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## **Analysis of the 2009/10 budgets of the nine provincial departments of Social Development: Are the budgets adequate to implement the Children's Act?**

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Thank-you to all who provided comments on Draft 1 of this paper. Please send any queries or feedback to [debbieb@mail.ngo.za](mailto:debbieb@mail.ngo.za) and [paula.proudlock@uct.ac.za](mailto:paula.proudlock@uct.ac.za)

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## Acronyms

NPO	Non-profit organisation
ECD	Early childhood development
MEC	Member of the Executive Council (Provincial Ministers)
SASSA	South African Social Security Agency
HCBC	Home- and community-based care
MTEF	Medium-term expenditure framework
EPWP	Expanded public works programme
OSD	Occupation-specific dispensation
IP	Implementation Plan
FC	Full Cost
OVC	Orphans and vulnerable children

## Introduction

This is the third year in which we have undertaken analysis of the annual budgets of the provincial Departments of Social Development so as to assess the extent to which money has been allocated to implement the Children's Act.<sup>3</sup> The first part of the Children's Act [No 38 of 2005] was passed by parliament in 2005. This part of the Act dealt primarily with national government functions. The Children's Amendment Act [No 41 of 2007], passed in 2007, provided a wide range of further provisions, most of which related to provincial government functions.

As we write this paper, in the first half of 2009, the founding clauses of the Children's Act have come into effect but the majority of the clauses are not yet in effect. The full Act can only come into effect after the regulations have been promulgated in the government gazette and when government is ready to implement. Although the regulations have been finalised, government has indicated that it is not yet ready to put the Act into full effect. Factors that need to be taken into account include whether the Departments of Social Development and Justice have sufficient capacity to implement the Act and whether sufficient numbers of personnel have been trained on the new law.

Thus at this point the child care and protection system is still governed by the Child Care Act [No 74 of 1983]. However the founding clauses of the Children's Act are also in effect which means that the Child Care Act needs to be implemented taking into account these provisions of the new Children's Act. For the purpose of budget allocation, section 4 of the Children's Act, one of the founding provisions that is in effect, is particularly pertinent. Section 4(2) obliges all spheres and departments of government to 'take reasonable measures to the maximum extent of their available resources to achieve the realisation of the objects of this Act'. Therefore even though the Children's Act is not yet in full effect, government is obliged to have already started allocating resources to enable the full implementation of the Act. A further factor to take into consideration in the budget analysis is that even though the new Children's Act is not in full effect, the majority of the services in the new Act are already required under the Child Care Act of 1983, which is in full effect. The Costing Report on

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<sup>3</sup> For the 2007/08 budget analysis, see Budlender D, Proudlock P and Monson J (2008) *Budget allocations for implementing the Children's Act* in Proudlock P, Dutschke M, Jamieson L, Monson J and Smith C (eds) *South African Child Gauge 2007/2008*. Cape Town: Children's Institute, University of Cape Town. For the 2008/09 budget analysis, see Budlender D and Proudlock P (2008) *Analysis of the 2008/09 Budgets of the 9 provincial departments of Social Development: Are the budgets adequate to implement the Children's Act?* Children's Institute. Available on [www.ci.org.za](http://www.ci.org.za) (follow the Children's Act link)

the Children's Bill that was done in 2006 showed that government was only funding 25% of the services that it was obliged to fund under the Child Care Act of 1983 (Barberton, 2006). Therefore even under the Child Care Act there is an existing statutory obligation on government to prioritise rapid budget and service delivery growth for child care and protection services.

This paper seeks to analyse the extent to which funds have been allocated and utilised to implement the services required by the Child Care Act and the Children's Act.

The Children's Act clearly places the obligation on the state to provide and fund a comprehensive range of social services. These include:

- partial care facilities (crèches) and early childhood development (ECD) programmes
- prevention and early intervention services
- drop-in centres
- protection services (including a support scheme for child-headed households)
- foster care and cluster foster care
- adoption, including inter-country adoption
- child and youth care centres.<sup>4</sup>

The Act says that the provincial Members of the Executive Council (MECs) with responsibility for social development are responsible for providing and funding all these services with the budgets allocated to them by the provincial legislatures.

The paper focuses on the provincial sphere of government. The national Department's primary responsibility in respect of the Act is for policy-making and its budget for child welfare services is therefore small. In contrast, the provincial departments bear the main responsibility for service delivery. Estimates for the national Department are provided in many of the tables presented below but are not discussed in any detail.

The paper focuses on the social development budgets. Other government agencies, such as the Department of Justice & Constitutional Development and the provincial Departments of Education also bear responsibilities in respect of the Children's Act. However, a costing exercise (Barberton, 2006) commissioned by government while the Children's Bill was still being formulated revealed that Social Development would be responsible for the overwhelmingly greater part of the expenditure.

Thus Table 1 below illustrates the distribution of costs as estimated in the costing report (Barberton, 2006: 1) using both minimalist and maximalist approaches for each of the first six years of implementation. (The different approaches are explained in a later section of this paper.). Under the minimalist approach, the provincial departments of social development are responsible for 83-84% of the total cost, with the national department responsible for about another 1%. Under the maximalist approach, provincial social development's contribution increases to 91%, while that of the national department is less than 1%.

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<sup>4</sup> This is the new umbrella term for a range of residential care settings including children's homes, places of safety, schools of industry, reform schools, secure care facilities, and shelters for children on the street.

**Table 1. Distribution of costs of Children’s Act implementation across agencies**

<b>Minimalist approach</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
National DSD	1%	1%	1%	1%	0.5%	0.5%
Department of Justice	6%	7%	8%	9%	10%	10%
Provincial DSD	84%	84%	83%	83%	83%	83%
Provincial Education <sup>5</sup>	9%	8%	8%	7%	7%	7%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
<b>Maximalist approach</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
National DSD	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Department of Justice	5%	5%	5%	5%	5%	5%
Provincial DSD	91%	91%	91%	91%	91%	91%
Provincial Education	4%	4%	4%	4%	4%	4%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

The paper for the most part follows the same structure and order of our analysis of the 2008 budgets. We have chosen to do this so as to assist readers who would like to compare this year’s findings with those of last year. One difference is that this year we include a fuller analysis of the extent of under- and over-expenditure. A second difference is that we give fuller coverage to the crime prevention and support sub-programme. This sub-programme is important for at least two reasons. Firstly, it covers some of the services prescribed by the Children’s Act. Secondly, it covers services related to the Child Justice Act, and there are a range of linkages between the Children’s Act and the Child Justice Act.

We have also retained from last year’s paper sections that explain the background alongside others that analyse the 2009 budget numbers and text. The background sections are often the same as, or very similar, to those included in last year’s paper. We have included them in this paper to avoid readers having to refer back to other documents.

Finally, we note that budget figures are provided in nominal terms, i.e. unadjusted for inflation. This means that if R1 million is allocated for a particular sub-programme for both the 2008/09 and 2009/10 budget years, there is effectively a decrease in the value of the allocated budget over time as the R1 million in the second year will buy less than the R1 million in the first year. The fact that the figures are in nominal terms was a less serious problem in previous years when inflation was running at a relatively low rate. However, even when inflation was within government’s target of 3-6%, an annual increase in the budget for a particular sub-programme that was below 6% would have meant that in real terms government had not allocated more money than the previous year. With current higher inflation rates – in February 2009, when the budget was tabled, the inflation rate was estimated at 8,7% (Statistics South Africa, 2009) – even bigger nominal increases are needed if government is to have greater effective buying power. It is hoped that inflation will decrease from its current high level, but the inflation rate is likely to remain outside the 3-6% target level for much of the coming financial year. The percentage increases reported in this paper reflect nominal rather than

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<sup>5</sup> The Children’s Amendment Act provides that all reform schools and schools of industry must be transferred from the provincial departments of education to the provincial departments of social development within two years of the commencement of the Act. The Costing Report analysis represented in table 1 above did not take account of this shift in its calculations. If this shift is taken into account we should see a decline in the costs to be carried by provincial departments of education and an increase for the provincial departments of social development in year 3 of implementation.

real increases, and will thus all be smaller than they appear depending on how the inflation rate changes over the next three years. As noted at some points later in the paper, some apparent increases will constitute decreases in real terms.

## **What does the Children’s Act say about budgets and the services that must be budgeted for?**

Section 4(2) of the Children’s Act states that **all departments and spheres of government** “must take reasonable measures **to the maximum extent** of their available resources to achieve the realisation of the objects of this Act”. The words “maximum extent” come from the United Nations Convention on the Rights of the Child (article 4). They have been interpreted by the UN Committee on the Rights of the Child as placing an obligation on government to prioritise expenditure on programmes aimed at giving effect to children’s rights (Hodgkin and Newell, 1998: 55).

Each area of service in the Children’s Act has its own chapter. Each chapter includes a “provisioning clause” which provides more detail on the nature of the MEC’s obligation to provide the service and what type of programmes fall into that particular service area.

The provisioning clauses for prevention and early intervention services, protection services (including child-headed household mentorship schemes, foster care and adoption), and child and youth care centres say that the MEC “must” provide and fund these services.

For partial care, ECD, and drop-in centres, the provisioning clauses say the MEC “may” provide these services. This means that the MECs can decide not to provide these services at all or to only partially fund them. However, the MECs may be compelled to provide them or prioritise them if the national Minister prescribes such prioritisation. The Act also states that for these service areas priority must be given to funding of services in communities where families lack the means of themselves providing proper shelter, food and other basic necessities of life to their children, and to making services accessible to children with disabilities.

Below we list each service area and provide detail on the related programmes or interventions that are explicitly included in the Act and therefore need to be budgeted for. This detail informs our analysis of the budget where allocations for implementation of the Act are scattered across a number of sub-programmes within the provincial department budget votes.

### **Partial care and ECD - Chapters 5 and 6**

- Crèches
- Early childhood development (ECD) centres
- ECD programmes provided in a centre
- ECD outreach programmes not provided in a centre
- After-school supervision and partial care for children of all ages.

*Note that grade R (ECD provided to children in reception year in primary school) is funded by the provincial departments of education and is not regulated under the Children’s Act.*

## **Drop-in centres – Chapter 14**

- Centres where vulnerable children can “drop in” during the day or night for, among others, basic services including food, school attendance support, personal hygiene such as baths and showers, and laundry services.

## **Prevention and Early Intervention services – Chapter 8**

- Family preservation services
- Parenting skills programmes/counselling
- Parenting skills programmes/counselling and support groups for parents of children with disabilities and chronic illnesses
- Parenting skills programmes and counselling to teach parents positive, non-violent forms of discipline
- Psychological, rehabilitation and therapeutic programmes for children who have suffered abuse, neglect, trauma, grief, loss or who have behaviour or substance abuse problems
- Diverting children in trouble with the law away from the criminal justice system and into diversion programmes
- Programmes aimed at strengthening/supporting families to prevent children from having to be removed into child and youth care centres
- Programmes that support and assist families who have a member (child or adult) who is chronically or terminally ill (home- and community-based care)
- Programmes that provide families with information on how to access government services (water, electricity, housing, grants, education, police, courts, private maintenance, food parcels, protection services, health services)
- Programmes that assist and empower families to obtain the basic necessities of life for themselves (e.g. skills development projects, sustainable livelihoods programmes, sewing projects, expanded public works projects and stipends, food garden and farming projects).

*Note that the provincial departments of health also provide and fund home-based care programmes. These programmes tend to be focussed on the health needs of households and not their social needs. They for example assist families with adhering to HIV or TB treatment regimes. These HCBC programmes run by the Department of Health are not legislated for under the Children’s Act but there is potential for synergy between the departments of social development and health to ensure that all home- and community-based care programmes and workers can assist vulnerable families with both their health and social needs.*

## **Protection services – Chapter 7**

- Identification and voluntary reporting of children in need of care and protection and follow-up investigations by social workers plus possible children’s court inquiry
- Mandatory reporting and investigations of cases of physical and sexual abuse and deliberate neglect and follow up court report or court inquiry
- Emergency removals of children at risk of harm
- Child protection register (records and tracks all mandatory reports), and lists persons who are unfit to work with children so as to exclude them from positions in which they would have access to children
- Mentorship schemes for child-headed households.

*Note that the court personnel (magistrates, clerks, interpreters and legal aid attorneys) and courts are funded by the Department of Justice while police officials are funded by the South African Police Service.*

### **Foster care and cluster foster care – Chapter 12**

- Recruiting and training of foster parents
- Processing foster care applications through the children's court
- Monitoring foster care placements and supporting foster parents
- Managing cluster foster care schemes.

*Note that the foster child grants are not paid from the provincial social development budgets but from the national budget of the South African Social Security Agency (SASSA) in terms of the Social Assistance Act of 2004. Court personnel and courts involved in the decision to place the child in foster care are funded by the national Department of Justice.*

### **Adoption and inter-country adoption – Chapters 15 and 16**

- Recruiting and assessing adoptive parents
- Processing adoption applications through the children's court
- Monitoring new adoptions.
- Counselling adoptees and their biological parents, adoptive parents or previous adoptive parents seeking access to the adoption record
- Facilitating the implementation of post-adoption agreements.

*Note that the court personnel and courts are funded by the Department of Justice.*

### **Child and Youth Care Centres – Chapter 13**

'Child and youth care centre' is the umbrella term for the various forms of residential care including places of safety, children's homes, shelters for children on the street, schools of industry, reform schools, and secure care centres. Child and youth care centres that qualify for funding include centres that run programmes for children:

- needing temporary safe care to protect them from abuse or neglect or pending an assessment or final court order
- needing more long term care because they cannot live with their family
- awaiting trial or sentence
- with behavioural, psychological and emotional difficulties
- living on the streets
- with disabilities
- with chronic illnesses
- with alcohol or drug addictions
- with psychiatric conditions
- who need assistance with the transition when leaving the centre at the age of 18.

*Note that the provincial departments of education currently provide and fund reform schools and schools of industry. According to the Children's Act these centres must be transferred to the provincial departments of social development within two years of the commencement of the Act. This has not yet happened. However, after the transfer is effected, the total costs for the provincial departments of education should be lower than they would have been without the transfer,*

*while those of the provincial departments of social development should increase. The departments of education remain responsible for providing and funding education for children in all the Child and Youth Care Centres.*

## **Which parts of the provincial social development votes are relevant for the Children's Act?**

The provincial social development budgets are divided into three programmes, namely administration, social welfare services, and research and development. This paper focuses on the social welfare services programme, which provides for the majority of services envisaged in the Act. The social welfare programme, like other programmes, is divided into sub-programmes. Unfortunately, the budget documents do not clearly show which sub-programmes are responsible for each of the service areas of the Children's Act. This presents a serious obstacle to government's ability to manage and monitor its progress in giving effect to the objects of the Act, as well as the ability of the legislatures and civil society to monitor implementation of the Act. However, by analysing the narratives and the performance indicators for each sub-programme (see appendix A) and comparing them to the provisioning clauses in the Act, we are able to achieve a rough match of Children's Act services with the relevant sub-programmes.

For three sub-programmes in the social welfare services programme it seems that most of the funds are related to the Children's Act. The three sub-programmes are:

- child care and protection
- HIV and Aids
- care and support to families.

Other sub-programmes such as victim empowerment (within the social welfare services programme) and youth development (within the research and development programme rather than within social welfare services) also contain some Children's Act funding but on a much more limited scale than the three sub-programmes named above. As noted above, the crime prevention and support sub-programme also contains Children's Act funding, notably funding for diversion programmes and running of secure care facilities for children in trouble with the law (The capital costs of building and maintenance tend to be located in other sub-programmes). It has therefore been included in this year's analysis. However we note that the sub-programme also includes funding for adults in trouble with the law and it is not possible to disaggregate what proportion of the budget relates to child offenders. Further, some of the child-related money is for assessment of child offenders by probation officers as required by the Child Justice Act rather than a requirement of the Children's Act. Because of the difficulty in determining how much of the crime prevention money relates to the Children's Act, we analyse it separately from the other three-sub-programmes.

The shading in Table 2 matches sub-programmes which contain budget allocations to the relevant Children's Act service areas.

**Table 2. Social Development sub-programmes that include budget and indicators for Children’s Act service areas**

	<b>Partial care and ECD</b>	<b>Drop-in centres</b>	<b>Prevention and early intervention services</b>	<b>Protection services</b>	<b>Foster care and cluster foster care</b>	<b>Adoption and inter-country adoption</b>	<b>Child and youth care centres</b>
<b>Sub-programmes</b>							
<b>Child care and protection</b>							
<b>HIV and AIDS</b>			Home based care	CHH mentorship scheme			
<b>Family care and support</b>			Parenting skills and child and family counselling				
<b>Crime Prevention and support</b>			Diversion programmes				Secure care centres

Of the three sub-programmes which are the focus of this paper, child care and protection accounts for a total of R2 163m across the nine provinces in 2009/10, while HIV and AIDS accounts for R599m and family care and support for R161m. The sub-programmes account for 35%, 10% and 3% respectively of the allocations for social welfare programmes across the nine provinces. These percentages are very similar to those found for 2008/09. Crime prevention and support is allocated R569m across the nine provinces in 2009/10, equal to 9% of social welfare programme allocations. Percentage-wise the allocation is smaller than in 2008/09, when it accounted for 10% of the total.

### **Analysis of the 2009/10 budgets**

One important caution is necessary before proceeding with analysis of the provincial allocations for the various sub-programmes. This caution relates to the fact that the way in which elements such as salaries and capital expenditure are recorded is not consistent across provinces. These elements, if related to a particular sub-programme, should be recorded in the allocation for that sub-programme. However, in some provinces they are still, incorrectly, recorded elsewhere, for example under the administration sub-programme. (This sub-programme has recently been renamed professional support, but is recorded as administration in the budget documents.) Below we note some instances in which a province’s practice has changed between one year and the next, but the budget documents do not give enough information for us to know which provinces are still recording salary and capital expenditure incorrectly.

#### **Child care and protection sub-programme**

The budget documents that are tabled each year include the estimates for the coming budget year (in this case, 2009/10), as well as medium-term expenditure framework (MTEF) estimates for the following two ‘outer’ years (2010/11 and 2011/12 in this case). Table 3 gives the adjusted appropriation for 2008/09 (i.e. the original allocation as voted in early 2008, adjusted for any

decrease or increase voted by the provincial legislature later in the year) for child care and protection, plus the allocations for the three MTEF years.

The table shows the percentage increase for each of the MTEF years, and the average annual increase over the period. Overall, the picture looks promising, in that the average annual increase across the nine provinces stands at 20%, which is well above even the current increased rate of inflation, with the province-specific averages ranging from 12% in the Eastern Cape to 29% in Limpopo. The increases are, however, noticeably lower than for the MTEF tabled in 2008/09, when the provincial average was 29% and the range from 21% to 40%. This decrease relative to 2008 is found despite the fact that inflation stood at a much lower rate in early 2008 than in early 2009.

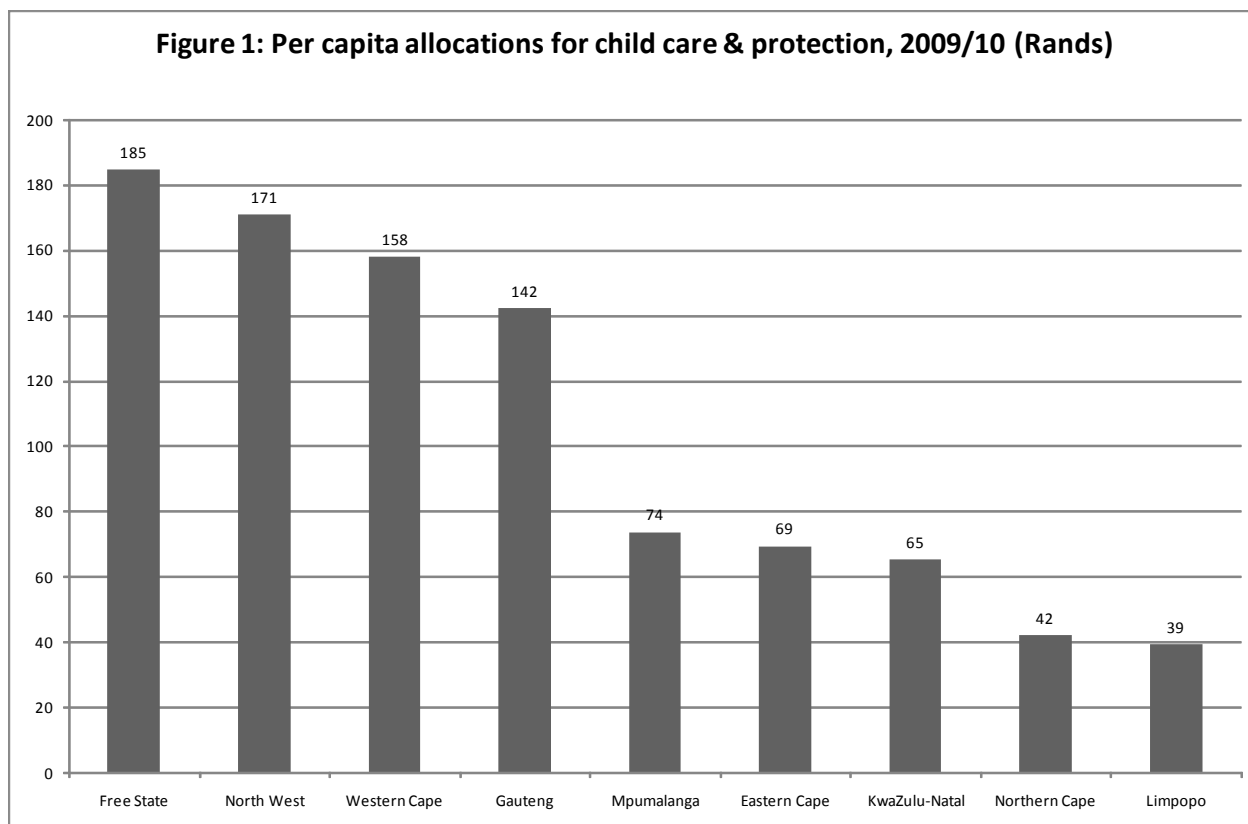
**Table 3. Allocations for child care and protection sub-programme, 2008/09-2011/12 (R1000s)**

Province	Allocations				Annual percentage change			
	2008/09	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	3-yr average
Eastern Cape	216 595	171 748	217 045	303 204	-21%	26%	40%	12%
Free State	202 613	279 412	302 849	333 894	38%	8%	10%	18%
Gauteng	496 578	600 438	715 452	834 422	21%	19%	17%	19%
KwaZulu-Natal	301 020	340 064	487 159	624 332	13%	43%	28%	28%
Limpopo	102 751	124 081	129 937	207 442	21%	5%	60%	26%
Mpumalanga	120 569	135 193	165 067	199 232	12%	22%	21%	18%
Northern Cape	55 616	57 459	76 826	94 600	3%	34%	23%	19%
North West	71 005	115 692	128 231	152 627	63%	11%	19%	29%
Western Cape	295 345	339 075	386 481	440 645	15%	14%	14%	14%
<b>All provinces</b>	<b>1 862 092</b>	<b>2 163 162</b>	<b>2 609 047</b>	<b>3 190 398</b>	<b>16%</b>	<b>21%</b>	<b>22%</b>	<b>20%</b>
<b>National dept</b>	<b>22 700</b>	<b>24 300</b>	<b>26 300</b>	<b>27 700</b>	<b>7%</b>	<b>8%</b>	<b>5%</b>	<b>7%</b>

Over the three MTEF years, the child care and support sub-programme accounts for 34,9%, 36,8% and 40,0% respectively of the total social welfare programme allocation. This growth suggests that within this programme, the sub-programme on child care and protection will receive relatively greater attention over the years. However, the relative increase is small.

In absolute terms, Gauteng has the largest amount allocated for 2009/10 (R600,4m), while Northern Cape has the lowest (R57,4m). This ranking of biggest and smallest is expected given the population distribution. Nevertheless, the large gap between Gauteng and KwaZulu-Natal – which has almost as many children as Gauteng yet has an allocation only 56% of the size of Gauteng’s for this sub-programme – suggests severe under-provision in KwaZulu-Natal compared to Gauteng.

The figure below provides a crude illustration of the provincial disparities by dividing each province’s allocation by the population aged 0-19 years as recorded in the Community Survey of 2007 (Statistics South Africa: 62-66). The figure suggests that the per capita allocation ranges from a low of R39 per child in Limpopo to R185 per child in Free State. North West, which the previous year recorded the highest per capita allocation, has slipped to second place. KwaZulu-Natal has the third-lowest per capita allocation after Limpopo and Northern Cape, despite the high levels of poverty. Eastern Cape, another extremely poverty-stricken province, has the fourth-lowest per capita allocation. The average across the nine provinces is R92 per capita.



As noted above, each year government publishes estimates for the coming three budget years. This allows us to compare the estimates published in 2008 for 2009/10 and 2010/11 (at which stage these represented the ‘outer’ years of the MTEF) with what was tabled for these two years in 2009 (when the 2009/10 figure represents the proposed budget, and the 2010/11 remains an ‘outer’ MTEF year). We can also compare the revised estimates for 2008/09 with the original budget allocations for that year.

Table 4 confirms that in six provinces the revised estimates for 2008/09 were lower than the original estimates. In Eastern Cape, the revised estimate was as much as 20% less than the original estimate. In contrast, in Gauteng the revised estimate was 15% higher than the original allocation for 2008/09. There are similar differences across provinces in respect of 2009/10. Gauteng has chosen to increase their allocations for each of the years by substantial percentages. Free State has also increased allocations quite substantially, although not as much in relative terms as Gauteng. Eastern Cape, in contrast, has chosen to halve the previous allocations for 2009/10 and 2010/11. This suggests that either Eastern Cape feels that it was previously over-ambitious, or that it is now de-prioritising child care and protection. It also suggests that in future years Eastern Cape will perform even more poorly than at present in terms of relative per capita allocations. The decreases shown for six of the provinces are particularly worrying given that the inflation rate was higher than expected in 2008/09. This means that even if the amounts had stayed the same as those reported in the 2008 budget books, in real terms the value of the allocations would have been lower than when published in 2008.

**Table 4. Change in estimates for child care & protection between 2008 & 2009 budget books**

<b>Province</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2008/09-2010/11</b>
Eastern Cape	-20%	-53%	-50%	-43%
Free State	4%	14%	12%	11%
Gauteng	16%	34%	21%	23%
KwaZulu-Natal	-1%	-2%	-1%	-1%
Limpopo	0%	-4%	-10%	-5%
Mpumalanga	6%	10%	-9%	1%
Northern Cape	-1%	-10%	-8%	-7%
North West	-14%	12%	-7%	-3%
Western Cape	-4%	-4%	-1%	-3%
<b>All provinces</b>	<b>0%</b>	<b>-1%</b>	<b>-4%</b>	<b>-2%</b>
<b>National dept</b>	<b>-1%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>

One interesting feature that emerges from these comparisons is that while for all other provinces the published numbers for 2005/06 and 2006/07 remain the same as published in 2008, this is not the case for Mpumalanga. The same feature is found across all sub-programmes for Mpumalanga despite the fact that the numbers published for these two years in 2008 should already have represented final audited figures. The reason for these disparities is not provided in the 2009 budget books.

Table 5 suggests that the relative importance attached to child care and protection within the social welfare services programme has remained more or less constant if we average across the nine provinces. However, this average hides substantial variation in patterns across provinces. Gauteng has substantially increased the relative importance attached to this sub-programme, as has Free State and Mpumalanga for 2009/10. Eastern Cape, as would be expected from the previous analysis, has substantially reduced the relative importance of this sub-programme. In other provinces there is not a marked shift in the percentage of the social welfare budget allocated to this sub-programme between the 2008 and 2009 budget books. KwaZulu-Natal, Northern Cape and Mpumalanga do, however, show steady increases in the percentage over the period of the MTEF. This steady increase is also seen for the provinces as a whole, although the increase is smaller in relative terms than for Gauteng, KwaZulu-Natal and Northern Cape.

**Table 5. Child care & protection as percentage of social welfare services, 2008 & 2009 documents**

		2009/10	2010/11	2011/12
2008	<b>Eastern Cape</b>	43%	46%	
2009		20%	23%	28%
2008	<b>Free State</b>	56%	56%	
2009		63%	63%	63%
2008	<b>Gauteng</b>	32%	36%	
2009		41%	43%	46%
2008	<b>KwaZulu-Natal</b>	37%	41%	
2009		36%	41%	45%
2008	<b>Limpopo</b>	33%	33%	
2009		33%	31%	41%
2008	<b>Mpumalanga</b>	24%	30%	
2009		30%	31%	34%
2008	<b>Northern Cape</b>	25%	28%	
2009		23%	27%	30%
2008	<b>North West</b>	22%	24%	
2009		24%	22%	24%
2008	<b>Western Cape</b>	38%	39%	
2009		38%	39%	40%
2008	<b>Total</b>	<b>35%</b>	<b>38%</b>	
2009		35%	37%	40%

### Care and support for families sub-programme

In last year's paper we noted that the patterns in respect of the sub-programme care and support to families were less favourable than those for child care and protection. The problems in respect of this sub-programme remain and, if anything, have become more severe. Table 6 shows the allocations as well as the annual percentage change in each province. Limpopo, Mpumalanga, Free State and North West show high average annual increases over the MTEF period. Limpopo's exceptionally high increase for 2009/10 is explained by the very meagre allocation in 2008/09. Northern Cape shows a small annual average decrease even in nominal terms, while for Eastern Cape the nominal average annual decrease is a huge 21%. Overall, the average annual increase is 4% in nominal terms over the MTEF period. This will not keep pace with inflation. What is also worrying is that the decreases are concentrated in the first year. This is cause for concern because the 2009/10 estimates are the ones that will be voted into law, while those for the outer years could still change. Overall, the increase for 2009/10 is negative even in nominal terms for the provinces combined, at -1%. If Limpopo, Free State and Northern Cape were excluded, the drop in funds would be much more severe.

**Table 6. Allocations for care & support to families, 2008/09-2011/12 (R1000s)**

Province	Allocation				Annual percentage change			
	2008/09	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	3-year average
Eastern Cape	9 396	4 869	4 460	4 652	-48%	-8%	4%	-21%
Free State	2 953	4 116	4 438	4 817	39%	8%	9%	18%
Gauteng	95 273	90 697	95 232	99 517	-5%	5%	4%	1%
KwaZulu-Natal	3 000	3 225	3 419	3 624	8%	6%	6%	7%
Limpopo	500	3 000	3 501	3 676	500%	17%	5%	94%
Mpumalanga	4 283	5 651	6 944	7 514	32%	23%	8%	21%
Northern Cape	5 990	5 244	5 512	5 792	-12%	5%	5%	-1%
North West	7 217	8 045	11 127	11 476	11%	38%	3%	17%
Western Cape	33 514	36 037	38 700	41 022	8%	7%	6%	7%
<b>All provinces</b>	<b>162 126</b>	<b>160 884</b>	<b>173 333</b>	<b>182 090</b>	<b>-1%</b>	<b>8%</b>	<b>5%</b>	<b>4%</b>
<b>National dept</b>	<b>6 000</b>	<b>6 500</b>	<b>6 800</b>	<b>7 200</b>	<b>8%</b>	<b>5%</b>	<b>6%</b>	<b>6%</b>

Table 7 reveals that four provinces – Eastern Cape, Gauteng, KwaZulu-Natal and Mpumalanga – had revised budgets that were smaller than the original allocations. For Mpumalanga, the revised budget was 10% less than the original allocation. For the current budget year of 2009/10, two provinces – North West and again Mpumalanga – have allocated less than was shown in the 2008 budget documents for this year. For the three-year period as a whole, and across the provinces, budgets are 1% less than shown in last year’s budget books. Mpumalanga shows consistently high decreases across the period.

The sub-programme accounts for 2.6% of the social welfare programme budget in 2009/10, but this percentage is set to decrease to 2.3% by 2011/12.

**Table 7. Change in estimates for care & support to families between 2008 & 2009 budget books**

Province	2008/09	2009/10	2010/11	2008-2011
Eastern Cape	-2%	2%	1%	0%
Free State	4%	2%	1%	2%
Gauteng	-3%	3%	2%	1%
KwaZulu-Natal	-1%	1%	1%	0%
Limpopo	0%	-5%	-6%	-4%
Mpumalanga	-10%	-11%	-14%	-12%
North West	6%	-3%	-4%	-1%
Western Cape	0%	5%	1%	2%
<b>All provinces</b>	<b>-1%</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>
<b>National dept</b>	<b>-8%</b>	<b>-6%</b>	<b>-7%</b>	<b>-7%</b>

These decreases are worrying because this sub-programme should contain some of the family support programmes that are listed in the Prevention Chapter of the Children’s Act. These include the following programmes:

- Family preservation services
- Parenting skills programmes/counselling
- Parenting skills programmes/counselling and support groups for parents of children with disabilities and chronic illnesses

- Parenting skills programmes and counselling to teach parents positive, non-violent forms of discipline
- Psychological, rehabilitation and therapeutic programmes for children who have suffered abuse, neglect, trauma, grief, loss or who have behaviour or substance abuse problems
- Programmes aimed at strengthening/supporting families to prevent children from having to be removed into child and youth care centres
- Programmes that provide families with information on how to access government services such as water, electricity, housing, grants, education, police, courts, private maintenance, food parcels, protection services, and health services
- Programmes that assist and empower families to obtain the basic necessities of life for themselves (e.g. skills development projects, sustainable livelihoods programmes, sewing projects, expanded public works projects and stipends, food garden and farming projects).

Some of these programmes will be funded under another sub-programme, programme or even another departmental vote. For example, psychological programmes for children who have suffered abuse, neglect, trauma, grief or loss could fall under child care and protection, programmes for children who have substance abuse problems could fall under the substance abuse, prevention and rehabilitation sub-programme, while programmes to assist with basic necessities of life could fall under the sustainable livelihoods sub-programme of the development and research programme. Information provision could fall under the Government Communication and Information Systems vote. Nevertheless, this still leaves a range of programmes that seem to fall squarely within the responsibility of the care and support to families sub-programme.

These programmes could contribute, over time, to a reduction in the large numbers of children in need of more expensive tertiary services such as children's court inquiries and state alternative care. Spending more now on prevention programmes could thus prove more cost-effective in the medium- to long-term as well as avoiding many children suffering unnecessarily. These programmes are required by the Children's Act and the budget figures, narratives and indicators therefore need to indicate to what extent the programmes listed in the Prevention chapter of the Children's Act are being provided. The way the budgets are currently structured and recorded does not enable an analysis of whether these programmes are being provided and to what extent.

### **HIV and Aids sub-programme**

The third sub-programme that is relevant for implementation of the Children's Act is HIV and Aids. At national level this sub-programme has been shifted to the community development programme. Within the provinces it remains within the social welfare programme.

The allocations for this sub-programme must be assessed against the HIV prevalence levels in the different provinces. The figure below shows that in 2007 the prevalence among antenatal clinic attendees ranged from 15.3% in Western Cape to 38.7% in KwaZulu-Natal (Dorrington & Bourne, 2008).

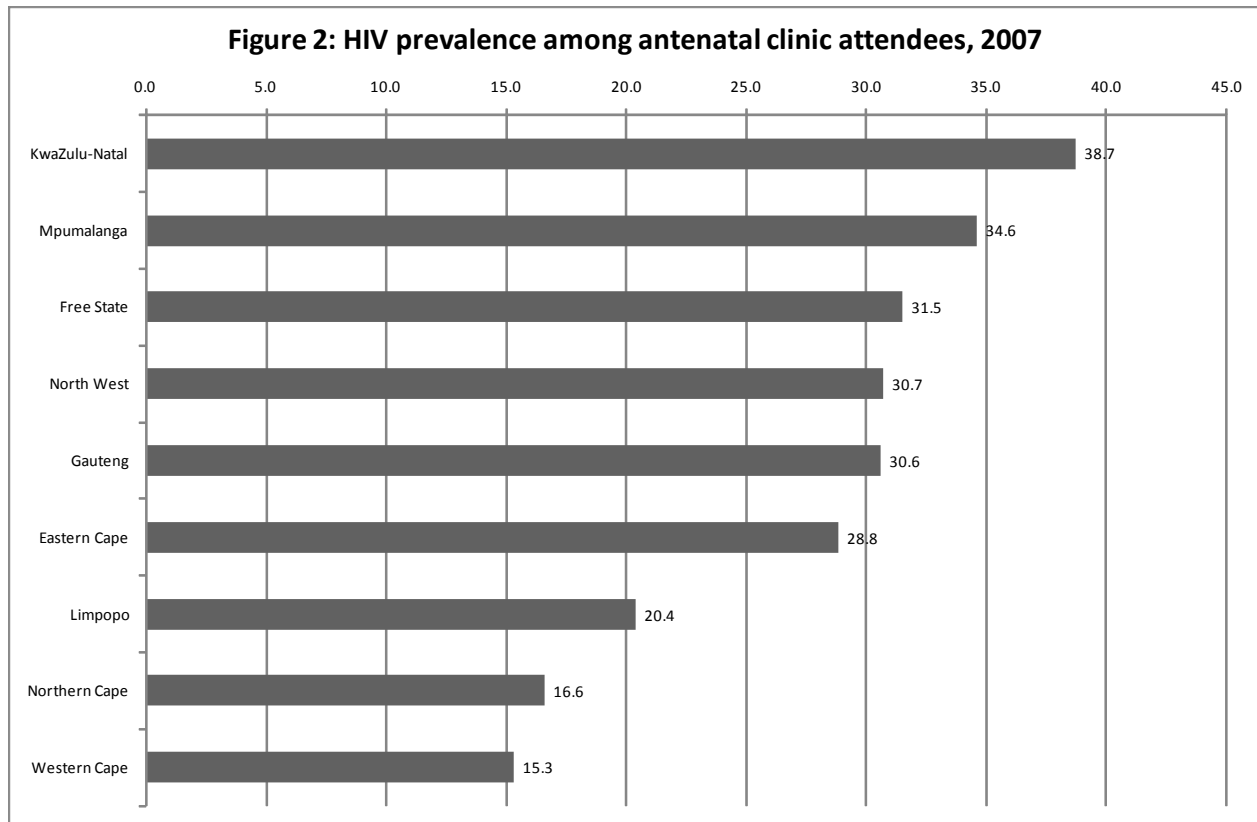


Table 8 shows that overall, the provinces have an average annual increase in nominal terms of 14%, which should mean a real increase in real terms unless inflation gets totally out of control. While we suggested last year that the increases might be explained by increased attention to the home- and community-based care (HCBC) component of the expanded public works programme (EPWP), this is mentioned far fewer times in the 2009 budget books than those of the previous years. For each of the three MTEF years the allocation for HIV and AIDS amounts to between 9,6% and 10,0% of the total allocation for the social welfare programme.

Looking at the provinces in more detail we see that Eastern Cape and Free State have both allocated substantially less in nominal terms for 2009/10 than they allocated for 2008/09. As a result, both these provinces record small negative average annual decreases in nominal terms for the MTEF period as a whole. KwaZulu-Natal, in contrast, records a massive increase, of 177%, for 2009/10, yielding an annual average increase of 70% per annum in nominal terms. Mpumalanga, with an increase for 2009/10 of 36%, also has a large annual average increase for the MTEF period despite a much smaller increase for 2010/11.

**Table 8. Allocations for HIV and Aids, 2008/09-2011/12 (R1000s)**

Provinces	Allocations				Annual percentage change			
	2008/09	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	3-yr average
Eastern Cape	79 444	68 188	74 711	78 220	-14%	10%	5%	-1%
Free State	24 223	19 212	21 110	23 328	-21%	10%	11%	-1%
Gauteng	178 201	190 931	211 012	220 507	7%	11%	4%	7%
KwaZulu-Natal	19 652	54 486	89 816	96 505	177%	65%	7%	70%
Limpopo	73 461	102 388	123 436	129 608	39%	21%	5%	21%
Mpumalanga	50 597	68 905	72 092	89 562	36%	5%	24%	21%
Northern Cape	22 185	24 756	29 830	31 806	12%	20%	7%	13%
North West	40 535	46 473	57 746	63 500	15%	24%	10%	16%
Western Cape	21 290	23 903	26 750	31 481	12%	12%	18%	14%
<b>All provinces</b>	<b>509 588</b>	<b>599 242</b>	<b>706 503</b>	<b>764 517</b>	<b>18%</b>	<b>18%</b>	<b>8%</b>	<b>14%</b>
<b>National dept</b>	<b>61 100</b>	<b>61 500</b>	<b>66 300</b>	<b>69 800</b>	<b>1%</b>	<b>8%</b>	<b>5%</b>	<b>5%</b>

Table 9 reveals that KwaZulu-Natal's revised budget for 2008/09 was less than half the original allocation. The allocations for KwaZulu-Natal are also lower than previously published estimates for 2009/10 and 2010/11. Free State's revised budget for 2008/09 matched the original allocations, but its 2009/10 and 2010/11 estimates as published this year are substantially lower than those published in the 2008 budget documents. The same pattern is found for Western Cape, although the decreases are somewhat less severe than for Free State. Limpopo has the highest overall increase, at 24% over the three years. When all provinces are combined, the estimates published in the 2009 budget documents are higher for 2009/10 and 2010/11 than they were in the 2008 budget documents, but lower for 2008/09. The pattern in respect of 2008/09 is explained almost wholly by KwaZulu-Natal's huge under-expenditure as most other provinces had revised budgets for this sub-programme more or less equal to the original budgets.

**Table 9. Change in estimates for HIV and Aids between 2008 & 2009 budget books**

	2008/09	2009/10	2010/11	2008-2011
Eastern Cape	3%	0%	0%	1%
Free State	0%	-26%	-19%	-15%
Gauteng	0%	1%	0%	0%
KwaZulu-Natal	-59%	-10%	-5%	-19%
Limpopo	0%	23%	46%	24%
Mpumalanga	0%	24%	3%	9%
Northern Cape	0%	-2%	-2%	-1%
North West	0%	2%	0%	1%
Western Cape	0%	-11%	-6%	-6%
<b>All provinces</b>	<b>-5%</b>	<b>3%</b>	<b>4%</b>	<b>1%</b>
<b>National dept</b>	<b>-2%</b>	<b>-2%</b>	<b>-1%</b>	<b>-1%</b>

## Crime prevention and support

As noted above, in previous years we did not examine the crime prevention and support sub-programme as much of the allocation for this sub-programme cannot be strongly linked to the Children's Act. This year we present the same basic analysis of this sub-programme as for the three core sub-programmes related to the Children's Act. However, we do not include the crime prevention and support estimates later in the paper when we estimate the total allocated in respect of the Children's Act.

Table 10 shows that over the three-year period, the average annual provincial increase is 8%. The 2009/10 estimates are, however, the ones that are most important, as these are the numbers that will be voted on this year, while those for the outer years – at present all with increases at least in nominal terms – could be changed when future budgets are tabled. For the MTEF period, this sub-programme accounts for between 8,9% and 9,2% of the social welfare programme budget.

In contrast to the pattern reported for other sub-programmes, KwaZulu-Natal performs well on this sub-programme. The allocations for this province increase annually by an average of 47% over the MTEF period. Eastern Cape also has an average annual increase of 11% over the three years. These increases should exceed inflation. Gauteng, Northern Cape and North West, with average annual increases of 2% or less, have effectively allocated less in real terms for these three years than previously. Four provinces record a decrease in the nominal amount allocated between 2008/09 and 2009/10. Limpopo records relatively small increases each year, and begins and ends the period with the smallest absolute allocation of the nine provinces.

**Table 10. Allocations for crime prevention and support, 2008/09-2011/12 (R1000s)**

Provinces	Allocations				Annual percentage change			
	2008/09	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	3-yr average
Eastern Cape	77 380	81 163	100 792	105 433	5%	24%	5%	11%
Free State	17 407	20 084	21 875	23 098	15%	9%	6%	10%
Gauteng	161 721	150 868	161 522	168 791	-7%	7%	5%	1%
KwaZulu-Natal	33 650	56 715	98 586	107 937	69%	74%	9%	47%
Limpopo	9 935	10 432	11 162	11 720	5%	7%	5%	6%
Mpumalanga	15 623	15 097	17 388	19 380	-3%	15%	11%	7%
Northern Cape	70 277	65 319	69 650	73 570	-7%	7%	6%	2%
North West	66 768	58 796	63 523	70 702	-12%	8%	11%	2%
Western Cape	103 675	110 685	116 818	125 962	7%	6%	8%	7%
<b>All provinces</b>	<b>556 436</b>	<b>569 159</b>	<b>661 316</b>	<b>706 593</b>	<b>2%</b>	<b>16%</b>	<b>7%</b>	<b>8%</b>
<b>National dept</b>	<b>6 900</b>	<b>7 600</b>	<b>8 000</b>	<b>8 400</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	<b>7%</b>

Table 11 compares the allocations recorded in the 2008 budget books with those recorded in this year's books. For five of the provinces the revised allocations for 2008/09 are lower than the original allocations. For four of the five the difference between the original and revised allocations is substantial. For the provinces combined, the revised allocations are 8% less than the original allocations. This pattern continues across the three years shown in the table. (The 811% for 2010/11 for Northern Cape corresponds with a massive drop recorded in the 2008 budget book for 2010/11 when compared to 2009/10. It is possible that this was a misprint i.e. that one digit was missing.)

**Table 11. Change in estimates for crime prevention and support between 2008 & 2009 budget books**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2008-2011</b>
Eastern Cape	-22%	-9%	-5%	-12%
Free State	-15%	-6%	-10%	-10%
Gauteng	-16%	-27%	-30%	-25%
KwaZulu-Natal	-32%	-15%	-7%	-15%
Limpopo	0%	0%	0%	0%
Mpumalanga	13%	-54%	-54%	-43%
Northern Cape	24%	-5%	811%	54%
North West	15%	3%	-2%	5%
Western Cape	-1%	-1%	-2%	-1%
<b>All provinces</b>	<b>-8%</b>	<b>-14%</b>	<b>-6%</b>	<b>-10%</b>
<b>National dept</b>	<b>-3%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>

### **The equitable share and allocations earmarked by National Treasury for priorities**

Provinces get 95% of their money from national government and most of this is from the equitable share. The equitable share is given as a lump sum by National Treasury to each of the provinces to provide a range of services including education, health, housing and social services. The provincial treasuries then decide how the lump sum allocated to the provinces will be divided between their government departments.

Treasury uses a formula to calculate the equitable share. The Constitution has a list of factors in section 214 which Treasury must consider when devising the formula. One of these factors is the obligations imposed on provinces by national legislation. The Children’s Act would clearly qualify as national legislation that imposes obligations on the provinces.

In 2009/10, as in previous years, Treasury used a formula with six components to determine how much to allocate to the provincial sphere in total. The six components of the formula relate to education, health, population size, poverty, economic performance, and institutional set-up. There is no explicit component for social services in the formula despite the fact that provinces are responsible for implementing a range of welfare laws, including the Children’s Act.

Provinces do not have to allocate their lump sum according to the equitable share formula, but the equitable share allocations do send a message to provinces that certain service areas are important and that money is available for these services. For example, an examination of the budget for health and education in 2005 shows that provinces matched their provincial budget allocations closely with the equitable share formula allocations (Budlender & Proudlock, 2008). Hence, if a service area is not expressly included in the equitable share formula, the service area stands a greater risk of being de-prioritised in the budget decisions at provincial level. In 2006, the Financial and Fiscal Commission recommended that the formula include an explicit component for social welfare services. National Treasury agreed with this recommendation and undertook to consider it in a planned review of the formula. Three years later there is no mention of such a review in the budget documents, including in the appendix relating to the submissions of the Financial and Fiscal Commission and the National Treasury’s responses to these submissions. Meanwhile a social development component has been

missing from the formula since responsibility for grants was transferred from the provincial to national sphere.

In addition to the equitable share, provinces receive money from national departments in the form of conditional grants. However, the provincial Departments of Social Development receive no conditional grants.

In the absence of conditional grants, the National Treasury has attempted to influence provincial spending allocations through what are termed “earmarked” allocations. These allocations do not have the same compulsion as conditional grants, where the provincial department is required to spend the allocated money for the specified purpose. Instead, earmarking reflects the outcome of an earlier phase of the budget process where sectors, led by the respective national departments, put forward funding requests to National Treasury for the delivery of programmes by provincial departments. In the course of the prioritisation process, National Treasury will then recommend that particular priorities be funded at specified levels. If the Budget Council and Cabinet agree to this, the funds get added to the provincial equitable share pool and then divided between the provinces. Each province is expected to give effect to the priorities that guided the allocation of funds and allocate the funds to the relevant provincial departments and, within these departments, to the relevant programmes. However, since the funds flow through the equitable share, provinces have complete discretion as to how they allocate these funds.

Last year’s national budget documents (2008) refer to earmarked allocations at several points. Thus the Budget Review 2008 states that additional allocations have been made to provinces to provide for improved conditions of service for social workers. Furthermore it states that additional funds have been allocated “to early childhood development centres to increase subsidies for children, and to recruit and train more practitioners in this field. Services to children in conflict with the law are expanded, with the construction of secure care centres and strengthened home- and community-based care. The stipends of home- and community-based care practitioners in the health and social development sectors will be equalised” (National Treasury, 2008: 125).

Similarly, last year’s Explanatory Memorandum to the Division of Revenue Bill notes improvements of conditions of service and the occupation-specific dispensation (OSD) for government-employed social workers, as well as allocation to support early ECD centres and practitioner salaries, expanded services to children in conflict with the law, construction of secure care centres and strengthened HCBC (National Treasury, 2008b: 64).

Last year’s examination of the 2008 budget books suggested that earmarking had resulted – as hoped – in increased funds being allocated to the prioritised departments and functions. This was seen, in particular, in increased allocations for ECD, HCBC and facilities for children in conflict with the law. Last year’s earmarking related to the full MTEF period, and we can therefore expect resultant increases in respect of 2009/10 and 2010/11, which were then the outer budget years, to have influenced this year’s budget even without further earmarking. Thus as long as our comparisons above of 2008 and 2009 documents do not show a decrease for these two years, we can speculate that last year’s earmarking has continued to influence the budget. The frequent mention of construction and maintenance of secure care facilities across the provinces discussed below almost certainly reflects last year’s earmarking in respect of children in conflict with the law.

In this year's budget process there was, in fact, further earmarking, which comes on top of the earmarking that occurred previously and that would have carried through to 2009/10 and 2010/11 allocations. However, for this MTEF period it was confined to ECD, and only for one of the outer years of the MTEF period, i.e. 2011/12. Presumably as a result, earmarking is mentioned much less often in this year's provincial budgets books.

Last year six of the provinces referred to the national earmarked priorities in their narratives. This year only five refer to earmarked allocations, as follows:

- Gauteng, in the discussion of 2009/10, refers to earmarked allocations for implementation of the Older Persons' Act, Children's Act and Child Justice Bill.
- KwaZulu-Natal notes that the 2009/10 budget includes "carry-through costs relating to the previous year's national priorities" while there is an additional allocation for ECD in 2011/12
- Northern Cape states that the (unspecified) earmarked allocations amount to R77,6m in 2009/10 and account for 19% of the total budget.
- Western Cape notes that child care and protection includes earmarked allocations of R74 551m, R87 524m and R138 859m respectively for each of the MTEF years for the expansion of ECD, "including EPWP".
- North West has the most detailed information on earmarked funds. For 2009/10 it lists the following items: management of secure care centres (R35m); children's homes/shelters (R20m); secure care centres (R17m); victim empowerment centres (R27m); infrastructure for substance abuse centres (R20m); OSD (R14m); skills development/training (R4m); and ECD (R50m). Children's homes/shelters and secure care centres do not show earmarked allocations for 2010/11 and 2011/12

One wonders whether some of the decreases reported earlier in this paper in the comparisons between the 2008 and 2009 budget books might have occurred as a result of provinces feeling that the absence of further earmarking meant these activities were less of a priority.

For example:

- Eastern Cape shows a 43% decrease in its allocations in the child care and protection sub-programme which is the programme that should fund ECD and government social worker salaries for child protection services (see table 4 above)
- Mpumalanga shows a 12% decrease in its allocations to the care and support to families sub-programme (see table 7 above)
- KwaZulu-Natal and Free State show 19% and 15% decreases respectively for the HIV and AIDS sub-programme (see table 9) which could indicate a de-prioritisation of HCBC programmes.
- Mpumalanga (43%), Gauteng (25%), KwaZulu-Natal (15%) and Eastern Cape (12%) all record decreases in their allocations to the crime prevention and support programmes (see table 11) which could indicate a de-prioritisation of services for children in conflict with the law including diversion programmes.

Mpumalanga, Eastern Cape and Kwa-Zulu Natal thus show decreases in more than one of the Children's Act related sub-programmes. Further, three of the provinces that show significant decreases – Eastern Cape, Mpumalanga and Free State – are also the provinces that fail to mention the earmarked priorities in their narratives.

## **Infrastructure**

Virtually all provinces report on construction or expansion of secure care centres. This probably reflects the fact that this was specified as a national priority in previous years. Free State reports that infrastructure funds were used in 2008/09 to construct the Thabo Mofutsanyane Secure Care Centre but reports that there is also a need for a one-stop child justice centre in Lejweleputswa, places of safety for children in need of care and protection, upgrading of Tshireletsong- and Leratong Children's Homes, and upgrading of ECD centres among other infrastructure-related needs. Gauteng reports that a detailed needs assessment will be carried out of secure care centres and places of safety and "requirements built into 2009/10 spending plans". Like Free State, it also reports on other infrastructure needs. In Gauteng, this need has been translated into definite plans to build ECD facilities in 20 priority areas in 2009/10 in collaboration with municipalities. More worrying is that Gauteng reports that the allocation for transfers (presumably to NPOs) in respect of crime prevention and support were subject to a "radical" downward adjustment so that the department could afford a secure care centre in Soshanguve. This was reflected in a shift of funds from programme 2 (social welfare services) to programme 1 (administration).

KwaZulu-Natal reports that it has registered a public-private partnership for the establishment of secure care centres and identified seven possible sites. In this province maintenance, upgrading and new construction has since 2008/09 been included in the social welfare services programme under the professional and administrative support sub-programme rather than, as previously, under administration. Limpopo plans to build a secure care centre in the Waterberg district in 2009/10, and a centre in the Greater Sekhukhune district in 2011/12. For 2008/09, it reports that construction of 10 of 15 one-stop centres "stand(s) at 95%".

Mpumalanga reports an expansion of the capacity of the Hendrina Secure Care Centre from 35 to 60 beds, including accommodation for girls. Northern Cape notes that the decrease in the 2009/10 budget compared to that of 2008/09 reflects, among others, completion of secure care centres. For the MTEF period, all construction and maintenance allocations relate to office accommodation. North West list operationalisation of the Rustenburg secure care centre as one of the provinces "Top Ten" priorities, and allocates R10 800m for this purpose. The province also reports, somewhat confusingly, that secure care centres completed in 2008/09 are already operational and catering for 60 children. These centres are said to serve as 'one-stop centres' serviced by the Departments of Health and Justice and the South African Police Service alongside Social Development. The 2009/10 budget document says that the province has provided for completion of three secure care centres and reports additions to the department's "baseline" (i.e. what was budgeted in 2008/09) in respect of victim empowerment and secure care centres. However, elsewhere in the document it seems that only one secure care centre will be constructed in the MTEF period, and only in 2010/11. It therefore seems that the three includes some that have already been completed.

## **Government personnel**

One of the major challenges preventing rapid budget growth and service delivery expansion in Children's Act service areas is the lack of sufficient numbers of social service practitioners. These practitioners include social workers and auxiliaries, child and youth care workers, early childhood development practitioners, community development workers and home-based carers. These practitioners are employed by both government and by NPOs. The majority are employed by NPOs and their salaries and conditions of service are therefore not affected by the improvements reported

below in relation to government employees. While improvements to government personnel numbers and conditions of service are to be welcomed, without a concurrent improvement to NPO funding, the outcome is simply movement of practitioners within the existing pool rather than an increase in practitioners available to provide services to children.

Unfortunately, the budget documents do not provide staff breakdowns by sub-programme. This section therefore refers to all government staffing in the social welfare programme. This means that the increases are not only for Children's Act related services but are also for the implementation of other legislation such as the Older Person's Act and the Child Justice Act.

Several provinces refer to human resource achievements, constraints and plans. Some include references to bursaries, in particular to social work students. This is confusing as allocation of bursaries for this purpose is meant to be a national rather than provincial responsibility. It is not clear if provinces are reporting allocations from their own budget, or instead reporting allocations by national government that will benefit this particular province.

Many of the provinces refer to the Occupation-Specific Dispensation (OSD) in respect of their own employees. Some point out that final agreement with the unions is still pending on the issue. The OSD, which has now been discussed for several years, will provide for substantial performance-related increases for social workers, as one of several occupations identified by government as representing scarce and needed skills. Increases have already been implemented for some time for other occupations, including teachers and nurses. It seems that at least some of the provinces have budgeted for backdating of the social worker salary increases to April 2008 once agreement is reached. According to the Free State document, the OSD will be applicable to social workers, community development practitioners and child and youth care workers.

Eastern Cape notes that it was able to fill 799 posts during 2008/09, including the appointment of 55 social workers and 55 social auxiliary workers. The budget document says that social workers and social auxiliary workers were "prioritised", but together these two occupations account for only 14% of the posts filled. Further, at present only 404 of the 707 social worker posts in the department's organogram are filled. In the future, the department hopes to employ 258 social work students to whom it is providing financial assistance. The department also hopes that the OSD will help with retention, and that provision of subsidised vehicles to qualifying staff will serve as a further attraction. For 2009/10, the province reports that they have shifted funds from transfers and subsidies (i.e. from NPOs) to fund filling of vacant government posts. Thus in programme 2, compensation of employees increases by 33,4% while transfers and subsidies to NPOs decrease by 13%. The 33,4% increase in compensation of employees in programme 2 understates the extent of the focus on employees because scholarship allocations fall under programme 1. The penalising of transfers and subsidies seems counter-productive given that the department relies on NPOs to provide many services and that NPOs often have more capacity and flexibility to expand their services to reach more children.

KwaZulu-Natal notes that in 2008/09 they were forced to cut back on bursaries so as to reduce over-spending, but they have budgeted for bursaries in each of the MTEF years.

Limpopo reports having awarded 158 bursaries in 2008/09 for social work and 20 for community development. This province notes that in 2009/10 they hope to implement a human resources plan that focuses on recruitment and retention, and training of social auxiliary workers, social workers

and community development practitioners. The province also plans to strengthen its learnership and internship programmes. Despite the OSD for social workers being specifically mentioned, the Limpopo budget statement notes that the allocations for employee compensation show “minimal” increases because the OSD for social workers has not yet been finalised. There is no indication in the social development budget of this province of provision being made for backdating of the increases to April 2008..

Mpumalanga reports the number of bursaries given each year since 2006 as well as the numbers subsequently employed. The numbers cover social workers, social auxiliary workers and community development workers.

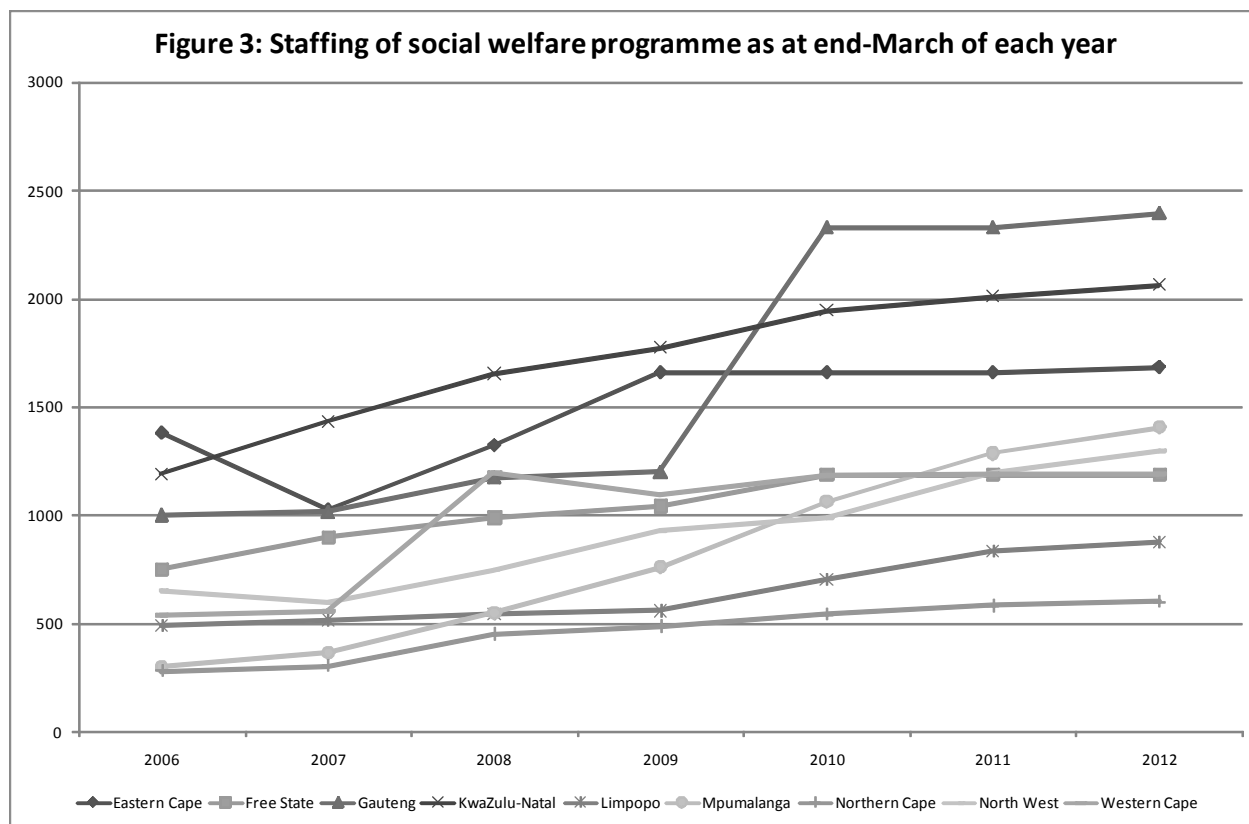
North West reports that the campaign undertaken in 2007/08 will result in the appointment of 510 social work professionals and community development practitioners over the period of the MTEF, and that the province will also “appoint” 180 learnerships in respect of social auxiliary workers and assistant probation officers. This is reported under the review of 2008/09, but the reference to the MTEF suggests that it refers to future plans. Under plans for 2009/10, the department reports that it has been unable to recruit the planned number of social workers because of national shortages.

Western Cape reports that it is in the process of developing the provincial version of the social staff retention strategy developed at national level, and has implemented the first phase of the strategy. This province is the only one to refer to workers beyond social workers, social auxiliary workers and community development workers, in that it also lists child and youth care workers, community home-based carers and their support staff as being encompassed by the strategy. However, bursaries are mentioned only in respect of social workers, while the reference to learnerships and internships does not specify the types of workers involved. Western Cape is also the only province that says that it has provided for increases in salaries of social workers employed by NPOs. All other provinces, in discussing staff, seem to refer to efforts only in respect of their own employees.

The relative silence across the provinces on child and youth care workers is cause for concern. There are approximately 6 000 of these workers who staff all the child and youth care centres as well as provide a range of community-based services including home- and community-based care for vulnerable children. With the establishment of new secure care facilities in many provinces, and the targets under the National Strategic Plan for HIV/AIDS with regards to services for orphaned and vulnerable children, there will be an increased need for these workers. Furthermore, the Children’s Act provides for child and youth care workers and other social service professionals to perform a range of services that would previously have been reserved for social workers only. A focus on the growth and development of child and youth care workers would have many benefits. It is “cost-effective” for government to the extent that the salaries of child and youth care workers are lower than those of social workers. It is effective in other ways because these workers tend to come from the communities in which they work, so have better knowledge of the community and are also less likely to move on. Finally, use of these other cadres is vital for the purposes of expansion of services especially prevention and early intervention services, because there simply are not enough available social workers in the country at present, and there will not be sufficient for the foreseeable future.

The figure below shows the trend in government staff numbers within the social welfare programmes between March 2006 and March 2012. (The numbers for 2009 onwards are obviously estimates, and reflect what has been allocated budget-wise.) Gauteng, Limpopo, KwaZulu-Natal, North West, Northern Cape and Mpumalanga show clear increases over the MTEF years. In other

provinces staff numbers are more or less static despite the greatly increased need for services many of which are very labour-intensive. This might be acceptable if it was accompanied by increased allocations to NPOs so that they can provide additional services. But, as noted elsewhere in this paper, this is often not the case.



Unfortunately, the tables published in the budget documents do not distinguish between different categories of staff such as social workers and others. They also relate only to government employees. This omits the majority of social service practitioners, who work for NPOs.

### Non-profit organisations

All provinces rely heavily on the services of non-profit organisations (NPOs) to deliver services. The average percentage of the total social welfare programme budget that is transferred to NPOs for 2009/10 is 53%. This is an indicator, in monetary terms, of the heavy reliance on NPOs. If NPOs were fully funded for their work, the percentage would need to be even higher.

In some cases, the provincial department subsidises the NPOs concerned, although these subsidies do not cover the full cost or scope of the services. In this respect, we note that the Children’s Bill Costing Report recommended a shift to a child-centred services model of funding rather than the existing model of partial subsidisation, especially for NPOs such as child and youth care centres that are providing services to children placed in their care by a court order (ie “wards of the state”). There is, however, no evidence of this shift occurring. If anything, funding to NPOs is decreasing in real and relative terms.

All provinces are required to record payments to these NPOs under “transfers to other institutions”. The way in which they record these payments varies across provinces. However, all provinces publish an estimate of transfers to NPOs in respect of the social welfare programme. Because our three focus sub-programmes account for a substantial proportion of the total budget for the social welfare services programme, and because all include some NPO transfers, trends in these estimates should be good proxy for allocations to NPOs in respect of the Children’s Act.

Table 12 shows that in 2005/06 the national average was 61%, declining to 53% in 2009/10 with a planned increase after 2009/10. The consistency of this pattern is illustrated by the fact that the percentage for this budget year, 2009/10, is lower than for all other budget years for three of the provinces.

The percentage for 2009/10 (53%) is lower than that for 2008/09 (55%), but the percentage is set to rise again over the MTEF period, to 57% in 2011/12.

Looking at the provinces, we see that the percentage of the social welfare budget allocated to NPOs will vary between 33,6% in the Northern Cape and 69,3% in the Western Cape. The variation across provinces is thus substantial. Limpopo reports that the relatively large increase in the social welfare budget over the period of the MTEF is largely explained by transfers to NPOs. The variation over the years within each province is less glaring than the differences in levels, but still relatively large in many cases.

**Table 12. Transfers to NPO as percentage of social welfare programme budget, 2005/06-2011/12**

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Eastern Cape</b>	50.4%	59.6%	58.7%	51.2%	43.2%	42.7%	46.5%
<b>Free State</b>	53.8%	58.0%	59.9%	59.7%	56.5%	63.1%	64.0%
<b>Gauteng</b>	71.1%	74.4%	72.2%	62.8%	56.5%	61.0%	62.9%
<b>KwaZulu-Natal</b>	55.9%	53.2%	52.2%	43.9%	44.7%	47.7%	51.0%
<b>Limpopo</b>	41.5%	38.7%	45.7%	50.4%	50.8%	53.3%	59.9%
<b>Mpumalanga</b>	57.0%	52.4%	53.9%	54.7%	54.0%	54.1%	57.4%
<b>Northern Cape</b>	38.9%	36.0%	38.0%	35.1%	33.6%	34.3%	37.0%
<b>North West</b>	66.8%	42.2%	51.6%	46.4%	48.4%	49.7%	51.2%
<b>Western Cape</b>	76.0%	76.6%	67.9%	67.5%	69.3%	69.5%	71.4%
<b>Total</b>	<b>60.9%</b>	<b>60.2%</b>	<b>59.9%</b>	<b>55.0%</b>	<b>52.6%</b>	<b>54.7%</b>	<b>57.3%</b>

Some provinces provide further details of transfers to NPOs beyond the overall estimates. Some, for example Gauteng, state the total amount of transfer by sub-programme. Eastern Cape lists 38 transfers, some of which refers to NPOs, but the list also includes items such as “leave gratuities”. The South African National Cancer Association is the only NPO specifically named in the list. KwaZulu-Natal records that it makes transfers to close on 2 000 “entities”, and includes a full-page table specifying the largest items, with a final “other” item to capture the smaller transfers. The department notes that while the amount per entity increases at five per cent per year over the MTEF period, the higher growth in the “other” item reflects the fact that a greater number of entities will be funded each year. The department says that the 5% increase is intended “to strengthen compliance with the applicable mandates”. At present rates of inflation, however, 5% would mean a decrease in the real value of the allocations. It will probably also mean that many NPO staff will get salary increases below inflation, and below those given to government staff doing similar jobs.

Mpumalanga provides the greatest detail on NPO transfers, with a long list, organised by sub-programme, naming each NPO funded. The list for child care and protection spans six landscape pages. As in other provinces with detailed lists, children's homes emerge as among the most "expensive" items. Northern Cape lists the total transferred to different categories of NPOs. In this province, the increase in the allocation to NPOs between 2008/09 and 2009/10 stands at only 1%, i.e. well under inflation. In North West, in contrast, there is a 26% increase in transfers to NPOs. This includes a large increase for NPOs under programme 3 (research and development) in respect of the war on poverty (see below), but there is also a substantial increase for NPOs in the social welfare services programme. The North West budget statement includes a list of subsidies to NGOs by sub-programme as well as a table giving the number of subsidies allocated to centres of various sorts. What is confusing about the latter is that it includes government places of safety, children's homes and secure care centres. It is not clear in what sense one can consider government institutions to be "subsidised".

In 2008 several provinces reported that they planned to increase or standardise subsidies in respect of ECD. These stipends would be included in the transfers to NPOs as most ECD centres and programmes are run by NPOs. In 2009, provinces report on what has been achieved in this respect:

- Free State reports that the subsidy per child was increased to R9 per day per child in 2008/09, and plans to increase it to R12 in 2009/10
- Gauteng reports that the subsidy was increased from R9 to R11 per day
- KwaZulu-Natal reports an increase from R11,50 to R12 per day per child
- Northern Cape and Western Cape report increases to R9
- North West reports that it has increased this and other subsidies but does not specify the amounts.

While increases in the subsidy must be welcomed, the reports show continuing disparities across provinces without adequate reason for the differences. The continued emphasis on per capita subsidy funding also ignores the need for greater recognition and support of non-centre-based ECD programmes that have the potential to reach many more vulnerable children.

### **Comparing the 2009 budget to the costing report: Comparing what has been allocated to what is actually needed**

The costing of the Children's Bill commissioned by government from Cornerstone Economic Research<sup>6</sup> allows us to compare what is needed to implement the Children's Act with what has been allocated. There are, however, some limitations in this comparison. Firstly, the costing assumed that the 2005/06 budget year would be the first year of implementation. This paper discusses the 2009/10 budget, and there has been fairly substantial inflation over the intervening four years. To accommodate this at least partially while retaining comparability with last year's paper, we use the same adjustments we did for that paper, where we adjusted the Cornerstone estimates using the consumer price index of 151,0 (for January 2008) and the index of 125,4 of three years earlier (January 2005).

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<sup>6</sup> Barberton C (2006) *The cost of the Children's Bill: Estimate of the cost to government of the services envisaged by the comprehensive Children's Bill for the period 2005 to 2010*. Cape Town: Cornerstone Economic Research.

A second limitation is that the version of the bill used as the basis for the costing underwent some changes before being passed by Parliament. We have not been able to adjust for these changes, but they should not make a significant difference to the overall costs.

Thirdly, as discussed above, it is not possible to determine exactly which allocations in the budgets relate to services to children covered in the Children's Act. For the purposes of the comparison, we take the full allocations for the sub-programmes on child care and protection, HIV and Aids and care and support services to families. This over-estimates the amount allocated for implementation of the Children's Act as some of the expenditure for HIV and Aids and care & support to families are not related to the Act. This over-estimate will be off-set by some allocations in other sub-programmes that will help with implementation of the Children's Act, especially the crime prevention and support sub-programme, and the sustainable livelihoods sub-programme of the development and research programme

The costing team considered four different scenarios, namely:

- Implementation Plan (IP) low scenario
- Implementation Plan(IP) high scenario
- Full Cost (FC) low scenario
- Full Cost (FC) high scenario.

The IP and FC scenarios use different estimates of demand. For the IP scenarios, the costing team asked each department to describe current levels of delivery for each service and how they planned to increase delivery in line with the Bill. Thus these levels do not measure total demand or actual need. Instead, they mainly measure current service delivery. For the FC scenarios, the costing team used other evidence to estimate how many children actually need services.

The high and low scenarios reflect different levels of quality of service delivery. The high scenario costs 'good practice' standards for all services, while the low scenario uses 'good practice' standards for services classified by the costing team as important, but lower standards for services classified by the costing team as non-priority.

To simplify matters, for the purpose of this comparison we consider only the highest and lowest estimates, namely the IP low and FC high. We look only at the estimates for Years 1-3, which we take as the basis for comparison with the three MTEF years. We choose these years for the comparison as the full Act (as amended) will only be put into full effect in late 2009 at the earliest, once the regulations are published. Although government should have started implementing and making related allocations in 2007/08 after the 2005 Act was partially put into effect in July 2006, the Amendment Act covers the services for which provinces are responsible, and one could thus argue that 2009/10 should be treated as Year 1. This is, however, a conservative approach as the costing report shows that many of the services provided for in the Child Care Act of 1983 and repeated in the Children's Act (as amended) were not adequately funded at the time the costing was done although the Child Care Act was already in effect. Additional funding should thus have been allocated prior to 2009/10.

Table 13 shows the estimated costs for years 1-3 for Social Development in each of the nine provinces, including both the original estimates and the estimates adjusted for inflation. As can be

seen, the inflation adjustment makes a fairly substantial difference. In year 1, for example, the total provincial IP low original estimate was R5 053,0m while the adjusted IP low estimate is R6084.6

**Table 13. Costing estimates for Social Development (Rm)**

		Original			Adjusted for inflation		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
<b>Eastern Cape</b>	IP low	734	1 009	1 246	884	1 215	1 500
	FC high	6 504	7 460	8 484	7 832	8 983	10 216
<b>Free State</b>	IP low	483	555	646	581	669	777
	FC high	2 656	3 060	3 488	3 198	3 685	4 200
<b>Gauteng</b>	IP low	1 207	1 498	1 884	1 454	1 804	2 269
	FC high	7 211	8 423	9 778	8 683	10 142	11 774
<b>KwaZulu-Natal</b>	IP low	850	995	1 240	1 024	1 198	1 493
	FC high	11 811	13 584	15 583	14 222	16 358	18 764
<b>Limpopo</b>	IP low	481	648	836	579	780	1 007
	FC high	4 598	5 243	5 943	5 537	6 313	7 156
<b>Mpumalanga</b>	IP low	252	323	417	304	389	502
	FC high	3 644	4 195	4 788	4 388	5 051	5 766
<b>Northern Cape</b>	IP low	184	227	249	222	274	300
	FC high	577	677	760	695	815	915
<b>North West</b>	IP low	170	235	314	205	282	378
	FC high	3 200	3 718	4 276	3 853	4 476	5 149
<b>Western Cape</b>	IP low	692	774	863	833	932	1 039
	FC high	2 496	2 827	3 212	3 005	3 404	3 868
<b>Total</b>	<b>IP low</b>	<b>5 053</b>	<b>6 263</b>	<b>7 694</b>	<b>6 085</b>	<b>7 542</b>	<b>9 265</b>
	<b>FC high</b>	<b>42 697</b>	<b>49 186</b>	<b>56 312</b>	<b>51 414</b>	<b>59 227</b>	<b>67 807</b>

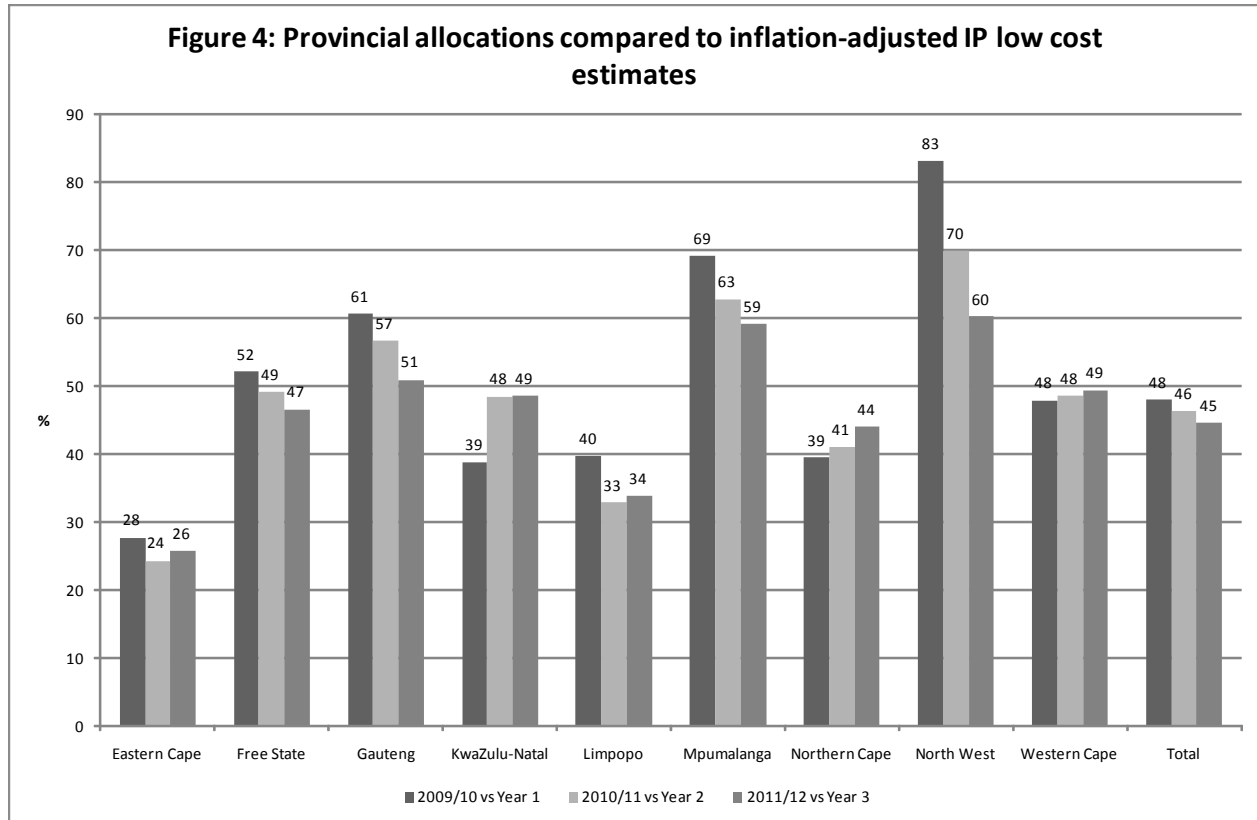
Table 14 shows the sum of the allocations over the MTEF period for the three sub-programmes most relevant for implementation of the Children's Act. Across the provinces, these amount to R2 923m in 2009/10, R3 488m in 2010/11 and R4 137m in 2011/12.

**Table 14. Combined Children's Act-related allocations (Rm)**

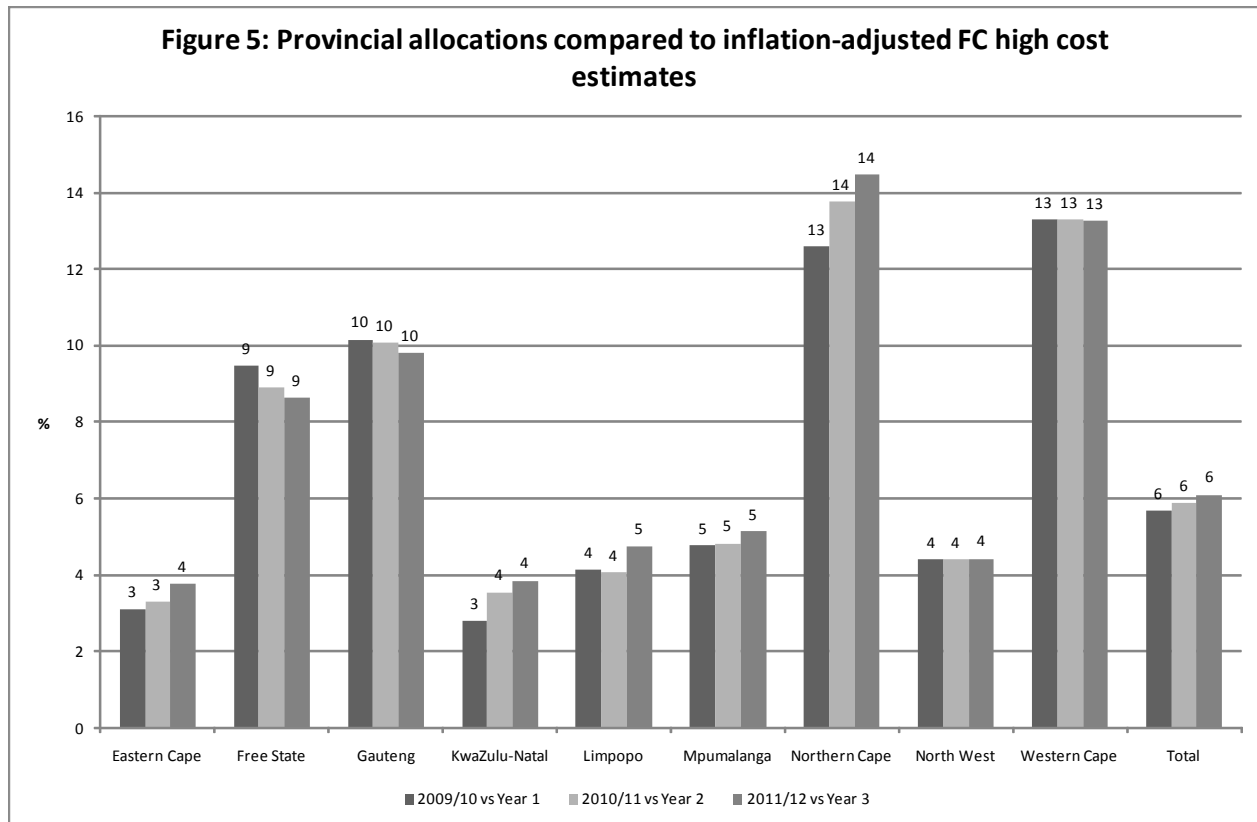
Province	2009/10	2010/11	2011/12
Eastern Cape	245	296	386
Free State	303	328	362
Gauteng	882	1 022	1 154
KwaZulu-Natal	398	580	724
Limpopo	229	257	341
Mpumalanga	210	244	296
Northern Cape	87	112	132
North West	170	197	228
Western Cape	399	452	513
<b>Total</b>	<b>2 923</b>	<b>3 488</b>	<b>4 137</b>

The figure that follows compares the combined allocations for the three sub-programmes with the IP low cost estimates for Years 1-3 as adjusted for inflation. Eastern Cape performs worst, with only 28% of the Year 1 estimate covered in 2009/10 and an even lower percentage in the next two years. North West performs best, covering 85% of the IP low cost estimate for Year 1 but decreasing

sharply to 60% by Year 3. KwaZulu-Natal, Northern Cape and Western Cape are the only provinces that increase the percentage of the IP low costs covered between Year 1 and Year 3, but in Western Cape the increase is very marginal. Overall, the nine provinces' allocations cover only 48% of the IP low cost estimates for Year 1 and an even lower 45% for Year 3.



As expected, the picture is even more dismal when the comparison is done with FC high estimates rather than IP low. Eastern Cape and KwaZulu-Natal plan to cover only around 3% of the estimated costs of implementation for Year 1, rising marginally to 4% in Year 3. Northern Cape and Western Cape perform best, but still only reach between 13% and 14% of the estimated costs of implementation. For this comparison six provinces show some improvement in the percentage of the cost covered over the three years. However, overall the nine provinces combined cover only 6% of the FC high costs.



## Under-spending

This paper focuses primarily on government’s allocations, i.e. government plans at the beginning of the year rather than what government actually spends. In previous years, when presenting our analysis, we have sometimes been told that the reason for less than adequate allocations for implementation of the Children’s Act is that the provincial governments are not able to spend the money that they currently receive.

In this section we examine the validity of this argument by comparing the appropriations (budgeted amounts), mid-year adjusted estimates, and revised estimates for 2008/09 for each of the four sub-programmes examined in this paper. The mid-year adjusted estimates reflect changes made to the budget numbers around October of each year, and these estimates must be voted on in the legislature. The revised estimates reflect government’s forecast as to what will actually be spent at the time the budget is finalised around two months before financial year-end.

Table 15 provides the comparison for the child care and protection sub-programme. The penultimate column shows the adjusted budget as a percentage of the original appropriation, while the final column shows the revised budget as a percentage of the original appropriation. The table shows all provinces except North West were likely to spend 95% or more of the original appropriation. Gauteng was likely to spend 12% more than the original appropriation. For this, the most important sub-programme for the Children’s Act, there is thus not serious under-spending except in North West province.

**Table 15. Comparison of appropriated, adjusted and revised estimates for child care and protection, 2008/09**

	<b>Appropriated</b>	<b>Adjusted</b>	<b>Revised</b>	<b>Adj/Appr</b>	<b>Rev/Appr</b>
<b>Eastern Cape</b>	227 783	216 596	216 596	95%	95%
<b>Free State</b>	193 920	202 613	202 023	104%	104%
<b>Gauteng</b>	427 724	496 578	478 886	116%	112%
<b>KwaZulu-Natal</b>	304 020	301 020	301 302	99%	99%
<b>Limpopo</b>	102751	102751	102751	100%	100%
<b>Mpumalanga</b>	114 170	120 569	120 562	106%	106%
<b>Northern Cape</b>	56 385	55 616	53 540	99%	95%
<b>North West</b>	82 729	71 055	71 055	86%	86%
<b>Western Cape</b>	307 418	295 345	295 345	96%	96%
<b>Total</b>	<b>1 816 900</b>	<b>1 862 143</b>	<b>1 842 060</b>	<b>102%</b>	<b>101%</b>

Table 16 reveals that for the small care and support to families sub-programme, there was substantial overspending when all provinces are combined (115%), and only three provinces were likely to under-spend their budgets (Mpumalanga, KwaZulu-Natal and Western Cape). For Mpumalanga there is relatively serious under-spending (23% of the original 2008 appropriation was not spent), but others were all forecasting that they would spend 94% or more of their budgets. This picture calls even more into question the paltry plans for this sub-programme reported above.

**Table 16. Comparison of appropriated, adjusted and revised estimates for care and support to families, 2008/09**

	<b>Appropriated</b>	<b>Adjusted</b>	<b>Revised</b>	<b>Adj/Appr</b>	<b>Rev/Appr</b>
<b>Eastern Cape</b>	8 396	9396	9396	112%	112%
<b>Free State</b>	2 635	2953	4663	112%	177%
<b>Gauteng</b>	75 361	95273	95274	126%	126%
<b>KwaZulu-Natal</b>	3 000	3000	2773	100%	92%
<b>Limpopo</b>	500	500	500	100%	100%
<b>Mpumalanga</b>	5 769	4283	4441	74%	77%
<b>Northern Cape</b>	4 190	5990	5979	143%	143%
<b>North West</b>	7 217	7217	7217	100%	100%
<b>Western Cape</b>	35 525	33514	33514	94%	94%
<b>Total</b>	<b>142 593</b>	<b>162 126</b>	<b>163 757</b>	<b>114%</b>	<b>115%</b>

Table 17 exposes KwaZulu-Natal as a serious under-performer in respect of the HIV and AIDS sub-programme (49% of the original 2008 appropriation was not spent). This is especially worrying as this province has the highest HIV prevalence rate. Northern Cape also looked likely to spend only just over three-quarters of its allocation (76%). For all other provinces, the forecast was for 97% or more of the original allocation to be spent.

**Table 17. Comparison of appropriated, adjusted and revised estimates for HIV and AIDS, 2008/09**

	<b>Appropriated</b>	<b>Adjusted</b>	<b>Revised</b>	<b>Adj/Appr</b>	<b>Rev/Appr</b>
<b>Eastern Cape</b>	76 910	79 444	79 444	103%	103%
<b>Free State</b>	24 243	24 223	23 467	100%	97%
<b>Gauteng</b>	178 200	178 200	175 548	100%	99%
<b>KwaZulu-Natal</b>	47 662	19 652	24 466	41%	51%
<b>Limpopo</b>	73 461	73 461	73 461	100%	100%
<b>Mpumalanga</b>	50 597	50 597	50 597	100%	100%
<b>Northern Cape</b>	22 185	22 185	16 968	100%	76%
<b>North West</b>	40 536	40 536	40 536	100%	100%
<b>Western Cape</b>	21 345	21 290	21 290	100%	100%
<b>Total</b>	<b>535 139</b>	<b>509 588</b>	<b>505 777</b>	<b>95%</b>	<b>95%</b>

Finally, Table 18 shows a more worrying picture for crime prevention and support, in that four of the provinces expected to spend 83% or less of the original allocations. Again, KwaZulu-Natal emerges as the worst performer, expecting to spend only 62% of the original allocation. The picture is, however, not consistent across provinces in that Northern Cape was expecting to spend 141% of the original allocation.

**Table 18. Comparison of appropriated, adjusted and revised estimates for crime prevention and support, 2008/09**

	<b>Appropriated</b>	<b>Adjusted</b>	<b>Revised</b>	<b>Adj/Appr</b>	<b>Rev/Appr</b>
Eastern Cape	99 715	77 380	77 380	78%	78%
Free State	20 377	17 407	16 363	85%	80%
Gauteng	192 807	161 721	160 088	84%	83%
KwaZulu-Natal	49 484	33 650	30 796	68%	62%
Limpopo	9 935	9 935	9 935	100%	100%
Mpumalanga	13 884	15 623	15 622	113%	113%
Northern Cape	56 752	70 277	79 854	124%	141%
North West	58 299	66 768	66 768	115%	115%
Western Cape	104 409	103 675	103 675	99%	99%
Total	605 662	556 436	560 481	92%	93%

While over-spending is a problem and reflects poor budgeting, the overall picture presented by this sub-section calls into question the argument that low allocations can be justified by an inability to spend. Spending performance could be improved in that 92-3% expenditure implies that about one month's allocation remains unspent. However, spending performance is much less serious than often implied, and the situation has been improving over time.

One concern about the above comparisons is that Limpopo consistently reports the same number in respect of appropriated, adjusted and revised estimates across each of the programmes. While it would be commendable if the province was, indeed, able to budget as accurately as this, it seems unlikely. Instead it raises questions as to the extent to which the numbers presented in the budget reflect the actual situation.

## Performance indicators

Alongside the financial amounts, South Africa’s budget books provide “output” estimates that serve as indicators of physical delivery. These output indicators provide key accountability information in terms of what is done with the money. They also allow parliamentarians and members of civil society to compare numbers reached with estimates of need.

For the 2008/09 budget a list of indicators was developed by national government and each province was expected to submit the full list as an annex in their budget submissions. They could, however, choose which indicators they would include in the published budget documents. Only Western Cape included the full list of indicators, as well as additional provincial indicators, in the published document. This year some of the other provinces have also included the full list. (The full list of the nationally prescribed indicators for the selected sub-programmes is provided in appendix A of this paper.)

Table 19 gives the number of indicators recorded by each province for each of the four programmes covered in this paper. Comparison with the similar table for last year, which covered only the three core Children’s Act sub-programmes, reveals that most provinces have increased the number of reported indicators. However, Eastern Cape, Free State, Limpopo and KwaZulu-Natal have fewer indicators for each of the three core sub-programmes than in 2008.

As in 2008, the Western Cape’s document has the most indicators. This is explained by the fact that the Western Cape includes both nationally-specified indicators and province-specific ones. The first number for each sub-programme in the table for Western Cape thus specifies the number of nationally-specified while the second number specified the provincially-specified. If we focus only on the nationally specified, in 2009 several other provinces list the same number of indicators as Western Cape, suggesting that Western Cape includes the full set. The fact that other provinces are moving towards reporting on the full standard set is pleasing as it allow for a better comparative picture across provinces of trends in service delivery.

**Table 19. Number of performance indicators for the three sub-programmes**

Province	Child care & protection	Care & support to families	HIV & Aids	Crime prevention & support
Eastern Cape	1	1	1	2
Free State	49	7	15	3
Gauteng	38	7	15	18
KwaZulu-Natal	37	8	18	13
Limpopo	3	0	1	1
Mpumalanga	49	8	18	19
Northern Cape	49	13	22	20
North West	21	5	0	13
Western Cape	49 + 22	8 + 6	18 + 18	19 + 7

The table shows that Northern Cape has a larger number of indicators for each of the sub-programmes than the number of nationally specified indicators listed under Western Cape. This is explained by the fact that Northern Cape has not followed the national specifications. It has, instead, compiled its own set of indicators, a larger number of which are process rather than output indicators. For example, many indicators relate to development of a strategy, improvement plan, or

norms and standards, or “progress” on some activity. Northern Cape’s indicators are thus largely incomparable with those of other provinces.

However, the most worrying provinces are Limpopo and Eastern Cape. Limpopo has between 0 and 3 indicators for each of the sub-programmes, and presents indicators only for 2009/10. Further, the chosen indicators do not all match those included in the 2008 budget documents. Eastern Cape has only one or two indicators for each sub-programme. A comforting aspect of the Eastern Cape indicators is that they forecast an increase in the number of professionals employed by government to provide child care and protection services, giving estimates of 655, 675 and 720 respectively for the three MTEF years. Similarly, the number of probation officers employed by government is forecast at 269, 377 and 377 respectively for the three MTEF years. What is puzzling about the paucity of indicators is that the earlier review of past performance gives very detailed numbers in respect of children in conflict with the law. It thus seems that the province would be able to report further indicators in respect of at least some services without much difficulty.

In some other provinces, although an indicator is included, there are no estimates provided. The usual reason for this is that a particular indicator is not applicable, for example where government itself does not provide a particular type of service and will thus not have an indicator on the number of professionals employed.

The situation in this respect is worst in Mpumalanga. For this province, only two of the 19 crime prevention and support indicators are not marked as “none”, only 14 of the 39 indicators for child care and support are not marked as “none”, and only 8 of the 18 HIV and AIDS indicators. Finally, all eight indicators for care and support to families are marked “none”. Mpumalanga, unlike most other provinces, only gives indicators for two years – 2008/09 and 2009/10.

This is not the only worrying aspect of the Mpumalanga indicators. Under crime prevention and support, the number of NPOs to be funded is set to decrease to 136 in 2009/10, down from 141 in 2008/09. Similarly, under child care and protection, the province plans to cater for 30 808 children in 566 funded ECD centres in 2009/10, where it catered for 32 796 children in 661 ECD centres in 2008/09.

In other provinces, there are also aspects of the indicators that warrant questioning. Many of the questions relate to the trends over time for particular indicators. This type of query is not possible for those provinces which only report indicators for a single year. However, most of the provinces report for the three years of the MTEF, while some also include indicators for 2008/09. Inclusion of indicators for only one year is not very helpful as it is difficult to judge most of the numbers without a sense of whether they are increasing or decreasing. Ideally, one would like at least four years of indicators so as to be able to assess plans for the full MTEF against current provision. Some provinces do report current provision in the review of the current financial year that appears earlier in the budget statement. However, this makes analysis more onerous for the reader, and there is also not necessarily a match between the indicators reported in the review and those listed in the indicators section of the statement.

The following paragraphs highlight examples of others problems that emerge in relation to indicators across the different provinces.

In Free State, virtually all the indicators on utilisation of services show no change over the three-year period. There are, however, increases planned for the number of professionals employed by government to deliver child care and protection services (228, 258 and 300 respectively for the three years), as well as the number of professionals employed by NPOs for this purpose (80, 90, 100). While there are increases forecast for the number of reported cases of abuse, neglect and orphanhood, one would have hoped that the additional professionals would have also been able to affect an increase in reach of other services. In respect of ECD, there is no increase in the number of registered ECD sites run by NPOs, whether funded or non-funded, but a planned increase in the number of children catered for in funded sites accompanied by a decrease in children in non-funded sites. These trends seem contradictory. Under HIV and AIDS, there is no increase forecast for the number of OVCs or child-headed households receiving services from HCBC organisations. Under care and support to families, there is a marked increase in the number of government-funded NPOs (12, 24, 25) but no accompanying increase in the number of families participating in family therapy or reunification services.

In Gauteng, there are a range of instances in which the planned performance for 2009/10 (as well as subsequent years) is less than for 2008/09. This is the case in respect of children in registered secure care run by government, children assessed, children referred to criminal court, pre-sentence reports for children in conflict with the law, registered drop-in centres managed by NPOs, number of child-headed households assisted, and number of parental programmes implemented, among others. The number of children accessing child and youth care facilities increases markedly for both government- and NPO-run facilities, but the number of professionals employed increases only in respect of shelters managed by NPOs. The number of probation officers employed by government is set to remain constant at 120.

In KwaZulu-Natal, as in Gauteng, there are instances where the delivery forecast for the MTEF years is less than for 2008/09. This is the case, for example, for the number of children awaiting trial in temporary safe care facilities run by government and the number of children referred to diversion programmes, among others. A noticeable difference from Gauteng is a planned substantial increase in the number of probation officers employed by government (80, 189, 218). There is also a solid increase planned for the number of professionals employed by government to render services within the community as well as professionals employed by NPOs in CYCCs. Under child care and protection there is a possible anomaly in that the various categories for registered CYCCs show no, or very small, increases while the number of children covered increases for all categories. The same pattern is found in care and support to families. The number of ECD centres funded by government under the child care and protection sub-programme is set to increase (1 924, 2 224, 2 524), but there will also be an increase, admittedly smaller, in the number of registered centres that are not funded (721, 771, 821).

In Northern Cape, under crime prevention and support, the number of children assessed falls, but the number referred to criminal court increases, as does the number referred to diversion programmes although less fast than those referred to the criminal court. Commendably, the number of probation officers employed by government is set to increase substantially (47, 54, 61), but the number of professionals employed by government to provide child care and protection services increases less markedly (75, 80, 80). In this province, as in KwaZulu-Natal, the number of registered ECD centres funded by government is set to increase (477, 527, 577). Unlike KwaZulu-Natal, there will be no registered centres that are not funded by government. However, an anomaly here is that

the document states that in each of the three years there will be 10 children who are in registered centres that are not funded.

In Western Cape the number of probation officers employed by government remains constant at 72. Under child care and protection, the number of various types of CYCCs remains constant but the number of children in registered children's homes managed by NPOs increases (481, 500, 550) while the number of professionals employed in these homes decreases (37, 37, 27). The number of children in registered ECD centres funded by government increases by 3 000 each year (68 000, 71 000, 74 000), while the number in registered but unfunded centres increases by 2 000 each year (2 000, 4 000, 6 000). One of the provincially-specific indicators also gives the number of children in ECD programmes rather than centres (80 000, 85 000, 90 000).

Overall, there have been improvements in reporting on indicators between 2008 and 2009, but there remain many questions to be asked about these indicators.

### **What do the budget narratives tell us?**

In addition to the budget numbers, the budget documents contain a narrative in respect of each vote. This narrative gives some indication of the importance attached to the Children's Act.

All provinces include a list of the legislation which is most relevant for the Department. Free State, KwaZulu-Natal, Limpopo, Mpumalanga, and North West list the Children's Act, while Western Cape refers to the Act under "demands and changes in service" while Northern Cape lists the Children's Amendment "Bill". Northern Cape also, as last year, lists a non-existent "United Nations Convention on the Elimination of Discrimination and Racism Against Women and Children" and fails to mention the Children's Act. Eastern Cape, Free State, KwaZulu-Natal, Limpopo, Mpumalanga, North West and Western Cape all list the Child Care Act. This is appropriate as it will remain in force until the Children's Act is fully promulgated. Eastern Cape, KwaZulu-Natal and Limpopo list the Child Justice Bill, while Western Cape and Mpumalanga discuss it under policy developments or demands and changes in service. All those that refer to the Child Justice legislation refer to the "Bill". This seems reasonable given that the Bill only became an Act on 11 May 2009, while the implementation date has been set as 1 April 2010.

Several provinces refer to the Children's Act at later points in the vote. For the most part these references are made in passing, in justifying particular plans. The Western Cape, whose budget statement contains far more detail and description than those of other provinces, provides a detailed account of its attempts to spread awareness of the Act, as follows:

*Three community Dialogues on the new Children's Act were held in Beaufort West, Vredendal and Gugulethu and a total of 710 persons, community leaders, and community based organisations attended the dialogues. A total of 1 102 social workers were orientated on the new Children's Act. The Department's of Education, Health, Justice, SASSA, and Community Safety formed part of the integrated panel in the dialogues. NGOs and the other programmes also supported the dialogues. Intensive training and seminars were held, which provided an overview of the Act and raised awareness on exposure to possible litigation, reaching 515 social service professionals (including district office managers and ECD practitioners, facilities and head office) attended. 200 000 pamphlets on the new Children's Act were distributed. The Pan African ECD conference was attended by 295 delegates and 151 delegates attended the after school care summit.*

In contrast, North West states bluntly that four national priorities “could not be funded due to insufficient financial resources” for 2009/10. The four priorities include implementation of the Integrated National HIV and AIDS strategy 2007-2011 and the Children’s Act and Child Justice Bill. Immediately before this admission of underfunding, the province lists the FIFA World Cup as the first of the provinces “Top Ten” priorities.

As in 2008, ECD is one of the most frequently-mentioned services. Further, the indicators in respect of planned provision as well as the increases in subsidy suggest that serious attention is being given to this service area, at least insofar as ECD centres are concerned. However, it is only Western Cape that refers to ECD programmes more broadly defined.

A new feature in the budget documents are references to the War on Poverty and activities related to poverty “war rooms”. Eastern Cape, for example, notes that it has developed a war room, is developing a provincial poverty line, has commissioned poverty-related research to identify the poor, and that all posts in the poverty eradication programme have been filled. Free State reports that it has developed a poverty alleviation strategy for the province, and launched a war room. KwaZulu-Natal states that it has identified communities in need of social assistance through its war on poverty campaigns, and in the coming year hopes to develop a business plan and database for each of the district municipalities that will be supported. Mpumalanga plans to implement a poverty eradication strategy. Similarly, North West hopes to implement a provincial poverty eradication strategy and refers to war rooms in the plural. The budget document for this provinces notes that the Executive Council had mandated the Department of Social Development to be the lead department in the roll out of the provincial poverty eradication strategy. It is likely that this has also happened in other provinces, although this is not reported in the budget documents. Western Cape writes that it “salutes” the war on poverty campaign launched by the (former) Deputy President in August 2008.

The budget documents are for the most part not very clear on the actual activities involved in the war on poverty. One worries that the “war” could involve a new round of development of policies and plans and databases, all of which will require additional salaries but might make little difference on the ground. Western Cape’s budget statement is somewhat reassuring on this point in that they seem to see the war on poverty as requiring strengthening of existing programmes rather than the introduction of new ones. For some of the other provinces, the signs are less reassuring.

## **Conclusion**

Section 4(2) of the Children’s Act obliges government to prioritise budgetary allocations and expenditure on Children’s Act services. The provincial departments of social development are responsible for funding and delivering more than 83% of the services in the Children’s Act. Analysing their budget allocations and expenditure therefore provides a good indication of government’s progress in giving effect to its obligations under the Children’s Act. This paper analyses the sub-programmes within the social development budgets that cover the majority of Children’s Act related services.

The three sub-programmes which we have chosen to include in our calculations are the ones that most closely match the services listed in the Children’s Act, namely child care and protection, HIV/AIDS, and family care and support. Child care and protection accounts for a total of R2 163m across the nine provinces in 2009/10, while HIV and AIDS accounts for R599m and family care and

support for R161m. The sub-programmes account for 35%, 10% and 3% respectively of the allocations for social welfare programmes across the nine provinces. These percentages are very similar to those found for 2008/09. We provide a separate analysis of the sub-programme called crime prevention and support as some of the funding in this programme is related to the Children's Act but not all. This sub-programme has been allocated R569m across the nine provinces in 2009/10, equal to 9% of the total social welfare programme allocations. Percentage-wise the allocation is smaller than in 2008/09, when it accounted for 10% of the total.

For the child care and protection sub-programme the picture looks promising, in that the average annual increase across the nine provinces stands at 20%. The increases are, however, noticeably lower than for the MTEF tabled in 2008/09, when the provincial average was 29%. Over the three current MTEF years, this sub-programme accounts for 34,9%, 36,8% and 40,0% respectively of the total social welfare programme allocation. This growth suggests that the sub-programme will receive relatively greater attention over the years. However, Limpopo, KwaZulu-Natal, and Eastern Cape, three provinces with high rates of poverty and large numbers of children, all record per capita allocations lower than the national average.

For the care and support to families sub-programme overall, the average annual increase is 4% in nominal terms over the MTEF period. This will not keep pace with inflation and therefore represents a real decrease. What is also worrying is that the decreases are concentrated in the first year (2009). Overall, the increase for 2009/10 is negative, even in nominal terms for the provinces combined, at -1%. Limpopo, Mpumalanga, Free State and North West show high average annual increases over the MTEF period. Limpopo's exceptionally high increase of 500% for 2009/10 is explained by the very small allocation in 2008/09. Northern Cape shows a small annual average decrease even in nominal terms, while for Eastern Cape the nominal average annual decrease is a huge 21%. The sub-programme accounts for 2.6% of the social welfare programme budget in 2009/10, but this percentage is set to decrease to 2.3% by 2011/12. These decreases are worrying because this sub-programme should contain many of the family support programmes that are listed in the Prevention Chapter of the Children's Act. In reality however it appears as if many of the prevention and early intervention programmes fall into other sub-programmes. Prevention and Early intervention programmes are required by the Children's Act and the budget figures, narratives and indicators therefore need to indicate to what extent the programmes expressly listed in the Act are being provided. The way the budgets are currently structured and recorded does not enable an analysis of whether these programmes are being provided and to what extent.

For the HIV and Aids sub-programme, overall, the provinces have an average annual increase in nominal terms of 14%, which should mean a real increase. For each of the three MTEF years the allocation for HIV and AIDS amounts to between 9,6% and 10,0% of the total allocation for the social welfare programme. Looking at the different provinces and taking into account HIV/AIDS prevalence rates, we flag the Free State, Eastern Cape and KwaZulu-Natal as provinces that need improvements. Both the Free State and Eastern Cape show a decrease in their allocations to this sub-programme despite having the second and sixth highest HIV/AIDS prevalence rates respectively. KwaZulu-Natal shows severe under-spending in 2008/09 despite being the province with the highest HIV and AIDs prevalence rate.

For the MTEF period, the crime prevention and support sub-programme accounts for between 8,9% and 9,2% of the social welfare programme budget. The average annual increase over the MTEF is 8%, which is likely to just keep pace with inflation. KwaZulu-Natal, Eastern Cape and Free State

perform well on this sub-programme with 47% , 11% and 10% average annual increases respectively. We flag Gauteng, Northern Cape and North West as the provinces most in need of attention with regards to this sub-programme. All three have average annual increases of 2% or less, which means that they have effectively allocated less in real terms for these three years than previously. This will inevitably result in a decrease in services to children in conflict with the law.

Last year's examination of the 2008 budget books suggested that national earmarking had influenced the allocations of many of the provinces. This was seen, in particular, in increased allocations for ECD, HCBC and facilities for children in conflict with the law. Last year's earmarking related to the full MTEF period, and we can therefore expect resultant increases in respect of 2009/10 and 2010/11, which were then the outer budget years, to have influenced this year's budget even without further earmarking. For example, virtually all provinces report on construction or expansion of secure care centres which was one of the priorities earmarked in 2008.

In this year's budget process there was further earmarking however it was confined to ECD, and only for one of the outer years of the MTEF period, i.e. 2011/12. Presumably as a result, earmarking is mentioned somewhat less often in this year's budgets books. One also wonders whether some of the decreases reported in this paper in the comparisons between the 2008 and 2009 budget books might have occurred as a result of provinces feeling that the absence of further earmarking meant these activities were less of a priority. Mpumalanga, Eastern Cape and KwaZulu-Natal show decreases in more than one of the Children's Act related sub-programmes. Further, three of the provinces that show significant decreases are also the provinces that fail to mention the national earmarked priorities in their narratives, i.e. Eastern Cape, Mpumalanga, and Free State.

One of the major challenges preventing rapid budget growth and service delivery expansion in Children's Act service areas is the lack of sufficient social service practitioners. These practitioners include social workers and auxiliaries, child and youth care workers, early childhood development practitioners, community development workers and home based carers. These practitioners are employed by both government and by NPOs.

Gauteng, Limpopo, KwaZulu-Natal, North West, Northern Cape and Mpumalanga show clear intentions to increase numbers of government personnel over the MTEF years. In other provinces staff numbers are more or less static despite the greatly increased need for services, many of which are very labour-intensive. Some of the provinces report that they expect the OSD to assist them in further recruitment drives over the next three years. However, the OSD has yet to be finalised.

The relative silence across the provinces on child and youth care workers is concerning. There are approximately 6 000 of these workers who staff all the child and youth care centres as well as provide a range of community based services including home and community based care for vulnerable children. With the establishment of new secure care facilities in many provinces, and the targets under the National Strategic Plan for HIV/AIDS with regards to services for orphaned and vulnerable children, there will be an increased need for these workers. Furthermore, the Children's Act provides for child and youth care workers and other social service professionals to perform a range of services that would previously have been reserved for social workers only. Provincial departments therefore need to turn their attention to holistic human resource strategies that encompass plans for the development of all the practitioners needed for the implementation of the Act.

The most problematic issue in relation to human resources is that the improvements in government salaries are not being matched by concurrent improvements in NPO salaries. The government recruitment drive is therefore resulting in social workers moving from the NPOs to government and does not therefore represent an overall increase in human resources available to provide services to children but instead reflects movement within the existing pool of social workers.

All provinces rely heavily on the services of NPOs to deliver services. The average percentage of the total social welfare programme budget that is transferred to NPOs for 2009/10 is 53%. This is an indicator, in monetary terms, of the heavy reliance on NPOs. The percentage for 2009/10 (53%) is lower than that for 2008/09 (55%). Overall the percentage has declined from 61% in 2005/06 to 53% in 2009/10. It is expected to rise again to 57% in 2011/12.

We flag the Eastern Cape, KwaZulu-Natal and Northern Cape as provinces in need of attention in respect of NPOs. For 2009/10, Eastern Cape reports that they have shifted funds from transfers and subsidies (i.e. from NPOs) to fund filling of vacant government posts. Thus in programme 2, compensation of employees increases by 33,4% while transfers and subsidies to NPOs decreases by 13%. The penalising of transfers and subsidies seems counter-productive given that the department relies on NPOs to provide many services and that NPOs often have more capacity and flexibility to expand their services to reach more children. KwaZulu-Natal notes that the 5% increase in transfers to NPOs is intended “to strengthen compliance with the applicable mandates”. At present rates of inflation, however, 5% would mean a decrease in the real value of the allocations. It will probably also mean that many NPO staff will get salary increases below inflation, and below those given to government staff doing similar jobs. In the Northern Cape the increase in the allocation to NPOs between 2008/09 and 2009/10 stands at only 1%, i.e. well under inflation.

In North West, in contrast, there is a 26% increase in transfers to NPOs. This includes a large increase for NPOs under programme 3 (research and development) in respect of the war on poverty (see below), but there is also a substantial increase for NPOs in the social welfare services programme.

In 2008 several provinces reported that they planned to increase or standardise subsidies to NPOs in respect of ECD. These stipends would be included in the transfers to NPOs as most ECD centres and programmes are run by NPOs. In 2009, provinces report on what has been achieved in this respect. While increases in the subsidy must be welcomed, the reports show continuing disparities across provinces without any apparent reason for the differences. The continued emphasis on per capita subsidy funding also ignores the need for greater recognition and support of non-centre-based ECD programmes that have the potential to reach many more vulnerable children.

This paper focuses primarily on government’s allocations, i.e. government plans at the beginning of the year rather than what government actually spends. In previous years, when presenting our analysis, we have sometimes been told that the reason for less than adequate allocations for implementation of the Children’s Act is that the provincial governments are not able to spend the money that they currently receive. We analysed the under-spending patterns across the provinces and found that under-spending is generally not a major problem in the sub-programmes that cover Children’s Act services. Further, the situation has been improving over time. Spending performance could however be improved further in that 92-3% expenditure implies that about one month’s allocation remains unspent.

Some provinces however did show under-spending and this needs attention. For the child care and protection sub-programme all provinces except North West were likely to spend 95% or more of the original appropriation. Gauteng was likely to spend 12% more than the original appropriation. For the small care and support to families sub-programme, there was substantial overspending when all provinces are combined (115%), and only three provinces were likely to under-spend their budgets (Mpumalanga, KwaZulu-Natal and Western Cape). For Mpumalanga there is relatively serious under-spending (23% of the original 2008 appropriation was not spent), but other provinces were all forecasting that they would spend 94% or more of their budgets.

KwaZulu-Natal is exposed as a serious under-performer in respect of the HIV and AIDS sub-programme (49% of the original 2008 appropriation was not spent). This is especially worrying as this province has the highest HIV prevalence rate. Northern Cape also looked likely to spend only just over three-quarters of its allocation (76%). For all other provinces, the forecast was for 97% or more of the original allocation to be spent.

However, a worrying picture emerges for the crime prevention and support sub-programme, in that four of the provinces expected to spend 83% or less of the original allocations. Again, KwaZulu-Natal emerges as the worst performer, expecting to spend only 62% of the original allocation. The Northern Cape on the other hand was expecting to spend 141% of the original allocation.

Alongside the financial amounts, South Africa's budget books provide "output" estimates that serve as indicators of physical delivery. These output indicators provide key accountability information in terms of what is done with the money. They also allow parliamentarians and members of civil society to compare numbers reached with estimates of need. For the 2008/09 budget a list of indicators was developed by national government and each province was expected to submit the full list as an annex in their budget submissions. Only Western Cape included the full list of indicators in the published document. This year some of the other provinces have also included the full list. The fact that other provinces are moving towards reporting on the full standard set is pleasing as it allow for a better comparative picture across provinces of trends in service delivery. Eastern Cape and Limpopo stand out as provinces in need of improvement as they are lagging way behind the other provinces.

The costing of the Children's Bill allows us to compare what is needed to implement the Children's Act with what has been allocated. This comparison shows that, overall, the nine provinces' allocations cover only 48% of the IP low cost estimates for Year 1 and an even lower 45% for Year 3. The decrease between 2009/10 and 2011/12 shows that the budget will not be growing at the pace that is needed to show a year on year gradual reduction of the gap between services provided and the numbers of children in need of services. Eastern Cape performs worst, with only 28% of the Year 1 estimate covered in 2009/10 and an even lower percentage in the next two years. North West performs best, covering 85% of the IP low cost estimate for Year 1 but decreasing sharply to 60% by Year 3.

A new feature in the budget documents are references to the War on Poverty and activities related to poverty "war rooms". These expenditures do not fall under social welfare services, but are considered here because they might compete for funds with Children's Act services. The budget documents are for the most part not very clear on the actual activities involved in the war on poverty. One worries that the "war" could involve a new round of development of policies and plans and databases, all of which will require additional salaries but might make little difference on the ground. Western Cape's budget statement is somewhat reassuring on this point in that they seem to

see the war on poverty as requiring strengthening of existing programmes rather than the introduction of new ones. For some of the other provinces, the signs are less reassuring. It is important to guard against money being diverted into poverty war rooms at the expense of adequately budgeting for the legislative obligations set out in the Children's Act. Many of the programmes required by the Children's Act will also impact on poverty, especially those contained in the ECD, Prevention and Early Intervention Services, and Drop in Centres chapters. These programmes can therefore be flagged as programmes that will also contribute to the War on Poverty. If provinces can show greater allocations to these Children's Act programmes, they can also report these activities as part of their activities under the War on Poverty rather than spend time and money on inventing new programmes.

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## Appendix A

### Standard sub-programme indicators (set by national)

#### Child care and protection services

Number of Government funded NPOs delivering child care and protection services

Number of registered CYCC (children's homes) run by Government

Number of registered CYCC (children's homes) managed by NPOs

Number of registered CYCC (temporary safe care) run by Government

Number of registered CYCC (temporary safe care) managed by NPOs

Number of registered CYCC (shelters) run by Government

Number of registered CYCC (shelters) managed by NPOs

Number of registered drop in centres managed by NPOs

Number of children in CYCC (children's homes) run by Government

Number of children in registered children's homes managed by NPOs

Number of children in CYCC (temporary safe care facilities) run by Government

Number of children in registered CYCC (temporary safe care) facilities managed by NPOs

Number of children in CYCC (shelters) managed by Government

Number of children in registered CYCC (shelters) managed by NPOs

Number of children accessing registered drop in centres managed by NPOs

Number of children with disabilities accessing Child and Youth care facilities run by Government

Number of children with disabilities accessing Child and Youth care facilities managed by NPO's

Number of children in registered Government residential facilities referred to specialised services

Number of children referred to specialised services by registered residential facilities managed by NPO

Number of children receiving Government services within the community referred to specialised services

Number of children receiving NPO services within the community referred to specialised services

Number of professionals employed in CYCC (shelters) run by Government

Number of professionals employed in registered CYCC (shelters) managed by NPOs

Number of professionals employed in CYCC (children's home) run by Government

Number of professionals employed in registered CYCC (children's home) managed by NPOs

Number of professionals employed by Government to render child care and protection services within the community

Number of professionals employed by NPOs to render child care and protection services within the community

Number of professionals employed by NPOs to render child care and protection services in CYCC (temporary of safe care)

Number of child care and protection programmes implemented by Government

Number of child care and protection programmes implemented by registered and funded NPOs

Number of reported cases of child abuse

Number of reported cases of child neglect

Number of reported cases of child exploitation

Number of reported cases of orphaned children

Number of reported cases of abandoned children

Number of reported cases of children with disabilities who suffered any form of abuse

Number of children placed in foster care by Government

Number of children placed in foster care by registered and funded NPOs  
Number of children adopted  
Number of children abducted  
Number of children involved in child trafficking  
Number of registered ECD centres funded by Government  
Number of registered ECD sites not funded by Government  
Number of children registered in ECD centres funded by Government  
Number of children in registered ECD centres not funded by Government  
Number of partial registered ECD centres that became fully registered  
Number of ECD practitioners who completed training  
Number of ECD child care workers who completed training  
Number of registered partial care sites

### **HIV and AIDS**

Number of HCBC organisations providing care and support services to OVC, CHH, and families  
Number of HCBC organisations that have an income generating component  
Number of HCBC organisations delivering support groups services  
Number of beneficiaries receiving food parcels from HCBC organisations  
Number of beneficiaries receiving school uniforms from HCBC organisations  
Number of beneficiaries receiving cooked meals from HCBC organisations  
Number of beneficiaries receiving Anti-Retroviral supported  
Number of children referred to at least one specialised service by HCBC organisations  
Number of OVC's receiving services from HCBC organisations  
Number of older persons receiving services from HCBC organisations  
Number of child headed households receiving services from HCBC organisations  
Number of community care givers rendering care and support services in HCBC organisations.  
Number of home visits made by HCBC community care givers  
Number of community caregivers receiving a stipend  
Number of Community Care Givers who completed accredited training  
Number of child care forums for HIV and AIDS operational  
Number of coordinating structures for HIV and AIDS operational  
Number of active support groups for HIV and AIDS operational

### **Care and support services to families**

Number of Government funded NPOs providing care and support services to families  
Number of couples participating in marriage counseling  
Number of families participating in family therapy services  
Number of families participating in re-unification services  
Number of couples who attended marriage enrichment programmes  
Number of marriage enrichment programmes implemented  
Number of parental programmes implemented  
Number of cases dealt with

### **Crime prevention and support**

Number of Government funded NPOs delivering services on social crime prevention  
Number of registered secure care centres run by Government  
Number of registered secure care centres managed by NPOs  
Number of registered temporary safe care facilities run by Government

Number of registered temporary safe care facilities managed by NPOs  
Number of children in conflict with the law awaiting trial in registered secure care centres run by Government  
Number of children in conflict with the law awaiting trial in registered secure care centres managed by NPOs  
Number of children in conflict with the law awaiting trial in registered temporary safe care facilities run by Government  
Number of children in conflict with the law awaiting trial registered temporary safe care facilities managed by NPOs  
Number of children in conflict with the law assessed  
Number of cases of children in conflict with the law referred to criminal court  
Number of children in conflict with the law referred to diversion programmes  
Number of children in conflict with the law who participate in diversion programmes  
Number of pre-sentence reports completed for children' in conflict with the law  
Number of pre-sentence reports completed for adults in conflict with the law  
Number of children in conflict with the law in home based supervision  
Number of probation officers employed by Government  
Number of crime prevention programmes implemented by Government  
Number of prevention programmes for social crime implemented by NPOs