

Vote 16

Social Development

Budget summary

R thousand	2008/09				2009/10	2010/11
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	152 428	149 280	–	3 148	163 127	175 435
Comprehensive Social Security	75 318 431	38 410	75 279 388	633	83 058 421	89 559 132
Policy Development, Review and Implementation Support for Welfare Services	270 322	110 054	157 227	3 041	390 142	414 503
Community Development	173 394	33 227	139 705	462	184 203	194 867
Strategy and Governance	93 399	91 672	316	1 411	96 633	106 294
Total expenditure estimates	76 007 974	422 643	75 576 636	8 695	83 892 526	90 450 231
Executive authority	Minister for Social Development					
Accounting officer	Director-General of Social Development					
Website address	www.dsd.gov.za					

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, objectives and measures

Programme 1: Administration

Purpose: Provide for overall management and support services to the department.

Programme 2: Comprehensive Social Security

Purpose: Provide income support to the elderly, the disabled and children in need through social assistance grants as provided for in law. Assess the social, economic and fiscal impact of social protection programmes.

Objectives and measures:

- Reduce the poverty and vulnerability of the elderly, the disabled, children and households in distress by:
 - providing social assistance to all eligible beneficiaries
 - improving the provision of social assistance by introducing new legislation in the form of the Social Assistance Amendment Bill and the Social Relief Funds Bill in 2008/09
 - improving income security for workers and their dependants by contributing to the development of policy options around social insurance by 2010/11
 - improving the efficiency and effectiveness of social assistance by conducting an impact evaluation study on the child support grant during 2008/09
 - improving the access of household beneficiaries of social assistance to economic opportunities by developing a strategy for leveraging social assistance grants by February 2009.

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

Purpose: Develop, facilitate, monitor and evaluate the implementation of policies, legislation, strategies and programmes on integrated social welfare services.

Objectives and measures:

- Improve the provision of welfare service delivery through the development and piloting of norms and standards for the delivery of social welfare services in 2008/09.
- Ensure that non-profit organisations (NPOs) are adequately funded to improve welfare service delivery in provinces by providing training and support, and monitoring the implementation of the financial awards to service providers policy during 2008/09.
- Build the capacity of institutions and professionals by training 100 social service professionals to implement integrated welfare services in line with the integrated service delivery model by 2008/09.
- Reduce substance abuse through the implementation of the national drug master plan by 2008/09.
- Ensure the protection and rights of people with disabilities by facilitating the implementation of policies on disability, the management of protective workshops, as well as the integrated guidelines on the rehabilitation of people with disabilities for residential facilities during 2008/09.
- Protect children in conflict with the law by developing implementation guidelines and programmes by 2009/10.
- Facilitate the finalisation of the victim empowerment policy and ensure the implementation of programmes by 2008/09.
- Facilitate the implementation of HIV and Aids care and support programmes through capacity building and rollout of the monitoring and evaluation system for home and community based care by 2009/10.
- Improve the protection of children by facilitating the implementation of the Children's Act (2005) through developing training and practice guidelines, regulations and strategies; child protection registers; developing a monitoring and evaluation system and conducting audits of facilities by 2009/10.

Programme 4: Community Development

Purpose: Create an enabling environment that contributes towards the building of sustainable communities in partnership with civil society and other social partners.

Objectives and measures:

- Ensure the development, empowerment and integration of youth into the mainstream of society through, among others, the scaling up of the National Youth Service programme, by 2011.
- Promote the building of sustainable communities by developing policies, programmes and guidelines by 2010/11.
- Strengthen the non-profit sector by developing an integrated legislative framework for the sector by 2010.
- Improve the institutional capacity of NPOs to comply with legislation by training registered organisations on corporate governance and by designing and developing user friendly templates and manuals on NPO compliance measures by 2010.
- Improve services to NPOs by ensuring that all NPO applications are assessed and institutions informed of the outcome within two months of receipt of application.

Programme 5: Strategy and Governance

Purpose: Provide leadership for better planning, co-ordination, and monitoring of social development programmes. Oversee the revision of the organisational framework, institutions governing social security, and compliance enforcement.

Objectives and measures:

- Oversee and align social development service delivery institutions by developing governance and operational guidelines by 2010.

- Establish the social assistance appeals tribunal by 2009 to provide a means for social assistance applicants to appeal the outcome of their application.
- Review guiding legislation and develop a business case and institutional model for the social assistance inspectorate as required by the Social Assistance Act (2004) to reduce fraud and corruption in the system.
- Develop and oversee the implementation of a comprehensive monitoring and evaluation system to improve service delivery across the sector, by 2009.
- Ensure the expansion of the social sector expanded public works programme by improving the co-ordination among all the role players in the sector during 2008/09.
- Monitor and evaluate the adherence of the South African Social Security Agency (SASSA) and the National Development Agency (NDA) to agreed objectives through monthly and quarterly reports.

Strategic overview and key policy developments: 2004/05 – 2010/11

The Department of Social Development continues to give effect to its constitutional mandate and provide leadership in the development and monitoring of social policy and related anti-poverty strategies in its ongoing desire to respond more effectively to the material and social needs of individuals, their families and communities. 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), community development and developmental welfare services. In the next three years, the focus will be on consolidating policies and legislative initiatives to guide the sector at national, provincial and local levels. Emphasis will be on ensuring the development of the necessary skills base, and that processes and systems are developed and implemented to support service delivery. The department also aims to ensure its business model is appropriately targeted and results in improved customer services.

Key policy developments

The Department of Social Development is a leading member of the interdepartmental task team on social security reform. Details of current proposals can be found in Chapter 6 of the 2008 Budget Review. Significant policy shifts have been made in the government funded social old age pension, as part of retirement reform: the qualifying age for men has been equalised with that of women (60 years), and will be phased in over the MTEF period. In addition, adjustments to the means tests for social assistance will also be implemented during 2008/09.

Over the past year, both the Children's Act (2005) and the Old Persons Act (2006) were enacted. Regulations for both acts are being finalised. In 2008/09, the department will finalise regulations on the Social Assistance Act (2004) and review the Social Services Professions Act (1978) and the Non-Profit Organisations Act (1997).

The Children's Amendment Bill, previously section 76 of the Children's Bill, was passed in November 2007.

A significant achievement has been the review of the Prevention of and Treatment for Substance Abuse Bill, including extensive consultations in all nine provinces gazetting the bill for public comment. It was approved by Cabinet in late 2007 for submission to Parliament.

The Social Service Professions Act (1978) has been reviewed and consultations with relevant bodies conducted. The financial implications of the new bill are being calculated and it will be gazetted for public comment by February 2008.

The department envisages developing and finalising the following legislation over the medium term: Non-Profit Organisation Amendment Bill; National Development Agency Bill; Social Assistance Amendment Bill; Social Relief Funds Bill; Children's Amendment Bill; and Prevention of and Treatment for Substance Abuse Bill.

Recent achievements

South Africa has a large social assistance programme. Currently, approximately 12 million people (about 25 per cent of the population) receive some form of social assistance.

A discussion document on measures to assist able-bodied grant recipients of working age to participate in economic activities and contribute to society was compiled and circulated. From this process, targeted employment assistance is planned, including direct job matching and community work, in line with the expanded public works programme (EPWP). The first phase of the pilot project on linking grants to livelihoods and co-operatives was launched in May 2006. Participants received seed funding through participation in community projects.

The department's five-year youth development strategy was approved and 240 unemployed youth engaged in probation services through the National Youth Service pilot programme implemented in partnership with Umsobomvu Youth Fund.

The department developed policy guidelines on rehabilitation services within families, institutions and communities to support people with disabilities to access vocational opportunities.

44 062 NPOs operating in various fields have been registered. To support the registration process, the department conducted several capacity building and other interventions in collaboration with networking organisations in the NPO sector.

The social development portfolio has grown considerably since 1994, leading to increased international bilateral and multilateral interaction. The department's focus is on developing long-term partnerships with developing countries. The department played a leading role in, among others, the India, Brazil and South Africa (IBSA) trilateral agreement and the African Population Commission (APC). South Africa was elected to chair the APC of the African Union (AU) for a two-year term (2005 to 2007) and led the review of the rules and procedures of the APC, which were adopted by the AU. The department also hosted the first biennial summit on substance abuse in February 2007, and the International Forum for Social Policy (IFSP) conference on research and policy dialogue for action.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of beneficiaries receiving social assistance	9 406 829	10 918 263	11 991 032	12 451 087	12 735 671	13 715 698	14 179 138
- old age grant	2 060 421	2 093 440	2 144 117	2 175 751	2 341 148	2 537 310	2 661 514
- war veteran grant	3 961	3 343	2 832	2 327	1 886	1 127	866
- disability grant	1 270 964	1 307 551	1 319 536	1 396 465	1 567 236	1 587 862	1 594 520
- child support grant	4 309 772	5 661 500	7 044 901	7 723 302	8 231 541	8 836 546	9 084 006
- foster care grant	200 340	252 106	312 614	368 382	483 992	634 170	715 527
-care dependency grant	77 934	88 889	94 263	100 029	109 868	118 683	122 705
Number of child abuse cases recorded in the national child protection register	-	-	-	-	20 000	30 000	40 000
Number of national adoptions registered	2 345	2 252	2 562	2 760	3 500	5 000	10 000
Number of role players trained on the Children's Act (2005)	-	-	1 680	1 000	1 500	2 500	3 000
Number of registered early childhood development sites captured on the national database	-	-	8 000	9 726	10 755	16 276	23 639
Number of groundbreakers trained through loveLife	-	-	-	-	500	500	500
Number of HIV and Aids prevention programmes	-	-	-	-	4	6	8
Number of youth in the National Youth Service programme	120	96	180	180	330	330	300
Number of youth in the Masupa-tsela youth pioneer programme	-	-	-	-	3 120	3 120	3 120
Number of social work scholarships awarded	-	-	-	962	3 000	4 500	5 000
Percentage of NPO applications dealt with in 2 months	-	-	-	-	80%	80%	80%

Expenditure estimates

Table 16.1 Social Development

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
R thousand								
1. Administration	91 624	105 128	110 576	138 902	135 481	152 428	163 127	175 435
2. Comprehensive Social Security	47 471 591	54 703 563	61 279 489	66 637 339	66 500 660	75 318 431	83 058 421	89 559 132
3. Policy Development, Review and Implementation Support for Welfare Services	38 795	83 772	97 995	194 976	167 839	270 322	390 142	414 503
4. Community Development	130 457	142 316	148 174	163 528	150 832	173 394	184 203	194 867
5. Strategy and Governance	33 800	33 061	39 853	94 363	70 081	93 399	96 633	106 294
Total	47 766 267	55 067 840	61 676 087	67 229 108	67 024 893	76 007 974	83 892 526	90 450 231
Change to 2007 Budget estimate				(3 000)	(207 215)	2 787 623	4 623 101	4 951 616

Economic classification

	190 518	220 169	252 180	385 375	314 636	422 643	449 543	486 546
Current payments								
Compensation of employees	84 029	93 203	111 060	169 386	140 572	196 669	208 456	219 519
Goods and services	105 678	126 773	140 651	215 989	174 064	225 974	241 087	267 027
<i>of which:</i>								
Communication	5 773	7 400	12 042	15 269	12 605	16 656	17 699	18 943
Computer services	1 968	2 308	3 002	7 498	4 998	7 797	8 628	9 292
Consultants, contractors and special services	59 998	76 633	68 806	136 111	105 586	138 068	145 646	153 219
Inventory	5 977	9 369	12 752	14 136	13 546	15 593	16 373	17 519
Maintenance, repairs and running costs	836	1 315	1 209	3 194	3 194	3 551	3 729	3 990
Operating leases	8 716	7 703	8 210	8 880	8 880	9 601	10 587	11 662
Travel and subsistence	17 565	14 723	15 963	22 651	20 195	23 789	24 978	26 726
Municipal services	371	400	469	509	509	541	595	655
Financial transactions in assets and liabilities	811	193	469	–	–	–	–	–
Transfers and subsidies	47 570 275	54 843 922	61 420 236	66 834 281	66 700 805	75 576 636	83 432 896	89 953 785
Provinces and municipalities	245	342	78	–	–	–	–	–
Departmental agencies and accounts	2 287 281	3 714 849	4 315 758	4 321 910	4 321 910	4 779 082	5 233 860	5 576 994
Universities and technikons	–	–	4 790	–	–	–	–	–
Foreign governments and international organisations	590	205	979	1 746	1 746	1 480	1 585	1 684
Non-profit institutions	7 245	41 842	48 504	49 854	49 854	55 085	62 018	64 639
Households	45 274 914	51 086 684	57 050 127	62 460 771	62 327 295	70 740 989	78 135 433	84 310 468
Payments for capital assets	5 474	3 749	3 671	9 452	9 452	8 695	10 087	9 900
Machinery and equipment	4 090	3 565	3 662	8 311	8 311	7 866	9 104	8 800
Software and other intangible assets	1 384	184	9	1 141	1 141	829	983	1 100
Total	47 766 267	55 067 840	61 676 087	67 229 108	67 024 893	76 007 974	83 892 526	90 450 231

Expenditure trends

Total expenditure grew at an average annual rate of 12.1 per cent between 2004/05 and 2007/08, and is expected to grow at an average annual rate of 10.4 per cent over the MTEF period. The provision for social assistance makes up the largest portion of the department's budget, approximately 93 per cent (R70.7 billion) in 2008/09. Other large transfers in 2008/09 include R4.5 billion to the South African Social Security Agency (SASSA), R136 million to the National Development Agency, R105 million for social work bursaries and R41 million to loveLife. Total transfers in 2008/09 amount to 99.4 per cent of the department's budget, leaving an operational budget of around R431 million, up from R395 million in 2007/08 and growing to R496 million in 2010/11 at an average annual rate of 7.9 per cent over that period. Most of the growth is as a result of a rising wage bill, driven in part by increased capacity and oversight functions in the department.

Expenditure on compensation of employees increases from R169.4 million in 2007/08 to R219.5 million in 2010/11, growing at an average annual rate of 9 per cent for support to and oversight of provinces and for oversight of public entities. The intention is to fill all currently funded vacancies during 2008/09, with a view to consolidating functions and reviewing current business processes as part of a comprehensive human capital strategy for the national and provincial departments. This strategy will inform future changes to the organisational structure of the department.

Expenditure in 2004/05 for transfers to households is shown for comparative purposes and reflects spending on the social assistance function in provinces before the shift of that function to the national department in 2005/06.

Additional allocations over the MTEF period (2008/09, 2009/10 and 2010/11) include:

- R7 million, R9.5 million and R13 million for policy and programme implementation support to increase capacity for oversight of provinces and entities
- R7 million, R10 million and R13 million to establish an appeals tribunal in terms of the SASSA and Social Assistance Acts (2004)
- R11 million, R6 million and R9 million to develop a management information system for social welfare services, to develop a long-term infrastructure plan for welfare infrastructure in provinces, and to conduct a feasibility study for the national integrated social information system
- R2.7 billion, R4.5 billion and R4.8 billion for inflation adjustments to the social assistance grants, for age equalisation of the old age pension and revisions to the means tests
- R5.9 million, R7.7 million and R8.6 million for the shortfall in compensation of employees for salary increases following the 2007 Public Service Co-ordinating Bargaining Council (PSCBC) resolution
- R17 000, R26 000 and R36 000 for additional accommodation charges
- R78.1 million, R113.3 million and R150.4 million for a general increase to SASSA's budget and for salary increases following the 2007 PSCBC resolution.

An efficiency saving of R25 million is included in the goods and services expenditure figures over the MTEF period. The department intends to review its current operation systems to facilitate improved service delivery and operations. This would include streamlining its business processes related to travelling, hosting meetings and workshops, and outsourcing professional services.

Social assistance grants

On 1 April 2008, the larger social assistance grants (old age, disability and care dependency) will increase by R70 per month. The maximum value of the grants per month will then be as follows:

- old age: R940
- war veterans: R960
- disability: R940
- grant in aid: R210
- foster care: R650
- care dependency: R940
- child support grant: R210 with effect from April 2008, R220 from October 2008

Transfers for social assistance grants showed average annual increases of 10.2 per cent over the period under review. Spending on the old age grant grew from R18.5 billion in 2004/05 to R22.6 billion in 2007/08, an increase of R4.1 billion. The highest spending on any of the grants in 2007/08 is on the old age grant, at R22.6 billion, followed closely by the child support grant at R19.3 billion, and the disability grant at R16 billion. Overall, spending on social assistance grants is projected to grow by R21.9 billion from 2007/08 to reach R84.3 billion in 2010/11, due to inflation adjustments, equalisation of the old age pension and adjustments to the means tests.

Social grants expenditure by type of grant and province: 2004/05 to 2010/11								
R million	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Percentage growth (average annual)
Old age	18 504	19 527	21 289	22 564	26 408	30 143	33 216	10.2%
War veterans	36	28	25	21	24	26	28	(3.8%)
Disability	12 570	14 099	14 261	16 009	17 678	18 864	19 900	8.0%
Grant in aid	20	–	–	–	–	–	–	(100.0%)
Foster care	1 563	1 996	2 851	3 257	3 602	3 924	4 234	18.1%
Care dependency	760	916	1 006	1 132	1 266	1 378	1 486	11.8%
Child support	11 431	14 143	17 559	19 345	21 623	23 650	25 285	14.1%
Relief of Distress	–	–	41	112	124	135	146	37.4%
Total	44 885	50 708	57 032	62 445	70 726	78 120	84 295	11.1%
Region								
Eastern Cape	9 006	9 732	10 599	12 113	13 695	15 079	16 221	10.3%
Free State	3 049	3 352	3 706	4 496	5 091	5 620	6 060	12.1%
Gauteng	5 411	6 130	6 747	7 868	8 958	9 978	10 853	12.3%
KwaZulu-Natal	10 275	11 898	13 890	14 236	16 101	17 748	19 117	10.9%
Limpopo	5 802	6 815	7 636	8 117	9 173	10 097	10 862	11.0%
Mpumalanga	2 981	3 476	3 928	4 183	4 735	5 226	5 637	11.2%
Northern Cape	1 065	1 177	1 285	1 499	1 699	1 877	2 026	11.3%
North West	3 795	4 186	4 912	5 307	6 015	6 647	7 169	11.2%
Western Cape	3 500	3 942	4 329	4 626	5 259	5 850	6 350	10.4%
Total	44 885	50 708	57 032	62 445	70 726	78 120	84 295	11.1%

Social assistance remains relatively constant at 3.3 per cent of GDP over the MTEF period, slightly up from 3.2 per cent in 2006/07.

Social grants expenditure as a percentage of GDP, 2004/05 - 2010/11

R million				Preliminary outcome			
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Social grant transfers	44 885	50 708	57 032	62 445	70 726	78 120	84 295
SASSA administration	2 178	3 324	3 819	4 520	4 541	4 883	5 205
Total	47 063	54 032	60 851	66 965	75 267	83 003	89 500
Total as percentage of GDP	3.3%	3.4%	3.4%	3.3%	3.3%	3.3%	3.2%

The table below shows that beneficiary numbers have grown by more than 4 million, from 7.9 million in April 2004 to a projected 12 million in April 2008, driven mainly by increases in beneficiaries of the child support grant (3.9 million).

Type of grant	April 2004	April 2005	April 2006	April 2007	April 2008
Old age	2 060 421	2 093 440	2 144 117	2 195 018	2 225 354
War veterans	3 961	3 343	2 832	2 340	1 931
Disability	1 270 964	1 307 551	1 319 536	1 422 808	1 409 434
Foster care	200 340	252 106	312 614	400 503	446 994
Care dependency	77 934	88 889	94 263	98 631	102 153
Child support	4 309 772	5 661 500	7 044 901	7 863 841	8 216 334
Total	7 941 562	9 406 829	10 918 263	11 983 141	12 402 200
Province					
Eastern Cape	1 501 031	1 743 007	2 094 642	2 244 303	2 301 041
Free State	503 063	596 083	678 522	723 698	755 665
Gauteng	976 533	1 165 679	1 318 981	1 406 445	1 451 967
KwaZulu-Natal	1 836 975	2 149 969	2 498 888	2 931 722	3 042 607
Limpopo	1 152 621	1 412 882	1 640 032	1 751 512	1 803 430
Mpumalanga	580 684	704 070	836 451	901 386	929 743
Northern Cape	169 102	188 578	213 512	232 102	307 095
North West	637 312	777 722	888 065	1 001 629	980 018
Western Cape	584 241	668 839	749 170	790 344	830 634
Total	7 941 562	9 406 829	10 918 263	11 983 141	12 402 200

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 17.5 per cent from 4.3 million children in April 2004 to a projected 8.2 million in April 2008.

The number of care dependency grant beneficiaries grew from 77 934 in April 2004 to 102 153 in April 2008. This grant is payable to children between the ages of 1 and 18 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. The number of children in foster care grew from 200 340 in April 2004 to 446 994 in April 2008, an average annual increase of 22 per cent.

Departmental receipts

In 2006/07, the major once-off revenue item of R865 million is made up of interest earned on social assistance transfer funds deposited into the bank accounts of cash payment contractors before they are disbursed to beneficiaries (R22.6 million) and unspent conditional grant funding on social assistance transfers in provinces (R842 million). Other departmental receipts include interest on debt, cancellation of uncashed cheques, parking fees from staff, recoveries of private telephone expenses, and breach of study contracts. All departmental receipts are deposited into the National Revenue Fund.

Table 16.2 Departmental receipts

R thousand	Audited outcome			Estimate	Medium-term receipts estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Departmental receipts	115	304	865 273	126	144	163	173
Sales of goods and services produced by department	–	63	82	21	24	28	30
Interest, dividends and rent on land	78	45	22 622	26	28	30	32
Sales of capital assets	–	181	–	–	–	–	–
Financial transactions in assets and liabilities	37	15	842 569	79	92	105	111
Total	115	304	865 273	126	144	163	173

Programme 1: Administration

Purpose: Provide for overall management and support services to the department.

Expenditure estimates

Table 16.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Minister ¹	1 535	1 406	1 081	951	1 019	1 072	1 127
Deputy Minister ²	1 448	1 380	895	773	828	871	916
Management	4 439	8 089	8 254	9 915	10 515	11 066	11 639
Corporate Services	76 714	86 150	92 157	117 238	129 850	138 226	149 388
Property Management	7 488	8 103	8 189	9 389	10 142	11 182	12 317
Government Motor Transport	–	–	–	636	74	710	48
Total	91 624	105 128	110 576	138 902	152 428	163 127	175 435
Change to 2007 Budget estimate				–	6 010	7 787	10 759

1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262.

2. Payable as from 1 April 2007. Salary: R618 566. Car allowance: R154 641.

Table 16.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic classification							
Current payments	88 106	103 408	108 607	135 023	149 280	158 789	171 565
Compensation of employees	37 024	41 441	53 701	64 281	73 821	78 846	83 142
Goods and services	50 271	61 794	54 554	70 742	75 459	79 943	88 423
<i>of which:</i>							
<i>Communication</i>	4 790	4 795	3 945	4 121	4 289	4 713	5 044
<i>Computer services</i>	1 721	1 831	2 544	5 044	5 124	5 821	6 288
<i>Consultants, contractors and special services</i>	21 512	35 932	23 445	40 391	40 875	42 144	42 471
<i>Inventory</i>	2 002	4 494	4 845	5 412	5 895	6 190	6 623
<i>Maintenance, repairs and running costs</i>	674	1 154	854	954	1 039	1 091	1 167
<i>Operating leases</i>	8 716	7 703	8 210	8 880	9 601	10 587	11 662
<i>Travel and subsistence</i>	9 508	4 354	4 047	4 249	4 344	4 559	4 878
<i>Municipal services</i>	371	400	469	509	541	595	655
Financial transactions in assets and liabilities	811	173	352	–	–	–	–
Transfers and subsidies	198	128	36	–	–	–	–
Provinces and municipalities	112	126	36	–	–	–	–
Departmental agencies and accounts	–	2	–	–	–	–	–
Foreign governments and international organisations	6	–	–	–	–	–	–
Non-profit institutions	80	–	–	–	–	–	–
Payments for capital assets	3 320	1 592	1 933	3 879	3 148	4 338	3 870
Machinery and equipment	2 060	1 505	1 933	3 121	2 738	3 853	3 320
Software and other intangible assets	1 260	87	–	758	410	485	550

Expenditure trends

Expenditure grew at an average annual rate of 14.9 per cent from 2004/05 to 2007/08, and is budgeted to grow at an average annual rate of 8.1 per cent between 2007/08 and 2010/11. Expenditure covers, among others: the progressive improvement of the department's management and operational capacity to respond to government administration requirements; the increased demand for litigation management and administration in line with the Social Assistance Act (2004); and the devolution of accommodation funds from the Department of Public Works from 2008/09 (R10.1 million in 2008/09, R11.2 million in 2009/10 and R12.3 million in 2010/11).

Additional allocations over the MTEF period (2008/09, 2009/10 and 2010/11) include:

- R17 000, R26 000 and R36 000 for additional accommodation charges
- R5 million, R6 million and R9 million for the development of a management information system for social welfare services and to conduct a feasibility study for the national integrated social information system.

Programme 2: Comprehensive Social Security

Purpose: Develop, monitor and co-ordinate policies for the provision of social protection. Assess the social, economic and fiscal impact of social protection programmes.

- *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 assistance programmes to improve 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 operation of the management information system.
- *Contribution and Affiliations to Other Bodies* funds contributions to international social security organisations.
- *Administration*.

Expenditure estimates

Table 16.4 Comprehensive Social Security

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Social Assistance	26 197	55 255	37 927	29 644	28 828	32 116	33 254
Social Insurance	–	–	6 494	7 493	15 001	15 374	17 428
Policy Implementation Support	1 547	6 289	1 032	3 292	3 406	3 602	3 800
Social Assistance Transfers	45 258 546	51 039 684	57 031 781	62 445 771	70 725 989	78 120 433	84 295 468
SASSA	2 177 800	3 593 365	4 136 599	4 072 747	4 517 815	4 859 078	5 180 925
SASSA MIS	–	–	55 772	70 000	20 000	20 000	20 000
Contributions and Affiliations to Other Bodies	375	4	419	556	584	616	653
Administration	7 126	8 966	9 465	7 836	6 808	7 202	7 604
Total	47 471 591	54 703 563	61 279 489	66 637 339	75 318 431	83 058 421	89 559 132
Change to 2007 Budget estimate				(1 500)	2 763 522	4 598 748	4 918 870
Economic classification							
Current payments	17 730	22 969	36 055	32 469	38 410	42 623	46 376
Compensation of employees	10 676	7 703	8 966	15 694	16 096	16 985	17 834
Goods and services	7 054	15 251	27 077	16 775	22 314	25 638	28 542
<i>of which:</i>							
<i>Communication</i>	260	1 424	2 142	2 311	2 433	2 555	2 734
<i>Computer services</i>	247	477	458	2 454	2 673	2 807	3 004
<i>Consultants, contractors and special services</i>	5 396	10 495	11 244	2 047	5 847	6 139	6 569
<i>Inventory</i>	189	1 250	4 112	3 801	4 144	4 351	4 656
<i>Maintenance, repairs and running costs</i>	32	65	180	860	980	1 029	1 101
<i>Travel and subsistence</i>	431	1 014	3 415	3 654	3 786	3 975	4 253
Financial transactions in assets and liabilities	–	15	12	–	–	–	–
Transfers and subsidies	47 453 109	54 680 124	61 243 320	66 604 074	75 279 388	83 015 127	89 512 046
Provinces and municipalities	16	75	8	–	–	–	–
Departmental agencies and accounts	2 177 800	3 593 365	4 192 371	4 142 747	4 537 815	4 879 078	5 200 925
Foreign governments and international organisations	379	–	814	556	584	616	653
Households	45 274 914	51 086 684	57 050 127	62 460 771	70 740 989	78 135 433	84 310 468
Payments for capital assets	752	470	114	796	633	671	710
Machinery and equipment	652	470	114	661	573	621	645
Software and other intangible assets	100	–	–	135	60	50	65
Total	47 471 591	54 703 563	61 279 489	66 637 339	75 318 431	83 058 421	89 559 132

Table 16.4 Comprehensive Social Security (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	2 177 800	3 593 365	4 192 371	4 142 747	4 537 815	4 879 078	5 200 925
South African Social Security Agency: SASSA	2 177 800	3 593 365	4 136 599	4 072 747	4 517 815	4 859 078	5 180 925
South African Social Security Agency: MIS	–	–	55 772	70 000	20 000	20 000	20 000
Foreign governments and international organisations							
Current	379	–	814	556	584	616	653
Gifts and donations	4	–	–	–	–	–	–
International Social Security Association	375	–	814	556	584	616	653
Households							
Social benefits							
Current	45 258 546	51 039 684	57 037 131	62 445 771	70 725 989	78 120 433	84 295 468
Social Assistance transfers	45 258 546	51 039 684	57 037 131	62 445 771	70 725 989	78 120 433	84 295 468
Households							
Other transfers to households							
Current	16 368	47 000	12 996	15 000	15 000	15 000	15 000
Disaster Relief Fund	10 000	42 000	10 000	10 000	10 000	10 000	10 000
Social Relief Fund	6 368	5 000	2 996	5 000	5 000	5 000	5 000

Expenditure trends

Expenditure in 2004/05 is shown for comparative purposes and reflects spending on the social assistance function in provinces before the shift of the function to the national department in 2005/06.

Spending in the *Social Insurance* subprogramme grows by 100.2 per cent between 2007/08 and 2008/09. This is off a low base and is mainly for support to the comprehensive social security task team on the policy proposals in the 2007 Budget.

Social assistance transfers increase at an average annual rate of 10.5 per cent over the MTEF period, from R62.5 billion in 2007/08 to R84.3 billion in 2010/11. This growth caters for an inflation related increase to grants and growth in beneficiary numbers due the age equalisation of the old age pension and adjustments to the means tests.

The SASSA budget grows by 7.9 per cent over the MTEF period, mainly to accommodate inflation (especially the impact on salaries), and also for the stabilisation of SASSA during its establishment phase. The ratio between social assistance costs and administration costs decreases marginally from 6.4 per cent in 2007/08 to 6.2 per cent in 2010/11.

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

Purpose: Develop, facilitate, monitor and evaluate the implementation of policies, legislation, strategies and programmes on integrated social welfare services.

- *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 prevention policies, programmes and implementation guidelines, monitors the implementation of policies through advocacy and outreach, and builds the capacity of provinces and NGOs to deliver prevention programmes. Policies and programmes focus on the prevention of new infections, re-infection and sexually transmitted infections.
- *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.
- *Administration*.

Expenditure estimates

Table 16.5 Policy Development, Review and Implementation Support for Welfare Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Service Standards	2 809	2 831	5 150	59 611	117 296	223 210	236 919
Substance Abuse and Central Drug Authority	3 809	3 809	5 793	12 712	13 348	14 015	14 855
Older Persons	3 725	3 605	4 654	6 902	7 340	7 711	8 149
People with Disabilities	1 610	1 809	3 259	4 552	4 840	5 086	5 368
Children	5 453	9 483	10 945	16 820	22 851	24 851	26 955
Families	2 755	3 167	3 457	5 182	6 123	6 430	6 783
Victim Empowerment	3 305	3 871	2 152	5 232	5 726	6 021	6 349
Social Crime Prevention	1 248	1 543	1 293	6 339	7 147	7 505	7 955
HIV and Aids	5 245	43 555	50 111	56 222	62 306	62 711	66 634
Service Provider Support and Management	4 452	5 342	6 194	12 118	13 508	22 274	23 577
Contributions and Affiliations to Other Bodies	71	60	11	167	182	191	202
Administration	4 313	4 697	4 976	9 119	9 655	10 137	10 757
Total	38 795	83 772	97 995	194 976	270 322	390 142	414 503
Change to 2007 Budget estimate				(4 000)	5 200	6 554	7 900

Table 16.5 Policy Development, Review and Implementation Support for Welfare Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic classification							
Current payments	30 883	40 892	49 074	92 127	110 054	117 495	126 137
Compensation of employees	14 079	20 393	22 369	46 924	52 863	55 772	58 650
Goods and services	16 804	20 497	26 691	45 203	57 191	61 723	67 487
<i>of which:</i>							
Communication	148	299	2 584	4 714	5 444	5 716	6 116
Consultants, contractors and special services	9 514	9 986	15 447	25 984	37 454	41 241	44 128
Inventory	1 932	2 400	1 926	2 547	2 774	2 913	3 117
Maintenance, repairs and running costs	85	53	175	980	1 096	1 151	1 232
Travel and subsistence	4 121	5 181	4 877	8 454	8 945	9 392	10 049
Financial transactions in assets and liabilities	–	2	14	–	–	–	–
Transfers and subsidies	7 277	41 966	48 179	100 096	157 227	269 555	285 150
Provinces and municipalities	44	64	17	–	–	–	–
Departmental agencies and accounts	–	–	–	50 000	105 000	210 000	222 600
Foreign governments and international organisations	68	60	11	628	180	191	202
Non-profit institutions	7 165	41 842	48 151	49 468	52 047	59 364	62 348
Payments for capital assets	635	914	742	2 753	3 041	3 092	3 216
Machinery and equipment	629	847	742	2 626	2 832	2 844	2 941
Software and other intangible assets	6	67	–	127	209	248	275
Total	38 795	83 772	97 995	194 976	270 322	390 142	414 503
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	–	–	50 000	105 000	210 000	222 600
National Student Financial Aid Scheme	–	–	–	50 000	105 000	210 000	222 600
Foreign governments and international organisations							
Current	68	60	11	628	180	191	202
International Council on Alcohol and Addiction	9	–	–	16	17	18	20
International Federation for the Aged	–	–	11	26	28	30	35
International Social Services	59	60	–	117	126	133	136
United Nations International Drug Control Programme	–	–	–	8	9	10	11
KFW banking group	–	–	–	461	–	–	–
Non-profit institutions							
Current	7 165	41 842	48 151	49 468	52 047	59 364	62 348
loveLife	2 713	36 500	40 000	41 000	41 000	41 000	43 460
National councils	4 452	5 342	6 194	7 468	8 547	17 064	18 088
Transfers to NGOs	–	–	1 451	–	–	–	–
Planned Parenthood Association of South Africa	–	–	–	1 000	500	–	–
National Religious Leaders Forum	–	–	–	–	1 500	1 000	500
National Association of People Living with HIV and Aids	–	–	–	–	500	300	300
United Nations International Drug Control Programme	–	–	506	–	–	–	–

Expenditure trends

Expenditure grew at an average annual rate of 71.3 per cent between 2004/05 and 2007/08, and is expected to grow at an average annual rate of 28.6 per cent between 2007/08 and 2010/11. The strong growth is mainly because of the introduction and rapid expansion of the social work scholarships in 2007/08 and more personnel to do policy and legislation work and to provide oversight and leadership to provinces on welfare service delivery.

Programme 4: Community Development

Purpose: Create an enabling environment that contributes towards the building of sustainable communities in partnership with civil society and other social partners.

- *Sustainable Livelihoods* promotes the delivery of co-ordinated and integrated services that will contribute to reducing poverty and underdevelopment.
- *Community Development Service Standards* develops and manages norms and standards for community development professionals.
- *Registration and Institutional Capacity Building of Non Profit Organisations* develops policies and programmes to create an enabling environment for non-profit organisations.
- *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 other agencies.
- *Contributions and Affiliations to Other Bodies* funds contributions to international federations and organisations
- *Administration*.

Expenditure estimates

Table 16.6 Community Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Sustainable Livelihoods	11 793	10 921	10 638	9 120	8 471	8 919	9 042
Community Development Service Standards	3 207	3 196	4 636	5 794	8 390	8 812	9 305
Registration and Institutional Capacity Building of NPOs	3 524	3 337	4 244	11 474	12 301	13 238	14 003
Youth	1 273	1 513	2 976	6 039	5 801	6 158	6 630
National Development Agency	109 481	121 482	123 012	129 163	136 267	144 782	153 469
Contributions and Affiliations to other bodies	–	–	–	400	400	441	467
Administration	1 179	1 867	2 668	1 538	1 764	1 853	1 951
Total	130 457	142 316	148 174	163 528	173 394	184 203	194 867
Change to 2007 Budget estimate				(4 000)	(807)	(1 411)	(1 884)

Economic classification

	20 616	20 322	24 650	32 721	33 227	35 836	38 121
Current payments							
Compensation of employees	12 404	11 971	11 438	15 010	16 196	17 087	17 939
Goods and services	8 212	8 348	13 121	17 711	17 031	18 749	20 182
<i>of which:</i>							
Communication	124	228	1 221	2 713	2 954	3 102	3 320
Consultants, contractors and special services	3 362	3 600	9 056	9 645	8 445	9 511	10 177
Inventory	1 367	471	658	1 547	1 877	1 971	2 109
Maintenance, repairs and running costs	45	43	–	180	196	206	220
Travel and subsistence	1 930	2 144	1 424	2 750	2 854	2 999	3 209
Financial transactions in assets and liabilities	–	3	91	–	–	–	–
Transfers and subsidies	109 550	121 523	123 262	129 949	139 705	147 877	156 227
Provinces and municipalities	69	41	9	–	–	–	–
Departmental agencies and accounts	109 481	121 482	123 012	129 163	136 267	144 782	153 469
Foreign governments and international organisations	–	–	–	400	400	441	467
Non-profit institutions	–	–	241	386	3 038	2 654	2 291
Payments for capital assets	291	471	262	858	462	490	519
Machinery and equipment	273	441	253	858	462	490	519
Software and other intangible assets	18	30	9	–	–	–	–
Total	130 457	142 316	148 174	163 528	173 394	184 203	194 867

Table 16.6 Community Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	109 481	121 482	123 012	129 163	136 267	144 782	153 469
National Development Agency	109 481	121 482	123 012	129 163	136 267	144 782	153 469
Foreign governments and international organisations							
Current	–	–	–	400	400	441	467
South African Youth Workers Association	–	–	–	400	400	441	467
Non-profit institutions							
Current	–	–	241	386	3 038	2 654	2 291
Non Profit Organisations Partnership Fund	–	–	241	386	388	409	434
National Association of Burial Societies of South Africa	–	–	–	–	750	825	907
National Association of People Living with HIV and Aids	–	–	–	–	400	420	450
Khanya: Africa institute for community driven development	–	–	–	–	1 500	1 000	500

Expenditure trends

The average annual growth rate of 7.8 per cent between 2004/05 and 2007/08 was due to increased funding for: the *Youth* subprogramme, to co-ordinate the department's role in the National Youth Service and to strengthen the human resource capacity in the *Registration and Institutional Capacity Building of NPOs* subprogramme. Average annual growth over the MTEF period is 6 per cent.

Programme 5: Strategy and Governance

Purpose: Provide leadership for better planning, co-ordination, and monitoring of social development programmes. Oversee the revision of the organisational framework, institutions governing social security, and compliance enforcement.

- *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 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.
- *Administration*.

Expenditure estimates

Table 16.7 Strategy and Governance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Strategy Development, Business and Programme Performance	–	–	3 635	29 982	11 073	5 327	5 646
Monitoring and Evaluation	19 554	15 622	2 574	7 457	9 543	10 920	13 396
Entity Oversight	–	–	672	20 755	39 238	44 057	49 940
Social Policy Coordination	–	–	5 228	2 271	5 432	5 942	6 046
Special Projects Coordination	–	–	–	4 930	5 333	6 321	6 990
Population Research	12 747	14 744	20 720	25 464	19 082	20 038	20 185
Contributions and Affiliations to Other Bodies	137	145	154	162	316	337	191
Administration	1 362	2 550	6 870	3 342	3 382	3 691	3 900
Total	33 800	33 061	39 853	94 363	93 399	96 633	106 294
Change to 2007 Budget estimate				6 500	13 698	11 423	15 971

Economic classification

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Current payments	33 183	32 578	33 794	93 035	91 672	94 800	104 347
Compensation of employees	9 846	11 695	14 586	27 477	37 693	39 766	41 954
Goods and services	23 337	20 883	19 208	65 558	53 979	55 034	62 393
<i>of which:</i>							
Communication	451	654	2 150	1 410	1 536	1 613	1 729
Consultants, contractors and special services	20 214	16 620	9 614	58 044	45 447	46 611	49 874
Inventory	487	754	1 211	829	903	948	1 014
Maintenance, repairs and running costs	–	–	–	220	240	252	270
Travel and subsistence	1 575	2 030	2 200	3 544	3 860	4 053	4 337
Transfers and subsidies	141	181	5 439	162	316	337	362
Provinces and municipalities	4	36	8	–	–	–	–
Departmental agencies and accounts	–	–	375	–	–	–	–
Universities and technikons	–	–	4 790	–	–	–	–
Foreign governments and international organisations	137	145	154	162	316	337	362
Non-profit institutions	–	–	112	–	–	–	–
Payments for capital assets	476	302	620	1 166	1 411	1 496	1 585
Machinery and equipment	476	302	620	1 045	1 261	1 296	1 375
Software and other intangible assets	–	–	–	121	150	200	210
Total	33 800	33 061	39 853	94 363	93 399	96 633	106 294

Details of major transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	–	375	–	–	–	–
Human Science Research Council	–	–	375	–	–	–	–
Universities and technikons							
Current	–	–	4 790	–	–	–	–
University of Pretoria	–	–	4 790	–	–	–	–
Foreign governments and international organisations							
Current	137	145	154	162	316	337	362
United Nations Population Fund	137	145	154	162	170	180	191
Partners in Population and Development (PPD)	–	–	–	–	146	157	171
Non-profit institutions							
Current	–	–	112	–	–	–	–
Transfers to NGOs	–	–	112	–	–	–	–

Expenditure trends

Expenditure grows at an average annual rate of 21 per cent over the period under review, mainly as a result of additional allocations in previous budgets of R10 million in 2006/07, R20 million in 2007/08, and R30 million in 2008/09. This is supplemented with additional allocations of R7 million in 2008/09, R10 million in 2009/10 and R13 million in 2010/11 to strengthen the department's regulatory and oversight functions in relation to SASSA, and to facilitate the establishment of key social security institutions. The once-off allocation in 2006/07 to the University of Pretoria was to establish a partnership for economic research on social protection.

Compensation of employees increases at an average annual rate of 27.3 per cent over the period under review because this is a new programme and its capacity needs are rapidly expanding. Goods and services increases at an average annual rate of 17.8 per cent over the entire period, mainly due to high expenditure on consultants used on various projects.

Public entities and other agencies

South African Social Security Agency

The South African Social Security Agency (SASSA) was established in accordance with the South African Social Security Agency Act (2004) to administer and pay social assistance grants.

Newly established, SASSA has to ensure operational continuity as well as administer and pay social assistance grants, and at the same time build the necessary capacity to deliver on its key strategic objectives. SASSA will focus on tackling implementation problems such as the possibly large number of lawsuits against the agency due to notification letters not being delivered, long turnaround times, fraud, and processes which are not standard across all regions.

Improving service delivery and efficiency

An improved grants administration process (IGAP) was developed and piloted in Eastern Cape, Mpumalanga and Western Cape. KwaZulu-Natal has implemented IGAP in 72 of its 79 offices. The IGAP model aims to reduce the turnaround time for grant applications to one day by streamlining the application process.

Improving access to services by rural communities

SASSA has purchased 40 mobile units to take services to remote and rural communities. The trucks are a one-stop shop where beneficiaries can apply for an ID with the Department of Home Affairs or a grant with SASSA. They represent a key milestone for the agency, addressing a problem that government had been faced with for a long time.

Combating fraud

SASSA has been systematically cleaning up its grant beneficiary records. Regular audits of the social pension (SocPen) system have been introduced, and a number of repeat public servant offenders have been identified and singled out for legal penalties. This is a joint development between the Special Investigating Unit, the Department of Social Development and SASSA.

Since the start of the audit, the following results have been achieved:

- 21 588 government employees were found to be on the system irregularly and have been removed. Disciplinary action ranges from warnings to dismissals.
- 6 693 people have been arrested and taken to court. The conviction rate is more than 80 per cent.
- Acknowledgements of debts of R77.5 million have been signed, and R16.6 million has been recovered from un-entitled beneficiaries.
- 143 485 people have been recommended for removal from the system and 21 587 civil servant grants have been stopped (a total of 165 072 grants with an annual value of R424 million).

- 123 610 beneficiaries have been cancelled due to non-collection or direct requests from beneficiaries.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Average cost of administering social assistance (R/beneficiary)	19.29	25.37	29.16	27.84	25	22.5	20
Average cost of manual payment of grants (R/beneficiary)	12.82	16.27	14.01	14.71	13	11	9
Ratio of administration costs to social assistance disbursements	0.046:1	0.066:1	0.074:1	0.063:1	0.06:1	0.05:1	0.04:1
Percentage of beneficiaries receiving payments through the banking system	1 019 737 (10.8%)	1 158 083 (10.6%)	1 437 433 (12.0%)	1 800 000 (14.5%)	2 218 166 (17%)	2 687 260 (20%)	3 455 755 (25%)

Expenditure estimates

Table 16.8 SA Social Security Agency (SASSA)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	–	–	1 269	3 033	3 102	3 444	3 665
Sale of goods and services other than capital assets	–	–	1 055	1 640	1 680	2 000	2 200
of which:							
Admin fees	–	–	1 055	1 640	1 680	2 000	2 200
Other non-tax revenue	–	–	214	1 393	1 422	1 444	1 465
Transfers received	2 177 800	3 323 665	4 192 371	4 142 747	4 537 815	4 879 078	5 200 925
of which:							
Social assistance administration	2 177 800	3 323 665	4 136 599	4 072 747	4 517 815	4 859 078	5 180 925
Management information system	–	–	55 772	70 000	20 000	20 000	20 000
Total revenue	2 177 800	3 323 665	4 193 640	4 145 780	4 540 917	4 882 522	5 204 590
Expenses							
Current expense	2 140 470	3 090 821	3 655 048	4 519 774	4 540 175	4 881 728	5 203 740
Compensation of employees	336 561	570 745	710 684	1 090 832	1 168 281	1 248 892	1 323 826
Goods and services	1 803 909	2 520 076	2 944 364	3 428 942	3 371 894	3 632 836	3 879 914
of which:							
Payment contractors	1 447 490	2 131 301	2 015 056	2 189 941	2 420 964	2 687 531	2 956 153
Consultants, contractors and special services	82 356	169 977	175 413	183 114	148 765	160 666	173 519
Travel and subsistence	33 135	57 018	80 820	109 032	111 332	120 238	129 857
Total expense	2 177 800	3 323 665	3 818 656	4 520 247	4 540 917	4 882 522	5 204 590
Surplus / (deficit)	–	–	374 984	(374 467)	–	–	–

Expenditure trends

SASSA's budget grows from R4.1 billion in 2007/08 to R5.2 billion in 2010/11, at an average annual rate of 7.9 per cent. Expenditure on contracts with independent payments service providers accounts for more than 76 per cent of total beneficiary payments, and more than half of total expenditure.

Additional allocations in the 2008 Budget are for further investment in systems improvements and increased capacity, as well as providing for the impacts of inflation on salaries and long term contracts.

A deficit is reflected in 2007/08, which will be funded from the previous years' surplus, as approved. This is to pay for accrued services related to those years. Going forward the entity is tabling a balanced budget.

National Development Agency

The National Development Agency (NDA) was established in terms of the National Development Agency Act (1998).

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. Its primary mandate is to contribute to eradicating poverty and its causes by granting funds to civil society organisations implementing development projects in poor communities, and strengthening the institutional capacity of civil society organisations that provide services to the poor. Its secondary mandate is to: promote consultation, dialogue and sharing on development experience between civil society organisations and organs of state; debate development policy; and undertake and publish research aimed at providing the basis for development policy.

Achievements by the NDA include: developing and implementing a performance management system; restructuring the organisation in line with organisational goals and objectives; establishing partnerships with most of the key development finance institutions (DFI) by actively participating in the DFI forum and its activities; signing partnership agreements with the Department of Trade and Industry on poverty alleviation and development projects; and funding, organising and participating in a number of key conferences and seminars on poverty and development.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of funding partnerships established	77	104	95	78	82	85	91
Number of income generating projects funded	77	104	95	70	75	80	85
Number of civil society organisations strengthened	77	104	630	630	720	720	735
Number of evaluation and impact assessments on funded projects finalised	3	4	105	110	140	150	160

Expenditure estimates

Table 16.9 National Development Agency

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	15 628	51 200	27 665	20 750	21 750	22 750	23 750
Other non-tax revenue	15 628	51 200	27 665	20 750	21 750	22 750	23 750
Transfers received	125 588	121 482	123 012	129 163	136 267	144 782	153 469
Total revenue	141 216	172 682	150 677	149 913	158 017	167 532	177 219
Expenses							
Current expense	58 295	64 478	70 808	60 189	65 187	69 143	73 322
Compensation of employees	31 006	33 365	33 328	35 828	38 515	41 404	44 510
Goods and services	25 738	30 066	36 872	23 770	26 000	27 000	28 000
Depreciation	1 551	1 047	608	591	672	739	812
Transfers and subsidies	97 772	59 553	92 376	89 724	92 830	98 389	103 897
Total expenses	156 067	124 031	163 184	149 913	158 017	167 532	177 219
Surplus / (Deficit)	(14 851)	48 651	(12 507)	-	-	-	-
Acquisition of assets	142	1 161	975	1 073	1 180	1 298	1 428

Expenditure trends

The NDA's primary source of income is a transfer from government. Over the MTEF period this amounts to R136.3 million (2008/09), R144.8 million (2009/10) and R153.5 million (2010/11), average annual growth of 6.1 per cent. The NDA's budget has been under pressure in the past, with a deficit in 2006/07, but in 2007/08 it

is tabling a balanced budget over the MTEF period. The agency's revenue shows a sharp increase in 2005/06 as a result of projects which were cancelled in 2004/05 and whose funding was returned to the agency.

Additional tables

Table 16.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	2006/07		2006/07	2007/08			2007/08
1. Administration	125 873	125 873	110 576	138 902	–	138 902	135 481
2. Comprehensive Social Security	61 573 182	61 950 147	61 279 489	66 638 839	(1 500)	66 637 339	66 500 660
3. Policy Development, Review and Implementation Support for Welfare Services	104 131	104 131	97 995	198 976	(4 000)	194 976	167 839
4. Community Development	156 689	156 689	148 174	167 528	(4 000)	163 528	150 832
5. Strategy and Governance	45 585	45 585	39 853	87 863	6 500	94 363	70 081
Total	62 005 460	62 382 425	61 676 087	67 232 108	(3 000)	67 229 108	67 024 893
Economic classification							
Current payments	277 304	265 913	252 180	389 836	(4 461)	385 375	314 636
Compensation of employees	124 845	124 845	111 060	169 386	–	169 386	140 572
Goods and services	152 459	141 068	140 651	220 450	(4 461)	215 989	174 064
Financial transactions in assets and liabilities	–	–	469	–	–	–	–
Transfers and subsidies	61 722 516	62 110 322	61 420 236	66 832 820	1 461	66 834 281	66 700 805
Provinces and municipalities	107	107	78	–	–	–	–
Departmental agencies and accounts	3 938 418	4 315 383	4 315 758	4 321 910	–	4 321 910	4 321 910
Universities and technikons	–	4 900	4 790	–	–	–	–
Foreign governments and international organisations	1 321	1 321	979	1 285	461	1 746	1 746
Non-profit institutions	47 561	48 061	48 504	48 854	1 000	49 854	49 854
Households	57 735 109	57 740 550	57 050 127	62 460 771	–	62 460 771	62 327 295
Payments for capital assets	5 640	6 190	3 671	9 452	–	9 452	9 452
Machinery and equipment	4 920	5 470	3 662	8 311	–	8 311	8 311
Software and intangible assets	720	720	9	1 141	–	1 141	1 141
Total	62 005 460	62 382 425	61 676 087	67 232 108	(3 000)	67 229 108	67 024 893

Table 16.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
A. Permanent and full-time contract employees							
Compensation (R thousand)	73 609	78 294	107 639	164 985	191 363	202 499	213 062
Unit cost (R thousand)	219	210	231	267	280	296	311
Personnel numbers (head count)	336	372	466	619	684	684	684
B. Part-time and temporary contract employees							
Compensation (R thousand)	8 983	12 554	1 433	1 988	2 455	2 845	3 023
Unit cost (R thousand)	166	182	96	99	98	95	92
Personnel numbers (head count)	54	69	15	20	25	30	33
C. Interns							
Compensation of interns	1 437	2 355	1 988	2 413	2 851	3 112	3 434
Unit cost (R thousand)	30	32	36	37	38	39	40
Number of interns	48	74	55	65	75	80	85
Total for department							
Compensation (R thousand)	84 029	93 203	111 060	169 386	196 669	208 456	219 519
Unit cost (R thousand)	192	181	207	241	251	263	274
Personnel numbers (head count)	438	515	536	704	784	794	802

Table 16.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	84 029	93 203	111 060	169 386	196 669	208 456	219 519
Training expenditure (R thousand)	785	886	2 212	1 686	1 967	2 085	2 195
Training as percentage of compensation	1%	1%	2%	1%	1%	1%	1%
Total number trained in department (head count)	285	337	487	487			
<i>of which:</i>							
Employees receiving bursaries (head count)	168	234	382	301			
Internships trained (head count)	32	34	66	15			
Households receiving bursaries (R thousand)	–	–	–	50 000	105 000	210 000	222 600
Households receiving bursaries (head count)	–	–	190	1 428			