

Vote 17

Social Development

R thousand	2007/08 To be appropriated	2008/09	2009/10
MTEF allocations			
Administration	138 902	146 418	155 340
Comprehensive Social Security	66 638 839	72 554 909	78 459 673
Policy Development, Review and Implementation Support for Welfare Services	198 976	265 122	383 588
Community Development	167 528	174 201	185 614
Strategy and Governance	87 863	79 701	85 210
Total	67 232 108	73 220 351	79 269 425
Direct charges against the National Revenue Fund	–	–	–
Total expenditure estimates	67 232 108	73 220 351	79 269 425
Economic classification			
Current payments	389 836	401 002	428 909
Transfers and subsidies	66 832 820	72 810 260	78 830 889
Payments for capital assets	9 452	9 089	9 627
Total expenditure estimates	67 232 108	73 220 351	79 269 425
Executive authority	Minister of Social Development		
Accounting officer	Director-General of Social Development		

Aim

The aim of the Department of Social Development is to ensure the provision of comprehensive, integrated, sustainable and quality social development services against vulnerability and poverty, and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

Programme purposes

Programme 1: Administration

Provide for policy and strategic direction by the ministry and top management, and for overall management and support services to the department.

Programme 2: Comprehensive Social Security

Ensure the development of norms and standards, facilitate financial and economic planning, and monitor compliance with social assistance policy prescripts for the provision of a comprehensive system of social security. Facilitate the payment of social assistance grants to households.

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

Create an enabling environment for the delivery and accessibility of integrated social welfare services in partnership with all relevant stakeholders.

Programme 4: Community Development

Develop, monitor and facilitate the implementation of appropriate policies, strategies and programmes aimed at strengthening the potential of communities, including youth, to sustain and improve their livelihoods and further human development.

Programme 5: Strategy and Governance

Lead the strategic management component of the department. Foster operational efficiency through improved alignment between mandates and strategies and through institutional capacity building. Provide strategic guidance on social policy development, co-ordination and evaluation; facilitate and develop the department's strategic plan. Oversee all entities, agencies and boards reporting to the department. Co-ordinate monitoring and evaluation across the sector.

Strategic overview: 2003/04 – 2009/10

The Department of Social Development continues to give effect to its constitutional mandate and provide leadership in the development of social policy and related anti-poverty strategies. The policies and legislation formulated by the department aim to contribute to the eradication of poverty through an integrated social development package, which includes social assistance grants (in the form of targeted cash transfers) and developmental welfare services (delivered mainly through provincial departments).

The department has reviewed its budget structure to be in line with its main policy domains. This integrates the department's key performance areas into social security, social welfare services, community development and a fourth component dealing primarily with the management of strategic cross-cutting issues and the oversight of public entities. The biggest structural reform relates to the consolidation of all social security related expenditure into one programme. Another key shift was the movement of *Population Development* into the *Strategy and Governance* programme. This will ensure the strategic use of the population unit to benefit the department as a whole.

The strategic plan of the department identifies eight strategic priorities, which seek to address dysfunctional social structures and trends in our society. These priorities inform the interventions and programmes aimed at, among others, improving the quality of social development services delivered to the department's clients - the poor, the marginalised and the vulnerable. The eight strategic priorities are:

- create an enabling environment for social and human development
- promote social integration
- establish social protection initiatives to build the capacity of vulnerable groups
- provide a comprehensive social security system
- develop leadership in social development to ensure the deepening of the social policy discourse and evidence based decision making
- engage in the effective and efficient management of social development programmes and activities in partnership with civil society and other social partners
- promote good governance
- steer national involvement in African and international frameworks and agreements on socio-economic development.

In the short to medium term, investments in human capital and policy implementation support have been identified as priorities for improving integrated social development service delivery.

Social assistance grants

Cash transfers for social assistance grants remain one of government's largest expenditure items. The expanded social assistance system now reaches over 11 million South Africans through the payment of old age, disability and child support grants. This number is projected to grow to 12 million by the end of March 2007. In the meantime, the department made measurable progress in reviewing social assistance policies for children in poor households, the elderly and the disabled. The reviews aim to address policy gaps and weaknesses in assessment criteria. Work is also under way to design policies and programmes to provide support to the poor and destitute beyond mere income support by linking social assistance grant beneficiaries to poverty alleviation and economic activities.

Research done by the Economic Policy Research Institute demonstrates that children in households that receive social assistance grants are more likely to attend school, and that the positive effects of these grants are greater for girls than for boys, regarding education. Both the old age and child support grants are statistically associated with substantial improvements in school attendance. While the institute's analysis only measures the direct and static link between social assistance and education, grants do contribute to a virtuous cycle, with long-term dynamic benefits not easily measured by statistical analysis.

All major social assistance grants - the old age, child support and disability grants - are significantly and positively associated with a greater share of household expenditure on food, and thus with better nutrition. Households that receive grants have lower prevalence rates of hunger for young children, as well as for older children and adults.

Empirical evidence suggests that people in households receiving social assistance grants have increased both their participation in the labour force and employment rates faster than those who live in households that do not receive grants. Employment, in turn, provides access to resources that promote better education, nutrition, health and other outcomes. In addition, workers in households receiving grants have realised more rapid wage increases.

Integrated developmental social welfare services

The department and the social development sector as a whole are faced with enormous challenges and are under a great deal of pressure, due to systemic poverty, unemployment and inequality and their concomitant social ills. This is exacerbated by the fact that developmental social welfare services are labour intensive and skilled social workers and community development practitioners are in short supply. High workloads and dire working conditions lead to burnout and poor services.

Expanding these services thus requires a focus on human capital development to significantly increase the quality and quantity of social workers, social auxiliary workers and community development practitioners. The department will make a large allocation of R365 million over the MTEF period for scholarships. Increased levels of integration between all spheres of government and tertiary and private institutions (mostly NGOs) engaged in the delivery of developmental welfare services are also essential to ensure equity, efficiency and effectiveness in the provision of services by the sector.

Strategic oversight and governance

An effective monitoring and evaluation system is necessary to support service delivery at the implementation level and ensure effective oversight of the implementing agencies, including provinces and NGOs. The department is initiating an integrated management information system for welfare services to both support service delivery and ensure proper environmental and situational analysis for informing policy development and review.

Expenditure estimates

Table 17.1 Social Development

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	
R thousand								
1. Administration	78 616	91 624	105 128	125 873	124 635	138 902	146 418	155 340
2. Comprehensive Social Security	39 049 965	47 471 591	54 703 563	61 950 147	61 451 903	66 638 839	72 554 909	78 459 673
3. Policy Development, Review and Implementation Support for Welfare Services	24 082	38 795	83 772	104 131	99 894	198 976	265 122	383 588
4. Community Development	186 406	130 457	142 316	156 689	155 332	167 528	174 201	185 614
5. Strategy and Governance	18 203	33 800	33 061	45 585	38 527	87 863	79 701	85 210
Total	39 357 272	47 766 267	55 067 840	62 382 425	61 870 291	67 232 108	73 220 351	79 269 425
Change to 2006 Budget estimate				376 965	(135 169)	200 000	183 000	

Table 17.1 Social Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07		2007/08	2008/09	2009/10
Economic classification								
Current payments	135 161	190 518	220 169	279 020	263 585	389 836	401 002	428 909
Compensation of employees	65 037	84 029	93 203	126 746	116 151	169 386	178 905	188 465
Goods and services	70 124	105 678	126 773	152 274	147 434	220 450	222 097	240 444
<i>of which:</i>								
Communication	6 991	5 773	7 400	11 940	11 940	15 269	16 856	17 699
Computer services	2 112	1 968	2 308	6 821	6 821	7 498	8 217	8 628
Consultants, contractors and special services	40 656	59 998	76 633	81 274	76 434	140 572	137 218	145 701
Inventory	3 380	5 977	9 369	12 555	12 555	14 136	15 593	16 373
Maintenance repair and running cost	857	836	1 315	2 534	2 534	3 194	3 551	3 729
Operating leases	6 168	8 716	7 703	8 210	8 210	8 880	9 584	10 561
Travel and subsistence	6 009	17 565	14 723	17 168	17 168	22 651	24 075	25 278
Municipal services	353	371	400	469	469	509	541	595
Financial transactions in assets and liabilities	–	811	193	–	–	–	–	–
Transfers and subsidies	39 218 624	47 570 275	54 843 922	62 097 215	61 601 044	66 832 820	72 810 260	78 830 889
Provinces and municipalities	186	245	342	108	89	–	–	–
Departmental agencies and accounts	2 056 803	2 287 281	3 714 849	4 302 275	4 302 275	4 321 910	4 700 982	5 120 560
Universities and technikons	–	–	–	4 900	4 900	–	–	–
Foreign governments and international organisations	613	590	205	1 321	1 321	1 285	1 354	1 425
Non-profit institutions	6 034	7 245	41 842	48 061	47 762	48 854	51 935	58 471
Households	37 154 988	45 274 914	51 086 684	57 740 550	57 244 697	62 460 771	68 055 989	73 650 433
Payments for capital assets	3 487	5 474	3 749	6 190	5 662	9 452	9 089	9 627
Machinery and equipment	3 487	4 090	3 565	5 470	4 818	8 311	7 961	8 466
Software and other intangible assets	–	1 384	184	720	844	1 141	1 128	1 161
Total	39 357 272	47 766 267	55 067 840	62 382 425	61 870 291	67 232 108	73 220 351	79 269 425

Expenditure trends

The department's total estimated expenditure grows at an average annual rate of 16,6 per cent between 2003/04 and 2006/07, and is expected to grow at an average of 8,3 per cent a year over the MTEF period. Expenditure includes adjustments of R4,9 billion (R1,2 billion in 2003/04 and R3,7 billion in 2004/05) for phasing in the extension of the child support grant to children of 14.

93 per cent of the department's 2006/07 budget is for social assistance, with just under 7 per cent going to social assistance administration, leaving less than 1 per cent for other core activities. The department's core budget for 2006/07 is R285,2 million if transfers and subsidies are excluded. This core budget grows substantially over the MTEF period, at an average annual rate of 15,4 per cent, to R438,5 million in 2009/10, mainly due to an additional allocation in the 2007 Budget to strengthen the department's capacity.

Additional allocations for the 2007 MTEF period include:

- R45 million in 2007/08, R48 million in 2008/09 and R59 million in 2009/10 for social development policy implementation support to strengthen departmental capacity
- R10 million in 2007/08, R10 million 2008/09 and R11 million for 2009/10 for overseeing and supporting key institutions
- R70 million in 2007/08, R20 million in 2008/09 and R20 million in 2009/10 as a transfer to SASSA for the implementation of the social assistance management information system (rollout of the registry, workflow, appeals and enquiries, disability and national interface modules)
- R25 million in 2007/08 for further planning work in relation to a departmental integrated management information system for welfare services

- R50 million in 2007/08, R105 million in 2008/09 and R210 million in 2009/10 for social worker scholarships.

Expenditure on compensation of employees increases by 33,6 per cent in 2007/08, and grows at an average annual rate of 14,1 per cent over the MTEF period. The main reason for this growth is the progressive strengthening of the department's human resource capacity in relation to its key focus areas. Expenditure on goods and services increases at an average annual rate of 16,4 per cent over the MTEF period, which correlates with the increase in the number of staff.

Payments for capital assets grow at an average annual rate of 15,9 per cent over the MTEF period, partly because office equipment, furniture and fittings are required for the increased number of staff, and partly because computer software and other intangible assets will be upgraded.

Expenditure on departmental agencies and accounts increased at an average annual rate of 27,9 per cent between 2003/04 and 2006/07, and is expected to grow at 6 per cent over the MTEF period. The growth in the first period was influenced by the additional allocations for the establishment and operationalisation of SASSA, and is expected to taper off over the MTEF period.

The budget for administering the social assistance grants increases from R3,9 billion in 2006/07 to R4,4 billion in 2009/10. The social assistance grants budget itself grows at an average annual rate of 8,5 per cent over the MTEF period, from R57,7 billion in 2006/07 to R73,6 billion in 2009/10.

Social assistance grants

On 1 April 2007, the amount of the larger social assistance grants (old age, disability and care dependency) will increase by R50 to R870. Old age pensioners will receive R130 a month more than what they received in 2004. The child support grant will also increase: to R200 from R170 in 2004.

Transfers for social assistance grants showed average annual growth of nearly 16 per cent between 2003/04 and 2006/07. Table 17.2 shows that spending on the old age grant grew very strongly, from R17,1 billion in 2003/04 to R21,5 billion in 2006/07, an increase of R4,4 billion over the period. Of all the grants, the highest spending in 2005/06 is on the old age grant at R19,5 billion, followed closely by disability and child support grants at R14 billion each. Overall, spending on social assistance grants is projected to grow by R15,3 billion from 2006/07 to reach R73 billion in 2009/10, an annual average increase of 8,2 per cent.

Table 17.2 Social grants expenditure by type of grant and province, 2003/04 to 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	% growth (average annual)
R million								
Old age	17 146	18 504	19 527	21 590	22 782	24 405	26 106	7.3%
War veterans	34	36	28	25	21	18	14	-13.7%
Disability	10 329	12 570	14 099	14 707	15 728	16 991	18 347	10.0%
Foster care	1 142	1 563	1 996	2 464	3 404	4 091	4 886	27.4%
Care dependency	639	760	916	998	1 127	1 240	1 357	13.4%
Child support	7 690	11 431	14 143	17 936	19 176	20 888	22 327	19.4%
Total	36 982	44 885	50 708	57 720	62 238	67 633	73 037	12.0%
Province								
Eastern Cape	7 553	9 006	9 732	11 085	11 826	12 855	13 953	10.8%
Free State	2 379	3 049	3 352	3 919	4 214	4 667	5 166	13.8%
Gauteng	4 454	5 411	6 130	6 938	7 114	7 682	8 223	10.8%
KwaZulu-Natal	8 165	10 275	11 898	13 362	15 249	16 610	17 855	13.9%
Limpopo	4 899	5 802	6 815	7 722	8 464	9 144	9 899	12.4%
Mpumalanga	2 421	2 981	3 476	3 888	4 140	4 484	4 818	12.2%
Northern Cape	936	1 065	1 177	1 344	1 429	1 543	1 660	10.0%
North West	3 064	3 795	4 186	4 861	4 963	5 403	5 823	11.3%
Western Cape	3 111	3 500	3 942	4 601	4 839	5 245	5 640	10.4%
Total	36 982	44 885	50 708	57 720	62 238	67 633	73 037	12.0%

The high growth in social assistance grants is further illustrated in relation to GDP in table 17.3. Social assistance increased from 2,9 per cent of GDP in 2003/04 to 3,3 per cent in 2006/07. To ensure that the current levels of growth can be sustained, poverty needs to be addressed through a balance between cash grants on the one hand, and on the other, broad based development and opportunities for the poor to participate productively in the economy.

Table 17.3 Social grants expenditure as a percentage of GDP¹, 2003/04 to 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2009/09	2009/10
R million	Outcome			Preliminary	Medium-term estimates		
Social grant expenditure	36 982	44 885	50 708	57 720	62 238	67 633	73 037
Percentage of GDP ¹	2,9%	3,1%	3,2%	3,3%	3,2%	3,2%	3,1%

1. Gross domestic product as per 2007 Budget Review.

Source: National Treasury provincial database

The main reason for increased spending has been the growing number of beneficiaries. Table 17.4 shows that beneficiary numbers grew by more than 5,2 million, from 5,8 million in April 2003 to 11 million in April 2006. Beneficiaries of the child support grants increased by more than 4,5 million between April 2003 and 2006. This is mainly due to the extension of the grant to include children up to the age of 14 years. The disability grant also shows high growth, with the number of beneficiaries increasing by 365 571 in the same period.

Table 17.4 Social grants beneficiary numbers by type of grant, April 2003 to April 2007

	April 2003	April 2004	April 2005	April 2006	April 2007
Type of grant					
Old age	2 009 419	2 060 421	2 093 440	2 144 117	2 186 189
War veterans	4 594	3 961	3 343	2 832	2 326
Disability	953 965	1 270 964	1 307 551	1 319 536	1 437 842
Foster care	138 763	200 340	252 106	312 614	381 125
Care dependency	58 140	77 934	88 889	94 263	103 992
Child support	2 630 826	4 309 772	5 661 500	7 044 901	7 879 558
Total	5 808 494	7 941 562	9 406 829	10 918 263	11 991 032
Province					
Eastern Cape	1 071 448	1 501 031	1 743 007	2 094 642	2 255 034
Free State	366 979	503 063	596 083	678 522	734 145
Gauteng	701 962	976 533	1 165 679	1 318 981	1 406 375
KwaZulu-Natal	1 344 936	1 836 975	2 149 969	2 498 888	2 913 720
Limpopo	808 553	1 152 621	1 412 882	1 640 032	1 750 286
Mpumalanga	395 636	580 684	704 070	836 451	893 647
Northern Cape	138 969	169 102	188 578	213 512	233 592
North West	462 418	637 312	777 722	888 065	998 382
Western Cape	517 593	584 241	668 839	749 170	805 851
Total	5 808 494	7 941 562	9 406 829	10 918 263	11 991 032

Source: Intergovernmental Fiscal Review, Socpen, National Department of Social Development

Social assistance grants for children

Over the last 10 years, government has been progressively widening the safety net for children through the care dependency, child support and foster care grants. The child support grant in particular has been central to this endeavour. It was introduced in 1998 for eligible children aged between 0 and 7 years, and has gradually been increased to include children aged up to 14 years. This grant grew at an average annual rate of 32,6 per cent from R2,6 million in 2003/04 to R7,2 million in 2006/07.

The number of care dependency grant beneficiaries grew from 58 140 in April 2003 to 88 997 in April 2006. This grant is payable to children between ages 1 and 18 years who are in permanent home care and who suffer from severe mental or physical disability, and it is means tested.

The foster care grant is for children whom the courts deem in need of care. The child is placed in the custody of a foster parent, designated by the court and under the supervision of a social worker. The foster care grant is not means tested in the same way that other grants are, as fostering is not seen as a poverty issue. The aim of the grant is to reimburse a non-parent for the costs of caring for a child. Spending on the foster care grant grew from R1,1 billion in 2003/2004 to R2,5 billion in 2006/07, an average annual increase of 29,2 per cent. Beneficiary numbers grew from 138 763 in April 2003 to 312 614 in April 2006.

Departmental receipts

As a policy making department, the Department of Social Development does not generate income. The major revenue item relates to interest earned on social assistance transfer funds deposited into the bank accounts of cash payment contractors before they are disbursed to beneficiaries. Other departmental receipts include interest on debt, cancellation of uncashed cheques, parking fees for senior managers, recoveries of private telephone expenses, and breach of study contracts. All departmental receipts are deposited into the National Revenue Fund.

Table 17.5 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Departmental receipts	36	115	304	120	126	144	163
Sales of goods and services produced by department	26	–	63	20	21	24	28
Interest, dividends and rent on land	10	78	45	25	26	28	30
Sales of capital assets	–	–	181	–	–	–	–
Financial transactions in assets and liabilities	–	37	15	75	79	92	105
Total	36	115	304	120	126	144	163

Programme 1: Administration

Administration conducts the overall management of the department and provides centralised support services.

Expenditure estimates

Table 17.6 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand							
Minister ¹	918	1 535	1 406	885	938	985	1 034
Deputy Minister ²	1	1 448	1 380	719	762	801	841
Management	4 424	4 439	8 089	7 596	9 915	10 421	10 949
Corporate Services	66 752	76 714	86 150	107 395	117 262	123 413	130 650
Property Management	6 521	7 488	8 103	8 678	9 389	10 124	11 156
Government Motor Transport	–	–	–	600	636	674	710
Total	78 616	91 624	105 128	125 873	138 902	146 418	155 340
Change to 2006 Budget estimate				9 283	4 232	4 723	

1. Payable as from 1 April 2006. Salary: R 707 956. Car allowance: R 176 988.

2. Payable as from 1 April 2006. Salary: R 575 410. Car allowance: R 143 852.

Economic classification

	77 134	88 106	103 408	121 923	135 023	142 668	151 319
Current payments							
Compensation of employees	34 009	37 024	41 441	55 841	64 281	68 534	72 432
Goods and services	43 125	50 271	61 794	66 082	70 742	74 134	78 887
<i>of which:</i>							
Communication	5 414	4 790	4 795	3 945	4 121	4 489	4 713
Computer services	1 877	1 721	1 831	4 477	5 044	5 544	5 821
Consultants, contractors and special services	22 618	21 512	35 932	39 172	40 391	41 875	44 119
Inventory	2 082	2 002	4 494	4 845	5 412	5 895	6 190
Maintenance repair and running cost	622	674	1 154	854	954	1 039	1 091
Operating leases	6 168	8 716	7 703	8 210	8 880	9 584	10 561
Travel and subsistence	3 121	9 508	4 354	4 047	4 249	4 628	4 859
Municipal services	353	371	400	469	509	541	595
Financial transactions in assets and liabilities	–	811	173	–	–	–	–

Table 17.6 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Transfers and subsidies	81	198	128	44	–	–	–
Provinces and municipalities	81	112	126	44	–	–	–
Departmental agencies and accounts	–	–	2	–	–	–	–
Foreign governments and international organisations	–	6	–	–	–	–	–
Non-profit institutions	–	80	–	–	–	–	–
Payments for capital assets	1 401	3 320	1 592	3 906	3 879	3 750	4 021
Machinery and equipment	1 401	2 060	1 505	3 186	3 121	2 954	3 233
Software and other intangible assets	–	1 260	87	720	758	796	788
Total	78 616	91 624	105 128	125 873	138 902	146 418	155 340

Expenditure trends

Expenditure grew at an average annual rate of 17 per cent from 2003/04 to 2006/07, and will grow at an average annual rate of 7,3 per cent between 2006/07 and 2009/10, mainly due to the progressive strengthening of the capacity in the director-general's office, and for financial management and human resource development.

The devolution of accommodation related funding from the Department of Public Works from 2006/07 (R8,7 million in 2006/07, R9,4 million in 2007/08 R10,1 million in 2008/09 and 11,1 million in 2009/10) is also reflected in the programme's budget.

Programme 2: Comprehensive Social Security

The *Comprehensive Social Security* programme ensures and co-ordinates the development of policies and legislation for a comprehensive system of social security. This includes the development of norms and standards, and assessing the social, economic and fiscal impact of social security programmes. In addition, the programme is also responsible for providing social assistance.

Apart from the *Administration* subprogramme there are seven subprogrammes:

- *Social Assistance* provides for the development of policies for non-contributory income support through social assistance.
- *Social Insurance* provides for the development of policies and legislation for contributory income support related to employment based risks and other contingencies.
- *Policy Implementation Support* supports the development and implementation of strategies for financing social insurance programmes to enhance self reliance.
- *Social Assistance Transfers* provides for social assistance transfers to households.
- *SASSA* provides for the administration and integrity improvement costs related to the payment of social assistance grants and for the operational costs of the agency.
- *SASSA MIS* provides for the establishment and rollout of the management information system.
- *Contribution and Affiliations to Other Bodies* funds contributions to international social security organisations.

Expenditure estimates

Table 17.7 Comprehensive Social Security

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand							
Social Assistance	79 206	26 197	55 255	28 169	29 979	30 619	33 325
Social Insurance	–	–	–	7 055	10 493	12 921	13 567
Policy Implementation Support	1 479	1 547	6 289	2 645	3 192	3 336	3 514
Social Assistance Transfers	37 010 068	45 258 546	51 039 684	57 725 550	62 445 771	68 040 989	73 635 433
SASSA	1 953 520	2 177 800	3 593 365	4 123 491	4 072 747	4 439 715	4 745 778
SASSA MIS	–	–	–	55 772	70 000	20 000	20 000
Contributions and Affiliations to other bodies	404	375	4	528	556	584	613
Administration	5 288	7 126	8 966	6 937	6 101	6 745	7 443
Total	39 049 965	47 471 591	54 703 563	61 950 147	66 638 839	72 554 909	78 459 673
Change to 2006 Budget estimate				365 766	72 210	22 549	

Economic classification

Current payments	11 570	17 730	22 969	29 381	33 969	37 965	42 159
Compensation of employees	6 971	10 676	7 703	10 757	16 694	17 529	18 405
Goods and services	4 599	7 054	15 251	18 624	17 275	20 436	23 754
<i>of which:</i>							
Communication	248	260	1 424	2 040	2 311	2 433	2 555
Computer services	235	247	477	2 344	2 454	2 673	2 807
Consultants, contractors and special services	3 146	5 396	10 495	4 598	2 547	5 847	6 139
Inventory	180	189	1 250	3 783	3 801	4 144	4 351
Maintenance repair and running cost	30	32	65	855	860	980	1 029
Travel and subsistence	410	431	1 014	3 456	3 654	3 786	3 975
Financial transactions in assets and liabilities	–	–	15	–	–	–	–
Transfers and subsidies	39 037 956	47 453 109	54 680 124	61 920 358	66 604 074	72 516 288	78 416 824
Provinces and municipalities	44	16	75	17	–	–	–
Departmental agencies and accounts	1 953 520	2 177 800	3 593 365	4 179 263	4 142 747	4 459 715	4 765 778
Foreign governments and international organisations	404	379	–	528	556	584	613
Households	37 083 988	45 274 914	51 086 684	57 740 550	62 460 771	68 055 989	73 650 433
Payments for capital assets	439	752	470	408	796	656	690
Machinery and equipment	439	652	470	408	661	609	644
Software and other intangible assets	–	100	–	–	135	47	46
Total	39 049 965	47 471 591	54 703 563	61 950 147	66 638 839	72 554 909	78 459 673

Details of major transfers and subsidies:

Departmental agencies and accounts							
Public entities							
Current	1 953 520	2 177 800	3 593 365	4 179 263	4 142 747	4 459 715	4 765 778
South African Social Security Agency (SASSA Establishment)	74 442	82 105	183 294	135 000	158 250	166 954	176 136
South African Social Security Agency (Grant Administration Integrity)	–	6 049	39 605	96 086	154 487	157 525	166 189
South African Social Security Agency (Social Assistance Administration)	1 879 078	2 089 646	3 370 466	3 892 405	3 760 010	4 115 236	4 403 453
South African Social Security Agency (MIS)	–	–	–	55 772	70 000	20 000	20 000

Table 17.7 Comprehensive Social Security (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Foreign governments and international organisations							
Current	404	379	–	528	556	584	613
International Social Security Association Membership Fees	404	375	–	528	556	584	613
Gifts and donations	–	4	–	–	–	–	–
Households							
Current	37 010 068	45 258 546	51 039 684	57 725 550	62 445 771	68 040 989	73 635 433
Social Assistance transfers	37 010 068	45 253 440	51 034 418	57 720 109	62 440 058	68 034 762	73 628 895
Walvisbay	–	5 106	5 266	5 441	5 713	6 227	6 538
Other transfers							
Current	73 920	16 368	47 000	15 000	15 000	15 000	15 000
Disaster Relief Fund	70 000	10 000	42 000	10 000	10 000	10 000	10 000
Social Relief Fund	3 920	6 368	5 000	5 000	5 000	5 000	5 000

Expenditure trends

Expenditure over the last three years fluctuates, due to improved service delivery and the institutional reforms set in motion by the shift of the social assistance function from the provinces to national government.

Expenditure for social assistance administration increases at an average annual rate of 27,5 per cent from R1,9 billion in 2003/04 to R3,9 billion in 2006/07 and reaches R4,4 billion in 2009/10, representing 4,2 per cent average growth over the MTEF period. Expenditure on social assistance grants increases from R37 billion in 2003/04 to R57,7 billion in 2006/07 and reaches R73,6 billion in 2009/10.

The SASSA budget grows from R4,1 billion in 2006/07 to R4,7 billion in 2009/10. This includes additional allocations of R70 million in 2007/08, R20 million in 2008/09, and R20 million in 2009/10 for the implementation of the social assistance management information system, developed in terms of the disability management initiative, and now extended to include all grant categories.

In 2005/06, R42 million was disbursed to disaster victims from the disaster relief fund. R5 million was allocated to organisations providing assistance to victims of adverse events in areas not officially declared disasters.

Service delivery objectives and indicators

Recent outputs

The new disability tool was piloted and a report completed for heads of social development. Research was commissioned into the implications of further extending the child support grant. In 2006/07, the department took steps to manage litigation about the old age and child support grants and the entitlement of refugees to disability grants.

Two of three phases of the study on the potential perverse incentives in the social assistance grants system were completed. Two studies completed in June 2006 detail the impact of social assistance grants on households.

The department made a comprehensive assessment of the gaps in the social security system. A review of the current system of retirement provisions was completed and recommendations submitted to Cabinet.

All assessments for social relief of distress were done within 48 hours of notification and 80 per cent of applications were processed within three months and payment effected. A new data capturing system linked to SOCPEN (the grants application and payments database) has been developed and is operational.

As of November 2006, 11 800 382 people are receiving income support:

- 2 179 559 elderly people are receiving an old age grant

- 2 479 war veterans are receiving a grant
- 1 410 767 permanent and temporarily disabled people are receiving the disability grant and 96 473 disabled children are receiving a care dependency grant
- 7 714 738 children are receiving a child support grant
- 366 233 foster care grants are being provided
- 30 133 caregivers receive assistance in terms of the grant in aid.

Selected medium-term output targets

Comprehensive Social Security

Measurable objective: Develop a comprehensive social security system and provide assistance to poor, marginalised or vulnerable beneficiaries.

Subprogramme	Output	Measure/Indicator	Target
Social Assistance	Social assistance progressive realisation plan	Detailed plan developed, costed and approved	September 2007
	Implementation of the new definition on disability	National uniform standards for assessment of disability implemented	December 2007
	Re-engineering of administration of social relief of distress	Legislative amendments on disability provisions tabled Reduction of time taken to process applications by December 2007	March 2008 Reduced from 2 to 3 months
Social Insurance	Reform of second pillar contributory schemes for retirement provisions	Research report and firm recommendations for reform	June 2007
	Link beneficiaries to poverty alleviation and economic activities	Policy, strategy and programme designed and presented for consultation	August 2007
SASSA	Transfer of administration funds to SASSA	Percentage compliance with transfer payments schedule and projected cash flow needs	100% compliance
	SASSA delivery goals ensured	Frequency of financial and performance reports from SASSA	Monthly financial reports and quarterly performance reports
SASSA MIS	National implementation and rollout of the social assistance management information system, with the modules for the disability programme, appeals and enquiries, workflow and registry	Number of provinces with a fully operational system by September 2007	6 provinces

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

The *Policy Development, Review and Implementation Support for Welfare Services* programme creates an enabling environment for the delivery and accessibility of integrated social welfare services in partnership with all relevant stakeholders.

Apart from the *Administration* programme, there are 11 subprogrammes:

- *Service Standards* co-ordinates overarching policies, legislation, programmes and norms and standards for social welfare services delivered by both government and the non-government sector.
- *Substance Abuse and Central Drug Authority* develops and monitors policies, legislation and norms and standards for substance abuse.
- *Older Persons* develops and monitors policies, legislation and norms and standards for social welfare services to older people.
- *People with Disabilities* develops and monitors policies, legislation and norms and standards for social welfare services to people with disabilities.
- *Children* develops, monitors and facilitates the implementation of policies, legislation and programmes to protect, empower and support children.
- *Families* develops, monitors and facilitates the implementation of policies, legislation and programmes to empower families.
- *Victim Empowerment* develops, monitors and facilitates the implementation of policies, legislation and programmes to empower victims of crime and violence.

- *Social Crime Prevention* develops monitors and facilitates the implementation of policies, legislation and programmes to protect, empower and support children, youth and adult offenders and victims in the criminal justice system.
- *HIV and Aids* develops policies, programmes and guidelines, and monitors and facilitates the implementation of social welfare services for individuals, families and communities affected by HIV and Aids.
- *Service Provider Support and Management*: provides management and support to national councils and other professional bodies, and administers payments to these institutions.
- *Contributions and Affiliations to Other Bodies* funds contributions to international federations and organisations.

Expenditure estimates

Table 17.8 Policy Development, Review and Implementation Support for Welfare Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand							
Service Standards	1 433	2 809	2 831	4 872	61 911	117 407	222 937
Substance Abuse and Central Drug Authority	2 416	3 809	3 809	5 180	12 712	13 348	14 015
Older Persons	1 549	3 725	3 605	3 728	6 502	6 827	7 169
People with Disabilities	555	1 610	1 809	3 259	3 952	4 150	4 358
Children	4 198	5 453	9 483	10 664	17 620	18 331	19 247
Families	1 453	2 755	3 167	3 961	5 832	6 002	6 302
Victim Empowerment	1 744	3 305	3 871	2 717	4 182	4 268	4 482
Social Crime Prevention	1 142	1 248	1 543	2 958	6 939	7 147	7 505
HIV and Aids	3 376	5 245	43 555	55 066	58 222	64 771	65 470
Service Provider Support and Management	4 326	4 452	5 342	6 194	11 818	13 114	21 859
Contributions and Affiliations to other bodies	79	71	60	159	167	182	191
Administration	1 811	4 313	4 697	5 373	9 119	9 575	10 053
Total	24 082	38 795	83 772	104 131	198 976	265 122	383 588
Change to 2006 Budget estimate				–	91 616	152 248	
Economic classification							
Current payments	17 175	30 883	40 892	56 085	97 588	105 565	112 363
Compensation of employees	9 559	14 079	20 393	25 172	47 924	50 320	52 836
Goods and services	7 616	16 804	20 497	30 913	49 664	55 245	59 527
<i>of which:</i>							
Communication	871	148	299	2 584	4 714	5 444	5 716
Consultants, contractors and special services	3 505	9 514	9 986	15 447	30 445	34 255	35 878
Inventory	755	1 932	2 400	1 926	2 547	2 774	2 913
Maintenance repair and running cost	102	85	53	175	980	1 096	1 151
Travel and subsistence	1 544	4 121	5 181	4 877	8 454	8 945	9 392
Financial transactions in assets and liabilities	–	–	2	–	–	–	–
Transfers and subsidies	6 144	7 277	41 966	47 374	98 635	156 727	268 255
Provinces and municipalities	30	44	64	21	–	–	–
Departmental agencies and accounts	–	–	–	–	50 000	105 000	210 000
Foreign governments and international organisations	80	68	60	159	167	180	191
Non-profit institutions	6 034	7 165	41 842	47 194	48 468	51 547	58 064
Payments for capital assets	763	635	914	672	2 753	2 830	2 970
Machinery and equipment	763	629	847	672	2 626	2 681	2 786
Software and other intangible assets	–	6	67	–	127	149	184
Total	24 082	38 795	83 772	104 131	198 976	265 122	383 588

Table 17.8 Policy Development, Review and Implementation Support for Welfare Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Details of major transfers and subsidies:							
Departmental agencies and accounts							
Current	–	–	–	–	50 000	105 000	210 000
National Student Financial Aid Scheme	–	–	–	–	50 000	105 000	210 000
Foreign governments and international organisations							
Current	80	68	60	159	167	180	191
International Social Services (ISS)	45	59	60	111	117	126	133
International Council on Alcohol and Addiction (ICAA)	10	9	–	15	16	17	18
International Federation for the Aged	20	–	–	25	26	28	30
United Nations International Drug Control Programme	5	–	–	8	8	9	10
Non-profit institutions							
Current	6 034	7 165	41 842	47 194	48 468	51 547	58 064
loveLife	1 708	2 713	36 500	41 000	41 000	43 000	41 000
National Councils	4 326	4 452	5 342	6 194	7 468	8 547	17 064

Expenditure trends

Expenditure increased at an average annual rate of 62,9 per cent between 2003/04 and 2006/07, and is expected to grow at an average annual rate of 54,4 per cent from 2006/07 to 2009/10, from a very low base of R24 million in 2003/04. The strong growth is for increased capacity in the department and for improving monitoring and evaluation. The increases also cover policy and legislation development, revision and costing, and the development of norms and standards for social welfare services.

Additional allocations of R50 million in 2007/08, R105 million in 2008/09, and R210 million in 2009/10 are for the social worker scholarships programme to be administered through the National Student Financial Aid Scheme (NSFAS).

The expenditure on transfers to non-governmental organisations increased at an average annual rate of 98,5 per cent from 2003/04 to 2006/07, because of the additional allocations for the LoveLife groundbreaker programme in 2005/06 under the *HIV and Aids* subprogramme. The HIV and Aids conditional grant that was previously part of this programme was shifted to form part of the equitable share allocations to provinces as of 2006/07.

Service delivery objectives and indicators

Recent outputs

A draft policy framework to inform the Social Service Professions Act (1978) was presented to internal structures of the department. A process is under way for developing norms and standards for social welfare service delivery and a training manual for the integrated service delivery model. 190 social work students were awarded scholarships, and a draft recruitment and retention strategy was refined to deal with the shortage of social work professionals.

The national drug master plan for 2006 to 2011 was approved by Cabinet. The Central Drug Authority was inaugurated. The department supported it to develop its five year strategic plan.

A draft community based care and support services model has been developed and is currently being consulted with provinces and other stakeholders.

The Older Persons Act (2006) was promulgated.

A research report on the needs of people with disabilities was presented to heads of social development for approval. The rehabilitation guidelines and the integrated policy guidelines on the management of protective workshops were concluded.

The Children's Act (2005) was promulgated in June 2006. The Children's Amendment Bill was introduced to Parliament in July 2006 and is presently being considered by the National Council of Provinces. A draft child protection education and training strategy has been developed. In addition, international benchmarking was done on different surveillance systems on child protection. Various interventions promoted the wellbeing of children, in particular to do with early childhood development. A draft family policy was approved by heads of social development.

In support of efforts to prevent the victimisation of women and children, a national directory of services for victims of violence has been developed and distributed to role players.

A national action plan has been developed for children awaiting trial and those that are at risk. In addition, 84 probation officers have been trained on assessing and treating youth sex offenders, and 77 probation officers in all provinces have been trained as mentors for voluntary assistant probation officers. A secure care detention and probation case management system has been developed.

Research was done to evaluate the cost and process indicators for home and community based care and support (HCBC) programmes. The draft report on norms and standards for HCBC has been finalised. An audit of home and community based caregivers has been completed. In preparation for a management capacity building programme, a situational analysis and needs assessment of HCBC programmes has been completed and the capacity building programme in partnership with donors has begun in Limpopo, KwaZulu-Natal, Eastern Cape and Northern Cape.

Selected medium-term output targets

Policy Development, Review and Implementation Support for Welfare Services

Measurable objective: Develop, facilitate and monitor the implementation of effective policies and strategies on integrated social welfare services that meet the needs of all vulnerable groups.

Subprogramme	Output	Measure/Indicator	Target
Service Standards	Recruitment and retention strategy for social workers	Number of social work students recruited and scholarships provided per year	1 000 students in 2007
Substance Abuse and Central Drug Authority	Review of substance abuse legislation	Substance abuse legislation reviewed, consulted, costed and tabled in Parliament	March 2008
	Capacity building for service providers	Number of service providers trained on substance abuse interventions and trends	200 service providers
People with Disabilities	Policy for people with disabilities within the social development context	Action plan developed and costed for implementation of recommendations	March 2008
Child Protection	New child care legislation	Amendment of Child Care Act completed, with regulations	March 2008
	Implementation and monitoring of policy on child abuse, neglect and exploitation	Percentage of social welfare services officers at district level linked to the national register by December 2007	75% of offices
	Strategies for improved foster care and residential care services	Strategy to address backlogs in foster care implemented	June 2007
Families	Policy on families and programmes to promote functional families	Strategy on implementation of policy on families developed	December 2007
Victim Empowerment	Victim empowerment policy	Implementation plan on the victims' charter developed	September 2007
	National resource directory of services for victims of crime and violence	Updated 2007 edition	December 2007
HIV and Aids	Home and community based care and support programme	Percentage of funded HCBC projects comply with norms and standards and monitoring in place	25% of projects
	Implementation of expanded public works programme within HCBC programme	Percentage of identified caregivers trained	40% of caregivers
		Percentage of institutions trained on residential care management of HIV	25% of institutions
		Groundbreakers trained and linked to expanded public works programme	March 2008

Programme 4: Community Development

The main focus of *Community Development* is to develop, monitor and facilitate the implementation of appropriate policies, strategies and programmes aimed at sustainable livelihoods and human development.

Apart from the *Administration* programme, there are six subprogrammes:

- *Sustainable Livelihoods* promotes the delivery of co-ordinated and integrated services that will contribute towards reducing poverty and underdevelopment.
- *Community Development Service Standards* develops and manages norms and standards for community development professionals and provides a measure of excellence in the creation of an enabling environment that is informed by the prerequisite set standards.
- *Registration and Institutional Capacity Building of Non Profit Organisations* develops policies and programmes to create an enabling environment for non-profit organisations to provide unsurpassed ingenuity and initiative in the fight against poverty.
- *Youth* develops, monitors and facilitates the implementation of policies, legislation and programmes to protect vulnerable youth and empower and support them to be self reliant.
- *National Development Agency* manages government funding to the agency and monitors the implementation of integrated service delivery through partnerships with civil society and schedule 2/3 agencies.
- *Contributions and Affiliations to Other Bodies* funds contributions to international federations and organisations.

Expenditure estimates

Table 17.9 Community Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand							
Sustainable Livelihood	77 558	11 793	10 921	15 986	9 420	9 318	10 419
Community Development Service Standards	2 201	3 207	3 196	8 092	8 794	7 908	8 303
Registration and Institutional Capacity Building of NPOs	2 852	3 524	3 337	4 734	12 274	12 460	13 360
Youth	–	1 273	1 513	3 419	6 039	6 319	6 725
National Development Agency	103 283	109 481	121 482	123 012	129 163	136 267	144 782
Contributions and Affiliations to other bodies	–	–	–	480	400	420	441
Administration	512	1 179	1 867	966	1 438	1 509	1 584
Total	186 406	130 457	142 316	156 689	167 528	174 201	185 614
Change to 2006 Budget estimate				(15 827)	2 366	(803)	

Economic classification

	11 736	20 616	20 322	32 008	36 721	36 684	39 519
Current payments							
Compensation of employees	3 536	12 404	11 971	12 308	15 010	15 771	16 567
Goods and services	8 200	8 212	8 348	19 700	21 711	20 913	22 952
<i>of which:</i>							
Communication	214	124	228	1 221	2 713	2 954	3 102
Consultants, contractors and special services	5 901	3 362	3 600	12 443	13 645	11 802	12 954
Inventory	130	1 367	471	790	1 547	1 877	1 971
Travel and subsistence	510	1 930	2 144	2 588	2 750	2 856	2 999
Financial transactions in assets and liabilities	–	–	3	–	–	–	–
Transfers and subsidies	174 311	109 550	121 523	124 366	129 949	137 075	145 630
Provinces and municipalities	28	69	41	7	–	–	–
Departmental agencies and accounts	103 283	109 481	121 482	123 012	129 163	136 267	144 782
Foreign governments and international organisations	–	–	–	480	400	420	441
Non-profit institutions	–	–	–	867	386	388	407
Households	71 000	–	–	–	–	–	–

Table 17.9 Community Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Payments for capital assets	359	291	471	315	858	442	465
Machinery and equipment	359	273	441	315	858	442	465
Software and other intangible assets	–	18	30	–	–	–	–
Total	186 406	130 457	142 316	156 689	167 528	174 201	185 614

Details of major transfers and subsidies:

Departmental agencies and accounts							
Current	103 283	109 481	121 482	123 012	129 163	136 267	144 782
National Development Agency	103 283	109 481	121 482	123 012	129 163	136 267	144 782
Foreign governments and international organisations							
Current	–	–	–	480	400	420	441
South African Youth Workers Association	–	–	–	480	400	420	441
Non-profit institutions							
Current	–	–	–	867	386	388	407
Non Profit Organisations Partnership Fund	–	–	–	867	386	388	407
Households							
Current	71 000	–	–	–	–	–	–
Poverty Relief: Independent Development Trust	71 000	–	–	–	–	–	–

Expenditure trends

The negative average annual growth rate of 5,6 per cent between 2003/04 and 2006/07 is because the final transfer to the Independent Development Trust (IDT) for poverty relief projects was in 2003/04. This is also the main reason for the negative growth rate in the *Sustainable Livelihoods* subprogramme.

The average annual growth rate of 5,8 per cent over the MTEF period mainly relates to increased funding for the *Youth* subprogramme to co-ordinate the department's role in the national youth services, and for strengthening the human resource capacity in the *Registration and Institutional Capacity Building of NPOs* subprogramme.

Service delivery objectives and indicators**Recent outputs**

In 2006/07, an exit strategy aimed at making funded poverty relief projects financially and economically viable was developed in collaboration with the IDT, based on the 2004 poverty relief desktop study. A pilot project on linking grants to sustainable livelihoods has been implemented in the Eastern Cape. To integrate policies and programmes directed at poverty reduction and food security in the 21 nodes, a study has been commissioned on socio-economic conditions and social development needs in the nodes.

The department co-ordinated efforts linked to the India Brazil South Africa (IBSA) seminar on economic development and social equity and the national social dimensions of the New Partnership for Africa's Development (NEPAD) conference to strengthen relationships between developing countries in the southern hemisphere.

To facilitate improved governance and accountability in the non-profit sector, the department registered 8 394 organisations under the Nonprofit Organisations Act (1997), increasing the number of registered organisations to 37 059. The department conducted several capacity building interventions and other support initiatives in collaboration with networking organisations in the NPO sector to support organisations wishing to register.

A strategic framework on youth development has been developed and will guide the sector to improve the implementation of youth development programmes. As part of promoting volunteerism, a volunteer manual (toolkit) that includes a volunteer rights charter and basic code of conduct has been developed.

Selected medium-term output targets

Community Development

Measurable objective: Design, implement and monitor policies, strategies and programmes on youth, community development and sustainable livelihoods, and support organisations in their endeavours to flourish.

Subprogramme	Output	Measure/Indicator	Target
Sustainable Livelihoods	Strategy to link grants to livelihoods and co-operatives	Draft strategy developed and consulted with stakeholders	March 2008
Community Development Service Standards	Community development policy Standardisation of community development education, training and development	Community development policy developed Progress report on unit standards and qualifications finalised Consultation with relevant institutions of higher learning on curriculum for community development practice finalised	March 2008 March 2008 March 2008
Registration and Institutional Capacity Building of NPOs	Improved regulatory framework Registration and compliance of registered organisations Improved institutional capacity of the NPO sector	Integrated regulatory framework with costed legislation for implementation Turnaround time for registration Reporting compliance Monitoring report on capacity building of NPOs conducted by the National Development Agency	January 2008 2 months after applying 100% compliance March 2008
Youth Development	Integrated youth development implementation plan Social cohesion	Costing report for plan Number of young people participating in the national youth programme by March 2008	March 2008 300 young people

Programme 5: Strategy and Governance

Strategy and Governance sees that the department's core strategic functions are integrated with the progressive strengthening of the department's strategic, oversight, and monitoring and evaluation capacity. The programme ensures: integrated policy, strategy and programme planning and impact assessment; regulatory and oversight management of implementation partners, public entities and other national institutions; integrated performance monitoring and evaluation; cluster and governance integration; and special projects co-ordination.

Apart from *Administration* there are seven subprogrammes:

- *Strategy Development, Business and Programme Performance* facilitates and develops the department's strategic plan, focusing on both the vertical and horizontal integration of sector policies and strategies.
- *Monitoring and Evaluation* provides a leadership role in co-ordinating monitoring and evaluation expertise and tools across the national department and provincial departments.
- *Entity Oversight* oversees all entities, agencies and boards reporting to the department.
- *Social Policy Co-ordination* provides strategic guidance on social policy development, co-ordination and evaluation.
- *Special Project Co-ordination* provides for integrated project management and reporting on special social sector cluster projects, such as the expanded public works programme.
- *Population Research* provides policy, monitoring and planning advice on government's population policy.
- *Contributions and Affiliations to Other Bodies* funds contributions to international federations and organisations.

Expenditure estimates

Table 17.10 Strategy and Governance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand							
Strategy Development, Business and Programme Performance	–	–	–	3 885	29 832	5 073	5 327
Monitoring and Evaluation	6 066	19 554	15 622	5 094	6 557	7 543	7 921
Entity oversight	–	–	–	8 958	21 855	34 960	37 370
Social Policy Coordination	–	–	–	7 343	4 321	5 432	5 704
Special Projects Coordination	–	–	–	1 453	4 930	5 334	6 320
Population Research	10 168	12 747	14 744	14 707	17 114	17 984	18 884
Contributions and Affiliations to other bodies	129	137	145	155	162	170	180
Administration	1 840	1 362	2 550	3 990	3 092	3 205	3 504
Total	18 203	33 800	33 061	45 585	87 863	79 701	85 210
Change to 2006 Budget estimate				17 743	29 576	4 283	
Economic classification							
Current payments	17 546	33 183	32 578	39 623	86 535	78 120	83 549
Compensation of employees	10 962	9 846	11 695	22 668	25 477	26 751	28 225
Goods and services	6 584	23 337	20 883	16 955	61 058	51 369	55 324
<i>of which:</i>							
Communication	244	451	654	2 150	1 410	1 536	1 613
Consultants, contractors and special services	5 486	20 214	16 620	9 614	53 544	43 439	46 611
Inventory	233	487	754	1 211	829	903	948
Travel and subsistence	424	1 575	2 030	2 200	3 544	3 860	4 053
Transfers and subsidies	132	141	181	5 073	162	170	180
Provinces and municipalities	3	4	36	19	–	–	–
Universities and technikons	–	–	–	4 900	–	–	–
Foreign governments and international organisations	129	137	145	154	162	170	180
Payments for capital assets	525	476	302	889	1 166	1 411	1 481
Machinery and equipment	525	476	302	889	1 045	1 275	1 338
Software and other intangible assets	–	–	–	–	121	136	143
Total	18 203	33 800	33 061	45 585	87 863	79 701	85 210

Expenditure trends

Additional allocations in the 2006 Budget of R10 million in 2006/07, R20 million in 2007/08, and R30 million in 2008/09 are to strengthen the department's regulatory and oversight functions in relation to SASSA, to address other policy matters related to the newly established agency and the social assistance function in terms of the Social Assistance Act (2004), and to facilitate the establishment of the Inspectorate for Social Security.

An additional allocation of R25 million in the 2007 Budget is for planning and designing the department's integrated management information system, and is reflected in the *Monitoring and Evaluation* subprogramme. Further allocations were made for the establishment of an entities oversight unit to facilitate the department's relationship with its entities, and a special projects co-ordination unit to co-ordinate the expanded public works programme project on behalf of the social sector.

The programme's budget grows at an average annual rate of 23,2 per cent over the MTEF period. Compensation of employees grows at an average annual rate of 7,6 per cent over the MTEF period. Goods and services grows at an average annual rate of 48,3 per cent over the MTEF period, mainly due to high expenditure on consultants.

Service delivery objectives and indicators

Recent outputs

Progress has been made in formulating a draft model and regulations for the Inspectorate for Social Security. Comments on the draft regulations signalled a need for broader external consultation on the functions of the inspectorate and its possible overlap with organisations such as the National Prosecuting Authority. The unit has completed a number of regulatory instruments for oversight purposes. A performance agreement with the CEO of SASSA was concluded, and the SASSA agency agreement was also finalised, including the Memorandum of Understanding to address financial flows.

The expanded public works programme social sector cluster task team was established and is operational, as are co-ordination mechanisms at national and provincial levels.

The research report on national government departments' awareness and understanding of the population policy and its implementation was finalised and submitted for internal consideration. A review of the second United Nations Population Fund country programme was done in November 2006 as a basis for introducing the third country programme from 2007 to 2010. A concept document was drafted contextualising the research on the relationship between teenage pregnancies and the child support grant as part of a more comprehensive research project on perverse incentives commissioned by the department.

A national strategy forum has been established, constituting all provincial strategy managers, to facilitate the alignment of national and provincial strategic processes and reporting.

The initial phase of the department's integrated management information system is complete, with all contractual arrangements and project governance models finalised for implementation in six provinces. The first phase of the project, the implementation of the electronic management register, has also been initiated. The project is at the bulk volume capturing stage, where 73 per cent (9,8 million) of the 13,5 million social security files have been captured on the register.

Selected medium-term output targets

Strategy and Governance

Measurable objective: Provide leadership in strategic planning processes across national and provincial departments to improve social policy planning. Strengthen the co-ordination of performance monitoring and evaluation for all entities reporting to the department.

Subprogramme	Output	Measure/Indicator	Target
Strategy Development, Business and Programme Performance	Business process improvement initiatives	New electronic document system implemented	June 2007
	Gender conscious strategic plan and services	Gender policy and guidelines	April 2007
Monitoring and Evaluation	Service delivery performance monitoring and evaluation framework and analysis	Frequency of reports	Quarterly, mid-year and annual trends analysis and thematic reports
	Institutional performance assessment reporting framework	Availability of early warning monitoring and evaluation system and evaluation framework	Quarterly
Social Policy Coordination	Policy co-ordination, integration and analysis framework	Consolidated reports on departmental policy alignment and integration	March 2008
Entity Performance and Oversight Management	Regulatory framework for management of entity interface	Framework developed	June 2007
	Key institutions that report to the minister established or reviewed	Review of the National Development Agency Act	July 2007
Special Projects Coordination	Mainstreaming framework and guidelines	Mainstreaming framework and guidelines developed for integrating the expanded public works programme into social sector programmes identified through the job and institutional research study	September 2007
	Development of a comprehensive capacity building and training framework	Framework report	October 2007

Subprogramme	Output	Measure/Indicator	Target
Population Research	Implementation of population policy	Second draft policy implementation monitoring and evaluation report	March 2008
	Research on population and development	Reports on, among others, the South Africa demographic health survey, ageing, migration, poverty, HIV and Aids, gender, teenage pregnancies	March 2008

Public entities and other agencies

National Development Agency

The National Development Agency (NDA) was established in terms of the National Development Agency Act (1998) and replaced the Transitional National Development Trust. The NDA is a formal institutional platform to facilitate systematic interaction and dialogue between the state and society to mobilise resources for poverty eradication and people centred development.

Initially established as an entity reporting to the Ministry of Finance, the NDA was transferred to the Ministry of Social Development by presidential proclamation in October 2001. A board of representatives from government and civil society organisations governs the NDA. The primary responsibility of the NDA is to grant funds to civil society organisations to strengthen their institutional capacity and to enable them to carry out development projects in poor communities.

One of the key challenges faced by the NDA was lack of clear strategic direction and consequently a lack of human resource capacity to deliver on its mandate. A widely canvassed five year strategic plan, which deals with organisational transformation and includes an integrated human resource strategy, is thus an important milestone.

In 2005/06 the board approved the funding of 104 projects nationally to the value of approximately R68,7 million, of which about R59 million was disbursed in 2005/06. Approximately 70 000 people benefited directly and 278 000 indirectly from these disbursements.

The funding is mainly directed at the development of small enterprises like the following: in the North West, the Marang women in agriculture and development project has trained 800 community members in agricultural skills and business principles; in the Northern Cape there are three projects, namely a bed and breakfast, two coffee shops, and a screening printing enterprise which has resulted in the permanent employment of 40 people; and in Limpopo, the integrated chicken production project, encompassing a boiler production, hatchery and abattoir, has grown from 19 beneficiaries in 2001 to 120 in March 2006, its biggest success being capacity building, with community members now having their own farms and able to pay off start up loans.

In recent years, the NDA has been plagued by fraud. Approximately R8 million was misappropriated between 2004 and 2006. The person responsible has been dismissed, charged and sentenced to 15 years in prison for 28 counts of fraud. Disciplinary actions are also being taken against senior management tasked with oversight. Internal audits of all units were conducted to identify any more fraud. A risk management plan has been developed, and financial and system controls were tightened to prevent fraud in the future.

The NDA's primary source of income is a transfer from government. Over the MTEF period, this amounts to R129,2 million (2007/08), R136,3 million (2008/09) and R144,8 million (2009/10). The entity had a deficit in 2004/05, which it turned around in 2005/06, and it tables a balanced budget over the MTEF period.

Table 17.11 Financial summary for the National Development Agency

R thousand	Outcome			Estimated outcome	Medium-term estimate		
	Audited 2003/04	Audited 2004/05	Audited 2005/06		2007/08	2008/09	2009/10
Revenue							
Non-tax revenue	20 532	15 628	51 201	16 000	16 960	17 978	19 056
<i>Interest on investments</i>	20 520	13 831	15 816	16 000	16 960	17 978	19 056
<i>Project write backs</i>	12	1 797	35 385	–	–	–	–
Transfers received	112 390	125 588	121 482	123 012	129 163	136 267	144 782
Total revenue	132 922	141 216	172 683	139 012	146 123	154 245	163 838
Expenses							
Current expense	49 023	58 508	64 678	60 418	59 317	62 224	65 270
Compensation of employees	30 506	31 006	33 365	27 129	28 757	30 482	32 311
Goods and services	17 269	25 951	26 598	27 953	29 153	30 260	31 389
Depreciation	1 248	1 551	1 047	1 342	1 407	1 482	1 570
Losses due to fraud	–	–	3 668	3 994	–	–	–
Transfers and subsidies	104 773	97 559	59 354	78 594	86 806	92 021	98 568
Total expenses	153 796	156 067	124 032	139 012	146 123	154 245	163 838
Surplus / (Deficit)	(20 874)	(14 851)	48 651	–	–	–	–

Source: National Development Agency

South African Social Security Agency

The South African Social Security Agency (SASSA) is a schedule 3A national public entity established in terms of the South African Social Security Agency Act (2004) to administer and pay social assistance grants. Although the SASSA Act establishes the agency and describes its governance, management and accountability structures, the Social Assistance Act (2004) regulates the agency's mandate.

In terms of the Social Assistance Act, SASSA has been mandated to address the needs of specific groups of vulnerable people, including the aged, people with disabilities, children under the age of 14, foster children and care dependent children, in addition to paying the grant in aid. Although the agency has been formally in operation since April 2005, the transfer of the social assistance administration and payment service functions from the national and provincial departments of social development only began in April 2006.

By shifting the social assistance grant payment function to the agency, provincial departments of social development can now focus solely on improving the delivery of social welfare services, and the national department can concentrate on developing and reviewing social policy and monitoring service delivery.

On 1 April 2006, the agency was established in terms of the SASSA Act. The strategic objectives of the agency are to:

- ensure a high performance institution
- improve service delivery
- promote operational excellence
- ensure good governance.

In 2006/07, the agency embarked on several key strategic projects to give effect to its strategic objectives. The most important task was the integration of the nine provincial social security administrations (all staff, programmes and projects) with the newly established SASSA head office. All provinces will be completely integrated by the end of 2006/07, except for North West, which uses a different financial system. It will be fully integrated in 2007/08.

A second key project, interlinked with the first, has been capacitating the agency. This includes the migration of transferred staff into existing posts and the recruitment of additional staff, especially to fill the corporate services function in regional offices, given that these functions remained with the provincial departments.

Finally, the agency has also focused on improving service delivery by embarking on several projects aimed at innovating delivery, such as driving a one-day turnaround for grant application approval.

Over the MTEF period, the agency will focus on standardising processes and procedures for grants approval, payment and beneficiary maintenance services nationally. Key strategic activities over the period will relate to: improving service delivery quality through service delivery innovations; promoting organisational capacity; improving payment services; improving grant process integrity; improving financial management; and minimising fraud. These strategic imperatives are aimed at improving services to beneficiaries over the medium term.

Selected medium-term output targets

Measurable objective: To pay the right grant amount, to the right person, at the right time and place.

Branch	Output	Measure/Indicator	Target
Office of the CEO	Ensure adherence to the stakeholders' compact with the Minister of Social Development	Compliance with stakeholders' compact	100% compliance
Risk and Fraud Management	Strategic fraud prevention plan	Develop and implement strategic fraud prevention plan to provide for redress and complaints	March 2008
Corporate Services	Human capital management development and training planning in line with HR planning programmes	Percentage reskilling in targeted areas	80% reskilling
Finance and Supply Chain Management	Financial accounting policies and systems Budget structure and standard chart of accounts (SCOA) for transfers and operations	Financial management systems implemented across the country Programme management budgets in line with SCOA and budget structure implemented nationally	100% of systems implemented 100% of budgets implemented
Information Technology	Enterprise resource planning (ERP) systems nationally	Fully designed ERP system for head office and regions Percentage of ERP system implemented at head office and regional offices	September 2007 50% of system implemented
Customer Services	Service delivery to beneficiaries Standardised contracts with third party contractors Better data quality	Detailed implementation plan over the MTEF period developed Service delivery blueprint model developed Audit of all third party contracts completed Contracts analysed Standardised contract and guidelines for existing and future contracts developed Management information system implemented nationally	September 2007 March 2008 March 2007 Report by March 2008 March 2008 March 2008
Strategy and Business Development	Social assistance function at national and regional levels integrated into SASSA Service delivery, processes, and programmes across and within SASSA monitored and evaluated Accurate projections of beneficiary numbers and expenditures through economic models	Percentage regional integration into SASSA Functions standardised and consolidated Financial and non-financial reporting formats across SASSA developed Non-financial performance reports produced and disseminated Integrated micro-simulation and macroeconomic models implemented at SASSA Frequency of projections on beneficiary numbers and expenditures	100% by June 2007 100% by June 2008 September 2007 Quarterly April 2007 August and September 2007 and January 2008

Currently, social assistance grant expenditures flow from the National Revenue Fund to the national department. SASSA then makes monthly requests for the grant amounts, which are generated by SOCPEN (grants application and payment database). These amounts are paid to beneficiaries either by grant payment contractors (GPCs), like All Pay and the Post Office, which are responsible for cash transfers (75 per cent of beneficiaries) or making payments directly into beneficiaries' banking accounts (25 per cent of beneficiaries).

Transfers to the agency increase from R4,2 billion in 2007/08 to R4,8 billion in 2009/10, an average annual increase of 4,5 per cent. 48 per cent of SASSA's total expenditure (and 68 per cent of goods and services) in 2006/07 can be attributed to GPCs, which deliver grants to 11 million beneficiaries. R175 million in 2006/07 is for consultants, including for operating and maintaining the SOCPEN system. Compensation of employees accounts for 21 per cent of total expenditure in 2006/07 and increases from R879,4 million in 2006/07 to R1 billion in 2009/10, an average annual increase of 5,3 per cent.

A rollover of R350 million was allocated to SASSA in the 2006 Adjusted Estimates for completion of integration related projects (like the accommodation costs for the newly established regional offices and the employment of additional staff).

Over the medium term, the agency expects to make substantial savings on the administrative costs of delivering grants (through consolidating and standardising contracts with GPCs) and on actual grant expenditure (at R57 billion in 2006/07) by removing ineligible beneficiaries from the system and improving the efficiency of SOCPEN.

Table 17.12 Financial summary for SASSA

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Revenue							
Transfers received	1 953 520	2 177 800	3 323 665	4 179 263	4 142 747	4 459 715	4 765 778
<i>Of which:</i>							
<i>Establishment and operationalisation</i>	74 442	82 105	183 294	135 000	158 250	166 954	176 136
<i>Grant Administration integrity</i>	–	6 049	39 605	96 086	154 487	157 525	166 189
<i>Social assistance administration</i>	1 879 078	2 089 646	3 100 766	3 892 405	3 760 010	4 115 236	4 403 453
<i>Management information system</i>	–	–	–	55 772	70 000	20 000	20 000
Total revenue	1 953 520	2 177 800	3 323 665	4 179 263	4 142 747	4 459 715	4 765 778
Expenses							
Current expense	1 927 751	2 140 470	3 090 821	3 849 710	3 892 684	4 250 648	4 547 289
Compensation of employees	281 092	336 561	570 745	879 390	923 360	969 527	1 027 699
Goods and services	1 646 659	1 803 909	2 520 076	2 970 320	2 969 324	3 281 120	3 519 590
<i>of which:</i>							
<i>Payment contractors</i>	1 236 568	1 447 490	2 131 301	2 015 056	2 176 260	2 350 361	2 538 390
<i>Consultants, contractors and special services</i>	73 263	82 356	169 977	175 413	183 114	290 312	295 923
<i>Travel and subsistence</i>	26 622	33 135	57 018	98 356	101 700	106 785	114 260
Transfers and subsidies	340	592	595	1 459	–	–	–
Provinces and municipalities	340	592	595	1 459	–	–	–
Payments for capital assets	25 429	36 738	232 249	328 094	250 063	209 067	218 488
Buildings and other fixed structures	–	–	145 097	128 650	36 511	38 337	40 222
Machinery and equipment	25 429	36 738	87 152	128 784	133 163	139 821	146 812
Software and other intangible assets	–	–	–	70 660	80 390	30 909	31 455
Total expense	1 953 520	2 177 800	3 323 665	4 179 263	4 142 747	4 459 715	4 765 778
Surplus / (deficit)	–	–	–	–	–	–	–

Source: South African Social Security Agency

Additional tables

Table 17.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
	2005/06		2005/06	2006/07			2006/07
R thousand							
1. Administration	106 145	106 145	105 128	125 873	–	125 873	124 635
2. Comprehensive Social Security	56 204 659	55 759 174	54 703 563	61 573 182	376 965	61 950 147	61 451 903
3. Policy Development, Review and Implementation Support for Welfare Services	85 690	90 904	83 772	104 131	–	104 131	99 894
4. Community Development	147 840	165 522	142 316	157 029	(340)	156 689	155 332
5. Strategy and Governance	12 896	–	33 061	45 245	340	45 585	38 527
Total	56 557 230	56 121 745	55 067 840	62 005 460	376 965	62 382 425	61 870 291
Economic classification							
Current payments	288 074	344 580	220 169	290 411	(11 391)	279 020	263 585
Compensation of employees	117 124	112 471	93 203	126 746	–	126 746	116 151
Goods and services	170 950	232 109	126 773	163 665	(11 391)	152 274	147 434
Financial transactions in assets and liabilities	–	–	193	–	–	–	–
Transfers and subsidies	56 264 331	55 770 940	54 843 922	61 709 409	387 806	62 097 215	61 601 044
Provinces and municipalities	526 675	284	342	108	–	108	89
Departmental agencies and accounts	3 656 707	3 656 907	3 714 849	3 925 310	376 965	4 302 275	4 302 275
Universities and technikons	–	–	–	–	4 900	4 900	4 900
Foreign governments and international organisations	793	793	205	1 321	–	1 321	1 321
Non-profit institutions	41 843	42 643	41 842	47 561	500	48 061	47 762
Households	52 038 313	52 070 313	51 086 684	57 735 109	5 441	57 740 550	57 244 697
Payments for capital assets	4 825	6 225	3 749	5 640	550	6 190	5 662
Machinery and equipment	4 135	5 535	3 565	4 920	550	5 470	4 818
Software and intangible assets	690	690	184	720	–	720	844
Total	56 557 230	56 121 745	55 067 840	62 005 460	376 965	62 382 425	61 870 291

Table 17.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2003/04	2004/05	2005/06		2007/08	2008/09	2009/10
	A. Permanent and full-time contract employees						
Compensation (R thousand)	59 103	73 609	78 294	123 325	164 985	173 599	182 508
Unit cost (R thousand)	197	219	210	257	267	258	251
Personnel numbers (head count)	300	336	372	479	619	674	727
B. Part-time and temporary contract employees							
Compensation (R thousand)	4 854	8 983	12 554	1 433	1 988	2 455	2 845
Unit cost (R thousand)	162	166	182	96	99	98	95
Personnel numbers (head count)	30	54	69	15	20	25	30
C. Interns							
Compensation of interns	1 080	1 437	2 355	1 988	2 413	2 851	3 112
Unit cost (R thousand)	28	30	32	36	37	38	39
Number of interns	38	48	74	55	65	75	80
Total for department							
Compensation (R thousand)	65 037	84 029	93 203	126 746	169 386	178 905	188 465
Unit cost (R thousand)	177	192	181	231	241	231	225
Personnel numbers (head count)	368	438	515	549	704	774	837

Table 17.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Training and staff development							
Expenditure (R thousand)	531	785	886	996	1 686	1 781	1 876
Number of employees trained (head count)	241	285	337	447	487	530	574
Bursaries (employees)							
Expenditure per programme (R thousand)	151	168	234	252	301	331	328
Number of employees (head count)	24	19	45	42	50	55	70
Total	682	953	1 120	1 248	1 987	2 112	2 204
Number of employees	265	304	382	489	537	585	644

