care	-	-	-	400	-	-	-	
United Nations Children's Fund	Master training on the assessment tool	Welfare Services Policy Development and Implementation Support	2011/12	160	Goods and services	Master training on the assessment tool	-	-	-	160	-	-	-	
United Nations Children's Fund	Audit of the unregistered Youth Care Centre	Welfare Services Policy Development and Implementation Support	2011/12	880	Goods and services	Audit of the unregistered Child and Youth Care Centre	-	-	-	880	-	-	-	

Table 19.C Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate			
							2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	
R thousand															
United States Agency for International Development	Production, launch and distribution of the children service directory	Welfare Services Policy Development and Implementation Support	2011/12	929	Goods and services	Production, launch and distribution of the children service directory	-	-	-	929	-	-	-	-	-
United States Agency for International Development	Contract data capturers	Welfare Services Policy Development and Implementation Support	2011/12	22	Goods and services	Contract data capturers	-	-	-	22	-	-	-	-	-
United States Agency for International Development	Establishment of the Helpdesk for the HCBC IT system	Welfare Services Policy Development and Implementation Support	2011/12	60	Goods and services	Establishment of the Helpdesk for the HCBC IT system	-	-	-	60	-	-	-	-	-
United States Agency for International Development	Development of social and behaviour change strategy and a workshop	Welfare Services Policy Development and Implementation Support	2011/12	700	Goods and services	Development of social and behaviour change strategy and a workshop	-	-	-	700	-	-	-	-	-
<b>Local In cash</b>															
Health and Welfare Sector Education and Training Authority	Training	Welfare Services Policy Development and Implementation Support		5 115	Goods and services	Offered a bursary	97	-	-	1 000	1 000	-	-	-	-
Health and Welfare Sector Education and Training Authority	Leadership for child and youth	Welfare Services Policy Development and Implementation Support	2009 to 2010	1 500	Goods and services	Provided leadership (ongoing)	-	164	490	496	-	-	-	-	-
<b>in kind</b>															
United Nations Children's Fund	Capacity building for HIV and AIDS in government	Welfare Services Policy Development and Implementation Support	2008 to 2012	150 000	Goods and services	Held training and capacity building workshops	10 900	15 000	25 000	35 000	64 100	-	-	-	-
<b>Total</b>				<b>674 045</b>			<b>50 723</b>	<b>56 565</b>	<b>76 192</b>	<b>99 286</b>	<b>104 689</b>	<b>21 348</b>			





National Treasury  
**BUDGET 2012**  
*ESTIMATES OF NATIONAL EXPENDITURE*

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**national treasury**

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**REPUBLIC OF SOUTH AFRICA**