

# Vote 18

## Social Development

### Budget summary

R million	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	180.8	176.7	–	4.1	189.8	197.2
Comprehensive Social Security	95 136.5	135.1	95 000.5	0.9	104 794.6	113 057.7
Policy Development, Review and Implementation Support for Welfare Services	346.0	99.1	244.3	2.7	374.7	394.3
Community Development	194.4	63.5	129.6	1.3	280.3	293.7
Strategy and Governance	71.4	68.6	1.5	1.2	76.0	80.8
<b>Total expenditure estimates</b>	<b>95 929.1</b>	<b>543.0</b>	<b>95 376.0</b>	<b>10.1</b>	<b>105 715.4</b>	<b>114 023.7</b>

Executive authority

Minister of Social Development

Accounting officer

Director-General of Social Development

Website address

[www.dsd.gov.za](http://www.dsd.gov.za)

*The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.*

### Aim

*The aim of the Department of Social Development is to ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Overall administrative and key support services to the department and ministry.

#### Programme 2: Comprehensive Social Security

**Purpose:** Develop comprehensive social security policies and provide income support to vulnerable groups.

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

**Purpose:** Create an enabling environment for the delivery of equitable developmental welfare services through formulation of policies, standards, best practice and support to social service providers.

#### Programme 4: Community Development

**Purpose:** Create an enabling environment for the empowerment of the poor and vulnerable through the promotion and support of community development work, strengthening of institutional arrangements and dialogue with civil society.

#### Programme 5: Strategy and Governance

**Purpose:** Sector wide strategy, leadership, oversight, alignment and coordination of mandates, strategies and social and population policies.

## **Strategic overview: 2006/07 – 2012/13**

### **Policy development**

Over the past 15 years, the Department of Social Development has implemented a number of policies that contribute to creating an inclusive society that is attentive to the rights and needs of the most vulnerable of its members. The department's key strategic objective is to implement appropriate policy interventions to respond to the immediate needs of individuals and communities, while at the same time engaging in policy research and development that explores longer term solutions to addressing systemic poverty and inequality. Areas of focus are social security, welfare service and community development. The following areas have been earmarked as priorities for the medium term: developing comprehensive policies on retirement provisions, disability and survivor benefits; developing policy proposals on an overarching institutional arrangement for social security; developing regulations on substance abuse; aligning social services policies and programmes related to people with disabilities with the United Nations Convention on the Rights of Persons with Disabilities; developing a social service professions policy; and developing and implementing a policy framework for statutory services on child headed households and children living on the streets.

### **Expansion of social security**

The department has conducted extensive research that shows that there are significant gaps in social insurance provisions that place a direct burden on social assistance grants. In particular, the absence of a mandatory pension provision for the formerly employed has resulted in three million South Africans being unable to access insurance coverage in the event of retirement, death or disability. To address these gaps, the department has completed extensive policy proposals for the reform of retirement provisions, which will be introduced over the medium term in accordance with the resolutions of the inter-ministerial committee on social security reforms.

The social assistance safety net has also been expanded through adjustments to the mean tests for all grants in 2008 and adjustments to the qualifying age for men for the old age grant and children for the child support grant. These adjustments continue to be phased in over the MTEF period and it is estimated that the total number of beneficiaries will grow to 16 million in 2013.

The Appeals Service Centre, which ensures the provision of an accessible, fair, just and equitable social assistance appeals adjudication service, was operationalised in 2009.

### **Improving service delivery and administration of social assistance**

Over the medium term, the South African Social Security Agency will continue to improve the delivery and administration of social grants. The agency will focus on increasing access to social grants, improving grants administration and payments, and implementing systems that enhance operational efficiency and improve the application of the different means tests for the different social grant benefits.

### **Improving performance**

In the context of the medium term strategic framework (2009 to 2014), the department is seeking to align its planning with the new planning framework led by The Presidency, in moving away from an output based approach to focusing on achieving set outcomes relevant to social development. The outcome based approach will allow the assessment of the appropriateness of the actual outputs, improve the measurement of the impact and real change brought about by social development policies, legislation and programmes. The real impact of government service delivery will also promote an integrated and closer working relationship between the department, its social sector partners, other government departments, civil society and business.

### *The creation of decent work*

The department will contribute to the promotion of decent work by developing policy initiatives that contribute to work opportunities, especially interventions falling in the second phase of the expanded public works programme and youth development, including the Masupatsela youth pioneer programme. It will also facilitate the expansion and strengthening of the expanded public works programme for the social sector.

### *Social cohesion*

The department will contribute to social cohesion by: helping to reduce the impact of crime through the development of policies and intensifying programmatic interventions geared towards gender based violence and

substance abuse; building sustainable and cohesive communities through social security, developmental welfare services and community development interventions; increasing the focus on the social aspects of HIV and AIDS; and contributing towards alleviating poverty and hunger through appropriate food security initiatives.

### *Sector capacity building*

The department will contribute to building capacity in the sector by: recruiting and retaining social service professionals; strengthening the administration of non-profit organisations and deepening partnerships with them; increasing the department's participation and sharing of best practices in various regions in Africa and providing support in post-conflict reconstruction areas; and developing skills and human capital through the expansion of services to vulnerable children, in particular, early childhood development.

## Savings and cost effective service delivery

Efficiency savings of R81 million over the medium term are included in the department's goods and services expenditure figures. This will be achieved by reducing consultancy, agency and outsourced services and, subsistence and travel related expenditure. The department implemented cost saving measures in 2009/10 to cut operational activities and related costs such as advertisements, travel and subsistence, outside venues, catering, and outsourcing services. The department intends to implement a comprehensive efficiency strategy in 2010/11 to cut operational costs further to accommodate the decrease in the baseline allocations to the department over the MTEF period.

## Selected performance indicators

**Table 18.1 Social Development**

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Total number of old age grant beneficiaries	Comprehensive Social Security	2.2 million	2.2 million	2.3 million	2.5 million	2.7 million	2.7 million	2.8 million
Total number of war veterans grant beneficiaries	Comprehensive Social Security	2 340	1 963	1 599	1 248	1 048	881	740
Total number of disability grant beneficiaries	Comprehensive Social Security	1.4 million	1.4 million	1.4 million	1.3 million	1.3 million	1.3 million	1.3 million
Total number of child support grant beneficiaries	Comprehensive Social Security	7.9 million	8.2 million	8.5 million	9.4 million	10.4 million	11 million	11.5 million
Total number of foster care grant beneficiaries	Comprehensive Social Security	400 503	443 191	476 394	569 215	626 137	688 751	757 625
Total number of care dependency grant beneficiaries	Comprehensive Social Security	98 631	101 836	107 065	119 307	124 080	129 044	134 205
Total number of social assistance backlog appeals cases adjudicated	Comprehensive Social Security	–	–	–	19 000	40 000	20 000	–
Total number of new appeals cases adjudicated	Comprehensive Social Security	–	–	–	–	15 000	15 000	15 000
Total number of social work scholarships awarded	Policy Development, Review and Implementation Support for Welfare Services	–	983	2 900	5 250	5 625	6 125	6 540

## Expenditure estimates

**Table 18.2 Social Development**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Administration	109.1	139.1	163.8	168.7	168.7	180.8	189.8	197.2
2. Comprehensive Social Security	61 279.5	66 662.6	75 415.5	85 691.0	85 291.0	95 136.5	104 794.6	113 057.7
3. Policy Development, Review and Implementation Support for Welfare Services	45.8	110.0	207.4	330.4	330.4	346.0	374.7	394.3
4. Community Development	201.9	208.0	229.8	248.9	248.9	194.4	280.3	293.7
5. Strategy and Governance	39.9	71.8	80.2	69.3	69.3	71.4	76.0	80.8
<b>Total</b>	<b>61 676.1</b>	<b>67 191.4</b>	<b>76 096.7</b>	<b>86 508.2</b>	<b>86 108.2</b>	<b>95 929.1</b>	<b>105 715.4</b>	<b>114 023.7</b>
Change to 2009 Budget estimate				99.8	(300.2)	1 257.0	3 409.5	6 602.5

Table 18.2 Social Development (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Economic classification</b>								
<b>Current payments</b>	<b>251.7</b>	<b>321.1</b>	<b>426.6</b>	<b>462.1</b>	<b>462.1</b>	<b>543.0</b>	<b>532.4</b>	<b>547.6</b>
Compensation of employees	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
Goods and services	140.7	187.5	242.6	236.8	236.8	297.8	271.8	269.9
<i>of which:</i>								
Computer services	3.6	8.2	16.0	12.3	12.3	16.3	17.1	17.7
Consultants and professional services: Business and advisory services	9.1	31.4	66.2	68.7	68.7	116.4	83.4	73.3
Lease payments	9.6	11.1	10.8	21.9	21.9	22.9	24.5	25.3
Travel and subsistence	37.6	38.2	67.0	43.3	43.3	42.9	44.2	46.6
<b>Transfers and subsidies</b>	<b>61 420.2</b>	<b>66 862.3</b>	<b>75 659.7</b>	<b>86 036.3</b>	<b>85 636.3</b>	<b>95 376.0</b>	<b>105 172.5</b>	<b>113 465.1</b>
Departmental agencies and accounts	4 315.8	4 322.3	4 878.5	5 523.7	5 523.7	5 940.9	6 507.5	6 582.6
Universities and technikons	4.8	0.5	–	–	–	–	–	–
Foreign governments and international organisations	1.0	0.5	1.4	1.8	1.8	1.7	1.8	1.9
Non-profit institutions	48.5	52.2	55.7	63.1	63.1	65.2	68.9	72.5
Households	57 050.1	62 486.9	70 724.2	80 447.7	80 047.7	89 368.2	98 594.2	106 808.0
<b>Payments for capital assets</b>	<b>3.7</b>	<b>7.7</b>	<b>8.3</b>	<b>9.8</b>	<b>9.8</b>	<b>10.1</b>	<b>10.5</b>	<b>11.1</b>
Machinery and equipment	3.7	7.7	8.3	9.2	9.2	9.6	10.0	10.5
Software and other intangible assets	0.0	–	–	0.6	0.6	0.5	0.6	0.6
<b>Payments for financial assets</b>	<b>0.5</b>	<b>0.3</b>	<b>2.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>61 676.1</b>	<b>67 191.4</b>	<b>76 096.7</b>	<b>86 508.2</b>	<b>86 108.2</b>	<b>95 929.1</b>	<b>105 715.4</b>	<b>114 023.7</b>

## Expenditure trends

Total expenditure grew from R61.7 billion in 2006/07 to R86.5 billion in 2009/10, at an average annual rate of 11.9 per cent. Expenditure is expected to increase to R114 billion in 2012/13, at an average annual rate of 9.6 per cent. Social assistance makes up the largest portion of the department's budget, approximately 93 per cent or R89.4 billion in 2010/11. The other major transfers in 2010/11 include: R5.6 billion for the South African Social Security Agency to administer the grant system; R83.5 million for the National Development Agency; R226 million for social work bursaries; and R43.4 million for the loveLife programme. Total transfers in 2010/11 amount to R95.4 billion or 99.4 per cent of the budget allocation. The operational budget of the department amounts to R553.1 million in 2010/11. The large growth in compensation of employees from 2006/07 to 2009/10 is mainly due to capacity building measures in the *Policy Development, Review and Implementation Support for Welfare Services* programme.

Additional allocations over the MTEF period include:

- R11 million, R11.9 million and R13.1 million for additional office accommodation
- R4.4 million, R5.2 million and R5.4 million to strengthen the capacity of the non-profit organisation registration unit
- R40 million, R20 million and R10 million to deal with backlog appeals and further improve the operations of the appeals service centre
- R20 million in 2010/11 to host the world social security forum in 2010
- R7.5 million, R8.8 million and R9.6 million for salary adjustments within the department
- R42.4 million, R50.1 million and R53.6 million for salary adjustments in the South African Social Security Agency
- R1.8 billion, R3.6 billion and R6.8 billion to provide for the extension of the child support grant to the age of 18 and inflation adjustments as follows: R70 for the old age, war veterans, disability and care dependency grants, and R10 for the child support grant in 2010/11.

## Departmental receipts

As a policy making department, the Department of Social Development does not generate income. The major revenue items relate to interest earned on social assistance transfer funds deposited into the bank accounts of cash payment contractors before they are disbursed to beneficiaries, recoveries from dormant accounts of social assistance grant beneficiaries and unallocated receipts that cannot be linked to individual debtor accounts. 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.

The once-off revenue items of R842.6 million in 2006/07 and R227.1 million in 2007/08 were due to interest earned on social assistance transfers and unspent funding on social assistance transfers to provinces. In 2010/11, the South African Social Security Agency is expected to recover approximately R300 million from the dormant bank accounts of social assistance beneficiaries and R120 million from fraudulent grant beneficiaries investigated by the Special Investigating Unit. An estimated R80 million is expected from other dormant social relief accounts.

**Table 18.3 Departmental receipts**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Departmental receipts</b>	<b>865 273</b>	<b>236 957</b>	<b>16 484</b>	<b>163</b>	<b>20 163</b>	<b>510 173</b>	<b>10 185</b>	<b>10 195</b>
Sales of goods and services produced by department	82	84	–	28	28	30	35	40
Interest, dividends and rent on land	22 622	9 821	16 055	30	20 030	10 032	10 035	10 040
Transactions in financial assets and liabilities	842 569	227 052	429	105	105	500 111	115	115
<b>Total</b>	<b>865 273</b>	<b>236 957</b>	<b>16 484</b>	<b>163</b>	<b>20 163</b>	<b>510 173</b>	<b>10 185</b>	<b>10 195</b>

## Programme 1: Administration

### Expenditure estimates

**Table 18.4 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Minister <sup>1</sup>	1.1	1.2	1.6	1.7	1.8	1.9	2.0
Deputy Minister <sup>1</sup>	0.9	0.9	1.8	1.4	1.5	1.6	1.7
Management	6.7	6.6	8.8	6.5	7.1	7.9	8.0
Corporate Services	92.2	121.5	141.9	136.8	147.0	152.7	157.9
Office Accommodation	8.2	8.9	9.6	21.5	23.3	25.0	26.8
Government Motor Transport	–	–	–	0.7	0.0	0.8	0.8
<b>Total</b>	<b>109.1</b>	<b>139.1</b>	<b>163.8</b>	<b>168.7</b>	<b>180.8</b>	<b>189.8</b>	<b>197.2</b>
Change to 2009 Budget estimate				12.3	4.6	3.7	2.3

*1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.*

Table 18.4 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>106.7</b>	<b>135.8</b>	<b>160.2</b>	<b>164.3</b>	<b>176.7</b>	<b>185.4</b>	<b>192.5</b>
Compensation of employees	52.8	58.8	72.0	83.4	90.4	95.3	100.2
Goods and services	54.0	77.0	88.2	80.9	86.2	90.0	92.3
<i>of which:</i>							
Computer services	2.3	3.6	12.7	5.4	9.3	9.5	9.8
Consultants and professional services: Business and advisory services	–	7.2	7.1	6.2	5.2	5.3	5.6
Lease payments	9.4	9.6	10.5	21.6	22.4	24.0	24.7
Travel and subsistence	15.6	15.6	19.0	11.5	11.3	11.9	12.5
<b>Payments for capital assets</b>	<b>1.9</b>	<b>3.1</b>	<b>3.5</b>	<b>4.3</b>	<b>4.1</b>	<b>4.5</b>	<b>4.7</b>
Machinery and equipment	1.9	3.1	3.5	4.0	3.7	4.1	4.3
Software and other intangible assets	–	–	–	0.4	0.4	0.4	0.4
<b>Payments for financial assets</b>	<b>0.4</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>109.1</b>	<b>139.1</b>	<b>163.8</b>	<b>168.7</b>	<b>180.8</b>	<b>189.8</b>	<b>197.2</b>

## Expenditure trends

Expenditure grew at an average annual rate of 15.6 per cent, from R109.1 million in 2006/07 to R168.7 million in 2009/10. Expenditure is projected to increase at an average annual rate of 5.3 per cent over the medium term to reach R197.2 million in 2012/13. The key expenditure items in this programme include the progressive improvement of the department's management and operational capacity to respond to government administration requirements and the increased lease cost for office accommodation of R23.3 million in 2010/11, R24.9 million in 2011/12 and R26.8 million in 2012/13.

The increase in expenditure on the *Office Accommodation* subprogramme in 2009/10 is mainly due to the establishment of the appeals tribunal.

## Programme 2: Comprehensive Social Security

- *Social Assistance* provides for developing and reviewing social assistance policies and legislation. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Social Insurance* provides for developing policies and legislation for contributory income support to protect households against life cycle contingencies such as unemployment, ill health, retirement, disability or death of a breadwinner. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Appeals Tribunal* provides a fair and just adjudication service for social assistance appeals. Funding is for the establishment costs for the centre, operational funding based on the projected number of appeals lodged per year and eliminating the current backlogs.
- *Social Assistance Transfers* provides for social assistance transfers to households. Funding is based on the projected number of social grant beneficiaries.
- *SASSA* provides for the transfer payment to the South African Social Security Agency for the operational costs of the agency. Funding is based on the agency's operational requirements.
- *SASSA MIS* provides for the transfer payment to the agency for the establishment and operation of a management information system.
- *International Social Security Association* contributes to regional and international social security policy developments. Funding is based on the operational requirements of the unit and membership fees to international organisations.

## Objectives and measures

- Expand the social assistance safety net by:
  - phasing in, over the MTEF period, the extension of the child support grant to eligible children under the age of 18 years
  - providing for the final phase of the age equalisation for the old age grant during 2010/11
- Facilitate the reduction of people's vulnerability to life cycle hazards by developing proposals for mandatory social insurance measures that will provide income support in the event of disability, the death the bread winner and old age by March 2011.
- Improve access to social assistance and the fair application of social assistance legislation by:
  - adjudicating all new appeals within 90 days
  - eliminating the 60 000 backlog of appeals by March 2012.

## Service delivery focus

In 2008/09, 128 individuals were appointed to serve on the Independent Tribunal for Social Assistance Appeals. 60 970 appeals have been lodged and 13 269 of these were considered and finalised. An estimated 19 000 backlog cases are expected to be settled by March 2010 and increased funding has been available to eradicate all backlogs by March 2012.

Just over 13 million South Africans qualified for social assistance in 2008/09. The progressive implementation of the age equalisation process will be concluded in 2010 and eligible men will receive social grants from the age of sixty. Roughly 200 000 men will benefit from this.

**Table 18.5 Social grants beneficiary numbers by type of grant, 2005/06 to 2011/12**

Type of grant	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013
				projected	projected	projected	projected
Old age	2 195 018	2 218 993	2 343 995	2 534 082	2 680 056	2 714 896	2 750 190
War veterans	2 340	1 963	1 599	1 248	1 048	881	740
Disability	1 422 808	1 413 263	1 371 712	1 310 761	1 295 365	1 321 272	1 347 697
Foster care	400 503	443 191	476 394	569 215	626 137	688 751	757 625
Care dependency	98 631	101 836	107 065	119 307	124 080	129 044	134 205
Child support	7 863 841	8 195 524	8 765 354	9 424 281	10 388 806	11 012 059	11 512 188
<b>Total</b>	<b>11 983 141</b>	<b>12 374 770</b>	<b>13 066 118</b>	<b>13 958 894</b>	<b>15 115 492</b>	<b>15 866 903</b>	<b>16 502 645</b>

Beneficiary numbers are expected to increase from 13.1 million in March 2009 to over 16 million by March 2013. This increase is mainly due to the extension of the child support grant up to the age of 18, for caregivers of eligible children born after 31 December 1993.

## Expenditure estimates

**Table 18.6 Comprehensive Social Security**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Social Assistance	39.0	32.2	24.6	31.5	20.2	21.5	22.7
Social Insurance	6.5	3.8	13.5	14.5	35.2	17.5	18.4
Appeals Tribunal	–	1.1	23.2	33.4	72.5	53.9	45.6
Social Assistance Transfers	57 031.8	62 471.9	70 715.9	80 432.7	89 368.2	98 594.2	106 808.0
SASSA	4 136.6	4 072.7	4 610.3	5 148.9	5 611.4	6 077.8	6 132.7
SASSA MIS	55.8	70.0	20.0	20.0	20.0	20.0	20.0
International Social Security Association	0.4	–	0.8	0.9	1.0	1.1	1.1
Social Security Administration	9.5	10.8	7.3	9.0	8.2	8.7	9.2
<b>Total</b>	<b>61 279.5</b>	<b>66 662.6</b>	<b>75 415.5</b>	<b>85 691.0</b>	<b>95 136.5</b>	<b>104 794.6</b>	<b>113 057.7</b>
Change to 2009 Budget estimate				86.8	1 249.0	3 401.8	6 595.8

Table 18.6 Comprehensive Social Security (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>36.0</b>	<b>31.8</b>	<b>56.8</b>	<b>72.6</b>	<b>135.1</b>	<b>100.7</b>	<b>94.9</b>
Compensation of employees	9.0	10.0	19.3	26.9	27.4	29.9	31.5
Goods and services	27.1	21.8	37.5	45.7	107.7	70.7	63.4
<i>of which:</i>							
Computer services	1.3	0.5	3.2	3.5	3.7	3.9	4.1
Consultants and professional services:	2.3	7.4	18.5	27.7	85.1	50.2	41.9
Business and advisory services							
Travel and subsistence	2.4	2.9	8.7	6.1	8.1	7.5	7.8
<b>Transfers and subsidies</b>	<b>61 243.3</b>	<b>66 629.6</b>	<b>75 355.3</b>	<b>85 617.6</b>	<b>95 000.5</b>	<b>104 693.0</b>	<b>112 961.8</b>
Departmental agencies and accounts	4 192.4	4 142.7	4 630.3	5 168.9	5 631.4	6 097.8	6 152.7
Foreign governments and international organisations	0.8	–	0.8	0.9	1.0	1.1	1.1
Households	57 050.1	62 486.9	70 724.2	80 447.7	89 368.2	98 594.2	106 808.0
<b>Payments for capital assets</b>	<b>0.1</b>	<b>1.1</b>	<b>1.4</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>
Machinery and equipment	0.1	1.1	1.4	0.8	0.9	0.9	1.0
Software and other intangible assets	–	–	–	0.1	0.0	0.0	0.0
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>2.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>61 279.5</b>	<b>66 662.6</b>	<b>75 415.5</b>	<b>85 691.0</b>	<b>95 136.5</b>	<b>104 794.6</b>	<b>113 057.7</b>

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>4 192.4</b>	<b>4 142.7</b>	<b>4 630.3</b>	<b>5 168.9</b>	<b>5 631.4</b>	<b>6 097.8</b>	<b>6 152.7</b>
South African Social Security Agency	4 136.6	4 072.7	4 610.3	5 148.9	5 611.4	6 077.8	6 132.7
South African Social Security Agency	55.8	70.0	20.0	20.0	20.0	20.0	20.0
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>0.8</b>	<b>–</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>
International Social Security Association	0.8	–	0.8	0.9	1.0	1.1	1.1
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>57 037.1</b>	<b>62 471.9</b>	<b>70 715.9</b>	<b>80 432.7</b>	<b>89 368.2</b>	<b>98 594.2</b>	<b>106 808.0</b>
Social Assistance Transfers	57 037.1	62 471.9	70 715.9	80 432.7	89 368.2	98 594.2	106 808.0
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>13.0</b>	<b>14.9</b>	<b>8.3</b>	<b>15.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
Disaster Relief Fund	10.0	10.0	–	–	–	–	–
Social Relief Fund	3.0	4.9	8.3	15.0	–	–	–

Table 18.7 Social grants expenditure

Type of grant	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	% Growth Average Annual
R million								
Old age	21 222	22 801	25 934	29 991	34 058	37 521	39 973	11.1%
War veterans	25	22	20	18	15	13	12	-11.5%
Disability	14 261	15 280	16 474	16 853	17 379	18 012	19 432	5.3%
Foster care	2 851	3 414	3 934	4 362	5 232	6 159	6 704	15.3%
Care dependency	1 006	1 132	1 292	1 356	1 580	1 799	1 898	11.2%
Child support	17 559	19 625	22 348	27 273	30 860	34 830	38 513	14.0%
Grant in aid	67	87	90	95	102	108	115	9.4%
Relief of distress	41	106	623	132	143	151	160	25.5%
<b>Total</b>	<b>57 032</b>	<b>62 467</b>	<b>70 715</b>	<b>80 080</b>	<b>89 368</b>	<b>98 594</b>	<b>106 808</b>	<b>11.0%</b>



## Expenditure trends

The increased expenditure over the MTEF period is to provide for the extension of the child support grant to eligible children up to their eighteenth birthday.

Expenditure increased from R61 billion in 2006/07 to R86 billion in 2009/10, at an average annual rate of 11.8 per cent. This was mainly due to the increase in social assistance transfers, which increased from R57 billion in 2006/07 to R80 billion in 2009/10. This growth provides for inflationary increases and adjustments to the value of grants within the year due to high food prices, adjustments to the means tests, and increases in beneficiary numbers due to changes to the age criteria of the child support and old age grants.

Spending on the old age grant grew from R21.2 billion in 2006/07 to an estimated R30 billion in 2009/10. This is mainly due to the lowering of the qualifying age for men from 65 to 60. The budget allocation for the old age grant comprises the largest portion of the budget in 2009/10 at R30 billion, followed closely by the child support grant at R27.3 billion and the disability grant at R16.9 billion. The 40 per cent growth in spending on compensation of employees between 2006/07 and 2009/10 is largely due to the establishment of the *Social Insurance* and *Appeals Tribunal* subprogrammes.

Additional allocations of R40 million in 2010/11, R20 million in 2011/12 and R10 million in 2012/13 were made to deal with backlog appeals and to further operationalise the appeals tribunal.

## Public entity

### South African Social Security Agency

Strategic overview: 2006/07 – 2012/13

The South African Social Security Agency derives its mandate from the South African Social Security Agency Act (2004) and is responsible for providing for the administration and payment of social assistance transfers to eligible poor and vulnerable individuals.

Over the medium term, the agency will seek to improve the delivery and administration of social grants, while at the same time promoting and implementing the social security reforms directed by the policies of the minister and the inter-ministerial committee on social security reform. Here, the agency will focus on increasing access to social grants, improving the administration and payment of social grants, and implementing improved systems to enhance the application of the different means tests for the different social grants.

The bulk of the agency's administration expenditure goes to cash payment contractors. The agency is currently reviewing these cash payment contracts (prices range from R24 to R35 per grant payment across the regions and across payment providers). In order to reduce the cost of disbursements, the major challenges around cash payment and the associated risk of transporting cash, the national payment infrastructure that supports financial services needs to be optimally used. About 80 per cent of social grant recipients are currently paid via cash payment contractors at a significant cost to government. This scenario will be reversed over the MTEF period with the bulk of social grant beneficiaries being brought into the formal banking sector.

The agency is in the process of reviewing dormant bank accounts of beneficiaries to improve efficiency. These are accounts of deceased beneficiaries, whose next of kin have not informed the agency, or of beneficiaries living overseas or in neighbouring countries who still collect grants in South Africa. It is estimated that in 2010, approximately R300 million will be recovered from these dormant bank accounts.

Various service delivery initiatives have been introduced for the optimal administration of the social assistance function. Key among these is the improved grant application process project, which aims to resolve issues or challenges relating to grant application service delivery across all the regions where the agency operates. The project seeks to improve service delivery by streamlining the current grant application process, as well as ensuring that all application processes are standardised in all the areas where the agency operates. All regions are working towards this goal. A readiness assessment has been completed in the Free State region for piloting the project, with a view to rolling out the programme to other regions.

## Savings and cost effective service delivery

The bulk of the agency's expenditure is on payments to cash payment contractors, which accounts for close to 53 per cent of the 2009/10 budget. Of the remainder, approximately 18.2 per cent covers other operational expenses and contractual obligations, such as for the lease of office accommodation and equipment. New contracts are currently being negotiated and these should result in a reduction in price. In 2010/11, a tender will be put out for a new social grant payment system that will promote the use of electronic payments through the national payment system. This should yield significant savings as cash payments are phased out, especially in urban areas.

To ensure that it uses its allocated budget efficiently, the agency introduced cost containment measures that will help prevent inefficient spending. The aim is to have these austerity measures in force until stability is achieved. These measures are focused on specific areas where expenditure can be controlled without impacting negatively on service delivery. They include a moratorium on the filling of vacant posts, putting strict controls in place to minimise telephone expenses, ensuring that internal skill/capacity is used before external services are sourced, and introducing measures to cut down on travel expenses and eliminate any unnecessary travelling.

## Selected performance indicators

**Table 18.8 South African Social Security Agency**

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Average cost of administering social assistance (R/beneficiary)	Grants Administration and Customer Services	R26.56	R30.65	R32.58	R33.01	R30.53	R30.27	R29.69
Percentage of beneficiaries receiving payment directly into their banking account	Grants Administration and Customer Services	12% (1 437 433)	14.4% (1 777 429)	16.4% (2 109 361)	21.7 % (3 051 767)	25% (3 798 048)	30% (4 709 773)	40% (6 534 793)
Number of grant applications processed within 30 days	Grants Administration and Customer Services	–	1 422 344	1 823 919	2 051 909	2 236 581	2 437 873	2 657 281
Number of life certificates completed	Grants Administration and Customer Services	200 000	250 000	300 000	500 000	750 000	1 200 000	1 800 000

## Service delivery focus

By the end of 2008/09, 106 109 men of 63 and 64 years of age qualified as beneficiaries for grants, in response to the amendments to the Social Assistance Act (2004) and regulations for age equalisation for men.

A disability management model was piloted in 3 regions and a standardised interim disability assessment tool was developed and implemented. The agency achieved 50 per cent of its annual target relating to backlogs in medical assessments. In an effort to ensure that maintaining beneficiary records was improved, 31 692 reviews were finalised, of which 7 341 were medical reviews and 24 351 were administration related reviews. In 2009/10, the agency encouraged new grant beneficiaries to open bank accounts for receiving their grants. More than 20 per cent of social grant beneficiaries are currently being paid directly into their bank accounts, slightly lower than the 22 per cent target set in 2008, but significantly more (over 3 million beneficiaries) than the targeted 2.6 million.

## Expenditure estimates

**Table 18.9 South African Social Security Agency: Financial information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>1.3</b>	<b>6.7</b>	<b>10.1</b>	<b>8.2</b>	<b>8.4</b>	<b>8.8</b>	<b>9.2</b>
Sale of goods and services other than capital assets	1.1	1.7	2.3	2.6	2.5	2.6	2.7
<i>Of which:</i>							
<i>Admin fees</i>	1.1	1.7	2.3	0.9	0.7	0.7	0.7
<i>Other sales</i>	–	–	–	1.7	1.8	1.9	2.0

**Table 18.9 South African Social Security Agency: Financial information (continued)**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Transfers received</b>	<b>4 192.4</b>	<b>4 142.7</b>	<b>4 630.3</b>	<b>5 168.9</b>	<b>5 631.4</b>	<b>6 097.8</b>	<b>6 152.7</b>
<i>Of which</i>							
<i>Establishment and operationalisation</i>	4 192.4	4 142.7	4 630.3	5 168.9	5 631.4	6 097.8	6 152.7
<i>Grant administration integrity</i>							
<i>Social assistance administration</i>	4 136.6	4 072.7	4 610.3	5 148.9	5 611.4	6 077.8	6 132.7
<i>Management information system</i>	55.8	70.0	20.0	20.0	20.0	20.0	20.0
<b>Total revenue</b>	<b>4 193.6</b>	<b>4 149.4</b>	<b>4 640.4</b>	<b>5 177.1</b>	<b>5 639.8</b>	<b>6 106.6</b>	<b>6 161.8</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>3 655.6</b>	<b>4 440.7</b>	<b>4 938.4</b>	<b>5 501.4</b>	<b>5 483.0</b>	<b>5 616.0</b>	<b>5 728.8</b>
Compensation of employees	710.7	1 079.7	1 339.4	1 492.4	1 581.9	1 676.9	1 777.5
Goods and services	2 944.9	3 361.0	3 598.9	4 009.0	3 901.1	3 939.1	3 951.3
<i>of which:</i>							
<i>Payment contractors</i>	2 015.1	2 189.9	2 397.4	2 739.8	2 734.6	2 731.7	2 724.6
<i>Consultants, contractors and special services</i>	175.4	183.1	118.1	125.2	117.7	124.8	132.2
<i>Travel and subsistence</i>	80.8	109.0	71.4	47.2	49.0	51.0	53.0
<i>Other</i>	673.6	878.9	1 012.1	1 096.9	999.7	1 031.7	1 041.4
<b>Transfers and subsidies</b>	<b>1.4</b>	<b>1.3</b>	<b>17.3</b>	<b>16.0</b>	<b>16.8</b>	<b>17.7</b>	<b>18.6</b>
Provinces and municipalities	0.5	0.1	–	–	–	–	–
Other government agencies	–	–	–	15.1	16.0	16.9	17.7
Households	0.9	1.2	17.3	1.0	0.8	0.8	0.9
<b>Payments for capital assets</b>	<b>162.2</b>	<b>108.9</b>	<b>75.3</b>	<b>61.4</b>	<b>65.4</b>	<b>69.5</b>	<b>73.0</b>
Buildings and other fixed structures	100.1	–	–	–	–	–	–
Machinery and equipment	57.1	107.8	70.2	25.2	27.1	28.8	30.2
Software and other intangible assets	5.0	1.0	5.1	36.2	38.3	40.7	42.8
<b>Total expense</b>	<b>3 819.2</b>	<b>4 550.9</b>	<b>5 031.0</b>	<b>5 578.9</b>	<b>5 565.2</b>	<b>5 703.2</b>	<b>5 820.4</b>
<b>Surplus / (deficit)</b>	<b>374.5</b>	<b>(401.5)</b>	<b>(390.6)</b>	<b>(401.8)</b>	<b>74.5</b>	<b>403.4</b>	<b>341.5</b>

### Expenditure trends

The bulk of expenditure goes towards payments for cash payment contractors, which constitutes 53 per cent of the entire budget, while approximately 18.2 per cent covers expenditure on projects, contractual obligations such as renting accommodation, office equipment and other operational expenses. The South African Social Security Agency is currently running an unfunded deficit, which will be offset by significant savings expected from the reorganising of the social grant payment systems and the termination of contracts that result in poor value for money.

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

- *Service Standards* coordinates overarching policies, legislation and norms and standards for social welfare services delivered by both government and the non-government sector. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Substance Abuse and Central Drug Authority* develops, supports and monitors the implementation of policies, legislation and norms and standards for substance abuse. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period, and for social work scholarships.
- *Older Persons* develops, supports and monitors the implementation of policies, legislation and norms and standards for social welfare services to older people. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.

- *People with Disabilities* develops, supports and monitors the implementation of policies, legislation and norms and standards for social welfare services to people with disabilities. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Children* develops, supports and monitors the implementation of policies, legislation and norms and standards for social welfare services to children. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Families* develops, supports and monitors the implementation of policies, legislation and programmes to strengthen families. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Victim Empowerment* develops, supports and monitors the implementation of policies, legislation and programmes to empower victims of crime and violence. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Social Crime Prevention* develops, supports and monitors the implementation of policies, legislation and programmes to protect, empower and support child, youth and adult offenders in the criminal justice system. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Service Provider Support and Management* facilitates the effective management and support to national councils and other professional bodies, and administers payments to these institutions. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.
- *Contributions and Affiliations to Other Bodies* provides for transfers to international federations and organisations. Funding is based on the operational requirements of the subprogramme and research planned over the MTEF period.

### **Objectives and measures**

- Support and strengthen families and communities by:
  - finalising the draft white paper for services to families by March 2011
  - developing programmes and services to preserve families by March 2011.
- Reduce the risk of sexual and physical violence against women (gender based violence) by:
  - developing and facilitating the implementation of prevention programmes on gender based violence by March 2011
  - developing and facilitating the implementation of rehabilitation programmes for victims of human trafficking by March 2011
  - facilitating the rollout of the men and boys strategy on gender based violence by March 2011.
- Reduce social crime by:
  - strengthening the capacity of civil society organisations in the victim empowerment area over the MTEF period
  - developing responsive secure care models (blue print, minimum norms and standards) by March 2012
  - getting the national policy framework and accreditation system for diversion programmes tabled in Parliament for implementation by non-profit organisations and government by March 2011.
- Reduce substance abuse and related criminal acts leading to a drug free society by:
  - finalising the regulations on substance abuse by March 2011
  - facilitating the rollout of the Ke Moja campaign by March 2011
  - developing a monitoring and assessment tool for substance abuse services by March 2012
  - reviewing and coordinating the implementation of the mini drug master plan by March 2011.
- Create an environment that enables the promotion, development and protection of older persons' rights by:
  - piloting a community based model in 3 provinces by March 2011
  - facilitating the implementation of the Older Persons Act (2006), with a key focus on the care and protection of older persons in accordance with the South African plan of action for older persons by March 2011.
- Protect and promote the rights of people with disabilities by:

- aligning social services policies and programmes for people with disabilities with the United Nations Convention on the Rights of Persons with Disabilities by March 2012
- developing legislation on social services for people with disabilities by March 2012
- developing and facilitating the implementation of the social development specific disability mainstreaming strategy by the end of 2013
- developing psycho-social programmes to enhance the wellbeing and self-esteem of youth with disabilities by March 2013.
- Create a sustainable environment for social development service delivery by:
  - implementing the recruitment and retention strategy for social workers over the MTEF period
  - developing and facilitating the implementation of the minimum norms and standards for social welfare services by March 2013
  - developing and facilitating the implementation of a costing model (with funding norms) for the delivery of social welfare services by June 2011
  - developing a social development funding policy and guidelines by June 2010.
- Facilitate the provision of quality social welfare services to children, including those in need of care and protection, by ensuring:
  - the implementation of the Children’s Act (2005) over the MTEF period
  - the development and implementation of a strategy to expand national adoption services by March 2013
  - the implementation of the national surveillance study on child abuse and neglect (phase 2) by March 2013
  - the transformation of residential care facilities for children into child and youth care centres by March 2013
  - the implementation of the national integrated plan for early childhood development by March 2013
  - the development and implementation of a policy framework and guidelines for statutory services for child headed households and children living on the streets by March 2013.

## Service delivery focus

In 2009/10, the business plan for the implementation of the second and third phase of the norms and standards project was developed. The programme management structures were established at the national and provincial levels. The norms and standards project will continue over the MTEF period and should result in improved welfare service delivery across the sector.

In 2009, 5 250 bursaries were made available to social work students and universities across the country. The department is currently consulting with universities to increase capacity within their faculties for social work studies. In future, a portion of this budget may be set aside as a direct grant to social work schools.

## Expenditure estimates

**Table 18.10 Policy Development, Review and Implementation Support for Welfare Services**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Service Standards	5.2	55.7	116.6	224.0	239.2	260.9	274.5
Substance Abuse and Central Drug Authority	5.8	9.5	10.1	13.5	12.9	14.0	14.8
Older Persons	4.7	5.0	8.2	8.3	7.6	7.8	8.3
People with Disabilities	3.3	3.6	4.7	6.6	5.1	5.4	5.7
Children	10.9	13.2	24.0	24.7	26.4	28.4	30.0
Families	3.5	2.6	5.2	6.1	6.5	6.9	7.3
Victim Empowerment	2.2	4.0	6.8	6.1	6.5	6.9	7.2
Social Crime Prevention	1.3	4.2	8.2	9.2	7.6	8.0	8.5
Service Provider Support and Management	6.2	8.7	13.1	22.5	23.5	24.9	26.3
Contributions and Affiliations to other bodies	0.0	0.3	0.2	0.2	0.2	0.2	0.2
Welfare Administration	2.9	3.2	10.1	9.4	10.5	11.1	11.7
<b>Total</b>	<b>45.8</b>	<b>110.0</b>	<b>207.4</b>	<b>330.4</b>	<b>346.0</b>	<b>374.7</b>	<b>394.3</b>
Change to 2009 Budget estimate				1.1	2.5	3.0	4.0

**Table 18.10 Policy Development, Review and Implementation Support for Welfare Services (continued)**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>37.6</b>	<b>50.8</b>	<b>82.6</b>	<b>100.3</b>	<b>99.1</b>	<b>106.3</b>	<b>112.7</b>
Compensation of employees	18.3	22.9	40.7	48.5	51.7	55.2	58.1
Goods and services	19.3	27.9	41.9	51.8	47.4	51.1	54.6
<i>of which:</i>							
<i>Consultants and professional services: Business and advisory services</i>	0.3	4.2	12.2	11.4	3.7	4.6	4.9
<i>Lease payments</i>	–	1.3	0.1	0.0	0.0	0.0	0.0
<i>Travel and subsistence</i>	6.0	6.3	11.9	9.8	10.2	10.7	11.4
<b>Transfers and subsidies</b>	<b>7.7</b>	<b>58.5</b>	<b>122.8</b>	<b>227.4</b>	<b>244.3</b>	<b>265.4</b>	<b>278.4</b>
Departmental agencies and accounts	–	50.0	111.9	210.0	226.0	246.0	258.0
Foreign governments and international organisations	0.0	0.3	0.4	0.4	0.2	0.2	0.2
Non-profit institutions	7.6	8.2	10.6	17.1	18.1	19.2	20.2
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.7</b>	<b>2.0</b>	<b>2.6</b>	<b>2.7</b>	<b>3.0</b>	<b>3.1</b>
Machinery and equipment	0.6	0.7	2.0	2.5	2.6	2.9	3.0
Software and other intangible assets	–	–	–	0.1	0.1	0.1	0.1
<b>Total</b>	<b>45.8</b>	<b>110.0</b>	<b>207.4</b>	<b>330.4</b>	<b>346.0</b>	<b>374.7</b>	<b>394.3</b>

**Details of selected transfers and subsidies**

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>–</b>	<b>50.0</b>	<b>111.9</b>	<b>210.0</b>	<b>226.0</b>	<b>246.0</b>	<b>258.0</b>
National Student Financial Aid Scheme	–	50.0	111.9	210.0	226.0	246.0	258.0
<b>Non-profit institutions</b>							
<b>Current</b>	<b>6.2</b>	<b>7.5</b>	<b>8.5</b>	<b>17.1</b>	<b>18.1</b>	<b>19.2</b>	<b>20.2</b>
National Councils	6.2	7.5	8.5	17.1	18.1	19.2	20.2

**Expenditure trends**

Expenditure grew from R45.8 million in 2006/07 to R330.4 million in 2009/10, at an average annual rate of 93.2 per cent and is expected to increase to R394.3 million in 2012/13 at an average annual rate of 6.1 per cent. The significant growth between 2006/07 and 2009/10 is mainly due to the introduction and rapid expansion of the social work scholarships programme over this period, and increased funding to strengthen capacity and provide leadership on provincial welfare service delivery. Compensation of employees also grew strongly at an average annual rate of 38.4 per cent during this period, due to the building of capacity in all subprogrammes. Spending on social work scholarships continues to grow over the MTEF period and makes up the bulk of the spending on the programme.

**Programme 4: Community Development**

- *Sustainable Livelihoods* develops and provides support for the implementation of programmes, strategies and tools for sustainable livelihoods, and manages service delivery partners.
- *Community Development Policy and Service Standards* develops and facilitates the implementation of policies, guidelines, norms and standards to ensure the effective and efficient delivery of community development services and programmes.
- *Youth* develops and facilitates the implementation of policies, legislation and programmes to protect vulnerable youth.
- *Non-Profit Organisations* builds capacity of non-profit organisations, ensures efficiency in their registration, and monitors their compliance to the Non-profit Organisations Act (1997).

- *HIV and AIDS* develops, supports and monitors the implementation of policies, programmes and guidelines to prevent and mitigate the impact of HIV and AIDS in line with the 2007 to 2011 national strategic plan for HIV and AIDS, sexually transmitted infections, tuberculosis and malaria.
- *National Development Agency* provides grants to civil society organisations to implement sustainable community driven projects that address food security: create employment and income opportunities.
- *Contributions and Affiliations to Other Bodies* provides for contributions to international federations and organisations.

Funding for the first seven subprogrammes relates to operational requirements. Funding for the *National Development Agency* subprogramme is based on grant funding for community development projects administered by the agency. Funding for the *Contributions and Affiliations to Other Bodies* subprogramme is based on membership fees.

### Objectives and measures

- Enhance the livelihoods of poor households and communities by:
  - facilitating the implementation of the guidelines for social cooperatives in all provinces by March 2012
  - facilitating linkages between community based organisations and community food banks by March 2012.
- Develop and facilitate the implementation of responsive and focused youth development programmes by:
  - researching the impact of poverty on youth development by March 2012.
  - conducting an audit of youth development services in North West, Limpopo, Mpumalanga, Free State, Northern Cape and Eastern Cape by March 2011
- Improve efficiency in registering non-profit organisations by registering all applications from new organisations within 2 months.
- Contribute to reducing the incidence and minimise the psycho-social impact of HIV and AIDS as well as the burden of the disease by:
  - facilitating the development and implementation of behaviour change programmes by 2012
  - facilitating the implementation of the integrated home community based care monitoring and evaluation system by March 2013
  - monitoring compliance with the norms and standards for home community based care on a quarterly basis to confirm that 90 per cent of funded non-profit organisations comply with norms and standards
  - monitoring the implementation of the loveLife prevention programmes for youth on a quarterly basis to confirm that 500 youth are reached by the end of each year.

### Service delivery focus

In 2008/09, the department developed a toolkit on sustainable livelihoods for community development practitioners in South Africa, which was field tested and edited in 2009/10 in preparation for training and distribution. The department also commissioned a skills audit for community development practitioners, which will ensure the development of responsive skills development programmes.

In 2009/10, a memorandum of understanding between the South African government, the Community Food Banking Network of South Africa and the Global Food Banking Network was facilitated and resulted in the establishment of 4 community food banks in Durban, Port Elizabeth, Johannesburg and Cape Town. A draft national community development policy framework was developed after extensive consultation with key stakeholders.

In 2008/09, the department developed and distributed a youth service programme toolkit that covers the youth development strategy and national youth service, to all provinces. In 2009/10, a framework for the Masupatsela curriculum, a youth pioneer programme based on the Cuban social work programme, was developed. 10 Cuban experts were interviewed and contracted to implement the programme.

## Expenditure estimates

Table 18.11 Community Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Sustainable Livelihoods	10.6	6.8	9.7	9.1	8.4	8.8	9.2
Community Development Policy and Service Standards	4.6	3.9	6.4	8.3	8.1	8.6	9.0
Non-profit Organisations	4.2	6.7	11.4	12.4	17.0	17.6	19.0
Youth	3.0	4.6	7.3	5.8	5.7	6.1	6.4
HIV and AIDS	50.1	51.3	57.8	60.9	64.8	68.2	70.5
National Development Agency	123.0	129.2	136.3	144.8	83.5	163.7	171.9
Contributions and Affiliations to Other Bodies	6.2	5.5	1.0	7.6	6.9	7.2	7.6
<b>Total</b>	<b>201.9</b>	<b>208.0</b>	<b>229.8</b>	<b>248.9</b>	<b>194.4</b>	<b>280.3</b>	<b>293.7</b>
Change to 2009 Budget estimate				0.5	(0.6)	(1.5)	(3.1)
<b>Economic classification</b>							
<b>Current payments</b>	<b>37.6</b>	<b>34.7</b>	<b>47.8</b>	<b>58.2</b>	<b>63.5</b>	<b>66.9</b>	<b>69.6</b>
Compensation of employees	16.5	18.7	21.1	31.3	36.5	38.5	43.4
Goods and services	21.1	16.0	26.7	27.0	27.1	28.4	26.2
<i>of which:</i>							
<i>Consultants and professional services: Business and advisory services</i>	5.9	2.8	9.4	8.7	8.7	8.6	5.4
<i>Travel and subsistence</i>	7.5	4.7	10.3	8.9	8.6	9.0	9.4
<b>Transfers and subsidies</b>	<b>163.8</b>	<b>172.6</b>	<b>181.4</b>	<b>189.8</b>	<b>129.6</b>	<b>212.5</b>	<b>223.2</b>
Departmental agencies and accounts	123.0	129.2	136.3	144.8	83.5	163.7	171.9
Universities and technikons	–	0.5	–	–	–	–	–
Non-profit institutions	40.7	43.0	45.1	45.0	46.1	48.7	51.3
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.6</b>	<b>0.6</b>	<b>0.8</b>	<b>1.3</b>	<b>0.9</b>	<b>0.9</b>
Machinery and equipment	0.4	0.6	0.6	0.8	1.3	0.9	0.9
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>201.9</b>	<b>208.0</b>	<b>229.8</b>	<b>248.9</b>	<b>194.4</b>	<b>280.3</b>	<b>293.7</b>
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>123.0</b>	<b>129.2</b>	<b>136.3</b>	<b>144.8</b>	<b>83.5</b>	<b>163.7</b>	<b>171.9</b>
National Development Agency	123.0	129.2	136.3	144.8	83.5	163.7	171.9
<b>Universities and technikons</b>							
<b>Current</b>	<b>–</b>	<b>0.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
University of South Africa	–	0.5	–	–	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>40.0</b>	<b>42.0</b>	<b>44.6</b>	<b>44.6</b>	<b>46.1</b>	<b>48.7</b>	<b>51.3</b>
National Association of Burial Societies of South Africa	–	–	0.2	1.3	0.9	1.0	1.0
National Association of People Living with HIV and Aids	–	–	0.3	1.0	0.5	0.5	0.5
Africa Institute for Community Driven Development	–	–	1.5	1.0	0.5	0.5	0.6
loveLife	40.0	41.0	41.0	41.0	43.5	45.6	47.9
National Religious Leaders Forum	–	–	1.5	–	0.5	0.7	0.8
National Association of People Living with HIV and Aids	–	1.0	0.1	0.3	0.3	0.5	0.6



## Expenditure trends

Expenditure grew from R201.9 million in 2006/07 to R248.9 million in 2009/10 at an average annual rate of 7.2 per cent, and is expected to increase to R293.7 million in 2012/13 at an average annual rate of 5.7 per cent. The main expenditure in this programme relates to the transfers to the loveLife programme and the National Development Agency, which account for 65.3 per cent of the budget allocation for the programme in 2010/11.

There is a 26.5 per cent decrease in the budget allocation in 2010/11 as a result of the R70 million once-off decrease in the transfer to the National Development Agency, taking into consideration the current cumulative reserves in their account.

Additional amounts of R4.4 million in 2010/11, R5.2 million in 2011/12 and R5.4 million in 2012/13 are allocated for strengthening capacity in the non-profit organisation registration unit.

## Programme 5: Strategy and Governance

- *Strategy Development and Management* develops the department's strategic plan, promotes effective planning in the sector, improves operational efficiency, develops social policies and programmes, and considers mechanisms to improve customer satisfaction across the sector.
- *Monitoring and Evaluation* develops and oversees the implementation of a comprehensive monitoring and evaluation system to improve service delivery across the sector.
- *Entity Oversight* oversees all entities, agencies and boards reporting to the department.
- *Social Policy Coordination* provides strategic guidance on social policy development, coordination and evaluation.
- *Special Project Coordination* provides coordination, incubation and innovation of departmental and social cluster initiatives such as the expanded public works programme.
- *Population and Development* provides policy, monitoring and planning advice on government's population policy.
- *Contributions and Affiliations to Other Bodies* provides for contributions to international federations and organisations.

Funding for all subprogrammes, except *Contributions and Affiliations to Other Bodies* subprogrammes, is based on operational requirements. The *Contributions and Affiliations to Other Bodies* subprogramme is based on membership fees.

## Objectives and measures

- Improve the sector's performance in line with the demands for social development services and products by:
  - facilitating the expansion and strengthening of the social sector expanded public works through the creation of 96 000 jobs by March 2011
  - institutionalising evidence based policy making in the department and the social development sector over the MTEF period
  - implementing a comprehensive monitoring and evaluation system and building capacity in the sector over the MTEF period
  - developing and facilitating the review of social sector performance indicators over the MTEF period
  - conducting programme evaluations and research by March 2013.

## Service delivery focus

The department accelerated its participation in the expanded public works programme by exceeding its allocated target of creating 150 000 work opportunities a year ahead of the scheduled period, with the final recorded performance at 174 255 in March 2009.

In 2008/09, the department developed and implemented a performance and compliance reporting framework to provide guidelines on quarterly reporting on financial and non-financial matters for public entities as contemplated in the Public Finance Management Act (1999) and National Treasury regulations.

In August 2008, the social policy team and experts from Oxford University presented a 5 day intensive training course on social policy and analysis. 50 officials responsible for policy development in the national and provincial social sector cluster departments were trained against a targeted 50.

## Expenditure estimates

**Table 18.12 Strategy and Governance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Strategy Development and Management	3.6	14.7	21.8	17.5	13.7	14.8	16.3
Monitoring and Evaluation	2.6	9.9	9.9	11.4	12.9	13.9	14.7
Entity Oversight	0.7	3.8	8.9	7.1	9.3	10.5	11.1
Social Policy Coordination	5.2	2.2	6.2	3.1	4.4	5.0	5.3
Special Projects Coordination	–	4.8	4.3	7.0	6.9	6.6	7.0
Population and Development	20.7	33.9	25.2	18.9	19.8	20.5	21.6
Contributions and Affiliations to Other Bodies	0.2	0.5	0.2	0.5	0.5	0.6	0.6
Strategy Administration	6.9	2.0	3.7	3.6	3.9	4.1	4.3
<b>Total</b>	<b>39.9</b>	<b>71.8</b>	<b>80.2</b>	<b>69.3</b>	<b>71.4</b>	<b>76.0</b>	<b>80.8</b>
Change to 2009 Budget estimate				(0.8)	1.6	2.5	3.6

### Economic classification

<b>Current payments</b>	<b>33.8</b>	<b>68.0</b>	<b>79.2</b>	<b>66.6</b>	<b>68.6</b>	<b>73.2</b>	<b>77.9</b>
Compensation of employees	14.6	23.2	31.1	35.3	39.2	41.5	44.5
Goods and services	19.2	44.8	48.2	31.3	29.4	31.6	33.4
<i>of which:</i>							
Computer services	–	4.1	0.1	3.2	3.2	3.6	3.7
Consultants and professional services:	0.5	9.7	18.9	14.7	13.6	14.5	15.4
Business and advisory services							
Travel and subsistence	6.1	8.6	17.0	7.0	4.8	5.1	5.4
<b>Transfers and subsidies</b>	<b>5.4</b>	<b>1.6</b>	<b>0.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>
Departmental agencies and accounts	0.4	0.4	–	–	–	–	–
Universities and technikons	4.8	–	–	–	–	–	–
Foreign governments and international organisations	0.2	0.2	0.2	0.5	0.5	0.6	0.6
Non-profit institutions	0.1	1.1	–	1.0	1.0	1.0	1.0
<b>Payments for capital assets</b>	<b>0.6</b>	<b>2.2</b>	<b>0.7</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>
Machinery and equipment	0.6	2.2	0.7	1.1	1.1	1.2	1.3
Software and other intangible assets	–	–	–	0.0	0.1	0.1	0.1
<b>Payments for financial assets</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>39.9</b>	<b>71.8</b>	<b>80.2</b>	<b>69.3</b>	<b>71.4</b>	<b>76.0</b>	<b>80.8</b>

### Details of selected transfers and subsidies

<b>Universities and technikons</b>							
<b>Current</b>	<b>4.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
University of Pretoria	4.8	–	–	–	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>0.1</b>	<b>1.1</b>	<b>–</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Soul City	0.1	1.1	–	1.0	1.0	1.0	1.0

## Expenditure trends

Expenditure grew at an average annual rate of 20.2 per cent between 2006/07 and 2009/10 and is expected to grow by 5.3 per cent over the medium term. The main reason for the strong growth between 2006/07 to 2009/10 relates to a once-off amount of R25 million received in 2007/08 for the social welfare information management system, and R6 million in 2008/09 for the conceptualisation and planning for social development infrastructure needs, as well as the establishment of the entity oversight unit over this period.

## Additional tables

**Table 18.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 million	2008/09		2008/09	2009/10			2009/10
1. Administration	149.2	159.4	163.8	156.4	12.3	168.7	168.7
2. Comprehensive Social Security	75 318.4	75 846.7	75 415.5	85 604.2	86.8	85 691.0	85 291.0
3. Policy Development, Review and Implementation Support for Welfare Services	207.0	273.4	207.4	329.3	1.1	330.4	330.4
4. Community Development	240.0	172.4	229.8	248.4	0.5	248.9	248.9
5. Strategy and Governance	93.4	102.2	80.2	70.1	(0.8)	69.3	69.3
<b>Total</b>	<b>76 008.0</b>	<b>76 554.2</b>	<b>76 096.7</b>	<b>86 408.3</b>	<b>99.8</b>	<b>86 508.2</b>	<b>86 108.2</b>

### Economic classification

<b>Current payments</b>	<b>422.6</b>	<b>431.6</b>	<b>426.6</b>	<b>449.2</b>	<b>13.0</b>	<b>462.1</b>	<b>462.1</b>
Compensation of employees	196.7	192.5	184.1	220.0	5.4	225.4	225.4
Goods and services	226.0	239.1	242.6	229.2	7.6	236.8	236.8
<b>Transfers and subsidies</b>	<b>75 576.6</b>	<b>76 113.9</b>	<b>75 659.7</b>	<b>85 949.4</b>	<b>86.9</b>	<b>86 036.3</b>	<b>85 636.3</b>
Departmental agencies and accounts	4 779.1	4 878.5	4 878.5	5 489.2	34.5	5 523.7	5 523.7
Foreign governments and international organisations	1.5	1.9	1.4	1.5	0.3	1.8	1.8
Non-profit institutions	55.1	57.7	55.7	63.5	(0.4)	63.1	63.1
Households	70 741.0	71 175.8	70 724.2	80 395.3	52.4	80 447.7	80 047.7
<b>Payments for capital assets</b>	<b>8.7</b>	<b>8.7</b>	<b>8.3</b>	<b>9.8</b>	<b>-</b>	<b>9.8</b>	<b>9.8</b>
Machinery and equipment	7.9	7.9	8.3	9.2	-	9.2	9.2
Software and other intangible assets	0.8	0.8	-	0.6	-	0.6	0.6
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>76 008.0</b>	<b>76 554.2</b>	<b>76 096.7</b>	<b>86 408.3</b>	<b>99.8</b>	<b>86 508.2</b>	<b>86 108.2</b>

**Table 18.B Summary of personnel numbers and compensation of employees**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Permanent and full time contract employees</b>							
Compensation (R million)	107.6	129.2	172.1	219.4	238.7	253.6	270.2
Unit cost (R million)	0.2	0.2	0.3	0.3	0.3	0.4	0.4
<i>Administration</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>
<i>Comprehensive Social Security</i>	<i>0.3</i>	<i>0.2</i>	<i>0.5</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>0.7</i>
<i>Policy Development, Review and Implementation Support for Welfare Services</i>	<i>0.3</i>	<i>0.2</i>	<i>0.3</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>
<i>Community Development</i>	<i>0.3</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.4</i>
<i>Strategy and Governance</i>	<i>0.4</i>	<i>0.3</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>
Personnel numbers (head count)	466	619	606	657	713	713	713
<b>Part time and temporary contract employees</b>							
Compensation (R million)	1.4	2.0	9.2	2.8	3.0	3.3	3.7
Unit cost (R million)	0.1	0.1	0.4	0.1	0.1	0.1	0.1
Personnel numbers (head count)	15	20	25	40	40	40	40
<b>Total for department</b>							
<b>Compensation (R million)</b>	<b>111.1</b>	<b>133.6</b>	<b>184.1</b>	<b>225.4</b>	<b>245.1</b>	<b>260.6</b>	<b>277.7</b>
<b>Unit cost (R million)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Personnel numbers (head count)</b>	<b>536</b>	<b>704</b>	<b>706</b>	<b>777</b>	<b>838</b>	<b>838</b>	<b>838</b>

Table 18.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R million)	111.1	169.4	184.1	225.4	245.1	260.6	277.7
Training expenditure (R million)	2.2	1.7	1.8	2.3	2.5	2.6	2.8
Training as percentage of compensation	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Total number trained in department (head count)	487	487	378	400			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	382	301	54	74			
<i>Learnerships trained (head count)</i>	–	–	–	13			
<i>Internships trained (head count)</i>	66	15	76	64			
Households receiving bursaries (R million)	–	50.0	111.9	210.0	226.0	246.0	258.0
Households receiving bursaries (head count)	190	1 428	2 900	6 500			