

# Social Development

## Introduction

The main strategic responsibilities of the social development sector in provinces are to provide:

- social assistance transfers, as income support, to eligible poor and vulnerable individuals, mostly the elderly, people with disabilities and children under the age of 14
- social welfare services to address the causes and impact of HIV and Aids, drugs and substance abuse, vulnerability during certain phases of the lifecycle (especially childhood and old age) and services to people with disabilities
- community and household programmes which provide food relief, alleviate poverty, community support and development.

Apart from there being increased access to grants, the sector is undergoing fundamental restructuring to improve service delivery and administration, and to strengthen anti-fraud strategies. The process of centralising responsibility for financing and service delivery at the national level and setting up the South African Social Security Agency (SASSA) is under way. The agency will be a public entity responsible for delivering social assistance grants in all provinces. There has been substantial policy development in welfare services, with the Children's Bill (2003) and the Older Person's Bill (2003) currently before Parliament, and progress in finalising service delivery and financing models.

*The number of beneficiaries has grown from 3,6 million in 2001 to 9,4 million in 2005*

This chapter:

- reviews spending, budget and service delivery trends in the sector
- focuses on overall expenditure and performance in the different programmes and large subprogrammes

- looks particularly at trends within the different grant types
- looks at welfare and broader development service delivery and policy issues
- documents the massive expansion in beneficiary numbers (from 3,6 million beneficiaries in April 2001 to 9,4 million beneficiaries in April 2005).

## **Key developments in the social development sector**

### **Establishing the South African Social Security Agency**

*The social assistance function will be centralised through the Social Assistance Act and the South African Social Security Agency*

The Social Assistance Act (2004) makes national government responsible for social security grants. Grants will be administered nationally through the South African Social Security Agency, to be established in terms of the Act. This new arrangement will come into effect only once the agency is fully operational. In the interim, provinces are continuing to carry out these functions under the Social Assistance Act (1992).

*The South African Social Security Agency will be responsible for administering social assistance*

The South African Social Security Agency Act (2004) establishes the agency as a legal entity. The agency will be responsible for administering social assistance by implementing policies, programmes and procedures for an effective and efficient social assistance grants administration system. As executing authority, the national Department of Social Development will perform a regulatory role by setting the policy framework on who qualifies for social assistance grants, setting norms and standards for the social assistance grants administration, and monitoring the agency's operations.

*An interim financing mechanism for social assistance is in place*

While national capacity is being built to prepare the national Department of Social Development to take on the responsibility, the social assistance function is being financed through two conditional grants: the social assistance transfers and the social assistance administration conditional grants.

### **Reforming social welfare services, administration and financing**

Various reforms in social welfare services are currently under way to expand support to individuals and to promote sustainable communities. Three pieces of legislation currently before Parliament and provincial legislatures are central to the reform and expansion of social welfare services. The budget implications of the bills and the expected appropriate levels of services are currently being assessed in terms of section 35 of the Public Finance Management Act (1999) (PFMA). The social development sector is designing a progressive, multi-year realisation plan for implementing the following three bills:

- The Older Person's Bill (2003) – extends social welfare services and protection to older persons through programmes and facilities.
- The Children's Bill (2003) – is a comprehensive piece of legislation covering children's care, protection and services. While the Bill is transversal in nature and scope, it places most of the

obligation to deliver services to children with the national and provincial departments of social development.

- The Child Justice Bill (2002) – proposes significant changes to the way children in conflict with the law are managed within the criminal justice system. The Bill seeks to introduce an explicit restorative justice system for children in conflict with the law. It proposes preliminary inquiry procedures, and wider use and implementation of diversion and alternative sentencing. The Bill also seeks to look after children's interests by addressing issues relating to arrests, detention, assessment, diversion, legal representation, and the trial and sentencing of children.

**Table 4.1 Provincial social development expenditure, 2004/05 to 2007/08**

	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
	Outcome			Adjusted appropriation	Pre- liminary outcome	Medium-term estimates		
<b>R million</b>								
Eastern Cape	4 663	6 425	8 445	9 688	9 802	11 136	12 354	13 344
Free State	1 483	2 100	2 813	3 633	3 516	4 348	4 789	5 172
Gauteng	3 018	3 975	5 313	6 343	6 376	7 541	8 398	9 044
KwaZulu-Natal	5 049	6 874	9 163	10 951	11 455	13 606	14 727	15 786
Limpopo	2 969	4 290	5 310	6 712	6 578	7 670	8 298	8 935
Mpumalanga	1 527	2 040	2 691	3 378	3 335	4 013	4 515	4 848
Northern Cape	699	911	1 146	1 318	1 279	1 505	1 649	1 782
North West	1 976	2 616	3 456	4 313	4 202	4 949	5 556	6 056
Western Cape	2 385	3 138	3 771	4 327	4 253	4 917	5 201	5 648
<b>Total</b>	<b>23 768</b>	<b>32 369</b>	<b>42 106</b>	<b>50 661</b>	<b>50 796</b>	<b>59 686</b>	<b>65 488</b>	<b>70 614</b>
<b>Transfers and subsidies</b>								
Eastern Cape	4 347	5 973	7 668	8 889	9 034	10 187	11 301	12 213
Free State	1 300	1 860	2 513	3 246	3 187	3 887	4 292	4 644
Gauteng	2 634	3 539	4 797	5 770	5 806	6 758	7 560	8 157
KwaZulu-Natal	4 577	6 221	8 362	9 976	10 446	12 348	13 396	14 409
Limpopo	2 749	3 982	4 953	6 046	5 992	6 882	7 458	8 067
Mpumalanga	1 406	1 847	2 464	3 094	3 048	3 621	4 026	4 350
Northern Cape	597	785	968	1 130	1 113	1 272	1 391	1 505
North West	1 761	2 327	3 133	3 911	3 814	4 445	5 002	5 490
Western Cape	2 150	2 856	3 435	3 885	3 844	4 376	4 625	5 015
<b>Total</b>	<b>21 521</b>	<b>29 390</b>	<b>38 292</b>	<b>45 947</b>	<b>46 284</b>	<b>53 776</b>	<b>59 050</b>	<b>63 848</b>
<b>Percentage growth (average annual)</b>	<b>2001/02 – 2004/05</b>			<b>2004/05 – 2007/08</b>				
Eastern Cape	28,1%			10,8%				
Free State	33,3%			13,7%				
Gauteng	28,3%			12,4%				
KwaZulu-Natal	31,4%			11,3%				
Limpopo	30,4%			10,7%				
Mpumalanga	29,7%			13,3%				
Northern Cape	22,3%			11,7%				
North West	28,6%			13,0%				
Western Cape	21,3%			9,9%				
<b>Total</b>	<b>28,8%</b>			<b>11,6%</b>				

Source: National Treasury provincial database

## Provincial social development expenditure trends

### Overall expenditure trends

*Social development expenditure has doubled since 2001/02*

Table 4.1 shows that overall provincial social development spending has more than doubled over the last three years. Over this period, average annual growth ranges from 21,3 per cent in Western Cape to 33,3 per cent in Free State. This growth is driven mainly by the growing number of beneficiaries for both the child support grant and the disability grant. Annual inflation adjustments to grant values also contributed to the growth. The generally higher expenditure growth rates in poorer provinces show that there is improved access to grants in these provinces and greater equity in spending.

*Growth is expected to moderate between 2004/05 and 2007/08*

Over the medium, growth in expenditure is projected to moderate. This is because phasing in the extension of the child support grant (to poor children under the age of 14) will be complete in 2005/06, and because the disability grant has nearly reached full coverage. However, expenditure is projected to exceed R70 billion in 2007/08, suggesting continued strong growth of nearly 12 per cent per year, or 6,4 per cent in real terms.

The rapid growth in social development spending has changed the structure of provincial budgets. From taking up just less than 20 per cent of provincial budgets in 2001/02, social development expenditure rose sharply to 26,9 per cent of provincial budgets in 2004/05. Set to increase further to nearly 28 per cent in 2007/08, social development budget growth continues to outpace growth in other areas like health and education.

### Expenditure by economic classification

*Social assistance transfers consume the lion's share of social development spending*

Table 4.2 shows social development spending by economic category. It shows that the highest proportion of expenditure goes to social assistance grants, which increase from 86,5 per cent of expenditure in 2001/02 to 88,5 per cent in 2004/05. This share declines slightly to a projected 87,6 per cent in 2007/08.

*Other economic categories also show strong growth*

Despite the dominance and rapid growth of transfers and subsidies, other economic categories of spending have also grown strongly over the last three years (see table 4.2).

*Non-grant social expenditure grows solidly over the medium term*

While growth of social assistance transfer spending moderates over the 2005 MTEF and results in slower growth for the social development sector as a whole, other expenditure is projected to grow strongly in real terms (excluding payment for capital assets). Compensation of employees is expected to grow at 17,5 per cent per year, as capacity for service delivery improves and the re-grading of social worker salaries is implemented. Other current spending is set to grow by an average annual rate of 13,2 per cent and non-grant transfers and subsidies by 14,3 per cent. Non-grant transfers and subsidies include payments to non-profit organisations (NPOs) for services to children and older persons, for probation and adoption services, and for implementing developmental programmes.

**Table 4.2 Provincial social development expenditure by economic classification, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07	2007/08
R million					Medium-term estimates		
Compensation of employees	991	1 175	1 379	1 541	2 150	2 330	2 500
Other current payments	1 170	1 665	2 295	2 763	3 461	3 795	4 003
Transfers and subsidies	21 521	29 390	38 292	46 284	53 776	59 050	63 848
of which:							
Social security	20 567	28 190	37 010	44 931	52 023	57 070	61 830
Payments for capital assets	86	138	141	208	298	314	262
<b>Total</b>	<b>23 768</b>	<b>32 369</b>	<b>42 106</b>	<b>50 796</b>	<b>59 686</b>	<b>65 488</b>	<b>70 614</b>
<b>Percentage share</b>							
Compensation of employees	4,2%	3,6%	3,3%	3,0%	3,6%	3,6%	3,5%
Other current payments	4,9%	5,1%	5,4%	5,4%	5,8%	5,8%	5,7%
Transfers and subsidies	90,5%	90,8%	90,9%	91,1%	90,1%	90,2%	90,4%
of which:							
Social security	86,5%	87,1%	87,9%	88,5%	87,2%	87,1%	87,6%
Payments for capital assets	0,4%	0,4%	0,3%	0,4%	0,5%	0,5%	0,4%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>Percentage growth (average annual)</b>	<b>2001/02 – 2004/05</b>			<b>2004/05 – 2007/08</b>			
Compensation of employees	15,9%			17,5%			
Other current payments	33,2%			13,2%			
Transfers and subsidies	29,1%			11,3%			
Payments for capital assets	34,4%			8,0%			
<b>Total</b>	<b>28,8%</b>			<b>11,6%</b>			

Source: National Treasury provincial database

### Expenditure by programme

Table 4.3 sets out expenditure and budgets in terms of the standardised programme structure followed in all provincial departments. Social assistance, consisting of cash grants and the cost of administering them, comprised 92,8 per cent of total expenditure in 2004/05. The programme shares are projected to stay the same over the medium term.

In addition to showing rapid growth in the social assistant grant system over the last three years, table 4.3 also shows that there is significant growth in other areas as well. The average annual growth in administration of nearly 30 per cent highlights the increased capacity that is being built into social development departments. The 37 per cent average annual growth in development and support services reflects the conditional grant funding that was introduced for a food relief programme in 2003/04.

Expenditure on the social welfare services programme grew slowly in real terms at about 2,4 per cent per year, or 9,0 per cent per year in nominal terms, to reach R2 billion in 2004/05.

*There is far more spending on social assistance than social welfare services*

*There is higher growth in spending on administrative capacity than on welfare services*

*Spending does not keep up with the growing need for social welfare services*

*Growth moderates generally, but accelerates for social welfare services and population development trends*

The three years to 2007/08 see annual growth moderating in the administration and social assistance programmes. Growth accelerates in social welfare services to nearly 12 per cent per year and in population development trends to 28,1 per cent per year. Growth in development and support services levels off, but is still high at 22,8 per cent.

**Table 4.3 Provincial social development expenditure by programme, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07 Medium-term estimates	2007/08
<b>R million</b>							
Administration	498	700	715	1 077	1 071	1 186	1 279
Social assistance	21 466	29 622	38 924	47 163	55 405	60 654	65 564
Social welfare services	1 617	1 827	1 893	2 095	2 432	2 816	2 911
Development and support services	174	206	562	448	752	800	830
Population development trends	13	13	12	14	25	30	30
<b>Total</b>	<b>23 768</b>	<b>32 369</b>	<b>42 106</b>	<b>50 796</b>	<b>59 686</b>	<b>65 488</b>	<b>70 614</b>
<b>Percentage of total social development expenditure</b>							
Administration	2,1%	2,2%	1,7%	2,1%	1,8%	1,8%	1,8%
Social assistance	90,3%	91,5%	92,4%	92,8%	92,8%	92,6%	92,8%
Social welfare services	6,8%	5,6%	4,5%	4,1%	4,1%	4,3%	4,1%
Development and support services	0,7%	0,6%	1,3%	0,9%	1,3%	1,2%	1,2%
Population development trends	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>Percentage growth (average annual)</b>			<b>2001/02– 2004/05</b>			<b>2004/05– 2007/08</b>	
Administration			29,3%			5,9%	
Social assistance			30,0%			11,6%	
Social welfare services			9,0%			11,6%	
Development and support services			37,0%			22,8%	
Population development trends			4,2%			28,1%	
<b>Total</b>			<b>28,8%</b>			<b>11,6%</b>	

Source: National Treasury provincial database

### Preliminary outcome for 2004/05

*Only two provinces overspent their social development budgets*

Approximately R3,3 billion was added to provincial budgets in the 2004 Adjusted Estimates to deal with the pressures of administering more social grants, and particularly the unexpected growth in disability beneficiaries. This resulted in moderate overspending of R135 million in 2004/05. However, as table 4.4 shows, underspending in some provinces masks the true overspending picture. KwaZulu-Natal and to a limited extent Eastern Cape, have overspent their adjusted budgets. The overspending in KwaZulu-Natal was mainly due to the rapidly growing numbers of disability beneficiaries, as well as the high average grant payments relating to delays in processing grants and the costs of back pay to beneficiaries. Eastern Cape's turnaround strategy in the overall administration of social security grants contributed greatly to the relatively low overspending of R114 million or 1,2 per cent of the adjusted budget.

**Table 4.4 Provincial social development preliminary expenditure outcome, 2004/05**

R million	Adjusted appropriation	Preliminary outcome	Over(-)/under(+) expenditure	
				%
Eastern Cape	9 688	9 802	-114	-1,2%
Free State	3 633	3 516	117	3,2%
Gauteng	6 343	6 376	-34	-0,5%
KwaZulu-Natal	10 951	11 455	-505	-4,6%
Limpopo	6 712	6 578	135	2,0%
Mpumalanga	3 378	3 335	43	1,3%
Northern Cape	1 318	1 279	39	2,9%
North West	4 313	4 202	112	2,6%
Western Cape	4 327	4 253	73	1,7%
<b>Total</b>	<b>50 661</b>	<b>50 796</b>	<b>-135</b>	<b>-0,3%</b>

Source: National Treasury provincial database

### Conditional grant funding in social development

Until 2004/05, the bulk of social development expenditure was funded from the provincial equitable share. Relatively small grants were used to fund food relief, and home and community based care. A conditional grant was introduced in 2003/04 to fund the extension of the child support grant to children aged 7 to 13. (See table 4.5.)

**Table 4.5 Provincial social development conditional grants expenditure, 2001/02 to 2007/08**

R million	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
	Outcome			Transfers	Preliminary outcome	Medium-term estimates		
Social assistance transfers grant <sup>1</sup>	21 465	28 557	37 457	42 927	43 506	52 023	57 070	61 830
Social assistance administration grant	–	–	–	–	–	3 382	3 584	3 734
Integrated social development services grant	–	–	337	388	116	388	411	432
HIV and aids (community-based care) grant	14	43	63	70	72	138	139	143
Child support grant (implementation and extension)	0	2	1 154	3 650	3 656	–	–	–
Other	15	1 073	314	–	–	–	–	–
<b>Total</b>	<b>21 495</b>	<b>29 676</b>	<b>39 324</b>	<b>47 035</b>	<b>47 351</b>	<b>55 932</b>	<b>61 205</b>	<b>66 139</b>

1. This grant only started from the 2005/06 financial year, historical numbers have been added to ensure comparability of the historical, current and future years.

Source: National Treasury provincial database

From 2005/06, however, the bulk of social development spending is funded through conditional grants. This year sees the introduction of the social assistance conditional grant (R52 billion) and social assistance administration conditional grant (R3,4 billion).

*From 2005, the size of conditional grants increases*

### Personnel spending and numbers

Table 4.6 outlines overall personnel spending and numbers. Compared to other departments and sectors, this category shows very rapid growth. Over the last three years, personnel spending grew by an average annual rate of 15,9 per cent and over the next three years it is projected to grow by an average annual rate of 17,5 per cent.

*Personnel spending has seen exponential growth*

**Table 4.6 Provincial social development compensation of employees expenditure, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
	Outcome			Preliminary outcome	Medium-term estimates		
<b>R million</b>							
Eastern Cape	160	192	210	226	331	353	372
Free State	103	122	139	161	223	236	248
Gauteng	162	177	208	236	318	334	350
KwaZulu-Natal	183	207	240	285	390	418	438
Limpopo	73	97	126	152	217	235	248
Mpumalanga	49	61	72	74	119	128	144
Northern Cape	49	55	64	75	91	95	100
North West	84	116	152	139	193	240	278
Western Cape	129	147	168	193	270	291	322
<b>Total</b>	<b>991</b>	<b>1 175</b>	<b>1 379</b>	<b>1 541</b>	<b>2 150</b>	<b>2 330</b>	<b>2 500</b>
<b>Personnel numbers</b>							
Eastern Cape	1 554	1 663	1 736	1 861	1 897		
Free State	1 520	1 477	1 635	1 797	1 797		
Gauteng	2 076	2 076	2 082	2 699	2 802		
KwaZulu-Natal	2 312	2 317	2 573	3 156	3 207		
Limpopo	886	1 006	1 047	1 301	1 578		
Mpumalanga	–	–	–	510	636		
Northern Cape	619	628	620	639	863		
North West	1 248	1 327	1 483	1 403	1 639		
Western Cape	1 371	1 357	1 583	2 003	2 484		
<b>Total</b>	<b>11 586</b>	<b>11 851</b>	<b>12 759</b>	<b>15 369</b>	<b>16 903</b>		

Source: National Treasury provincial database

*There has been an increase in both personnel numbers and average remuneration*

Personnel spending constitutes a relatively small proportion of social development expenditure and growth rates are invariably from a low base. The rapid growth in personnel spending is driven by both strong growth in personnel numbers, especially in 2004/05, as well as increasing average remuneration, as more managerial posts are filled and the re-grading of social workers posts begins in 2005/06. In recent years, staff increases seem to have been evenly spread across programmes, but in 2005/06, staff increases go mainly to the area of social assistance. This is because permanent staff have been appointed, whereas over the period of this report (2001/02 to 2007/08) many contract staff will have been used for the extension of the child support grant and in other efforts to improve service delivery. Over the last five years, capacity has been strengthened with the function of paying beneficiaries being outsourced to private payment contractors and electronic payments being used increasingly through the banking system.



## Social assistance transfers

The value of each social assistance grant type has increased annually in line with inflation, mainly to protect its purchasing power. Table 4.7 shows that on 1 April 2005, the maximum value of the larger social assistance grants (the old age, disability and care dependency grants) increased by R40 to R780. Old age pensioners receive R260 a month more than what they received in 1999. At the same time the child support grant increased to R180, significantly up from R100 in 1999.

*Annual increases are in line with inflation*

**Table 4.7 Value of social grants by type of grant, July 1998 to April 2004**

Type of grant	Rand value of grants, per month, with effect from						
	Jul 1999	Jul 2000	Jul 2001	Oct 2002	Apr 2003	Apr 2004	Apr 2005
Old age	520	540	570	640	700	740	780
War veterans	538	558	588	658	718	740	780
Disability	520	540	570	640	700	740	780
Grant-in-aid	94	100	110	130	150	170	180
Foster care	374	390	410	460	500	560	590
Care dependency	520	540	570	640	700	740	780
Child support	100	100	110	140	160	170	180

Source: Socpen system

**Table 4.8 Social grants expenditure by type of grant and province, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	% growth (average annual)
<b>R million</b>								
Old age	12 954	15 285	17 146	18 504	19 996	21 443	23 105	6,4%
War veterans	23	27	34	36	29	25	22	2,9%
Disability	4 585	7 201	10 329	12 570	14 438	15 510	16 932	17,8%
Grant-in-aid	1	1	2	20	–	–	–	–
Foster care	364	787	1 142	1 563	2 044	2 376	2 712	28,0%
Care dependency	226	309	639	760	938	1 040	1 147	22,5%
Child support	2 400	4 558	7 690	11 431	14 483	16 575	17 805	29,3%
<b>Total</b>	<b>20 553</b>	<b>28 168</b>	<b>36 982</b>	<b>44 885</b>	<b>51 927</b>	<b>56 969</b>	<b>61 724</b>	<b>14,2%</b>
<b>Province</b>								
Eastern Cape	4 215	5 819	7 553	9 006	9 928	11 030	11 930	13,0%
Free State	1 239	1 788	2 379	3 049	3 719	4 096	4 440	17,0%
Gauteng	2 336	3 206	4 454	5 411	6 442	7 209	7 825	15,6%
KwaZulu-Natal	4 441	6 082	8 165	10 275	11 964	12 989	13 982	15,2%
Limpopo	2 727	3 933	4 899	5 802	6 807	7 367	7 966	14,0%
Mpumalanga	1 366	1 787	2 421	2 981	3 525	3 827	4 156	14,5%
Northern Cape	572	755	936	1 065	1 227	1 344	1 456	11,5%
North West	1 760	2 258	3 064	3 795	4 320	4 865	5 337	13,7%
Western Cape	1 897	2 540	3 111	3 500	3 995	4 244	4 631	11,2%
<b>Total</b>	<b>20 553</b>	<b>28 168</b>	<b>36 982</b>	<b>44 885</b>	<b>51 927</b>	<b>56 969</b>	<b>61 724</b>	<b>14,2%</b>

Historical numbers adjusted for the phasing out of the state maintenance grant.

Source: Socpen system

Excluding administration, social assistance grant transfers showed annual growth of nearly 30 per cent per year between 2001/02 and 2004/05, but this is set to moderate. Social assistance grants are budgeted to grow by R16,8 billion over the medium term, an average

*There has been exponential growth in social assistance spending*

annual growth of 11,2 per cent. Table 4.8 shows growth trends for the different categories of grants.

*Eastern Cape, KwaZulu-Natal and Limpopo have had higher growth in spending*

Spending on social assistance transfers is particularly high in KwaZulu-Natal, followed by Eastern Cape and Limpopo. The growth in spending in these three provinces is driven mainly by the proportion of the population that is eligible for these grants.

*Social assistance grants continue to dominate social development budgets*

The overall strong upward trend in spending on social assistance in all provinces has been evident since 2001/02. Table 4.9 shows that, as a proportion of provincial social development expenditure, social assistance grants spending remains high and continues to crowd out other critical welfare services. The proportion of social assistance is weighted at an annual average of slightly more than 90 per cent between 2001/02 and 2007/08. However, between 2004/05 and 2006/07, Gauteng, Northern Cape and Western Cape provinces remain below 90 per cent. This trend continues for Northern Cape and Western Cape in 2007/08.

**Table 4.9 Provincial social assistance expenditure as a percentage of total social development expenditure, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07 Medium-term estimates	2007/08
Eastern Cape	93,4%	94,1%	94,3%	94,5%	94,9%	95,7%	95,2%
Free State	88,7%	90,2%	90,0%	88,7%	90,1%	91,7%	91,0%
Gauteng	81,6%	85,0%	87,4%	85,7%	86,9%	87,6%	90,2%
KwaZulu-Natal	92,8%	93,7%	94,4%	92,8%	93,8%	95,3%	93,9%
Limpopo	95,7%	95,9%	97,2%	95,7%	94,2%	94,8%	95,4%
Mpumalanga	93,0%	92,0%	93,7%	93,5%	93,2%	93,5%	94,1%
Northern Cape	87,3%	88,2%	88,8%	85,2%	88,1%	89,1%	88,2%
North West	92,2%	91,7%	92,1%	93,1%	93,3%	93,8%	93,3%
Western Cape	81,9%	85,2%	86,2%	86,1%	85,7%	85,4%	86,2%
<b>Weighted average</b>	<b>90,3%</b>	<b>91,5%</b>	<b>92,4%</b>	<b>91,6%</b>	<b>92,0%</b>	<b>92,8%</b>	<b>92,8%</b>

Source: National Treasury provincial database

*Grants have risen from 2,0 per cent to 3,3 per cent of GDP*

The high growth in social assistance transfers is further illustrated in relation to gross domestic product (GDP) in table 4.10. The share of social assistance transfers changed from 2,0 per cent of GDP in 2001/02 to 3,2 per cent in 2004/05. It further increases by 0,2 per cent during 2005/06 and reaches 3,3 per cent of GDP in 2007/08. To ensure that the current levels of growth are sustainable, a better balance needs to be struck between fighting poverty through cash transfers, and broad-based development and opportunities for the poor to participate productively in the mainstream economy.

**Table 4.10 Social grants expenditure as a percentage of GDP<sup>1</sup>, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07 Medium-term estimates	2007/08
<b>R million</b>							
Social grant expenditure	20 567	28 190	37 010	44 931	52 023	57 070	61 830
Percentage of GDP <sup>1</sup>	2,0%	2,4%	2,9%	3,2%	3,4%	3,4%	3,3%

1. Gross domestic product as per 2005 Budget Review.

As table 4.11 shows, beneficiary numbers grew from more than 3,6 million in 2001/02 to more than 9,4 million by the end of 2004/05. This shows growth of 5 792 580 beneficiaries from April 2001 to April 2005. In terms of type of grant, table 4.11 shows that more beneficiaries are receiving child support grants, with the number increasing by more than 1,3 million between April 2004 and April 2005. The foster care grant also shows high growth, with the number of beneficiaries increasing by 55 985 for the same period.

*Beneficiary numbers grew from more than 3,6 million in 2001/02 to more than 9,4 million by the end of 2004/05*

**Table 4.11 Social grants beneficiary numbers by type of grant, April 2001 to April 2005**

	April 2001	April 2002	April 2003	April 2004	April 2005	% growth (average annual)
<b>Type of grant</b>						
Old age	1 877 538	1 903 042	2 009 419	2 060 421	2 093 075	2,8%
War veterans	6 175	5 266	4 594	3 961	3 340	-14,2%
Disability	627 481	694 232	953 965	1 270 964	1 307 459	20,1%
Grant-in-aid	9 489	10 332	12 787	18 170	23 131	25,0%
Foster care	85 910	95 216	138 763	200 340	256 325	31,4%
Care dependency	28 897	34 978	58 140	77 934	85 818	31,3%
Child support	974 724	1 907 774	2 630 826	4 309 772	5 633 647	55,1%
<b>Total</b>	<b>3 610 215</b>	<b>4 650 840</b>	<b>5 808 494</b>	<b>7 941 562</b>	<b>9 402 795</b>	<b>27,0%</b>
<b>Province</b>						
Eastern Cape	722 440	903 975	1 071 448	1 501 031	1 741 152	24,6%
Free State	205 003	275 018	366 979	503 063	594 511	30,5%
Gauteng	425 615	517 070	701 962	976 533	1 162 873	28,6%
KwaZulu-Natal	792 144	1 024 408	1 344 936	1 836 975	2 153 520	28,4%
Limpopo	491 680	646 972	808 553	1 152 621	1 409 412	30,1%
Mpumalanga	250 849	314 734	395 636	580 684	703 037	29,4%
Northern Cape	100 271	124 021	138 969	169 102	190 032	17,3%
North West	304 075	411 123	462 418	637 312	774 280	26,3%
Western Cape	318 136	433 520	517 593	584 241	673 978	20,6%
<b>Total</b>	<b>3 610 215</b>	<b>4 650 840</b>	<b>5 808 494</b>	<b>7 941 562</b>	<b>9 402 795</b>	<b>27,0%</b>

*Historical numbers adjusted for the phasing out of the state maintenance grant.*

*Source: Socpen system*

The average annual growth in the number of beneficiaries is 27 per cent. Provinces showing growth above this average are Free State (30,5 per cent), Limpopo (30,1 per cent), Mpumalanga (29,4 per cent), Gauteng (28,6 per cent) and KwaZulu-Natal (28,4 per cent).

### Older persons pensions

Table 4.12 shows spending on old age and war veterans' pensions and beneficiary numbers. Eastern Cape and KwaZulu-Natal spend relatively more on pensions than the other provinces. There is an increase in pensioners from more than 1,9 million in April 2002 to 2,1 million in April 2005, an annual average growth of 2,8 per cent. Overall growth in pensioner numbers is stable across provinces, growing at an average annual rate of 48 749 between April 2001 and April 2005.

*Expenditure on old age and war veterans' grants increases*

**Table 4.12 Provincial old age and war veterans grants expenditure and beneficiary numbers, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06 Medium-term estimates	2006/07 Medium-term estimates	2007/08 Medium-term estimates
<b>R million</b>							
Eastern Cape	2 921	3 232	3 496	3 554	3 999	4 279	4 577
Free State	788	938	1 043	1 111	1 237	1 330	1 422
Gauteng	1 579	1 853	2 051	2 188	2 424	2 612	2 821
KwaZulu-Natal	2 753	3 260	3 628	3 993	4 127	4 416	4 715
Limpopo	1 861	2 341	2 582	2 902	3 081	3 330	3 667
Mpumalanga	914	1 075	1 218	1 464	1 444	1 553	1 661
Northern Cape	288	330	367	390	428	456	488
North West	887	1 138	1 498	1 564	1 751	1 878	2 008
Western Cape	986	1 144	1 298	1 375	1 534	1 614	1 769
<b>Total</b>	<b>12 977</b>	<b>15 312</b>	<b>17 180</b>	<b>18 540</b>	<b>20 025</b>	<b>21 468</b>	<b>23 127</b>
<b>Beneficiary numbers as at end of April</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>		
Eastern Cape	392 720	401 204	409 785	414 161	415 082		
Free State	116 015	115 938	122 304	125 374	128 135		
Gauteng	226 421	231 301	242 693	251 719	256 995		
KwaZulu-Natal	395 651	406 592	417 527	425 189	429 459		
Limpopo	289 737	298 764	308 053	318 060	326 369		
Mpumalanga	134 042	136 368	141 820	146 516	148 803		
Northern Cape	42 993	43 165	43 564	44 504	44 862		
North West	154 943	165 963	172 046	178 676	184 016		
Western Cape	150 585	152 284	156 221	160 183	164 382		
<b>Total</b>	<b>1 903 107</b>	<b>1 951 579</b>	<b>2 014 013</b>	<b>2 064 382</b>	<b>2 098 103</b>		

Source: National Treasury provincial database and Socpen system

### Spending on disability grants

*Spending on disability grants more than trebled between 2001/02 and 2004/05*

Table 4.13 shows the varying growth in disability grants among provinces. Spending on these grants has more than trebled between 2001/02 and 2004/05. Measures for monitoring eligibility have resulted in significant spending efficiencies. In Eastern Cape, as the grant administration system has become more efficient at eliminating the problem of ineligible people getting grants, spending and beneficiary numbers have declined noticeably. The highest growth occurs in the Eastern Cape, Free State, Gauteng, KwaZulu-Natal and North West. Provinces have implemented reviews on eligibility for temporary disability grants along with other improvements to the grants process, from application to approval.

*The number of disability grant beneficiaries has more than doubled since 2001*

As table 4.13 shows, the number of disability grant beneficiaries has more than doubled since 2001. The most rapid increases in grant numbers were between 2002 and 2003 (259 733) and between 2003 and 2004 (316 999). The decline in growth between 2003 and 2004 (37 987) is because of the relative success of the disability grant administration initiatives. These include reviewing beneficiaries on the system and applying the means test to make sure that they meet the requirements for qualifying for the grants.

**Table 4.13 Provincial disability grant expenditure, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
	Outcome			Preliminary outcome	Medium-term estimates		
<b>R million</b>							
Eastern Cape	856	1 656	2 419	3 044	2 750	2 932	3 182
Free State	288	522	765	1 038	1 306	1 392	1 507
Gauteng	473	789	1 270	1 387	1 756	1 900	2 074
KwaZulu-Natal	974	1 482	2 282	3 087	3 863	4 118	4 458
Limpopo	373	559	784	872	1 056	1 158	1 280
Mpumalanga	266	353	511	558	794	882	985
Northern Cape	213	297	371	382	441	478	525
North West	483	620	801	987	1 080	1 199	1 339
Western Cape	658	922	1 126	1 215	1 391	1 452	1 581
<b>Total</b>	<b>4 585</b>	<b>7 201</b>	<b>10 329</b>	<b>12 570</b>	<b>14 438</b>	<b>15 510</b>	<b>16 932</b>
<b>Beneficiary numbers as at end of April</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>		
Eastern Cape	138 847	156 307	218 273	301 415	236 400		
Free State	34 559	43 780	76 392	108 869	118 009		
Gauteng	64 525	69 163	116 706	156 457	171 433		
KwaZulu-Natal	136 338	136 783	183 086	284 163	352 564		
Limpopo	55 805	65 246	76 297	89 589	97 012		
Mpumalanga	33 945	36 895	47 123	65 603	68 752		
Northern Cape	25 870	31 503	38 545	42 659	36 603		
North West	46 844	54 556	72 363	98 402	98 184		
Western Cape	90 748	99 999	125 180	123 807	129 994		
<b>Total</b>	<b>627 481</b>	<b>694 232</b>	<b>953 965</b>	<b>1 270 964</b>	<b>1 308 951</b>		

Source: National Treasury provincial database and Socpen system

Key initiatives to address weaknesses in the grant administration system for the next year, with a specific focus on the disability grant, include:

- ongoing investigation and prosecution of fraudulent activities by programme staff, providers or recipients
- a comprehensive review of all temporary disability beneficiaries
- rolling out a management information system in all provinces that provides staff with regular updates on key indicators for how the programme is being administered, including early warning indicators
- piloting, finalising and implementing a new disability assessment tool. This will be used for determining who qualifies for both the disability social grant and the free healthcare for disabled persons programme in the Department of Health. The tool is expected to be fully implemented by 2006
- continuing to work on ways of tightening disability grant administrative processes, while improving access for those who should be receiving the grant.

*Initiatives to strengthen the integrity of the disability grant system are under way*

### Social assistance grants to children

*The safety net to children has progressively widened in the last 10 years*

Over the last 10 years, government has progressively widened the safety net to children through the care dependency, child support and foster care grants. The child support grant in particular has been central to tackling child poverty.

#### Care dependency grant

*Spending growth is strong in Eastern Cape, KwaZulu-Natal and Limpopo*

The care dependency grant is payable for children aged between 1 and 18 years, who are in permanent home care and who suffer from severe mental or physical disability. Table 4.14 shows that spending on the care dependency grant increased by R534 million between 2001/02 and 2004/05. This spending is projected to further increase to R1,1 billion in 2007/08, showing an average annual increase of 22,5 per cent. Growth is particularly strong in Eastern Cape, KwaZulu-Natal and Limpopo.

**Table 4.14 Provincial care dependency grant expenditure, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
		Outcome		Preliminary outcome		Medium-term estimates	
<b>R million</b>							
Eastern Cape	–	94	123	139	224	249	273
Free State	10	20	28	33	37	40	44
Gauteng	–	0	79	101	111	119	129
KwaZulu-Natal	105	23	170	214	245	273	304
Limpopo	31	58	88	88	106	118	131
Mpumalanga	16	23	32	32	47	50	55
Northern Cape	6	10	14	22	22	26	29
North West	32	41	52	70	75	88	100
Western Cape	27	41	52	61	71	76	82
<b>Total</b>	<b>226</b>	<b>309</b>	<b>639</b>	<b>760</b>	<b>938</b>	<b>1 040</b>	<b>1 147</b>
<b>Beneficiary numbers as at end of April</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>		
Eastern Cape	5 957	7 343	11 737	17 578	19 930		
Free State	1 000	1 329	2 474	3 168	3 416		
Gauteng	2 827	3 663	7 312	10 316	11 422		
KwaZulu-Natal	9 165	9 841	15 762	19 954	21 156		
Limpopo	2 892	4 236	6 629	8 568	9 652		
Mpumalanga	1 175	1 558	3 051	4 141	4 287		
Northern Cape	696	841	1 308	1 784	2 079		
North West	1 822	2 325	4 264	6 281	7 143		
Western Cape	3 363	3 842	5 603	6 144	6 733		
<b>Total</b>	<b>28 897</b>	<b>34 978</b>	<b>58 140</b>	<b>77 934</b>	<b>85 818</b>		

Source: National Treasury provincial database and Socpen system

*There is strong overall growth in the number of care dependency beneficiaries*

The number of care dependency grant beneficiaries increased by 56 921 beneficiaries from 2001 to 2005. Beneficiary numbers are above 8 000 in Eastern Cape, Gauteng, KwaZulu-Natal and Limpopo.

#### Child support grant

*Sharp growth in the child support grant is expected over the next three years*

The child support grant is paid via the primary caregivers of all children who qualify. Eligibility is determined by a means test, which measures the caregivers' financial ability to provide the necessary

support to children. Table 4.15 shows that spending on the child support grant grew by more than R9,0 billion from 2001/02 to 2004/05. Spending is expected to grow further by more than R6,3 billion to R17,8 billion in 2007/08.

Table 4.15 also shows that the number of children receiving the grant grew by 4,7 million, from a mere 974 724 in 2001 to 5,6 million by April 2005. This was mainly due to higher take-up rate and extension of the grant to children of 13 years of age.

*The child support grant has been extended to older children*

**Table 4.15 Provincial child support grant expenditure, 2001/02 to 2007/08<sup>1</sup>**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	438	703	1 333	2 053	2 546	3 079	3 335
Free State	107	227	415	665	895	1 050	1 143
Gauteng	283	456	901	1 480	1 864	2 240	2 412
KwaZulu-Natal	504	1 146	1 821	2 629	3 288	3 688	3 950
Limpopo	437	919	1 336	1 792	2 373	2 532	2 624
Mpumalanga	157	318	625	879	1 134	1 201	1 287
Northern Cape	34	74	130	206	277	320	343
North West	313	401	638	1 050	1 283	1 549	1 717
Western Cape	127	312	491	678	823	915	995
<b>Total</b>	<b>2 400</b>	<b>4 558</b>	<b>7 690</b>	<b>11 431</b>	<b>14 483</b>	<b>16 575</b>	<b>17 805</b>
Beneficiary numbers as at end of April	2001	2002	2003	2004	2005		
Eastern Cape	168 249	333 117	405 815	728 854	1 012 816		
Free State	49 005	105 912	150 480	241 917	321 332		
Gauteng	117 480	200 501	315 897	530 987	689 712		
KwaZulu-Natal	239 576	465 350	694 392	1 057 311	1 289 283		
Limpopo	144 759	277 232	407 041	718 116	950 064		
Mpumalanga	81 665	139 429	199 834	357 183	467 975		
Northern Cape	24 309	41 959	46 412	69 664	95 236		
North West	97 916	189 317	206 421	340 574	467 558		
Western Cape	51 765	154 957	204 534	265 166	339 671		
<b>Total</b>	<b>974 724</b>	<b>1 907 774</b>	<b>2 630 826</b>	<b>4 309 772</b>	<b>5 633 647</b>		

1. Includes the child support extension conditional grant.

Source: National Treasury provincial database and Socpen system

### Foster care grant

The foster care grant is granted provided a court with the relevant jurisdiction is satisfied that a child is 'in need of care'. The child is placed in the custody of a suitable foster parent designated by the court 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 help the foster parent cover the costs of caring for a child.

*Spending on foster care shows strong overall growth*

As table 4.16 shows, foster care grants spending grew by R1,2 billion, between 2001/02 and 2004/05, a five-fold increase over the period. Spending growth continues to a projected outcome of R2,7 billion in 2007/08, an increase of more than R1 billion. Spending grew particularly rapidly in Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo and Mpumalanga, with slow growth in Northern Cape,

*There was a five-fold increase in foster care grant spending between 2001/02 and 2004/05*

North West and Western Cape. The strong growth in spending is because of better efficiencies within provincial departments of social development and in the overall child justice system. Table 4.16 also shows that foster care beneficiary numbers grew by 170 415 from April 2001 to April 2005.

**Table 4.16 Provincial foster care grant expenditure, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
		Outcome		Preliminary outcome		Medium-term estimates	
<b>R million</b>							
Eastern Cape	–	133	182	217	410	491	564
Free State	46	80	128	201	245	283	323
Gauteng	–	107	154	254	287	337	389
KwaZulu-Natal	105	171	264	345	441	493	555
Limpopo	25	55	107	148	191	229	264
Mpumalanga	13	19	36	48	105	141	169
Northern Cape	31	43	54	63	60	64	71
North West	45	58	74	122	130	151	172
Western Cape	99	121	144	166	176	187	205
<b>Total</b>	<b>364</b>	<b>787</b>	<b>1 142</b>	<b>1 563</b>	<b>2 044</b>	<b>2 376</b>	<b>2 712</b>
<b>Beneficiary numbers as at end of April</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>		
Eastern Cape	16 258	17 030	24 638	36 565	50 413		
Free State	6 949	8 529	14 977	23 201	30 760		
Gauteng	12 775	13 987	18 942	26 605	33 029		
KwaZulu-Natal	15 611	19 519	31 559	46 146	54 874		
Limpopo	3 379	5 426	9 683	16 988	24 032		
Mpumalanga	2 200	2 290	3 469	6 752	11 539		
Northern Cape	5 684	5 531	7 305	8 248	8 610		
North West	3 217	3 936	6 991	12 592	18 159		
Western Cape	19 837	18 968	21 199	23 243	24 909		
<b>Total</b>	<b>85 910</b>	<b>95 216</b>	<b>138 763</b>	<b>200 340</b>	<b>256 325</b>		

Source: National Treasury provincial database and Socpen system

### Social assistance compensation of employees within the programme

*Social assistance grants continue to dominate in provincial budgets*

Table 4.17 shows that overall compensation of employees spending within the social assistance programme has nearly doubled from 2001/02 to 2004/05. This trend continues in the medium term to a projected outcome of R758 million in 2007/08. There is also fast growth in personnel numbers, from 2 357 in 2001/02 to 4 995 in 2005/06, an increase of 2 638 personnel over the five years. The continued growth in compensation of employees and personnel over these years indicates significant strengthening of provincial capacity to deliver services to the poor.



**Table 4.17 Social assistance compensation of employees expenditure, 2001/02 to 2007/08**

	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07	2007/08
R million					Medium-term estimates		
Eastern Cape	29	36	48	55	116	117	123
Free State	21	25	32	37	59	61	64
Gauteng	26	32	7	6	81	86	91
KwaZulu-Natal	57	60	84	96	109	116	121
Limpopo	12	25	27	41	98	104	111
Mpumalanga	10	14	19	18	44	46	51
Northern Cape	8	9	13	13	22	23	24
North West	4	6	17	34	67	80	95
Western Cape	2	3	31	7	71	75	78
<b>Total</b>	<b>170</b>	<b>211</b>	<b>277</b>	<b>307</b>	<b>667</b>	<b>708</b>	<b>758</b>
<b>Personnel numbers</b>							
Eastern Cape	440	388	172	485	468		
Free State	292	301	387	420	420		
Gauteng	365	41	40	58	614		
KwaZulu-Natal	801	802	1 020	1 295	1 386		
Limpopo	221	289	306	384	405		
Mpumalanga	–	–	–	166	188		
Northern Cape	113	120	117	128	131		
North West	109	115	164	437	624		
Western Cape	16	15	18	164	759		
<b>Total</b>	<b>2 357</b>	<b>2 071</b>	<b>2 224</b>	<b>3 537</b>	<b>4 995</b>		

Source: National Treasury provincial database

## Social welfare, developmental support services and population trends

Social welfare services are provided mainly by social workers who work in provincial departments, and private and non-profit organisations partly funded by government. Welfare services cover a spectrum of types of care, which include preventative counselling services, treatment or care in subsidised facilities, community and home based care centres, and after care services. Categories of services are:

- treatment and prevention of substance abuse
- care for the aged
- crime prevention, rehabilitation and victim empowerment
- services to the disabled
- child and youth care and protection.

*Social welfare services cover a wide spectrum of care*

Table 4.18 indicates that consolidated social welfare spending grew from R1,6 billion in 2001/02 to a preliminary outcome of R2,1 billion in 2004/05. Much of this growth is due to increases in spending on administration for the social welfare services programme to fund compensation of employees. This includes increases in social workers' salaries, which grew from R399 million in 2003/04 to

*There has been overall growth in social welfare spending*

R533 million in 2004/05. Higher growth in spending is also reflected in the child, youth and protection programme.

**Table 4.18 Provincial social welfare services expenditure, 2001/02 to 2007/08**

R million	2001/02	2002/03 Outcome	2003/04	2004/05 Preliminary outcome	2005/06	2006/07 Medium-term estimates	2007/08
Administration	383	480	399	533	597	671	706
Treatment and prevention of substance abuse	61	69	65	77	94	126	126
Care of the aged	349	412	390	380	427	490	498
Crime prevention, rehabilitation and victim empowerment	100	107	136	170	219	293	325
Services to the disabled	161	147	165	202	191	235	229
Child and youth care and protection	565	612	739	733	904	1 002	1 028
<b>Total</b>	<b>1 617</b>	<b>1 827</b>	<b>1 893</b>	<b>2 095</b>	<b>2 432</b>	<b>2 816</b>	<b>2 911</b>
<b>Province</b>							
Eastern Cape	220	244	255	246	339	386	423
Free State	117	134	157	179	209	238	244
Gauteng	398	436	414	484	416	461	453
KwaZulu-Natal	243	277	308	348	526	569	597
Limpopo	77	92	109	131	153	164	165
Mpumalanga	70	100	87	115	119	280	264
Northern Cape	59	66	70	86	99	105	115
North West	128	163	168	132	151	188	218
Western Cape	307	316	324	375	422	427	433
<b>Total</b>	<b>1 617</b>	<b>1 827</b>	<b>1 893</b>	<b>2 095</b>	<b>2 432</b>	<b>2 816</b>	<b>2 911</b>

Source: National Treasury provincial database

*Certain provinces show very slow growth over the MTEF*

Table 4.18 also shows that growth in Eastern Cape, KwaZulu-Natal and Western Cape is quite high. This suggests a progressive shift towards social welfare services, and greater capacity for welfare service delivery. There is slow growth in the budgets of Mpumalanga and Northern Cape, and in Gauteng there is a decline of R68 million from 2004/05 to 2005/06.

*A new model for social welfare service delivery is being finalised*

Over the next year, the national and provincial departments of social development will be finalising the new model to bring about policy certainty on welfare service delivery, financing and administration. The model will explore different mechanisms for supporting the delivery of welfare to vulnerable individuals and communities through public, not-for-profit and private institutions. Over time, the social welfare service delivery model should:

- clarify the nature, scope and level of welfare services to be either directly provided by provincial departments or subsidised through not-for-profit and private welfare organisations
- address the different levels of care, prevention, early intervention (non-statutory), statutory intervention and rehabilitation
- identify social pathologies to be addressed in an integrated way, through community development approaches

- determine norms and standards to measure social welfare and developmental-oriented service delivery outputs based on an effective monitoring and evaluation system.

### Social workers

Social workers are the main agents of social welfare service delivery to vulnerable individuals and communities. There are approximately 2 642 social workers employed by provinces (see table 4.19). Gauteng has the highest number of social workers followed by Eastern Cape and Limpopo. Most social workers are at the entry level 7 (1 038) or principal social workers at level 9 (1 068). Provinces and national government are finalising a retention strategy, which aims to improve remuneration to retain social workers in the public sector.

*Gauteng, Eastern Cape and Limpopo have the most social workers*

**Table 4.19 Number and level of social workers per province working in government**

	Number of social workers	Social workers Level 7	Senior social worker Level 8	Principal social worker Level 9	Assistant social worker manager Level 10	Social worker manager Level 11
Eastern Cape	510	189	–	293	–	28
Free State	148	–	53	82	5	8
Gauteng	532	210	31	283	–	8
KwaZulu-Natal	253	132	28	78	5	10
Limpopo	361	174	70	100	11	6
Mpumalanga	208	116	29	50	11	2
Northern Cape	108	34	50	12	8	4
North West	238	148	25	32	33	–
Western Cape	284	35	59	138	52	–
<b>Total</b>	<b>2 642</b>	<b>1 038</b>	<b>345</b>	<b>1 068</b>	<b>125</b>	<b>66</b>

*Source: National Department of Social Development*

### Development and support programmes

Spending on the development and support programmes grew by R274 million from 2001/02 to 2004/05. Overall spending further grows by R382 million over the MTEF (shown in table 4.20). The major shares of the funding are in HIV and Aids and poverty alleviation programmes. Funding in both these programmes consists mainly of the different conditional grants for HIV and Aids and the integrated social development services grant, which form part of the poverty alleviation subprogramme – (see the earlier discussion on conditional grants). Excluding the conditional grants allocations, the additional consolidated input by provinces on this programme grows by R226 million in 2005/06, with additions amounting to R273 million in 2006/07 and R280 million in 2007/08.

Spending on development and support services is particularly high in Eastern Cape, Free State, KwaZulu-Natal and Limpopo. Together, the four provinces take up the major share of the consolidated provincial development and support services budgets. Growth in spending in these provinces is driven mainly by more spending on the poverty alleviation programmes, especially through the food relief programme, and further expansion of support to individuals and households affected and infected by HIV and Aids.

*Spending is higher in Eastern Cape, Free State, KwaZulu-Natal and Limpopo*

Table 4.20 shows that overall spending ranges from a high of R142 million in KwaZulu-Natal to a low of R28 million in Northern Cape in 2005/06.

**Table 4.20 Provincial development and support services expenditure, 2001/02 to 2007/08**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
	Outcome			Preliminary outcome	Medium-term estimates		
<b>R million</b>							
Administration	113	133	111	46	109	123	117
Youth development	15	14	6	9	35	37	38
HIV/Aids	12	26	84	88	167	180	196
Poverty alleviation	30	33	348	285	394	415	432
NPO and welfare organisation development	4	1	13	20	47	45	47
<b>Total</b>	<b>174</b>	<b>206</b>	<b>562</b>	<b>448</b>	<b>752</b>	<b>800</b>	<b>830</b>
<b>Province</b>							
Eastern Cape	8	18	112	40	86	89	93
Free State	18	22	60	27	86	88	92
Gauteng	90	90	49	83	73	76	79
KwaZulu-Natal	20	11	71	62	142	151	157
Limpopo	15	20	101	86	118	134	146
Mpumalanga	4	20	43	43	62	70	65
Northern Cape	8	8	18	11	28	33	35
North West	1	4	56	59	93	95	96
Western Cape	8	13	51	37	65	65	67
<b>Total</b>	<b>174</b>	<b>206</b>	<b>562</b>	<b>448</b>	<b>752</b>	<b>800</b>	<b>830</b>

Source: National Treasury provincial database

## Conclusion

In recent years, the social development sector has seen massive expansion in grant delivery. This represents a major success in the fight against poverty, especially through the extension of the child support grant to more than 5 million poor children and their families. This, along with other factors, has put the sector, and provincial administration and budgets under pressure. These include: new mandates, especially for community based developmental work; increased challenges, especially in dealing with the impact of HIV and Aids; and the remaining legacy of inadequate access to welfare services.

A number of far-reaching initiatives for dealing with these challenges in the social development sector are in place. These include: centralising the social assistance function and setting up the Social Security Agency; concerted efforts to improve service delivery and eradicate fraud; and exploring different welfare services delivery models and financing mechanisms. Success in these processes is necessary to safeguard and extend the critical services delivered by the social development sector. Moderating growth in grant expenditure and centralising the social assistance function will allow for more allocations to developmental welfare services. These need to be substantially improved to tackle the legacies of apartheid and the wide-ranging impact of HIV and Aids.