

# Child centred analysis of government's budgets 2010 - 2012

By Debbie Budlender and Paula Proudlock  
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## Contents

<b>Project background</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>2</b>
<b>The 2010 budget speech of the Minister of Finance</b> .....	<b>3</b>
<b>Budget process and documents and how they affect analysis</b> .....	<b>6</b>
<b>Department of Justice</b> .....	<b>12</b>
Key issues that the budget should take into account .....	12
Introduction and strategic review .....	14
Budget programmes.....	17
Performance indicators .....	26
Conclusion and issues to consider for 2011 budget.....	27
<b>Department of Women, Children and People with Disabilities</b> .....	<b>28</b>
Key issues that the budget should take into account .....	28
Introduction.....	28
Budget programmes.....	31
Performance indicators .....	33
Conclusion and issues to consider for 2011 budget.....	33
<b>Departments of Social Development: General</b> .....	<b>35</b>
Key issues that the budgets should take into account .....	35
<b>National Department of Social Development</b> .....	<b>37</b>
Introduction and strategic review.....	37
Budget programmes.....	38
Performance indicators .....	48
Conclusion and issues to consider for 2011 budget.....	49
<b>Provincial departments of Social Development</b> .....	<b>50</b>
Introduction.....	50
Budget programmes.....	51
Performance indicators .....	60
Other issues .....	61
Conclusion and issues to consider for 2011 budget.....	62
<b>Departments of Health: General</b> .....	<b>64</b>
Key issues that the budgets should take into account .....	64
<b>National Department of Health</b> .....	<b>68</b>
Introduction and strategic review.....	68
Budget programmes.....	70
Performance indicators .....	75
Conclusion and issues to consider for 2011 budget.....	75
<b>Provincial departments of health</b> .....	<b>76</b>
Introduction.....	76
Budget programmes.....	77
Performance indicators .....	89
Other issues .....	91
Conclusion and issues to consider for 2011 budgets.....	91
<b>Departments of Education: General</b> .....	<b>93</b>
Key issues that the budgets should take into account .....	93

<b>National Department of Basic Education .....</b>	<b>97</b>
Introduction and strategic review .....	97
Budget programmes .....	97
Performance indicators .....	103
Conclusion and issues to consider for 2011 budget.....	104
<b>Provincial departments of education .....</b>	<b>105</b>
Introduction.....	105
Budget programmes .....	106
Performance indicators .....	123
Other issues .....	125
Conclusion and issues to consider for 2011 budget.....	125
<b>Concluding comments .....</b>	<b>127</b>
<b>References.....</b>	<b>130</b>

## Project background

The Children's Institute (CI) and the Community Agency for Social Enquiry (CASE) initiated this project in order to assess the potential impact of government's decisions about budgets on children's rights and well-being. The intention is to produce annual research on trends in allocations and expenditure in government departments that are responsible for key child services. The ultimate aim is to contribute to ensuring that adequate resources are allocated for the effective delivery of services to children and that these resources are spent efficiently, effectively and equitably and in the best interests of children.

The information will be useful for a number of stakeholders involved in the annual budgeting process. These include:

- **decision makers in national and provincial government** (cabinet ministers and their counterparts in the provincial sphere, members of parliament, parliamentary researchers, treasury officials, and officials of the relevant departments)
- **service providers in government and civil society** (doctors, nurses, social workers, probation officers, child and youth care workers, teachers, early childhood development practitioners, home-based carers, community health workers, counsellors, magistrates, prosecutors, legal aid attorneys, family advocates, court interpreters, as well as managers, planners and finance staff in the organisations and institutions in which the service providers work), and
- **child rights advocates in government and civil society** (child rights research and advocacy organisations, the Human Rights Commission, public interest lawyers, and government decision makers and officials, donors and International NGOs).

The project was initiated in mid-2010 with a small budget for the initial year. This has meant that the analysis for 2010 is limited to five departments, is being published later than desirable taking into account the budget cycle, and provides a bird's eye view (rather than in-depth analysis) of trends. The intention is to increase the scale of the research in 2011 based on comments received on this first paper and based on dialogue between stakeholders interested in participating in the project.

The type of budget analysis that we have undertaken here does not analyse the effectiveness of services i.e. we cannot show a link between the money allocated and the end impact on the beneficiaries (children and their caregivers). This kind of information can be found in evaluations of services. Where possible we make references to research on service evaluations that readers can refer to for further information.

If you are only interested in information on one or two departments, we suggest that you read the next three sections for general information on how the budgeting process works and how departments' budgets are structured, and then turn to the department in which you are most interested.

## Introduction

Under international and constitutional law, South Africa is obliged to realise the human rights of everyone, including children. To assess the state's progress in realising children's rights, we need to look at a range of measures. These include laws, policies and programmes, budgets, human resources and indicators. This report looks at budgets to assess how much government is allocating for the realisation of children's rights and the growth trends in these allocations. The objective is to analyse the possible effects of government's budgets on child rights and well-being.

Children are protected by all the rights in the Bill of Rights with the exception of the right to vote. The obligation to give effect to children's rights is therefore spread across all government spheres and departments and it is necessary to look at the budgets of all spheres and all departments in order to get a full picture of the state's budget allocations for realising children's rights. This report does not, however, cover the full spectrum of departments. Instead it focuses on the budgets of national and provincial departments in four sectors that are responsible for delivering key child services, namely Justice, Social Development, Health and Education. The report also covers the new Department of Women, Children and People with Disabilities although this department does not deliver any services. The table below shows the services that the relevant departments are responsible for delivering. The departments and services shown in italics are the ones covered in this report.

**Table 1. Departments and services areas covered in the report**

<b>Department</b>	<b>Service area</b>
<i>Justice and Constitutional Development</i>	<ul style="list-style-type: none"> <li>• <i>Courts (civil and criminal)</i></li> <li>• <i>Legal Aid</i></li> <li>• <i>National Prosecuting Authority</i></li> <li>• <i>Human Rights Commission</i></li> </ul>
<i>Women, Children and People with Disabilities</i>	
<i>Social Development</i>	<ul style="list-style-type: none"> <li>• <i>Social welfare services including crèches, early childhood development, prevention and early intervention, protection, foster care, adoption and child and youth care centres (places of safety, children's homes and secure care centres)</i></li> <li>• <i>Social grants</i></li> </ul>
<i>Health</i>	<ul style="list-style-type: none"> <li>• <i>Health care services (primary, secondary, tertiary)</i></li> <li>• <i>Home- and community-based care</i></li> </ul>
<i>Basic Education</i>	<ul style="list-style-type: none"> <li>• <i>Grade R</i></li> <li>• <i>Primary schooling</i></li> <li>• <i>Secondary schooling</i></li> <li>• <i>Special needs education</i></li> <li>• <i>National school nutrition programme</i></li> <li>• <i>Schools of industry and reform schools</i></li> </ul>
Home Affairs	<ul style="list-style-type: none"> <li>• Birth registration and birth certificates</li> <li>• Identity documents</li> <li>• Death registration and death certificates</li> </ul>
Water Affairs	<ul style="list-style-type: none"> <li>• Water</li> </ul>

	<ul style="list-style-type: none"> <li>• Sanitation services</li> </ul>
Cooperative Governance and Traditional Affairs (previously Provincial and Local Government)	<ul style="list-style-type: none"> <li>• Water</li> <li>• Sanitation services</li> <li>• Housing</li> <li>• Refuse collection</li> <li>• Transport</li> <li>• Road safety</li> </ul>
South African Police Service	<ul style="list-style-type: none"> <li>• Safety and security</li> <li>• Investigating crime</li> </ul>
Human Settlements	<ul style="list-style-type: none"> <li>• Housing</li> </ul>

The table gives the name of the relevant department at national level. In several cases, however, the national department is primarily responsible for policy development, coordination and monitoring and evaluation, while the provincial or local sphere is responsible for service delivery. This is the case for three of the departments focused on in this paper in that for health, social development and education the provincial departments are responsible for the bulk of service delivery. For these sectors we therefore examine both the national department budget vote and the budget votes of all nine provinces.

## The 2010 budget speech of the Minister of Finance

The Minister of Finance delivers a budget speech in Parliament at the beginning of each new financial year. This speech gives an indication of the issues and services that government considers to be a priority for the financial year and the two years that will follow. Together with the President's State of the Nation address, the annual budget speech sets the agenda for the coming year and informs future priority decision making by state officials across the country. We analysed the speech for child-specific references to gauge the state's intentions with regards to addressing the key challenges facing children.

In his first budget speech Minister Gordhan said disappointingly little explicitly about children. We emphasise the importance of explicit references to children as they show that government is pro-actively considering the needs of children in its budget decisions. Explicit references to children by the Minister of Finance will encourage other government decision makers similarly to consider children's needs pro-actively. Minister Gordhan did, however, announce increases in social spending on service areas that will benefit children such as health and education. Implicitly, then, there are a range of announcements that are good for children.

The Minister started out well in terms of explicit mention of children. Already in the third paragraph of his speech he noted that twenty years ago: "We showed ourselves, and the world, that we could compete politically and yet find a shared understanding on matters of concern to all of us – building a better South Africa *for our children and grandchildren*" (emphasis added).

Disappointingly, he did not build on this base in terms of explicit mentions of children. He named the two “key dimensions of the transformation challenge” as relating to unemployment and income inequality and poverty. In respect of unemployment he emphasised at several points that youth are particularly badly affected. This remark presumably refers primarily to youth who are 18 years and above as one would prefer that youth who are still children are not employed. Poverty, unemployment and inequality obviously also affect children – and potentially affect them with even greater negative effect than adults because they are still growing and developing and deprivation at a young age can leave permanent biological and other scars. However, this point was not made.

A disappointment was that the Minister announced that the child support grant (CSG) would increase by only R10 per month, to R250, while all other grants were increased by more than inflation. The Minister acknowledged that this increase for the CSG was below inflation. The previous Minister, Minister Manuel, had acknowledged in last year’s budget speech that research had proved the poverty-reducing effects of this grant. The current Minister explained that the small increase for this year resulted from the fact that the grant was being extended to more children through the age extension. This argument would equally apply to the old age pension, where the extension downwards of the qualifying age for men is still being phased in during 2010/11. However, the old age pension was increased by more than inflation, while the child support grant was increased by less than inflation. In effect, what the Minister terms the “more moderate” “adjustment” of the CSG means that caregivers who receive the grant for the children in their care will be able to buy less than they did last year for each child.

Much of the first part of this year’s budget speech focused on employment and unemployment. The Minister reported that about 900 000 people lost their jobs over the last year, thus undoing almost half of the achievement of creating two million jobs over the previous five years. Among those who have lost their jobs will be many women who are caring for children – often without financial or other assistance from the childrens’ fathers. The extension of the age group for the CSG means that more of these caregivers will receive the grant in 2010/11, but they will receive less in real terms this year than last.

We welcome the Minister’s acknowledgement that weak coordination and alignment between national policy and provincial budgets will be a “recipe for failure” in respect of education and health. We hope that this report contributes to pointing out where some of the current weaknesses lie. In particular we point out what national legislation says about the services that provinces should be prioritising.

The 2010/11 budget was drawn up in the middle of the global economic and financial crisis. In many countries of the north, governments attempted to counter the economic downturn with budgets that increased spending and thus reflected much higher deficits than would previously have been accepted. Other countries – especially those in the south – were encouraged to cut back on spending. In South Africa, the Minister reported that, unlike many other countries which entered the international recession with high levels of debt, South Africa did not need to cut spending or raise tax rates “at the expense of social development and economic growth.” Instead, government was prepared to budget for a deficit of 7,3 per



cent of gross domestic product (GDP) – a major shift from the 1 per cent surplus of two years earlier. The Minister also noted that public spending would grow by about 2 per cent a year over the next three years after correcting for inflation.

All this was good news for children. Further, our analysis below confirms that for most of the service areas in which we are interested, the allocations increase in 2010/11 when compared to the 2009/10 allocations even after correcting for inflation. What is also pleasing is that the national departments include a discussion of the savings that they are introducing to avoid cuts in important areas of service delivery. For example, the Department of Social Development reports that during 2009/10 it introduced cost-saving measures that cut down on operational costs such as advertisements, travel and subsistence, use of outside venues, catering and outsourcing.

The Minister said that “[c]losely associated with inequality and economic vulnerability, we confront several social challenges: an HIV and TB pandemic, unacceptably high rates of crime, angry communities and dysfunctional schools.” All of these affect children very directly, even if this was not noted explicitly by the Minister.

The Minister announced some increased social spending to address these social challenges. These included the following items of direct relevance for children:

- He announced an extra R3 billion to address the needs of people co-infected with TB and HIV, and pregnant women and children with CD4 counts lower than 350. This policy shift is very welcome as it will reduce the numbers of caregivers who die or suffer from chronic TB and AIDS, as well as reduce the number of children infected with HIV through birth or breastfeeding. It should also contribute to a decrease in the under-five mortality rate which is currently unacceptably high mainly due to the large number of under 5 child deaths (35%) caused by HIV/AIDs (Sanders, 2010). This additional allocation is discussed in more detail in the discussion of the health department budgets below.
- He announced an extra R2,7 billion for workbooks in all 11 official languages to help raise literacy and numeracy levels and test all learners in grades 3, 6 and 9.
- He announced an extra R1,3 billion for raising the salaries of educators at further education and training (FET) colleges. This budget increase is not likely to benefit all that many children as many of those enrolled in these colleges are aged 18 years and above.
- He announced extra money for the social sector expanded public works programmes (EPWP). The one-year conditional grant for home-based care that forms part of this is discussed below in the discussion of the health and social development departmental budgets.

There are several other new or increased allocations that do not directly target children but that will contribute to improving the living conditions of poor children in particular. These include the R1,2 billion over the next three years for a new grant to support on-site water and sanitation infrastructure within the rural housing programme, and the R6,7 billion increase for municipalities to help them alleviate the impact of increased water and electricity prices on

poor households. Diarrhoea causes 11% of all deaths of children under five years of age (Sanders, 2010). Investments in water and sanitation infrastructure and delivery will contribute to reducing these preventable deaths.

On the revenue side, the Minister announced that Treasury is considering imposing higher taxes on alcohol. This is good for children given that alcohol is a major contributor to child deaths (through traffic and other accidents) as well as to abuse and neglect. We will be watching out eagerly for further news about the review of alcohol taxes and action that will be taken as a result.

Finally, in discussing the “Tips for Trevor” received this year, the Minister reported that Sheila Hlakudi from Gugulethu wrote in to ask for a review of the child support grant processes so as to prevent abuse. The Minister responded that government is reviewing the payment system to reduce fraud and corruption. In this respect it would be advisable for the Minister and those responsible for the review to consult with civil society organisations that work with and assist poor people, as they have on-the-ground experience of how the grant processes work (or do not work).

The most notable omission from the Minister’s speech was the lack of any reference to the two new child laws that were scheduled to come into full operation in April 2010. The Child Justice Act<sup>1</sup> and the Children’s Act<sup>2</sup> have each been in the making for over ten years, and if implemented effectively will take the country several strides forward in the quest to realise children’s rights. Their final commencement and the budget allocations for their first year of implementation deserved a mention in the speech. This would also have emphasised that the implementation and budget allocations for these laws need to be prioritised by state officials in decision-making and service delivery positions. This omission could be rectified by the Minister in his Medium Term Budget Policy Statement speech in October 2010.

We now turn to look in more detail at the departmental budget votes and narratives.

## **Budget process and documents and how they affect analysis**

During February and March of each year the national Minister and provincial MECs of Finance table the budget documents for the coming financial year in the national parliament and provincial legislatures. Among the documents tabled in each legislature is a thick document that details the vote of each department and agency (such as Statistics South Africa) that is funded by national government (in the case of documents tabled by the Minister of Finance) and the provincial treasury (in the case of documents tabled by the provincial MEC). For the national sphere the document has the title “Estimates of National Expenditure”. For the provincial sphere, the documents have the title “Estimates of Provincial Expenditure”.

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<sup>1</sup> 75 of 2008

<sup>2</sup> 38 of 2005

In this section we describe the format of these books so that readers can understand the type of information that we draw on in the analysis below. The format offers many opportunities, especially when compared with the budget documents of many other countries, which often contain no or minimal narrative. Indeed, the Budget Review of 2009 produced by the National Treasury noted proudly that South Africa was ranked second out of 88 countries in terms of the transparency and quality of budget information on the International Budget Partnership's Open Budget Index for 2008 (National Treasury, 2009: 22). Nevertheless, the format of both the budget numbers and the narrative also impose limitations on our analysis.

All the budget books have a similar structure. Of most interest for our purposes is that the bulk of each book is made up of separate chapters for each funded department or agency, each of which is referred to as a "vote". These chapters give the financial budget amounts for the coming financial year on which the parliament or legislature will vote, further estimates for the following two budget years which are referred to as the "outer years" of the medium-term expenditure framework (MTEF) period, and explanatory narrative.

Each chapter follows a more or less standard format and order. At national level the first sections of the vote, which deal with the department as a whole, are:

- A budget summary table showing the allocations for each programme of the department
- A short aim
- A section describing the purpose of each programme in one sentence.
- A strategic overview: 2006/07-2012/13 which discusses what this department feels are its key issues, including highlighting the priorities for the "medium term" i.e. for the next three years
- In 2010/11, a short paragraph describing what the department has done or is doing to effect savings and ensure cost-effective service delivery
- A table of selected performance indicators
- More detailed expenditure estimates for the department as a whole which cover seven years – the three years preceding the financial year that is ending (the "current") year, the current year, and the three MTEF years. These tables show both the amounts for each programme, and the "economic" classification, which provides the breakdown into categories such as "compensation of employees" (i.e. salaries and related for government employees) and "transfers" (which includes payments to non-profit organisations (NPOs))
- A discussion of expenditure trends which explains unusual increases and decreases in the table
- A discussion and table of any revenue received by the department. This is usually very short as most departments have minimal revenue.

This first overall section is followed by a section for each programme of the department. Each of these programme sections consists of the following sub-sections:

- A very short description of the purpose of each sub-programme within that programme

- A specification of key objectives and measures
- A sub-section, entitled “service delivery focus” that describes the key activities of the programme
- Tables giving expenditure estimates over the seven years, including both the sub-programme breakdown and the economic classification
- A discussion of expenditure trends

In cases where a public entity is funded by a particular programme, the chapter includes similar sub-sections for each of the entities.

For the provinces, the format is similar, although not identical. At provincial level, the typical structure would be:

- An overview section that provides the vision, mission, core functions and priorities and lists the relevant legislation
- A review of the current financial year (2009/10 in our case) that highlights key achievements and challenges
- A section discussing the outlook for the coming financial year (2010/11 in our case) that outlines plans for the year on which the legislature will vote
- A (usually short) discussion of receipts and financing which includes, where relevant, conditional grants received by this department from national government departments
- A payment summary section that lists key assumptions used in drawing up the budget (such as assumptions about government salary increases), details the overall budget of the department by programme and economic classification, and lists transfers (often only the total amount), including to NPOs and local government.

This is followed, as at national level, by separate sections for each programme. Some provinces also provide a table of service delivery or performance indicators in their vote chapters. In some cases such tables are done per programme, in others only for the department as a whole, and in yet others there are no such tables. Where tables are given, they sometimes cover only the three MTEF years, but in other cases also give estimates of delivery for the current financial year.

As noted above, for the financial numbers information is generally given for seven years. There are, however, often more than seven columns of numbers in the budget tables. This is so because there are often two or three different estimates provided for the current year. The first estimate is the “main estimate”. This is the amount voted by the parliament or legislature in the previous year. The second estimate is the “adjusted estimate”. This is the original main estimate as adjusted – either upwards or downwards – by the parliament or legislature in the middle of the year to reflect unforeseen circumstances or changing priorities. The third estimate, where it is given, is the “revised estimate”. This gives the department’s forecast, at the time the budget books were prepared, of what they were likely to have spent by the end of the current financial year. It is thus an estimate of what “actual” expenditure is likely to be, in the absence of this information at the time the budget books are compiled. Actual expenditure was still not available when we conducted this analysis. However, in the case of

provincial tables for Health, Education and Social Development below, the revised estimates were provided by National Treasury and reflect revised estimates from several months later than those published in the budget books. Unless explained otherwise, in most of the analysis below we use the adjusted estimates, for example when calculating percentage increases between 2009/10 and 2010/11.

As noted above, the fact that there is so much narrative in the budget books provide opportunities that are not found in many other countries. Nevertheless, we note that the narrative generally focuses on highlights i.e. the things that the department concerned feels are important. Thus the fact that something is not mentioned does not mean that the department is not doing something about it. It means only that the people responsible for drafting the budget chapter did not think it was worth highlighting.

With the budget numbers we are again fortunate when compared to most other countries in having seven years of estimates. Some countries only have one year, while many only have the three years of the MTEF. The main problem with the numbers is that they are done at the broad level of a programme or sub-programme. Often the issue that relates directly to children is not the only thing dealt with by the sub-programme, and we usually therefore do not know what proportion of the estimate for that sub-programme will directly benefit children. Given this problem, our budget analysis below is often tentative rather than definite.

Against this background, Table 2 lists the total allocations proposed for 2010/11 for each of the national departments that we examine below, as well as the combined totals for the nine provincial departments in each sector. In the education sector, the table lists only the Department of Basic Education in the national sphere, and not the Department of Higher Education and Training as the latter does not generally provide services to children under eighteen years. In contrast, in the provincial sphere there is a single department in each province for the education sector. The estimates shown in the table do not reflect the amount of money that benefits children. Instead, they represent the totals for the departments as a whole.

**Table 2. Total 2010/11 allocations for focus departments**

<b>National department</b>	<b>Allocation 2010/11 (Rm)</b>
Justice and Constitutional Development	10250.5
Women, Children and People with Disabilities	97.8
Social Development	95921.1
Health	21497.0
Basic Education	6166.2
<b>Provincial departments combined</b>	
Social Development	10 289.1
Health	98327.7
Education	137438.7

Below we deal with each sector separately. Where a sector includes both a national and provincial departments, we first discuss the national budget and then all the provincial

budgets combined. The discussion for each sector begins with a discussion of key issues that the budgets in that sector need to take into account if they are to realise children's rights, including a discussion of challenges faced by children in this sector. At that point the discussion begins to engage more directly with the budget documents. It first discusses the strategic review or equivalent parts of the narrative, and then moves on to looking at the budgets of all programmes and sub-programmes that seem of key direct interest from a child's rights perspective. The discussion of the national or provincial budgets for each sector ends with a short discussion of performance or service delivery indicators presented in the budget documents. Each departmental section ends with a short summary highlighting areas needing attention in the 2011 budget.

The analysis of provincial budgets presents an overview of what all provinces combined are doing rather than a province-by-province assessment. The latter would require a much more in-depth analysis of the situation in each province. The analysis does, however, point out where particular provinces seem to differ from others in respect of particular services and allocations.

As will be seen below, the budget allocations of different provinces for each sector vary widely. This is expected given the substantial differences in the population size of the different provinces. However, population size by no means explains the extent of the differences in the absolute size of allocations by different provinces in the same sector for the same budget programme.

Unfortunately, there is no simple way to measure the relative adequacy of provincial allocations. It might seem that per capita calculations could serve this purpose. This simple approach is to some extent appropriate for school education, and the section on education below discusses the patterns in per learner expenditure by province. In other sectors, and in respect of other education services, it is not so simple. In health, for example, the relevant "heads" for the per capita calculation would be the "uninsured" population, i.e. those who are not covered by medical insurance and are thus most reliant on public health services. This is reported in the section on health below. However, the calculation is complicated by the different mix of services, including various levels of hospital and clinics, in the different provinces, as well as by the fact that hospitals in some provinces provide services for patients from other provinces and also train health staff for the country as a whole. A further question relates to whether we consider only the child population or both child and adult population and, if the former, how we estimate what proportion of the total budget is used for children. For social development, there are similar challenges in determining what population to use for the per capita calculation. In the section on social development we report per capita allocations for child-related services, but even here the extent of need among the child population will differ across provinces according to poverty levels, HIV and AIDS prevalence, and a range of other factors.

Where we are aware of appropriate measures for provincial comparisons, we present these in the relevant sections. As background for the sectoral discussions, Table 3 gives the percentage of the total provincial budget allocated to each of the three sectors covered in our analysis. For Education, the percentage ranges from 36% (Western Cape) to 47%

(Eastern Cape), for Health from 25% (Mpumalanga) to 36% (Western Cape), and for Social Development from 2% (KwaZulu-Natal and Limpopo) to 5% (Northern Cape).

**Table 3. Percentage of total provincial budget allocated to key sectors by province**

	EC	FS	GT	KZN	LM	MP	NC	NW	WC
<b>Education</b>	47%	40%	37%	42%	47%	44%	38%	41%	36%
<b>Health</b>	28%	29%	33%	31%	27%	25%	29%	25%	36%
<b>Social Development</b>	3%	3%	4%	2%	2%	3%	5%	3%	4%

This very crude indicator already illustrates the challenges involved in cross-province comparisons of this sort. The high percentage for Education in Eastern Cape is, for example, surprising for anyone with knowledge of the serious problems in the sector in that province, while Western Cape – with the lowest percentage – consistently reports the highest pass rates in the Grade 12 examinations. This pattern is, at least in part, a reflection of the limited amount given to other more “discretionary” sectors in Eastern Cape and the larger amount of discretionary funds in Western Cape. However, the pattern also reflects the relatively high proportion of children in the Eastern Cape population.

The high percentage for Health in Western Cape reflects the fact that this province, like Gauteng, provides education for health personnel who will serve the country as a whole as well as providing hospital services – including to children through the Red Cross War Memorial Children’s Hospital – to many patients from beyond the province’s borders. The high percentage for Social Development in Northern Cape to some extent reflects the ongoing legacy of historical inequalities in provision of welfare services to different population (race) groups. Previously a large part of this province was part of the old Cape Province, which provided far better services for the large coloured population in that region than were provided in other provinces of the “old” South Africa for their predominantly African populations.

When discussing changes in allocations over the MTEF period below, we generally report “real” increases, i.e. the increases that result after we adjust the “nominal” amounts that appear in the budget book for inflation. In making these adjustments, we use the inflation estimates used by National Treasury when assessing whether there are real increases in allocations. These inflation rates were published in the 2009 medium term budget policy statement (MTBPS), and are the rates that National Treasury advised provincial treasuries to use when compiling provincial budgets. The rates are 6,4 per cent for 2010/11, 5,9% for 2011/12 and 5,7% for 2012/13.

## Department of Justice

### *Key issues that the budget should take into account*

#### **Children's rights and child law, and key implementation challenges**

The Bill of Rights contains a number of sections that impose obligations on the state in relation to protecting children within the criminal justice system.

For *child offenders*, the following sections are most relevant:

- s28(1)(d): the right to be protected from maltreatment, neglect, abuse or degradation
- s28(1)(g): the right not to be detained except as a measure of last resort, and then only for the shortest appropriate time, in separate accommodation to adults, and the right to be treated in a manner and kept in conditions that take account of the child's age.
- s28(2): the right to have their best interests considered of paramount importance in every matter concerning them
- s35: the rights of arrested, detained and accused persons (the rights to a fair trial, to remain silent, and to legal representation at state expense if substantial injustice would otherwise result).

The Child Justice Act, which came into force on 1 April 2010, provides the primary legislative framework for the realisation of these rights for child offenders. However, the rights cannot be fulfilled unless adequate resources (financial, infrastructural and human) are allocated. The Act introduces a number of innovations aimed at ensuring that child offenders are treated in accordance with the requirements of the Bill of Rights. These include the preliminary inquiry that must be held within 48 hours of the child having being arrested, assessment of all child offenders by a probation officer prior to the preliminary inquiry, diversion as an option at the discretion of the prosecutor and the magistrate, and a pre-sentencing assessment report by a probation officer. While assessment and diversion were encouraged within the child justice system prior to the finalisation of the Act, the Act now makes it clear that these services and approaches must be provided to all child offenders. Ensuring that all child offenders receive these services will require adequate resources being allocated to the workforce responsible for delivering these services. The relevant workforce includes prosecutors, magistrates, legal aid attorneys, probation officers and non-governmental organisations (who run the diversion programmes). The Justice budget is where resources for magistrates, prosecutors and legal aid attorneys must be allocated.

The Child Justice Act, read with the Legal Aid Act<sup>3</sup> and policy, provides the rules for eligibility of child offenders to legal representation at state expense. We analyse the budget for the Legal Aid Board below to assess the State's plans for improving legal aid for child offenders.

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<sup>3</sup> 22 of 1969



The Children's Act, which also came into force on 1 April 2010, provides for assessment by probation officers and diversion programmes for child offenders, secure care centres for children awaiting trial, and child and youth care centres for sentenced children (currently called reform schools). To assess government's financial commitment to providing these services we analyse the budgets of the provincial departments of social development. Reform schools and schools of industry fall under the provincial departments of education until 2012 when they must be transferred to social development.

For children as *witnesses, victims of crime, or participants in civil law proceedings including children's court inquiries and maintenance cases*, the following sections of the Bill of Rights are most relevant:

- S12(1): the right to be free from all forms of violence from public or private sources
- s28(1)(b): the right to family, parental or alternative care
- s28(1)(c): the right to social services
- s28(1)(d): the right to be protected from maltreatment, neglect, abuse or degradation
- s28(1)(h): the right to have a legal practitioners assigned to the child in civil proceedings (including children's court inquiries) affecting the child, if substantial injustice would otherwise result
- s28(2): the right to have their best interests considered of paramount importance in every matter concerning them.

There is a high prevalence of crimes against children (Centre for Child Law, 2008: 3-7; van der Merwe, 2009: 563). The justice system should aim to prevent perpetrators from committing further crimes against children. The machinery within the justice system needed to achieve this aim encompasses the courts and prosecutors (including the specialised courts and prosecutors). Below we therefore analyse the budgets for the lower courts and public prosecutions.

A further consideration for the justice budgets is the need for the system to protect child victims and witnesses from secondary victimisation within the court process. Children as victims and witnesses of crimes face a number of challenges within the justice system. These include:

- lack of attention to the safety of the child witness prior to trial through use of the bail system by the prosecutors and magistrates
- repeated delays and remands due to the congestion of the court system
- having to confront the accused without psychological support
- the lack of a recognised support person for the child throughout the process and the lack of independent (legal) representation for the child victim
- the exclusion of the evidence of child victims and witnesses by the police, prosecutors and the courts due to an inability to communicate sensitively with children (Centre for Child Law, 2008: 7-8).

For children with disabilities these challenges are exacerbated.

The Criminal Procedure Act<sup>4</sup>, Sexual Offences Act<sup>5</sup> and Domestic Violence Act<sup>6</sup> stipulate how child witnesses and victims of crime should be protected within the court system. While these law do not provide for all the protection that is needed to address the challenges listed above, they do provide for some mechanisms that, if effectively implemented, would considerably reduce the secondary traumatisation faced by children. For example, the Criminal Procedure Act provides for child victims and witnesses to testify in camera or via an intermediary. To ensure that all relevant courts have these protection mechanisms available for the children that need them, adequate budget needs to be provided and court personnel need to be trained to promote their use.

The Children's Act also contains provisions that oblige the Department of Social Development to provide or fund psychological services (such as counselling and victim support in court processes) for child witnesses and victims of crimes. We analyse the relevant budgets below in the section on social development.

The Children's Act, read with the Legal Aid Act and policy, regulates when a child involved in civil court proceedings such as a children's court inquiry, is eligible for legal representation at state expense.

The Maintenance Act<sup>7</sup> provides for a court procedure for caregivers of children to claim maintenance from non-resident biological parents to help pay for the care of their children. The Children's Act also requires the Department of Justice to provide family advocate services to families.

### ***Introduction and strategic review***

The Department of Justice and Constitutional Development (DoJCD) is one of the more difficult departments to analyse from a child perspective as most activities that affect children form part of a larger sub-programme within which one cannot separate out the child-relevant aspects. There are also very few service delivery indicators that relate directly to children.

Justice is a national responsibility, and the budget is thus allocated only at national level. However, as will be seen below, the booklet on the departmental vote produced in 2010 provides some indication of the provincial allocations in respect of some programmes and sub-programmes.

Children are explicitly mentioned near the beginning of the budget vote narrative, in the strategic overview of 2006/07 to 2012/13. Thus the Department notes that:

*Crimes against women and children continue to be high on the department's agenda. The development of policies to promote and protect the rights of*

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<sup>4</sup> 51 of 1977

<sup>5</sup> Criminal Law (Sexual Offences and Related Matters) Amendment Act 32 of 2007

<sup>6</sup> 116 of 1998

<sup>7</sup> 99 of 1998

*children, the aged, the disabled, women, the poor and other such disadvantaged groups will continue, and the department will prioritise public communication about: services and assistance for victims of crime; maintenance services; the Guardian's Fund; sexual and domestic violence; Truth and Reconciliation Commission recommendations; and other matters that may affect vulnerable groups.*

This same introductory section of the vote also refers explicitly to the Child Justice Act, as follows:

*The Child Justice Act (2008) allows for matters involving children who have committed offences to be diverted away from the main courts. To support departmental and cluster initiatives in implementing the act, the department has started developing a national policy framework on child justice, as well as a strategy and a policy on restorative justice.*

The February 2010 progress report<sup>8</sup> to the Justice parliamentary Portfolio Committee on implementation of the Child Justice Act states that the Department began developing protocols for implementation of the Act as early as 2002. It is now more than seven years later, and it is therefore unfortunate that no time line is given in the budget document for completion of the framework. The progress report of February 2010 states that a consultation process was underway at the time, and the document would be finalised by a task team during February and March, tabled by May 2010 and presented in Parliament by June 2010. As at the time of writing in June 2010, this has not happened.

The Portfolio Committee's report on the vote<sup>9</sup>, which draws on inputs from government officials, records that R30 million has been allocated for implementation of the Child Justice Act, R23 million for the Children's Act, R24 million for the Sexual Offences and Related Matters Act, and R3 million for trafficking. All of these are relevant for children. The February 2010 progress report explains that the R30 million for the Child Justice Act will be allocated to Legal Aid South Africa, the National Prosecuting Authority (NPA) and the Department.

The progress report notes that a cluster budget application of R660 million was submitted to the National Treasury for implementation of the Child Justice Act over the MTEF period, but that only R30 million was allocated to the cluster for 2010/11. The progress report states that the R660 million was for 2010/11, but the cluster budget bid itself has this amount for a three-year period. A Business Day article of 11 March 2010 (Chilwane, 2010) records that the department requested R58,1m for 2010/11. The R58,1m was the amount requested in an amended submission to the National Treasury in respect of the first year of

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<sup>8</sup> Department of Justice and Constitutional Development: Progress Report on the Implementation of the Child Justice Act. Minutes of the Portfolio Committee on Justice and Constitutional Affairs 23 February 2010. Parliamentary Monitoring Group. [www.pmg.org.za](http://www.pmg.org.za)

<sup>9</sup> Minutes of the Portfolio Committee on Justice and Constitutional Development. 21 April 2010. Parliamentary Monitoring Group. ([www.pmg.org.za](http://www.pmg.org.za))

implementation of the Act. It primarily covers training and the creation of posts within the Department, National Prosecuting Agency and Legal Aid South Africa.

The term “cluster” refers to the fact that the R660 million application was an intersectoral bid that covered all relevant departments. The Department of Justice’s portion amounted to R20,5 million of the total over the MTEF period, of which R4,5 million was required for the first year.

The Business Day article carries the heading “Money no bar to applying new Child Justice Act”. It quotes departmental spokesperson Tlali Tlali as saying that the three departments responsible for implementation of the Act, namely police, social development and correctional services, would each contribute R27,1m to make up the shortfall between R30,0 million and R58,1m. Presumably this should have read that between them they would contribute to make up the shortfall.

The Business Day article notes that the R58,1m was made up of R9m for appointment of 111 dedicated child justice court clerks, R1m for training and support to provinces, R10,6m to appoint 20 district court magistrates, R10m for appointment of 30 child justice prosecutors, R10m for appointment of 60 Legal Aid attorneys, and R17,5m for rehabilitation services with a focus on rural areas.

These different reports contain different figures and some apparent inaccuracies. We recommend that the Department clarify the situation.

The progress report notes that lack of adequate budget was preventing the Department in expanding the number of one-stop child justice centres, of which only two existed currently. However, the progress report also acknowledges that there was a need to find out whether the Department of Social Development’s secure care facilities could be used for the purpose instead of building as many new facilities as planned, especially where these facilities were situated close to police stations. This suggests that the Department might not have done adequate planning before submission of the application to National Treasury or was not able to get the necessary information from Social Development in time.

The other relevant issue discussed in the strategic review relates to maintenance. These are monies that mainly women claim in respect of children from the biological fathers of their children. The legal obligation for fathers to pay this money has existed for a long time, but enforcement has been plagued with difficulties. Since 1994 some improvements were effected through an amendment of the Maintenance Act as well as employment of clerks, officers, legal interns and investigators who would specialise in maintenance matters. Indeed, around 2004-5 maintenance was regarded as a “flagship project” by the DoJCD. The Portfolio Committee’s report on the budget vote for 2010 notes that queues for maintenance are still too long. More specifically, the Committee notes that two hours is too long to wait to have a maintenance matter dealt with. The Committee further requested that the Department investigate ways of preventing defendants in maintenance matters from using stalling tactics to delay payment. However, in 2010 there is no mention of maintenance clerks, officers or investigators in the budget narrative. Instead the strategic review refers to

a public-private partnership that is being established to manage the funds that fathers give to the Department for passing on to the mothers of the children. The narrative states that the partnership should both improve financial management and also increase the number of paypoints, including through bank transfers. It is not clear whether bank transfers will be a permanent solution as the Portfolio Committee's report states that the electronic funds transfer project through which the Department can pay money directly into beneficiary accounts is "still on track", but is a temporary solution pending finalisation of the bid process for "Third Party Funds Project". This suggests that it may still be several years before maintenance payments happen efficiently and with limited hassle for children's caregivers.

### ***Budget programmes***

The Department's budget is divided into five programmes, as seen in the following diagram with those most relevant to children shaded darker.

**Diagram 1: Programmes within the Budget vote of the Department of Justice and Constitutional Development**

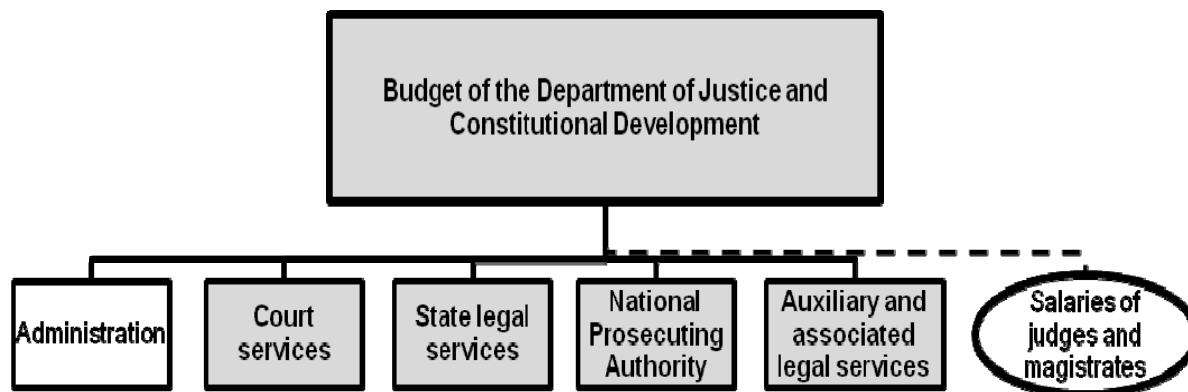


Table 4 below shows the allocations to each programme. As for other departments, the national budget vote does not give the main appropriation for 2009/10. We have, however, sourced this from the National Estimates of Expenditure of 2009. The final row of the table is labelled as a "sub-total" as for this vote there is a fairly substantial additional amount that does not come from what is known as the National Revenue Fund i.e. the money that is voted on by Parliament, although the additional amount must be funded from within the overall monies of government raised through taxes and other means. The amount that is not included in the sub-total relates to judges' and magistrates' salaries. In 2010/11 the relevant amounts are R465,5 million and R1 464,4 million respectively. We have excluded these amounts from the table although we recognise that magistrates in particular are key personnel needed for children especially given the increased responsibilities and jurisdiction provided for by the Child Justice Act and the Children's Act.

**Table 4. Budget of Department of Justice & Constitutional Development, 2009/10-2012/13 (Rm)**

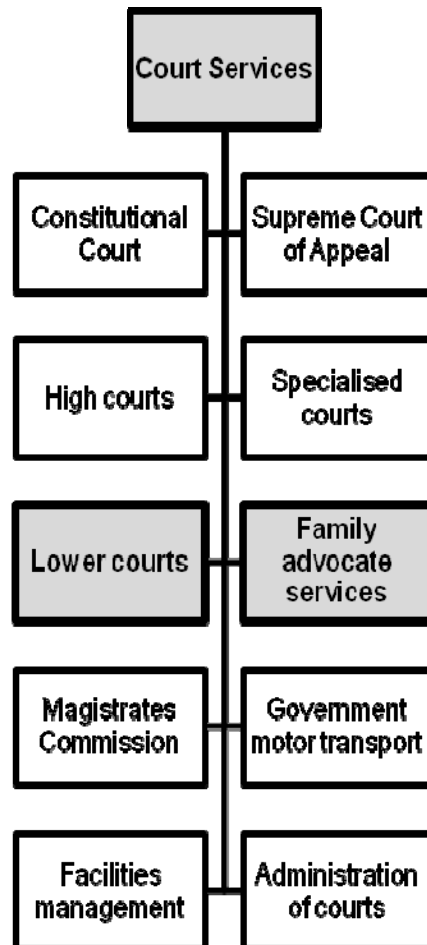
	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised est	Medium-term estimates		
Administration	1038.6	1436.8	1402.8	1472.9	1604.2	1693.1
Court services	3911.1	3524.6	3557.1	3871.9	4241.1	4555
State legal services	569.9	595.1	571.0	644.1	677.9	711.8
National Prosecuting Authority	2480.1	2382.2	2365.2	2439.6	2586.8	2718.3
Auxiliary & associated services	1658.3	1782.2	1777.2	1821.9	1973.7	2052.4
<b>Sub-total (excluding judges' &amp; magistrates' salaries)</b>	<b>9658.0</b>	<b>9721.0</b>	<b>9673.3</b>	<b>10250.5</b>	<b>11083.7</b>	<b>11730.6</b>

The narrative notes that the 2010 budget provides for additional allocations of R458,9 million in 2010/11, R679,2 million in 2011/12 and R886,1 million in 2012/13. These additional amounts reflect additions to the “base” amounts that were reflected for these years in the 2009 MTEF (with the “base” amount for 2012/13 being the amount for 2011/12 increased by the expected inflation rate). Within Justice, these additional allocations will be used for, among others, implementing legislation concerning “vulnerable groups” and appointing additional staff to the Legal Aid Board. The additional allocations are thus reportedly to be used, at least in part, to augment services that are relevant to children.

The table reveals that the court services programme is the largest programme, accounting for 38% of the voted sub-total in 2010/11. If the amount for magistrates and judges was added, the court services programme would constitute an even bigger proportion of the Department's total budget. Next biggest are the National Prosecuting Authority at 24% and auxiliary and associated services (which includes the Legal Aid Board) at 18%. The proportional division of the budget across the programmes has remained more or less constant since 2007/08.

Within the **court services** programme, we focus on two sub-programmes, namely the **lower courts** and **family advocate** sub-programmes.

**Diagram 2: Sub Programmes within the Court services Programme**



The lower courts sub-programme covers regional and district courts. Regional courts handle the more serious criminal and civil matters while district courts handle less serious criminal and civil cases, including maintenance investigations and cases. Children's courts, which provide for protection and care inquiries under the Children's Act, would be included among the district courts.

The family advocate investigates and makes recommendations to the court where there is litigation and mediation relating to children in family matters. In the past the family advocate focused mainly on children affected by divorces in civil marriages handled by the Supreme Court. At that time virtually all divorces of African couples were dealt with under the Black Administration Act of 29 and thus not handled by the Supreme Court. Once these provisions were changed and magistrates courts began dealing with divorces, these formerly excluded couples and their children gained access to family advocate services. The expansion to Africans effectively means that it deals with far more cases involving poor children.

The allocations for these two sub-programmes are shown in the next table. For 2010/11 the two sub-programmes account for 62% and 2% respectively of the total budget for the court services programme.

**Table 5. Budget of court services sub-programmes, 2009/10-2012/13 (Rm)**

<b>Court services</b>	<b>2009/10 main</b>	<b>2009/10 adjusted</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Lower courts	2559.3	2216.3	2385.6	2586.3	2753.5
Family advocate	93.2	92.7	95.1	99.8	104.8

Examination of the table shows that the adjusted budget for the lower courts for 2009/10 was noticeably lower than the original allocation. For the family advocate sub-programme there was a smaller decrease. The difference between the original and adjusted allocation affects the calculated increases when comparing 2010/11 to 2009/10. If we use the adjusted allocation, the real increases (adjusted for inflation) over the three years of the MTEF for the lower courts sub-programme are 1,2%, 2,4% and 0,7% respectively. However, if we calculate in relation to the original allocation, there is a decrease of -12,4% for 2010/11. For the family advocate sub-programme there is a real decrease for each year of the MTEF – of -3,6%, -0,9% and -0,7% respectively, even using the adjusted allocation for 2009/10 as the comparator. However, the text notes that between 2006/07 and 2009/10 expenditure for this sub-programme increased by an average (nominal) annual rate of 27.5 per cent due to employment of additional personnel to allow implementation of the Children’s Act. This reflects the fact that the family advocate provisions of the Act came into effect on 1 July 2007. Nevertheless, it is disappointing that the Department did not similarly proactively increase budgets for other sub-programmes before the official coming into force of the full ambit of the Children’s and Child Justice Acts. It is also disappointing that there is not an ongoing increase in the family advocate budget.

The narrative states that the current increases in the budgets for the court services programme will be used for, among others, implementation of the Children’s Act and Child Justice Act, and to promote use of indigenous languages in courts, and expanding access to court services. However, it seems unlikely that substantial progress will be made on these and the other items named given the small real increases, as well as some real decreases (for example, -12,4% in 2010/11 for the lower courts sub-programme when compared to the original allocation for 2009/10), in the budget allocations.

The measurable objectives named for these sub-programmes include the following in respect of 2010/11:

- reducing the case cycle time for criminal cases involving children by 12 per cent per year, from the current 18 months to 15 months through implementing the provisions of the Child Justice Act
- finalisation by the family advocate of 50 per cent of all cases within six months.

The latter target seems retrogressive as the document later reports that in the period up to September 2009, 57 per cent of cases handled by the family advocate were finalised within six months during 2009. It is disappointing that there are no measurable objectives given in



respect of finalisation of children's court inquiries under the Children's Act and, in particular, foster care matters.

The lower courts sub-programme is one of the few areas of DoJCD expenditure where we have information on the provincial distribution. The following table shows the budget estimates per province for the lower courts over the years. The distribution over the provinces remains fairly constant over the period, but there is some redistribution away from Gauteng towards Eastern Cape. Thus Eastern Cape accounts for 15% of the total in 2009/10 but 18% of the total in 2012/13, while Gauteng drops from 18% to 16%. The final column of the table gives the results from dividing the 2010/11 allocation by the provincial population as estimates in the Community Survey of 2007 conducted by Statistics South Africa. Northern Cape is seen to be best serviced on this measure, while KwaZulu-Natal is worst serviced.

**Table 6. Provincial allocations within lower courts sub-programme 2009/10-2012/13**

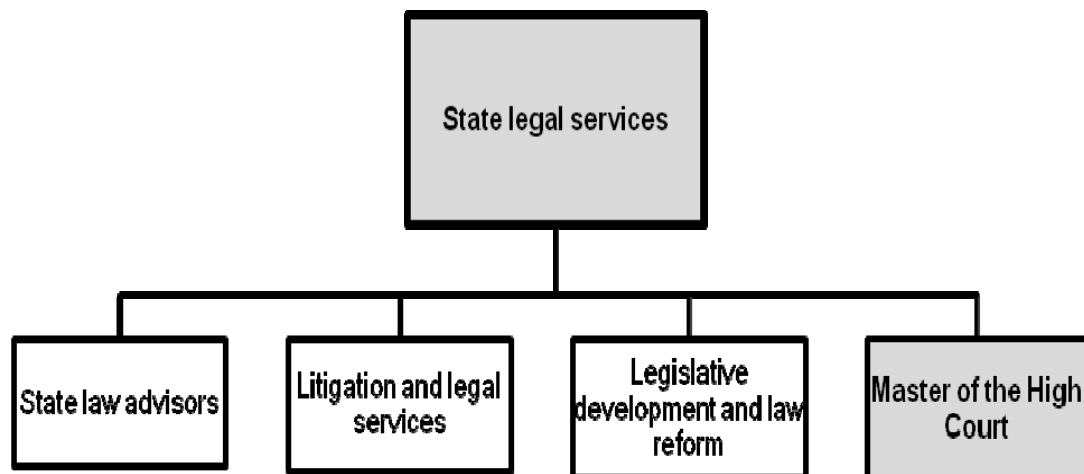
Province	2009/10 adjusted	2010/11	2011/12	2012/13	Per 1000 population
Eastern Cape	237139	314515	335158	350764	50.1
Free State	130859	141148	148616	155755	52.1
Gauteng	286751	292341	308091	322617	31.8
KwaZulu-Natal	275965	289153	304172	317356	30.2
Limpopo	177168	210452	218361	227823	42.1
Mpumalanga	117756	129074	135727	142112	38.3
North West	126815	141516	149124	156274	44.3
Northern Cape	64919	76360	81465	88225	77.0
Western Cape	195642	215060	225660	236236	47.5
<b>Total provinces</b>	<b>1613014</b>	<b>1809619</b>	<b>1906374</b>	<b>1997162</b>	<b>40.4</b>

In the strategic overview of 2006/07-2012/13 the budget vote notes that the department "is determined to continuously expand geographic access to justice services for previously disenfranchised communities." Another aspect of accessibility that might be of particular importance to children is language. The strategic overview section of the budget vote notes that the Department has begun to use "indigenous" languages in court, but has to date done so in only one court per province. Over time, the Department hopes to expand this initiative, but no time frame is given for this.

The Children's Act requires the Department of Justice to make children's court inquiries accessible to children with disabilities<sup>10</sup>. This requires the courts to have personnel able to communicate with children with physical and mental disabilities such as sign language interpreters and witness support counsellors, as well as changes to court buildings to ensure physical accessibility. There is no reference of the costs of implementing this obligation in the budget.

Diagram 3 shows the sub-programmes within the **state legal services programme**.

<sup>10</sup> Section 42(8)(d)

**Diagram 3: Sub-programmes within the state legal services programme**

Within the **state legal services** programme we are interested in the **Master of the High Court** sub-programme. The responsibilities of this office include supervision of the Guardian's Fund, which administers money on behalf of, among others, minors.

The Master's sub-programme accounts for about half (49%) of the programme's budget in 2010/11. The adjusted allocation was 8% higher than the original allocation for 2009/10. If we calculated increases against the adjusted 2009/10 budget, the real change for each year of the MTEF is negative, namely -3,9%, -0,4% and -0,7% respectively. If we calculate against the original allocation for 2009/10, the increase between 2009/10 and 2010/11 is 3.8%. This difference arises because the mid-year adjusted allocation for 2009/10 was more than the original (main) allocation.

**Table 7. Budget of State legal services sub-programme, 2009/10-2012/13 (Rm)**

State legal services	2009/10 main	2009/10 adjusted	2010/11	2011/12	2012/13
Master of the High Court	287.9	310.9	318.0	335.4	352.1

The narrative states that the increase in this programme's budget will be used, among others, to improve access to the Guardian's Fund. It refers, in particular, to finalisation of financial reform projects in the Guardian's Fund. However, as we have seen, in real terms there is a decrease in budget rather than an increase.

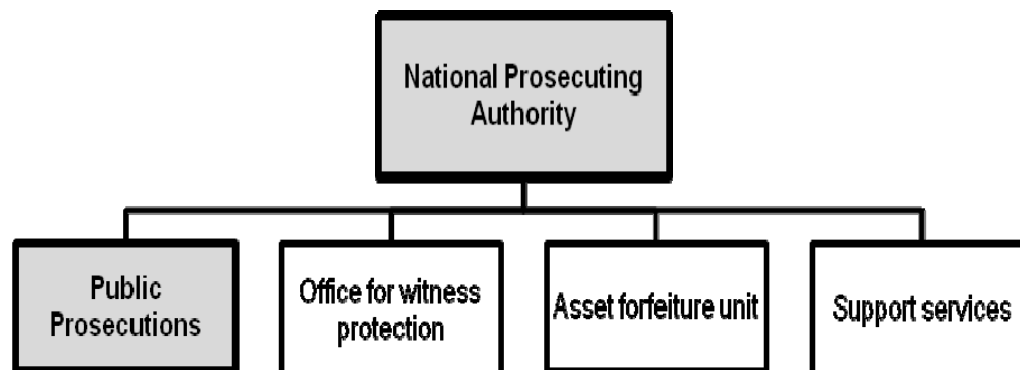
The Portfolio Committee's report<sup>11</sup> records that the Department aims to have 80% of beneficiaries of the Guardians' Fund "receive services" within 40 days. This target is not

<sup>11</sup> Minutes of the Portfolio Committee on Justice and Constitutional Development. 21 April 2010. Parliamentary Monitoring Group. ([www.pmg.org.za](http://www.pmg.org.za))

recorded in the budget vote. It is also not clear what “receive services” means. In the light of the decreases to Master of the High Court budget it is not likely that these targets will be reached.

Diagram 4 shows the sub-programmes within the **NPA programme**

**Diagram 4: Sub-programmes within the National Prosecuting Authority Programme**



Within the **NPA** programme budget we are interested in the **public prosecutions** sub-programme, which accounts for nearly three-quarters (72%) of this programme’s allocation in 2010/11. The allocation of direct relevance to children, namely that for the sexual offences and community affairs (SOCA) unit, would be only a small proportion of the total budget for the sub-programme, and it would be only part of that proportion that assisted children directly, rather than adult women and others who are victimised. Unfortunately, we do not have the breakdown for the different parts of this sub-programme. Further, although this is not shown in the budget books, SOCA is heavily subsidised by external donors. This external assistance means that if allocations for the unit were given in the budget documents, they would under-estimate the amount of money available for the unit. However, reliance on donor funding also raises questions about sustainability when this funding ends. The public prosecutions sub-programme is, however, also relevant in implementing the Child Justice Act (especially in promoting the use of diversion) and the Sexual Offences Act.

This sub-programme, like the previous one studied, has a higher adjusted allocation for 2009/10 than the original allocation. The real annual change in budget amount, after correcting for inflation, is negative for one of the three years of the MTEF when using the adjusted allocation for 2009/10 with a very small increase in 2011/12. The changes are 3,8%, 0,3% and -0,5% respectively. If we compare 2010/11 with the original allocation for 2010/11, the increase is 7,2%.

**Table 8. Budget of NPA sub-programme 2009/10-2012/13 (Rm)**

<b>National Prosecuting Authority</b>	<b>2009/10 main</b>	<b>2009/10 adjusted</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Public prosecutions	1532.8	1708.2	1748.2	1856.7	1953.6

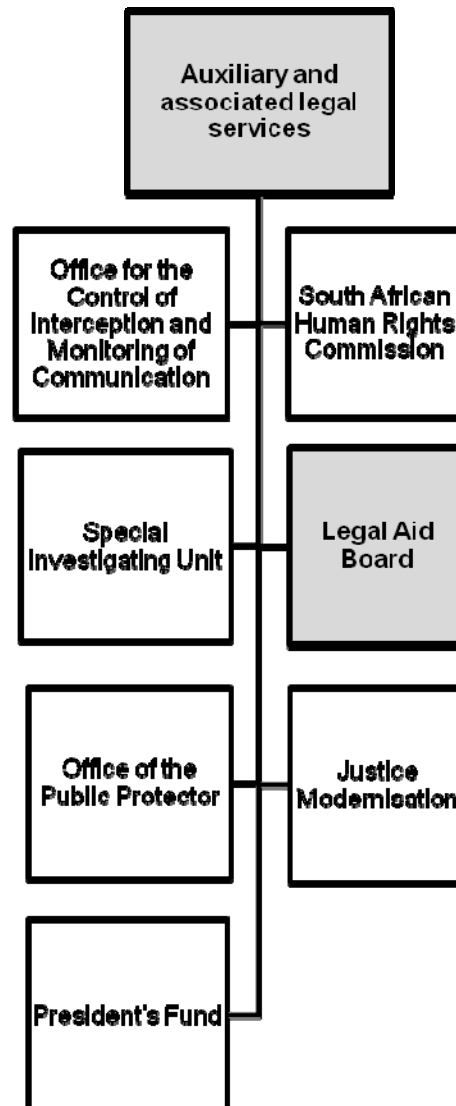
The budget vote presents one measurable objective of direct interest for our purposes, namely establishment of five additional Thuthuzela care centres per year to bring the total to 35 in 2012/13 from the current 20. These centres, which are widely recognised as “good practice”, are one-stop facilities that aim to reduce secondary trauma for rape victims, improve conviction rates in cases of rape, and reduce the time taken to finalise cases. The Portfolio Committee’s report<sup>12</sup> records that in their presentation to the Committee the National Directorate of Public Prosecutions noted that they would face a challenge in funding these care centres when donor funding ceased, which was expected to happen in the “near future”. This is an area that must be carefully watched. If planning is not done promptly to prevent a gap between the end of the donor funding and department funding starting, the investment that has gone into establishing these centres and training personnel to be able to provide rape survivors with sensitive support, could be lost.

In reporting on past achievements, the narrative notes that in the first half of 2009/10, high and lower courts finalised 180 549 cases, while a further 53 682 cases were finalised through alternative dispute resolution (ADR). The latter included diversions, informal mediations and admission of guilt agreements. Unfortunately, separate numbers are not given for the different mechanisms. For monitoring the implementation of the Child Justice Act it would be useful if separate numbers could be collated and presented for diversion of child offenders. Indeed, the Child Justice Act mandates the collection of separate statistics on child offenders. In respect of the 50 regional courts that focus on sexual offences, 5 300 cases were finalised in 2008/09, with a 66,7 per cent conviction rate. The conviction rate was lower than the targeted 70 per cent. However, in the first six months of 2009/10 a conviction rate of 69,9 per cent was achieved. The Department hoped to have established three new Thuthuzela care centres during 2009/10, less than the five new centres planned for each year of the MTEF.

The final sub-programme of interest is the **Legal Aid Board**, which accounts for over half (51,2%) of the **auxiliary and associated services** programme allocation for 2010/11. Diagram 5 shows this programme with the Legal Aid Board sub-programme highlighted. Other sub-programmes within this programme, and in particular the South African Human Rights Commission, deal with issues that affect children but do not have a specific focus on children.

<sup>12</sup> Minutes of the Portfolio Committee on Justice and Constitutional Development. 21 April 2010. Parliamentary Monitoring Group. ([www.pmg.org.za](http://www.pmg.org.za))

**Diagram 5: Sub-programmes within the Auxiliary and associated legal services programme**



The Legal Aid Board provides free legal aid to “indigent” people including children in criminal and civil legal proceedings. Again, only a small proportion of this allocation is likely to reach children specifically, but children in civil matters are named among the “priority groups” alongside all detained and sentenced prisoners, all accused who wish to appeal or review a court decision in a higher court, women (especially in relation to divorce, maintenance and domestic violence), and landless people (especially in relation to eviction). The priority groups thus include a very large number of people. However, child offenders are not expressly listed among the priority groups although some of them could fall under “all detained and sentenced prisoners”. In light of the implementation of the Child Justice Act in 2010, we would have expected an express reference to child offenders.

In contrast with the other sub-programmes of interest, this one has a substantial real increase of 9,9% from 2009/10 to 2010/11 when using the adjusted budget, with an even bigger real increase of 11,6% if we compare with the original allocation for 2010/11. For 2011/12 there is still a real increase, but much smaller than for the previous year at 2,9%. For 2012/13 there is a planned real decrease of -2,6%.

**Table 9. Budget of auxiliary and associated services sub-programme 2009/10-2012/13**

Auxiliary and associated services	2009/10 main	2009/10 adjusted	2010/11	2011/12	2012/13
Legal Aid Board	835.5	848.4	991.9	1081.4	1112.8

The narrative notes that the Legal Aid Board met all its delivery targets for 2008/09, and exceeded some of them. In that year 39 989 children were assisted in criminal matters and 5 279 in civil matters.

### *Performance indicators*

In addition to performance reported in the narrative on each programme, the budget vote includes a table of performance indicators which record past performance and targets over the full period covered in the financial tables. Of the eleven performance indicators included in the DoJCD budget vote, all but one are for the NPA programme. This seems problematic given that this programme accounts for less than a quarter of the total voted allocation for the Department. The table below extracts the three indicators that seem relevant from a children's perspective. The third indicator in the table – the percentage of new cases finalised where finalisation is effected through alternative dispute resolution (ADR), is calculated from the previous two provided indicators. It is relevant from a children's perspective as ADR includes diversion. This indicator shows a sharp increase over the period 2006/07 to 2008/09, but then falls and remains at the 21% level through the MTEF. This is disappointing given that the Child Justice Act is newly in effect and diversion is a key element of this Act. However, in absolute terms the number of cases settled through ADR is set to increase over the period. The static conviction rate target for sexual offences courts is also disappointing.

**Table 10. Children-related performance indicators for DoJCD**

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
New cases finalised incl ADR	379034	388634	431601	404229	412313	420559	428970
New cases finalised excl ADR	334551	298656	311825	317677	324030	330511	337121
% settled ADR	12%	23%	28%	21%	21%	21%	21%
Conviction rate sexual offences courts	65% 3869	66% 2887	67% 5300	66%	66%	66%	66%

It is disappointing that none of the published indicators reflect performance in respect of implementing the new laws of most relevance to children, especially the Child Justice Act,

Children's Act and Sexual Offences Act. For example, it would have been helpful to have indicators for the conviction rate for sexual offences perpetrated against children, and the number of children diverted from the criminal justice system.

### ***Conclusion and issues to consider for 2011 budget***

The Department of Justice's budget vote has several explicit references to the Child Justice Act and other children's needs. This is welcomed, as are the explicit plans for use of an additional allocation dedicated to implementation of the Child Justice Act which was reported to the Portfolio Committee as well as in the media. However, with the exception of the Legal Aid Board budget increases, the estimates for the other relevant sub-programmes do not clearly show an additional allocation. There are also some silences in the vote in respect of key issues. For example, there is no mention of the requirement that children with disabilities have easy access to children's courts inquiries, and whether resources have been allocated so as to make this possible.

There are also some areas where decreases in the budget, or very limited increases, raise doubts as to whether children's needs will be met even though the existence of legislative and other requirements is explicitly noted. For example, the decreases to the budget of the Master of the High Court could place in jeopardy the Department's aim to speed up service delivery to beneficiaries of the Guardians' Fund. Similarly, the lower courts sub-programme shows only a small increase when compared to the adjusted allocation, and a substantial decrease when compared to the original allocation, although the narrative notes that the coming into operation of the Child Justice Act – and the Children's Act – will impose new demands. The Family Advocates sub-programme also shows small decreases for all three years. These decreases raise questions as to where the increased allocation for the Child Justice Act is located.

Allocations for the SOCA unit and Thuthuzela Care Centres are not separately identified in the budget vote. The main concern here is that to date these activities have been heavily subsidised by external donors, yet the budget documents contain no indication of plans as to what will happen when this funding comes to an end. Indeed, the budget documents make no mention of the reliance on external donors.

There is much room for improvement in performance indicators. Firstly, the majority of the indicators are for the NPA, which accounts for only a small percentage of the budget. Indicators are needed for the other programmes and sub-programmes and, wherever applicable, the indicators need to distinguish between child and adult beneficiaries. The latter is especially important given the fact that children's needs are generally provided for as only a part of more general budget programmes and sub-programmes of the Department of Justice. In particular, indicators are needed that reflect progress in implementation of the different aspects of the Child Justice Act, Children's Act and Sexual Offences Act. Finally, the target given in respect of the family advocacy represents a step backwards rather than forwards on current delivery.

## Department of Women, Children and People with Disabilities

### *Key issues that the budget should take into account*<sup>13</sup>

#### **Children's rights and child law**

South Africa's ratification of both the UN Convention on the Rights of the Child (CRC)<sup>14</sup> and the African Charter on the Rights and Welfare of the Child (ACRWC)<sup>15</sup> demonstrates the State's commitment at the highest political level to realising children's rights. One of the state's immediate obligations under these treaties is to report regularly to the treaty supervisory bodies on progress in implementing the treaties. South Africa submitted its first report on the CRC in 1997, but has failed to submit second and third reports that were due in 2002 and 2007 respectively. It has not submitted any reports on the ACRWC since ratification in 2000. This lack of reporting prevents the treaty supervisory bodies from evaluating South Africa's progress, and from providing recommendations for improvements. South Africa has therefore lost out on valuable guidance from international child rights experts. It has also lost out on the political momentum that could have been provided through this accountability mechanism.

The newly established Department of Women, Children and People with Disabilities is responsible for compiling these country reports and ensuring that they are submitted on time. It is also responsible for leading a national public dialogue on the report and on the supervisory bodies' recommendations to South Africa. Officials in the Department have indicated that a combined second and third report on the CRC has been finalised and is awaiting Cabinet approval, and that the same report will also be used as a basis for reporting on the ACRWC.<sup>16</sup> Given the importance of the reporting obligation and the political momentum and accountability that it provides, the Minister and Cabinet should prioritise approving the reports and submitting them to the UN and AU committees by the end of 2010 at the latest.

#### ***Introduction***

This is a new department that was created by the Zuma administration in 2009. The Ministry was established as a result of an African National Congress resolution to establish a Women's Ministry. The portfolios of children and people with disabilities were added when the new Ministry was announced by President Zuma. There was no comparative research or consultation with civil society with regards to the addition of these portfolios to a gender/women's ministry and the advantages and disadvantages of removing these portfolios from the Presidency where they were previously located. Whether the Ministry and Departments mandates are appropriately conceptualised to contribute to the realisation of

<sup>13</sup> This section relies on Proudlock P and Mahery P (2010) Children's health rights in Kibel M et al (eds) South African Child Gauge 2009/2010. Children's Institute, University of Cape Town

<sup>14</sup> Ratified by South Africa in 1995.

<sup>15</sup> Ratified by South Africa in 2000.

<sup>16</sup> Note 13 above

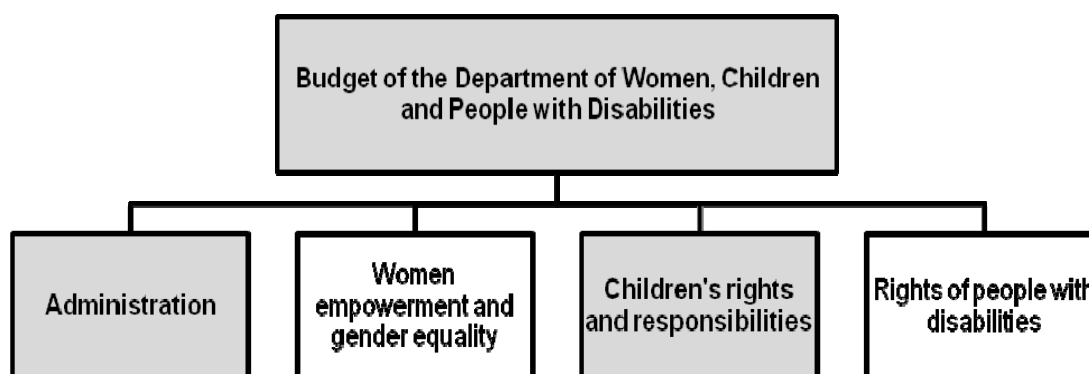


children's rights is currently a matter of debate. The minutes of a briefing by the Department to the Parliamentary Portfolio Committee on Women, Youth, Children and People with Disabilities in mid-March 2010 suggests that there are also considerable differences in understanding within and between the Department, the Committee and key bodies such as the National Treasury as to the mandate and scope of this Department (Parliamentary Monitoring Group, 2010). For example, the report notes that the Department initially submitted a budget of R1 billion for the MTEF, but was allocated only R156 million if the allocation for the Commission on Gender Equality (CGE) was excluded. The Portfolio Committee agreed that it could not discuss the strategic plan submitted by the Department as the programmes and plans were not linked to budgets.

2010 is the first year that a vote for the Department is included in the National Estimates of Expenditure. As far as possible, however, National Treasury has attempted to include the comparable expenditures for functions that were located within the Presidency in the tables that show budget trends over time. In respect of children, the relevant function was the Office on the Rights of the Child. Unfortunately, although the National Estimates of Expenditure refer to the functions as sub-programmes, in the 2009/10 Estimates there was a single sub-programme for Gender, Disability and Children. The budget tables thus do not include as much disaggregation in respect of earlier years as we would have hoped for.

Diagram 6 below shows the programmes within this Department's budget vote.

**Diagram 6: Programmes within the budget of the Department of Women, Children and People with Disabilities**



In addition to the administration programme which is found in all votes, there are three further budget programmes for this Department. The second of these is Children's Rights and Responsibilities. The purpose of this programme is stated to be "Consolidation of the children's rights agenda and alignment of conceptual frameworks and strategies across the three spheres of government to advance delivery against Constitutional and international instruments."

The vote provides the following explanation for why this new Department was established:

*The intention to establish this new department was announced in May 2009. This was a response to the realisation that the operating authority and budget of the former offices on the status of women, rights of the child and status of people with disabilities in The Presidency had not been adequate in providing the necessary strategic leadership and management of the issues affecting these groups. The new structure will thus ensure that each of the three areas has the necessary authority to: interface effectively in government and civil society; secure critical competencies and technical skills; and to advance equality, empowerment and the development of women, children and people with disabilities.*

The main objective in establishing the Department as a separate and dedicated Ministry, outside of the Presidency appears therefore to be to address the problem of the previous offices for children, women and people with disabilities not having “the necessary authority”. However, the problems faced by this Ministry in its first year of existence, and the Ministry’s strategic objectives, appear to be similar to those of the previous structures in the Presidency. It is also not clear that a Ministry outside the Presidency will have more authority than an office inside the Presidency. The real underlying problem may therefore be more about the lack of a clear mandate.

The objectives and policy focus of the Department are given in fairly general terms, with similar objectives and focus across the three areas of women, children and disability. For all three areas the Department’s main objective is given as being to formulate and lead the strategic agenda. In order to do so, it is meant to collaborate with civil society, improve government’s ability to align planning, and monitor implementation and achievement of goals. The objectives and measures for each of the sub-programmes add the specific objectives of “developing and managing catalytic projects” for the particular areas, and “facilitating public private partnerships”. It is not clear what these objectives will mean in practice. In its report on the Department’s budget vote, the Portfolio Committee on Women, Children, Youth and People with Disabilities noted its concern that the Department was planning to fund catalytic projects, such as projects for street children, that were already implemented by other departments, implying unnecessarily duplication. The Committee suggested that the Department relook at these plans and examine their feasibility.<sup>17</sup>

Another concern is that too often projects for these types of ministries take the form of events, such as commemoration of youth, women’s or children’s days or months, to the extent that in at least one country the ministry responsible for women/gender is known as the “events ministry”. It is therefore somewhat worrying that the Portfolio Committee was told

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<sup>17</sup> Report of the Portfolio Committee on Women, Children, and People with Disabilities on Budget Vote 7: Women, Children and People with Disabilities, dated 08 APRIL 2010 <http://www.pmg.org.za/docs/2010/comreports/100415pcwomenreport.htm>

that the budget included an allocation for “Ministerial Special Programmes” which the Minister planned to use for activities such as imbizos.

### ***Budget programmes***

The division of the budget between the different programmes is shown in the table below. No main appropriate is shown for 2009/10 because the Department did not exist when the 2010 budget was tabled. Instead, we have included a column showing the comparable allocation for 2008/09. These relate to the various offices in the Presidency as well as, in the case of the women’s empowerment and gender equality programme, the transfer for the Commission on Gender Equality (CGE). The CGE transfer was previously found in the auxiliary and associated services programme of DoJCD.

**Table 11. Budget of Department of Women, Children and People with Disabilities 2009/10-2012/13 (Rm)**

	2008/09	2009/10		2010/11	2011/12	2012/13
		Adjusted approp	Revised estimate	Medium-term estimates		
Administration		4.2	4.2	24.5	24.5	26
Women's empowerment & gender equality	50.9	54.1	54.1	59.0	64.6	68.2
Children's rights & responsibilities	4.6	5.0	5.0	7.1	9.6	10.3
Rights of people with disabilities	6.5	5.0	5.0	7.1	9.6	10.3
Total	61.9	68.2	68.2	97.8	108.3	114.8

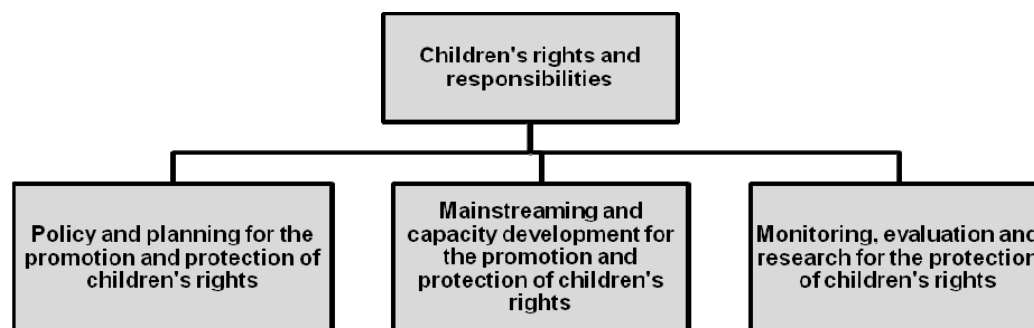
Examination of the table reveals that the children and disability programmes receive the same size allocations for each of the years of the MTEF. If the CGE transfer were removed from the women’s empowerment programme, the allocations there would be the same as for the other two programmes. While this approach could be argued to be “equitable”, it could also be interpreted as showing that limited thought went into calculating the real needs of each programme. The narrative notes that funding of the sub-programmes – and thus also the programmes, is mainly to be used for staff salaries and purchase of goods and services. For the department as a whole, after subtracting the transfer for the CGE, staff salaries account for 34% of the remaining budget.

The women’s empowerment programme accounts for 60% of the total allocation for each of the MTEF years. A simple calculation reveals that, in fact, the CGE accounts for more than half (53%) of the Department’s total allocation over this period. Administration receives close on a quarter of the funds. More than half of the total (R13,7m in 2010/11) is for the corporate services sub-programme, thus dealing with issues such as finance and human resources, with a further R1,8 million allocated for the Minister, R6,0 million for the management sub-programme, and R2,2 million for the office accommodation sub-programme. These represent some of the ongoing overhead costs of having a separate Department and Ministry.

Over the MTEF period, the Administration programme will be incurring significant initial expenditure for setting up the department. The vote explains that the increases “will provide for expenses related to moving the department into its own offices, refurbishment, IT infrastructure, and office furniture, equipment and fittings.” Again, most of these expenses would not be required if a separate Department had not been established.

Diagram 7 below shows the sub-programmes within the children’s rights and responsibilities programme.

**Diagram 7: Sub-programmes within Children’s Rights and Responsibilities programme**



The next table gives the sub-programme breakdown for the children’s programme. The earlier years are omitted from the table below. For these years the National Estimates of Expenditure allocates the full amount recorded in the programme breakdown to the mainstreaming and capacity development sub-programme. What is interesting about this sub-programme is that it received less in 2008/09 (R4,6 million) and 2009/10 (R5,0 million) than it received in 2007/08, namely R5,6 million.

**Table 12. Budget of children’s rights and responsibilities sub-programmes, 2009/10-2012/13 Rm**

<b>Sub-programmes</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Policy & planning for the promotion & protection of children's rights		2.0	2.8	3.0
Mainstreaming & capacity development for the promotion & protection of children's rights	5.0	3.0	3.9	4.2
Monitoring & evaluation & research for the protection of children's rights		2.1	2.9	3.1
<b>Total</b>	<b>5.1</b>	<b>7.1</b>	<b>9.6</b>	<b>10.3</b>

For the MTEF years, the mainstreaming and capacity development sub-programme receives a little over 40% of the programme budget, while the other two sub-programmes receive about 30% each. The mainstreaming and capacity development sub-programme is the one with responsibility for collaboration with civil society and the private sector. In both real and nominal terms there are substantial increases for 2010/11 and 2011/12, but much smaller increases in 2012/13. The real increases, after adjusting for inflation, are 31,2%, 27,7% and 1,5% respectively.

### ***Performance indicators***

The performance indicators of this Department are poorly specified. The indicators are not “SMART”, and for the final two it is unclear what is being measured and how this will be done. Further, all five indicators group women, children and people with disabilities so that one cannot separate performance (or non-performance) on each aspect. The indicators are as follows, with each one having separate percentage targets specified for provinces and municipalities:

- Percentage of provinces and municipalities with women, children and people with disabilities mainstreaming in provincial growth strategies, integrated development plans and implementation plans
- Percentage of provinces and municipalities with disaggregated data in delivery databases
- Percentage of provinces and municipalities in compliance with national, regional and international obligations and accountabilities standards for women, children and people with disabilities
- Percentage of profiles of strategic public private partnerships for the advancement of the rights of women, children and people with disabilities
- Percentage of improvements registered in the rights of women, children and people with disabilities in information submitted during the reporting cycle.

### ***Conclusion and issues to consider for 2011 budget***

The challenge in commenting on this Department is that there are widely differing views on whether there should be a separate Department at all and, if such a Department exists, what its mandate and functions should be. The fact that, after deducting the transfer for the CGE, the allocations for each of the components of women, children and people with disabilities are identical can be seen as a reflection of the limited thought that went into these issues when establishing the Department.

The budget of the Department is small, but a simple call for the limited budget of the Department to be increased is misplaced until there is agreement on its mandate and functions. One danger of expanding the budget in the absence of clarity on the Department’s mandate is that the Department will develop programmes and projects that duplicate what other departments are or should be doing. This would be both wasteful and increase problems in coordination. A further danger is that if the Department is seen as having full

responsibility for central functions such as monitoring and evaluation, monitoring and evaluation of children's rights may be neglected by key agencies such as the better resourced unit for monitoring and evaluation within the Presidency. Such a development would work against the mainstreaming of children's rights.

Whatever the outcome of the debate on scope and functions, there will be some core functions that this Department or some other agency will need to perform. These include, in particular, submitting reports on compliance with international instruments such as the CRC and ACRWC and facilitating public debate on these reports. At present South Africa is behind schedule in reporting on the CRC and the ACRWC. It is questionable whether this Department can advocate for other departments and spheres to deliver against constitutional and international instruments when it has not fulfilled its own obligations under these instruments. The delay in reporting and publicly debating the report therefore needs urgently to be addressed.

## Departments of Social Development: General

### *Key issues that the budgets should take into account*

#### **Children's rights and child law**

The Bill of Rights contains a number of sections that fall primarily within the mandate of the Departments of Social Development.

##### *Social security:*

- S27(1) (c): the right of everyone to have access to social security, including social assistance if they are unable to support themselves and their dependents (ie children)
- S27(1) (b): the right of everyone to have access to sufficient food
- S28(1) (c): the right to basic nutrition
- s28(2): the right to have their best interests considered of paramount importance in every matter concerning them

##### *Social services:*

- S28(1)(b): the right to family care or parental care, or to appropriate alternative care when removed from the family environment
- S28(1) (c): the right to social services
- s28(1)(d): the right to be protected from maltreatment, neglect, abuse or degradation
- s28(1) (e): the right to be protected from exploitative labour practices
- s28(2): to have their best interests considered of paramount importance in every matter concerning them

The Social Assistance Act<sup>18</sup>, provides for all the social grants including the three grants targeted at children: child support grant, foster care grant and the care dependency grant. The main grants for adults – the old age pension and disability grant – also benefit children living with those adults. Social grants are the state's primary poverty alleviation programme and have resulted in significant positive impacts on children's health, nutrition and education. The budget for social assistance falls within the National Department of Social Development.

The Children's Act provides for a range of social services for children and their families. These services are aimed at preventing and protecting children from abuse and neglect, supporting and strengthening families suffering from chronic illnesses and or poverty, supporting children who have lost their parents, providing alternative care (foster care, adoption and child and youth care centres) for children who cannot live with their parents, and providing diversion programmes for children in trouble with the law. The Act also provides for partial care, and early childhood development programmes. The Act came into full operation on 1 April 2010. The budgets for implementing the Children's Act are primarily located within the provincial departments of social development. The provincial departments

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<sup>18</sup> 13 of 2004

are also responsible for implementing the Prevention of and Treatment for Substance Abuse Act<sup>19</sup> which requires the provinces to provide and fund substance abuse programmes and rehabilitation centres for children and their caregivers.

The provincial departments of Social Development are responsible for delivering and budgeting for some of the services needed to implement the Child Justice Act., in particular probation officers who are needed to do assessments and reports on child offenders and secure care centres for children awaiting trial (so as to prevent children from awaiting trial in prisons).

### **Key challenges being faced by children**

#### *Poverty*<sup>20</sup>

In 2002, 77% of children (13,9 million) in South Africa lived in households below the income poverty line. By 2008 this statistic had improved to just under 64% of children living below the poverty line (11.9 million). The progress in reducing child poverty is primarily attributable to the success in extension of access to social assistance grants available to families in terms of the Social Assistance Act. However, the number and percentage of children living below the poverty line is still unacceptably high and much still needs to be done. The main cause of income poverty is unequal distribution of wealth: South Africa is one of the most unequal societies in the world with a Gini coefficient of 0,666. Another cause of the high poverty rates and inequality is the high unemployment rate: In 2008 the expanded definition of unemployment was 30% with 34% of children living in households with no employed adults. In this environment, social assistance grants constitute an essential supplement to family income to assist families in providing for the basic needs of their children. In 2009 the Child Support Grant reached over 9 million children living in poverty.

#### *Lack of access to social services*

Social services for children in South Africa have been chronically under-provided and under-funded for many years. This is partly due to the lack of a post 1994-constitution new legislative framework (now provided in 2010 by the new Children's Act), as well as a history of social services for children being viewed as charity work provided by well-meaning, predominantly female, unpaid volunteers, non-profit organisations (only partially subsidised by government and donors), and faith-based organisations. The Bill of Rights, however, makes it clear that children have a constitutional right to social services, to alternative care, and to be protected from abuse and neglect. The state bears the primary obligation to give effect to these rights and thus must allocate adequate resources for the delivery of these services. This does not mean that the state has to deliver the services itself i.e. it can (and will need to) continue to contract non-profit organisations (NPOs) to do the work on its behalf. However to ensure access to quality services for all vulnerable children in need, the NPOs need to be paid adequately for their delivery of Children's Act services and not, as at present, partially subsidised in the hope that donors and communities will subsidise the rest. This partial funding approach impacts negatively on abused and vulnerable children who rely

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<sup>19</sup> 70 of 2008

<sup>20</sup> Data from Children Count [www.childrencount.ci.org.za](http://www.childrencount.ci.org.za), Children's Institute, University of Cape Town



on NPOs to provide them with the majority of the services falling under the Children's Act. A recent Free State High Court judgment<sup>21</sup> points out the problems in the state's funding policy for NPOs delivering services to vulnerable groups, including children, and requires a review of the policy to bring it in line with the Constitution and the various laws that oblige the state to fund these services.

We begin below with the national Department and then proceed to the provincial departments where the bulk of the budget and services are located.

## **National Department of Social Development**

### ***Introduction and strategic review***

As with health and education, the majority of social welfare services are delivered by provincial departments rather than the related national department, while the national department is primarily responsible for co-ordination, policy development (such as drafting national legislation, regulations, policies, strategic plans and norms and standards), and monitoring.

However the national Department of Social Development is responsible for both the co-ordination and – through transfers to the South African Social Security Agency (SASSA) - for the delivery of social grants. This is important in both financial terms given the large amount of money involved, and in impact terms, given that the social grant system is widely acknowledged as the country's most effective poverty alleviation mechanism.

The budget vote, in stating policy development priorities for the medium term, makes only one direct reference to children. This relates to developing and implementing a policy framework for statutory services in respect of child-headed households and children living on the streets. Meintjes et al (2009) have highlighted that the extent of child-headed households in the country is often over-estimated, and that the nature of these households is often assumed to be different from the reality. While it is clear that attention needs to be paid to these children, it is disappointing that these children, alongside street children, are the only ones to be named as priorities for the medium term. Other named priorities, such as development of a social service professions policy, will also have an impact on children as the workers that fall under this policy are the main workforce for the delivery of children's social services, in particular those that fall under the Children's Act.

In respect of expansion of social security, the document focuses primarily on the gaps in relation to social insurance. However, it also notes the ongoing expansion of the social assistance safety net. Of particular relevance to children are the adjustment to the means

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<sup>21</sup> National Association of Welfare Organisations and Non-Governmental Organisations and Others vs the Member of the Executive Council for Social Development, Free State and Others. Case no: 1719/2010. Free State High Court.

test for the child support grant (CSG) in 2008 and the extension of the qualifying age for the same grant. The adjustment to the means test means that the cut-off income amounts will automatically adjust in line with the value of the grant each time the latter is adjusted, which is generally annually. The extension of the qualifying age means that all poor children under 18 years should be eligible before the end of this MTEF period. As seen below, there are substantial increases in allocations for the CSG.

The vote also promises improvements in delivery and administration of social grants. One of the concrete undertakings in this respect relates to greater use of electronic transfers into beneficiaries' bank accounts for payment of grants. This should both reduce the cost of grant administration for government and reduce the costs and hassles for beneficiaries – in our case, the caregivers of children. One concern in this respect is that beneficiaries who receive their grants through banks will incur bank charges. To avoid a situation where SASSA will be saving money at the expense of poor grant recipients, government could increase the value of the grant by the small amount necessary to cover the cost of bank charges. This solution would still result in a substantial saving for government as the total cost of bank charges will be much less than the amounts paid to the companies currently distributing grants.

### ***Budget programmes***

Diagram 8 below shows the programmes in the budget vote of the Department.

**Diagram 8: Programmes within the budget for the National Department of Social Development**

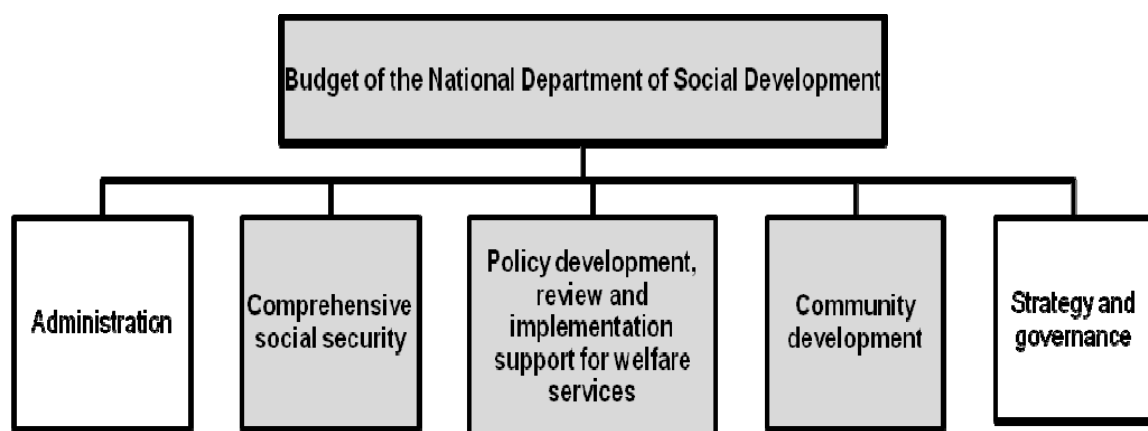


Table 13 lists the budget programmes of the national Department and the associated estimates. Three of the programmes are of interest for our purposes. Firstly, comprehensive social security, which accounts for 99% of the total departmental vote throughout the period, contains the various child-related social security grants. Indeed, social assistance alone, which is part of this programme, accounts for 93% of the total departmental vote. Secondly, policy development, review and implementation support for welfare services is the coordinating national programme that relates to most of the sub-programmes that relate to the Children's Act at provincial level. It is the second largest of the programmes of the department, but is completely dwarfed by the much larger comprehensive social security programme. Thirdly, community development contains sub-programmes on HIV and AIDS and youth development. These would benefit some children, but the main focus is not on children. Community development also includes the National Development Agency (NDA). However, we suggest below that this might not be of direct relevance for children.

**Table 13. Budget of Department of Social Development, 2009/10-2012/13 (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Administration	156.4	168.7	168.7	180.8	189.8	197.2
Comprehensive social security	85573.2	85691.0	85291.0	95136.5	104794.6	113057.7
Policy development, review & implementation support for welfare services	329.3	330.4	330.4	346.0	374.7	394.3
Community development	248.4	248.9	248.9	194.4	280.3	293.7
Strategy and governance	101.1	69.3	69.3	71.4	76.0	80.8
Total	86408.4	86508.2	86108.2	95929.1	105715.4	114023.7

The strategy and governance programme includes a sub-programme on special project coordination which is described as providing “coordination, incubation and innovation of departmental and social cluster initiatives such as the expanded public works programme”. We do not discuss this sub-programme further here as there is no further elaboration on this and the total allocation – which would include other things besides EPWP – is only R6,9 million in 2010/11. The actual delivery and management of the EPWP happens at provincial level.

The commentary on the total departmental budget, in noting additional allocations for the MTEF period, includes R1,8 billion, R3,6 billion and R6,8 billion respectively for the three MTEF years to provide for the extension of the child support grant to the age of 18. It also includes an inflation adjustment of R10 for the child support grant in 2010/11. “Additional allocations” should refer to amounts that were not included in the previous year's MTEF. The additional allocations for the extension to 18 years thus make sense as this policy decision had not been made when the previous MTEF was drawn up. Including inflation adjustments as “additional allocations” makes less sense as the previous MTEF should have allowed for inflation-related increases. As noted above, also of concern is that the R10 increase for the child support grant was less than inflation. Government has justified the below-inflation increase on the basis of the extension in the number of children covered. The worry is that a

below-inflation increase in one year has knock-on effects in every following year as future inflation adjustments are calculated off a lower base. Below inflation increases in the value of the grant also affect the mean test income threshold as this is based on the value of the grant. Thus while the means test income thresholds for the other social grants increase with inflation, the child support grant means test increases by less than inflation in 2010/11.

Diagram 9 shows the sub-programmes within the comprehensive social security programme.

**Diagram 9: Sub-Programmes within the Comprehensive Social Security programme**

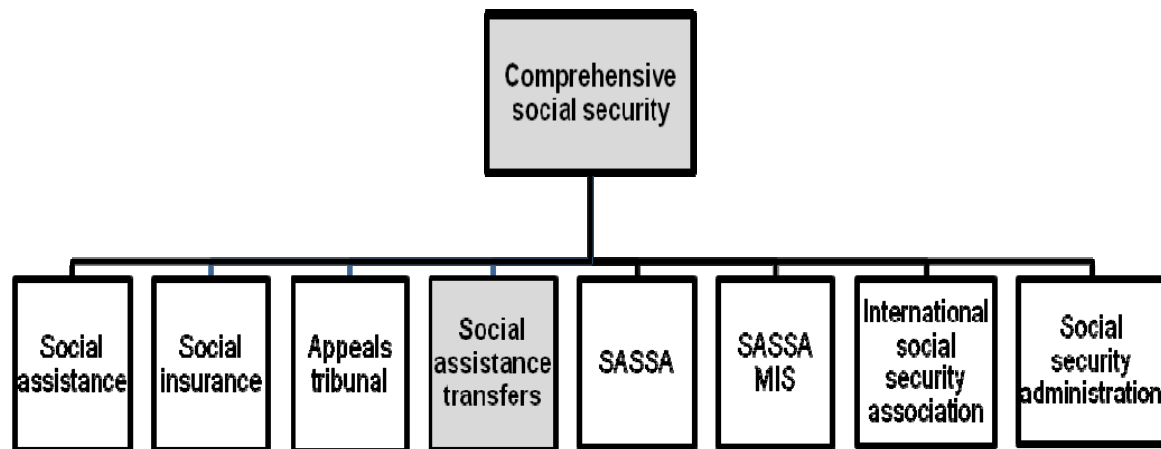


Table 14 gives the budget estimates for the **comprehensive social security** programme. A single sub-programme – social assistance transfers – has accounted for more than 90% of the total allocated across the eight sub-programmes in recent times. The estimate for this sub-programme reflects the money that should reach beneficiaries. It is thus to be welcomed that it reflects such a large proportion of the programme's allocations. In real terms, the estimates for this sub-programme over the MTEF reflect real increases of 4,4%, 4,2% and 2,5% respectively.

**Table 14. Budget of comprehensive social security programmes, 2009/10-2012/13**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Social assistance</b>	31.9	31.5		20.2	21.5	22.7
<b>Social insurance</b>	14.1	14.5		35.2	17.5	18.4
<b>Appeals tribunal</b>	3.6	33.4		72.5	53.9	45.8
<b>Social assistance transfers</b>	80380.3	80432.7		89368.2	98594.2	106808.0
<b>SASSA</b>	5114.4	5148.9		5611.4	6077.8	6132.7
<b>SASSA MIS</b>	20.0	20.0		20.0	20.0	20.0
<b>International Social Security Assoc</b>	0.9	0.9		1.0	1.1	1.1
<b>Social security administration</b>	7.9	9.0		8.2	8.7	9.2
<b>Total</b>	<b>85573.2</b>	<b>85691.0</b>		<b>95136.5</b>	<b>104794.6</b>	<b>113057.7</b>

The large **social assistance transfers** sub-programme is the only sub-programme within this programme of direct relevance for children. Other sub-programmes, such as social assistance, appeals tribunal and SASSA, are also relevant as they contain the budget for running the social assistance system. We do not, however, analyse them here in line with our focus on money directly connected to service delivery rather than management-oriented functions.

The budget book includes a breakdown of the social grants by type of grant in terms of both the number of beneficiaries, and the expenditure. Both are needed as the differences in the amount of the different grants mean that the patterns differ. Our interest is in the three grants that are provided for children. The child support grant reaches the most children, but has the smallest value, namely R250 as from April 2010. It is available for children whose primary caregivers have incomes below the means test cut-off. The foster child grant is the second most common child grant in terms of the number of children reached. It is available to caregivers who have gone through the formal social worker and court-based processes to be recognised as foster care parents. For 2010/11, its value is R710 per month. The care dependency grant is intended for children with severe disabilities in need of permanent home care. This grant is available from age 1, whereas the other two grants are available from birth or as soon as the foster care process is complete. The value of the care dependency grant is the same as the adult disability grant, namely R1 080 per month. Overall, the pattern is one whereby the greater the number of children reached, the smaller the value of the grant. The differences in amount, and in particular the difference between the amount of the foster child and child support grants, can create perverse incentives where children are placed with relatives (e.g. grandmothers) so that the foster care grant can be claimed instead of the lower-valued child support grant. Government has over recent years tried to close the gap between the amount of the two grants. This has, however, happened very slowly. Further, the most recent increases saw an increase in the gap as the child support grant increase was below inflation.

Table 15 gives the number of beneficiaries of each of the child-related grants, while Table 16 shows the related expenditure. In terms of the number of beneficiaries, the growth is impressive, especially given that there would have been no real change in the size of the child population over this period. In terms of expenditure, the average annual increase over the period 2006/07 to 2012/13 is 14,0% for the child support grant, 15,3% for the foster child grant, and 11,2% for the care dependency grant. What is interesting about these percentages is that – despite all the fanfare about the extension of the qualifying age for the child support grant, expenditure on the other two grants also increases substantially. Expenditure on the foster care grant has, in fact, increased more than for the child support grant. This pattern can be partly explained by HIV and AIDS, in that more children have parents who are deceased, ill or for some related reason unable to care for them. The increase in the care dependency grant is probably partly related to an increase in awareness that this grant is available. There would, however, also be a link to HIV and AIDS to the extent that this grant is awarded to caregivers of children severely disabled through HIV and AIDS.

**Table 15. Number of beneficiaries of child social grants**

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Child support</b>	7.9m	8.2m	8.5m	9.4m	10.4m	11.0m	11.5m
<b>Foster care</b>	400503	443191	476394	569215	626137	688751	757625
<b>Care dependency</b>	98631	101836	107065	119307	124080	129044	134205

**Table 16. Expenditure on child social grants**

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Child support</b>	17559	19625	22348	27273	30860	34830	38513
<b>Foster care</b>	2851	3414	3934	4362	5232	6159	6704
<b>Care dependency</b>	1006	1132	1292	1356	1580	1799	1898

The three child grants together account for 42% of the total allocated for social grants in 2010/11.

Other sub-programmes within comprehensive social security are indirectly relevant in that they determine how the grants are administered. For example, the two sub-programmes with “SASSA” in their name relate to the fact that administration of the grants is handled by a separate agency, the **South African Social Security Agency**. The budget book includes a short report from SASSA, as a public entity. This includes several performance indicators directly related to administration of grants.

The narrative on SASSA notes that at present about 80% of beneficiaries are paid through contractors who make cash payments. These contractors charge between R24 and R35 per grant. Given the number of grants involved, this amounts to massive amounts of money that do not directly benefit poor and vulnerable people. The shift to direct payments in bank accounts has been slower than planned, in that the target for 2008 was 22% through bank transfers while for 2009/10 SASSA records slightly less than this, at 21,7%. SASSA’s performance indicator table envisages the percentage increasing to 25%, 30% and 40%

respectively in the three MTEF years. The Portfolio Committee's Report on the Department's Budget notes that a 70% target has been set by the Department for 2014.<sup>22</sup> The budget document envisages that the increase in the share of payments effected through bank transfers will result in a drop in the nominal average cost of administering grants from R33,01 per grant in 2009/10 to R29,69 per grant in 2012/13. In real terms this will represent a fall of 24% in the cost of administering a grant. As noted above, it is important to ensure that this cost-saving measure by the Department does not shift the cost to the beneficiaries in the form of bank charges on the bank accounts they need to open and maintain to receive their grants.

There are three sub-programmes of more or less direct relevance to children in the **policy development, review and implementation support for welfare services** programme. The **children** sub-programme is intended to support social welfare services to children. The **families** sub-programme aims to support strengthening of families. The **social crime prevention** programme targets children alongside youth and adult offenders in the criminal justice system. It is thus less child-targeted than the other two sub-programmes. Diagram 10 shows the sub-programmes within this programme with the ones on which we have focussed shaded.

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<sup>22</sup> Report of the Portfolio Committee on Social Development on Budget Vote 18: Social Development, dated 13 April 2010. On [www.pmg.org.za](http://www.pmg.org.za)

**Diagram 10: Sub-Programmes within the Policy Development, Review and Implementation Support for Welfare Services**

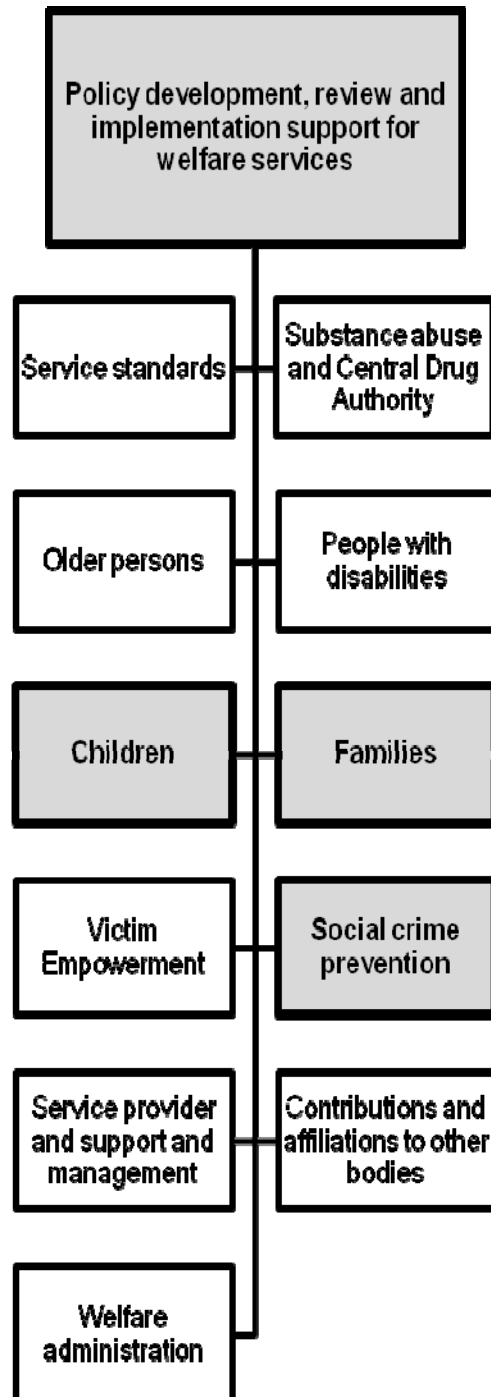




Table 17 gives the budget estimates for the three sub-programmes. Since 2007/08 the children sub-programmes share of the total programme budget has fallen from 12% to 8% over the MTEF period. The share of the family sub-programme has remained more or less constant over the period at 2%, while the share of the social crime prevention programme has fallen from 4% to 2%. The decreases in the shares are worrying given that these are the two sub-programmes most relevant to the newly commenced Children's and Child Justice Acts.

**Table 17. Budget for policy development, review and implementation support for welfare services (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Children	24.3	24.7		26.4	28.4	30.0
Families	6.5	6.1		6.5	6.9	7.3
Social crime prevention	7.6	9.2		7.6	8.0	8.5

The programme includes transfers to the National Student Financial Aid Scheme (NSFAS) for social worker bursaries, and it seems that these must fall under the service standards sub-programme as this is the only sub-programme with a big enough budget to include the amounts recorded for transfer. In the past there were sometimes allocations for these in the provincial budgets, but it seems that all provinces are now relying on the national department to fund these. However, the provinces subsequently benefit when the social workers work out the required years in government after graduating. For 2010/11, an amount of R226 million in transfers is allocated for social worker bursaries, and this increases to R246 million and R258 million respectively in the following two years.

In real terms, after adjusting for inflation, the children's sub-programme increases by 0,5% and 1,6% in the first two years of the MTEF, but then falls by -0,1% in 2012/13. For the families sub-programme the real increases are a minimal 0,1% or 0,2% in each of the three years of the MTEF. The situation in respect of "increases" is most serious for the social crime prevention programme, which sees a real decrease of -22,4% in 2010/11 followed by a further small decrease of -0,6% in 2011/12 and a small increase of 0,5% in 2012/13. This pattern is difficult to understand given the coming into force of the Child Justice Act.

The narrative in respect of the children's sub-programme refers in general terms to:

- implementation of the Children's Act
- development and implementation of a strategy to expand national adoption services,
- implementation of phase 2 of a national surveillance study on child abuse and neglect,
- transformation of residential care institutions into child and youth care centres,
- implementation of the national integrated plan for early childhood development, and
- the development of a national policy framework and guidelines for statutory services for child-headed households and children living on the streets.

The target date for all of these to be finalised is March 2013. There are caveats that must be noted in respect of at least two of the items. Although this is not reported in the narrative, the national surveillance study is, in fact, funded by the Canadian International Development Agency. The policy framework referred to in the last item was meant to be finalised several years ago.

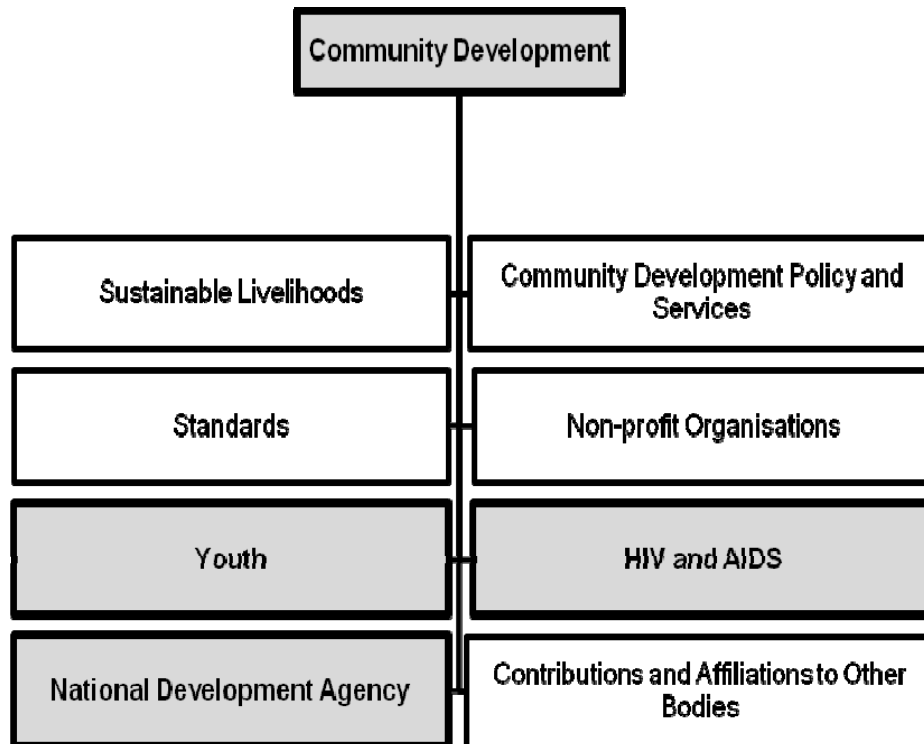
The Portfolio Committee report on the Department's budget, which is also based on the Department's presentation of its strategic plan, lists a large number of further planned initiatives for this and other sub-programmes. However, both this large number and the fact that long-standing initiatives are repeated each year raises questions as to how energetically these plans will be pursued.

The narrative states that the families sub-programme intends to develop a draft white paper for services to families by March 2011 and also to develop programmes and services to "preserve families". This step is long overdue, and the delay has resulted in minimal funding at provincial level, as well as great variation in what is funded across provinces. In particular, it seems that the early intervention and prevention type services envisaged by the Children's Act are rarely covered by this sub-programme.

In respect of the service provider support and management sub-programme, which is not discussed in detail in this report, the narrative refers to development of a social development funding policy and guidelines by June 2010. This is relevant to the extent that such a great proportion of social welfare services are provided by non-profit organisations, and that these organisations sorely need financial support from government. Clarity on this issue is urgently needed and in this sense the development of a funding policy and guidelines must be welcomed. It is, however, again disappointing that the Department is at this point still talking about finalisation of this policy given that this has been promised for over a decade, during which time there has been much confusion on the side of both government and civil society, and severe problems experienced by the non-profit organisations on account of unreliable and insufficient funding.

Finally, we consider the three sub-programmes within the **community development** programme that might be relevant for children. Diagram 11 indicates these sub-programmes with shading.

**Diagram 11: Sub-Programmes within Community Development Programme**



The **youth** sub-programme is described as focusing on “protection” of “vulnerable” youth. The category of youth overlaps with that of children, but extends far beyond it. It is thus the choice of initiatives within this sub-programme that will determine how relevant it is for children. The description of planned activities for the youth sub-programme refers to research on the impact of poverty of youth development and an audit of youth development services in six provinces. Neither of these relate to immediate service delivery for children.

The **HIV and AIDS** sub-programme is intended to prevent and mitigate the impact of HIV and AIDS. This is a very broadly expressed focus. The description of activities suggests that these include child-relevant initiatives, such as development and implementation of behaviour change programmes, monitoring and evaluation in respect of home- and community-based care, and monitoring implementation of the loveLife prevention programmes to ensure that 500 youth are reached each year. (We note, in passing, that 500 is a small number given the large youth population of the country. R43,5 million – two thirds of the 2010/11 allocation for this sub-programme consists of a transfer to loveLife.)

The **National Development Agency** (NDA) provides grants to civil society. The reason why we argue above that this sub-programme is not directly relevant to children is that the Agency is described as providing support for community-driven projects that address food security and create employment and income opportunities. While such initiatives will help

children indirectly, we would not normally want children to be involved in employment generation or income-earning.

Table 18 gives the estimates for all three sub-programmes, even though some have been argued to be of limited relevance for our purposes. In 2010/11 the sub-programmes account for 3% (youth), 33% (HIV and AIDS) and 43% (NDA) respectively of the total programme budget. The relative shares are, however, affected by the smaller allocation for the National Development Agency for this year. In other years the relative shares of the three programmes are around 2%, 24% and 58% respectively. The unusual amount for the Agency for 2010/11 is explained as a R70 million once-off decrease given the current cumulative reserves in the Agency's account. This suggests that the National Development Agency has severely under-allocated available funds to civil society organisations in the past. The Portfolio Committee reports notes that of the R83 million allocated in 2010/11, only R70 million will be used to fund projects.

**Table 18. Budget for community development (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Youth</b>	5.4	5.8		5.7	6.1	6.4
<b>HIV and AIDS</b>	61.5	60.9		64.8	68.2	70.5
<b>National Development Agency</b>	144.8	144.8		83.5	163.7	171.9

In real terms, after adjusting for inflation, the youth budget decreases by -7,6% in 2010/11, followed by a small increase of 1,1% in 2011/12 and a further decrease of -0,7% in 2012/13. The HIV and AIDS sub-programme budget stays constant in real terms in 2010/11, decreases slightly by -0,6% in 2011/12, and decreases more sharply by -2,2% in 2012/13. This pattern is difficult to understand given government talk about the need for increased focus on prevention.

### ***Performance indicators***

Nine performance indicators are presented for the national Department of Social Development if one excludes the four indicators presented separately for SASSA. Of the nine, eight relate to the comprehensive social security programme. The indicators that are child-relevant among these are presented and discussed above. The remaining indicator is for the welfare services programme. It relates to the number of social work scholarships awarded. These are relevant from a child perspective as a large number of new social workers will be necessary if the Children's Act is to be effectively implemented. Table 19 shows the cumulative number of social work students assisted through scholarships. It shows a very pleasing increase over the years in the number of students funded from when the scheme was first introduced in 2007/08. A small caveat is that in the first years some of the provinces made separate provision in their budgets for funding of social worker scholarships. The table does not reflect these, and to that extent undercounts what was

done in the early years and thus inflates the increase. However, at this point the scheme reportedly provides bursary funding for virtually all social work students at universities and must thus be serving as a strong incentive for prospective students to choose this course.

**Table 19. Performance indicators for national Department of Social Development**

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Scholarships</b>	0	983	2900	5250	5625	6125	6540

### ***Conclusion and issues to consider for 2011 budget***

As noted previously, it is the provincial departments that are primarily responsible for service delivery, which is our key concern in this paper. Nevertheless, the national Department has some important responsibilities for which adequate budgets, implementation and reporting are needed.

The Department makes a major contribution to children's wellbeing through the various social grants. Of direct benefit to children are the three child grants, each of which has increased in reach over recent years and is expected to increase still further in reach. Other grants also assist children although slightly less directly. In particular, it is widely acknowledged that children living in households which include an old age grant beneficiary tend to benefit fairly directly from the grant. In respect of the child support grant we note concerns about the below-inflation increase in 2010/11, although we understand that this was done in light of the age extension. We note that a similar policy trade-off was not applied to the old age pension which is also being extended to an additional age group in 2010/11. We also suggest that the very different amounts of the three child grants, in particular the difference between the CSG and the FCG, needs reconsideration.

In terms of welfare services – and in particular services related to the Children's Act – the national Department bears responsibility for developing policies, frameworks, guidelines and the like. Above we note our concern about delays in development of some key documents. These include policy around financial "awards" to NPOs that deliver services, services in respect of families, and frameworks and guidelines for child-headed households and children living on the streets. The delay in respect of a policy on services for families is almost certainly one of the reasons for the lacklustre performance and limited budgets allocated to this sub-programme at provincial level. The development of a new national policy in respect of funding of NPOs is especially urgent after the Free State judgment referred to above.

Beyond services directly targeting children, the decrease in allocations for social crime prevention is worrying given the impact that these crimes have on children, and the coming into effect of the Child Justice Act.

## **Provincial departments of Social Development**

### ***Introduction***

The Children's Act came into full operation on 1 April 2010 and obliges the provincial MECs for social development to provide and fund a range of social services for children. These services include early childhood development centres and programmes, drop-in centres, prevention and early intervention and protection services for vulnerable children, foster care, adoption, and child and youth care centres. Section 4(2) of the Children's Act obliges government to prioritise budgetary allocations and expenditure on these services. The provincial departments of social development are responsible for funding and delivering more than 83% of these services.

Unlike health and education, there is no factor in the formula for the equitable share that relates for social development. This is worrying in that provinces get 95% of their money from national government and most of this is from the equitable share. The Constitution has a list of factors which Treasury must consider when devising the formula. One of these factors is the obligations imposed on provinces by national legislation in that the equitable share is intended to ensure that provinces receive enough money to fulfil their obligations. On this factor, the Children's Act would qualify as national legislation that imposes obligations on the provinces. Nevertheless, the equitable share formula continues to be without a factor in respect of social development services. Government and the Financial and Fiscal Commission have promised for some years to review the formula. The review is meant to be finished in time for the 2011 division of revenue. Strong advocacy is urgently needed to ensure that the new formula includes a factor relating to social development services especially in light of a number of new laws on social development services that have come into effect in 2010 including the Children's Act and the Older Person's Act, and the Prevention of and Treatment for Substance Abuse Act that is soon to come into effect.



Table 21 shows the provincial estimates for the large social welfare services programme for 2009/10 and the MTEF period. The real changes in allocations for this programme, after controlling for inflation, are 6,8%, 5,1% and -0,5% respectively for the three years of the MTEF period. For the first two years, the increases are slightly higher than for provincial social development as a whole, reflecting slight prioritisation of this programme. However, in 2012/13 the decrease is bigger for this programme than for the sector as a whole. The fact that there is any decrease in real terms is worrying as it will take many years for the Children's Act, in particular, to be phased in.

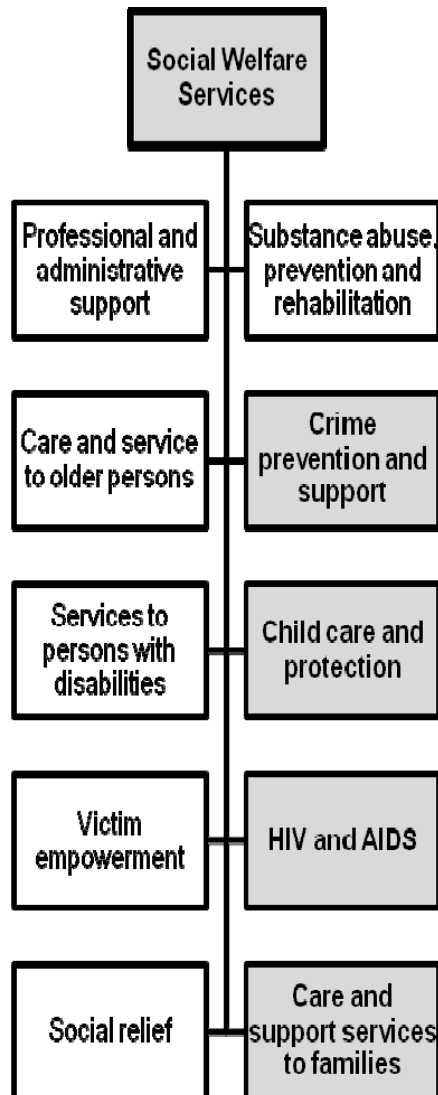
**Table 21. Provincial budgets for social welfare services programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Eastern Cape	859973	859973	859973	943132	1012789	1065894
<b>Free State</b>	445960	427649	425235	486256	541376	568892
<b>Gauteng</b>	1465171	1463256	1463256	1682951	1872679	1976675
<b>KwaZulu-Natal</b>	943741	933741	918258	1193600	1370262	1439385
<b>Limpopo</b>	380589	417544	417544	439789	501027	520033
<b>Mpumalanga</b>	450405	449804	449648	516801	589561	628107
<b>Northern Cape</b>	254060	267018	261402	291586	321962	337600
<b>North West</b>	492105	517724	492105	567175	627312	653233
<b>Western Cape</b>	903033	920980	930517	991644	1083103	1136086
<b>Total</b>	6195037	6257689	6217938	7112934	7920071	8325905



Diagram 13 below shows the sub-programmes within the social welfare programme with those most relevant to children shaded.

**Diagram 13: Sub-programmes within the Social Welfare Services programme**



The three sub-programmes that most closely match the services listed in the Children's Act are child care and protection, HIV/AIDS, and family care and support.

- Child and youth care centres, adoption and foster care services, protection services, some prevention services, partial care and early childhood development programmes all fall into the **child care and protection** sub-programme.
- Home- and community-based care and other orphans and vulnerable children (OVC) support projects fall under the **HIV and AIDS** sub-programme
- The **family care and support** sub-programme appears currently to include family counselling services but should include the full range of prevention programmes listed in the Children's Act.

We also look at **crime prevention and support** separately as this sub-programme contains some funding for the Children's Act although it also includes funding for adult services. The Children's Act services that fall under this sub-programme are diversion, probation officer assessments and secure care centres.

Other sub-programmes will, or can, also assist children to varying degrees. For example, the substance abuse, prevention and rehabilitation sub-programme often includes preventive and awareness-raising initiatives among youth, and these might reach the older group of children. Further, this sub-programme in the Western Cape includes initiatives to reduce alcohol abuse among women of child-bearing age so as to reduce the incidence of foetal alcohol syndrome among babies and children. Similarly, the services to persons with disabilities sub-programme will include services related to children with disabilities. These two sub-programmes are not covered in this paper as children are not their main target.

Table 22 shows the provincial estimates for the **child care and protection sub-programme**. Overall, the picture looks fairly promising. Firstly, the last line of the table shows that the share of the social welfare budget allocated to child care and protection tends to increase over the MTEF period. Secondly, there are real changes in budget, after controlling for inflation, of 8,9% and 11,4% respectively in the first two years of the MTEF. This is, however, followed by a real decrease of -0.6%. The increases are also lower than those forecast in the 2009/10 and 2008/09 MTEFs. Further, three provinces – North West, Western Cape and Eastern Cape – have 3-year average annual increases below or only slightly above inflation.

**Table 22. Provincial budgets for child care and protection sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	171748	197013	197013	215078	226903	238248
<b>Free State</b>	279412	252734	255892	294511	333961	350646
<b>Gauteng</b>	600438	682379	682379	765749	949704	1002066
<b>KwaZulu-Natal</b>	340064	341143	273503	487159	624332	655547
<b>Limpopo</b>	124081	133532	133532	147635	172698	177704
<b>Mpumalanga</b>	135193	132243	132243	166213	213437	225460
<b>Northern Cape</b>	57459	57459	56190	70077	87236	90818
<b>North West</b>	102697	121381	102697	117479	116508	119239
<b>Western Cape</b>	339075	334075	334076	345931	354637	374944
<b>Total</b>	<b>2150167</b>	<b>2251959</b>	<b>2167525</b>	<b>2609832</b>	<b>3079416</b>	<b>3234672</b>
<b>% of social welfare services</b>	<b>34.7%</b>	<b>36.0%</b>	<b>34.9%</b>	<b>36.7%</b>	<b>38.9%</b>	<b>38.9%</b>

In three provinces – Free State, Mpumalanga and Western Cape – the adjusted estimate for 2009/10 was less than the original allocation voted for that year i.e. the amounts for these sub-programmes were decreased mid-year. In Free State, the adjusted estimate was as much as 10% less than the original estimate. In contrast, in Eastern Cape the adjusted estimate was 15% higher than the original allocation for 2009/10.

Table 23 shows the per capita allocations for this sub-programme in 2010/11. These estimates are obtained by dividing the allocation for 2010/11 by the population aged 0-19 years as reported for the Community Survey conducted by Statistics South Africa in 2007. The estimates are indicative only, as the proportion of children requiring services will differ across provinces. Comparison of the estimates for the different provinces suggests severe under-provision in KwaZulu-Natal compared to Gauteng in that the former allocates less than the latter despite having more children in the province – and a greater proportion who are poor. However, the gap between KwaZulu-Natal and Gauteng is less than it was in 2009/10.

**Table 23. Per capital allocations for child care and protection services by province, 2010/11**

EC	FS	GT	KZN	LM	MP	NC	NW	WC	RSA
69	268	220	106	57	102	53	283	185	130

ECD in respect of children 0-4 years falls under this sub-programme. Unfortunately, the budget books do not specify the amount allocated for this part of the sub-programme. Instead, we have to rely on any references to ECD that there might be in the narrative or performance indicators.

Over recent years ECD has often been referred to in provincial budget books in relation to “earmarked” allocations. Provincial departments in this sector have not benefited from conditional grants until the home- and community-based care (HCBC) grant of 2010/11 which in some cases has been partly channelled to provincial departments of social development. At national level, the HCBC grant is located in the vote of the Department of Public Works. In the absence of conditional grants, in previous years the National Treasury attempted to influence provincial spending allocations through what were sometimes at provincial level termed “earmarked” allocations. These allocations, which are included in the equitable share, reflect 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 priority programmes by provincial departments. 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 discretion as to how they allocate these funds and, in particular, whether the extra funds are allocated to the prioritised areas.

Examination of the 2008 and 2009 budget books suggests that earmarking resulted in increased funds being allocated to the prioritised departments and functions such as ECD, HCBC and facilities for children in conflict with the law. However, in 2010 only two provinces refer to earmarked funds in their budget books and both of these refer to ECD. KwaZulu-Natal includes a full table summarising “additional provincial allocations” over the period 2008/09 to 2012/13. This includes national priority allocations for ECD of R107,6m for 2011/12 and R112,9m for 2012/13 that were made in the 2009/10 financial year. Under the

child care and protection sub-programme Western Cape records earmarked allocations of R179,8m for 2010/11, R189,9m for 2011/12, and R197,5m for 2012/13 in respect of ECD.

Over recent years there has been an attempt to standardise subsidies in respect of ECD centres. Several provinces report on past and planned increases. However, there is still not parity across provinces in that two provinces – Northern Cape and Mpumalanga – pay R11 per child per day rather than the norm of R12 which is paid in the other provinces. A bid by national DSD to National Treasury for a further increase to R15 per day has, as yet, not been successful. A further concern is that the continued emphasis on per capita subsidy funding ignores the need for greater recognition and support of non-centre-based ECD programmes that have the potential to reach many more vulnerable children.

Table 24 shows the estimates for the **care and support for families** sub-programme. Eastern Cape, Mpumalanga and North West record high average annual increases over the MTEF period, while Free State shows a small decrease – of 2% - even in nominal terms. Overall, there are real decreases in the allocation for each year of the MTEF after controlling for inflation. The decreases are -1,3%, -1,5% and -1,3% respectively. In addition to Free State, Western Cape and Gauteng also show serious decreases.

**Table 24. Provincial budgets for care and support to families sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	4869	4869	4869	9460	9990	10489
<b>Free State</b>	4116	5152	6322	4128	4557	4784
<b>Gauteng</b>	90697	90697	90697	93000	95000	99370
<b>KwaZulu-Natal</b>	3225	3225	3407	3419	3624	3805
<b>Limpopo</b>	3000	4016	4016	4100	4305	4520
<b>Mpumalanga</b>	5651	4620	4620	6144	7314	8187
<b>Northern Cape</b>	5244	5244	5141	5790	6001	6276
<b>North West</b>	8037	6520	8037	8563	9101	9626
<b>Western Cape</b>	36037	36037	36038	33795	35730	36117
<b>Total</b>	<b>160876</b>	<b>160380</b>	<b>163147</b>	<b>168399</b>	<b>175622</b>	<b>183174</b>
<b>% of social welfare services</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.2%</b>	<b>2.2%</b>

Two provinces – Mpumalanga and Western Cape – had adjusted budgets for 2009/10 that are 18-19% smaller than the original allocations. In the case of Mpumalanga, this reduces the significance of the high increases in the MTEF period.

The care and support for families sub-programme accounts for 2,4% of the social welfare programme budget in 2010/11, and this percentage decreases to 2,2% in the following two years. Overall, then, this sub-programme fares very badly. Yet the sub-programme could provide for a range of cost-effective early intervention and prevention services that 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.

Table 25 gives the estimates for the **HIV and Aids** sub-programme. After controlling for inflation, there is a real increase for this sub-programme of 4,6% in 2010/11, but this is followed by decreases of -0,7% and -0,2% respectively in the two outer years of the MTEF. For 2010/11 the allocation for HIV and Aids amounts to 8,8% of the total allocation for the social welfare programme, but this slips to 8,3% and 8,4% respectively in the following two years. The relatively larger allocation in 2010/11 reflects a one-year conditional grant which has been introduced for 2010/11 to allow provision of subsidies to NPOs with home-based care programmes for volunteer stipends. Each province could decide how to divide this grant between Health and Social Development, and the extent to which the increase is reflected here thus differs across provinces. In Western Cape, for example, the full conditional grant was allocated to Health.

**Table 25. Provincial budgets for HIV and AIDS sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	68188	66988	66988	77165	76084	79888
<b>Free State</b>	19212	22753	20548	22852	25026	26343
<b>Gauteng</b>	190931	185457	185457	204164	210610	222187
<b>KwaZulu-Natal</b>	54486	53407	35432	92504	96505	101330
<b>Limpopo</b>	102377	80625	80625	73638	85921	90148
<b>Mpumalanga</b>	68905	63022	62756	69728	71117	76647
<b>Northern Cape</b>	24756	24756	22241	30791	31210	32771
<b>North West</b>	46473	43919	46473	48661	54836	57943
<b>Western Cape</b>	23903	23903	23903	9116	9647	10199
<b>Total</b>	<b>599231</b>	<b>564830</b>	<b>544423</b>	<b>628619</b>	<b>660956</b>	<b>697456</b>
<b>% of social welfare services</b>	<b>9.7%</b>	<b>9.0%</b>	<b>8.8%</b>	<b>8.8%</b>	<b>8.3%</b>	<b>8.4%</b>

Even before controlling for inflation, Western Cape has allocated 62% less for this sub-programme in 2010/11 that it allocated for 2009/10 while Limpopo has a smaller, but still substantial, nominal decrease of 9%. In contrast, KwaZulu-Natal, as in 2009/10, records a very large increase for 2010/11. However, KwaZulu-Natal has seriously underspent on this sub-programme for two consecutive years. Allocations are not effective if they are not spent.

Limpopo's adjusted budget for HIV and Aids for 2009/10 was 21% lower than the original allocation, more or less reversing the exceptionally high increase recorded by Limpopo for this sub-programme in the 2009 budget book. In addition to Limpopo, adjusted estimates for 2009/10 are lower than original allocations in all provinces except Free State, Northern Cape and Western Cape.

Table 26 gives the estimates for the **crime prevention and support** sub-programme. Here there is a very healthy real increase of 12,6% after controlling for inflation in 2010/11, but this is followed by worrying real decreases of -0,3% and -1,7% respectively in the two outer years of the MTEF. In 2010/11 this sub-programme accounts for between 9,5% of the social

welfare programme budget, but the share drops to 9,0% and 8.9% respectively in the outer years of the MTEF.

**Table 26. Provincial budgets for crime prevention and support sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	81163	82363	82363	90792	95498	100273
<b>Free State</b>	20084	21177	21592	24655	26422	27529
<b>Gauteng</b>	150868	132312	132312	167495	161788	169443
<b>KwaZulu-Natal</b>	56715	56715	39709	98586	107937	113334
<b>Limpopo</b>	10432	9432	9432	9162	11720	12306
<b>Mpumalanga</b>	15097	12895	12895	15370	16824	19959
<b>Northern Cape</b>	65319	74177	77539	77315	84095	88685
<b>North West</b>	53796	56754	53796	73619	84031	77100
<b>Western Cape</b>	110685	116354	116825	116259	122260	129338
<b>Total</b>	<b>564159</b>	<b>562179</b>	<b>546463</b>	<b>673253</b>	<b>710575</b>	<b>737967</b>
<b>% of social welfare services</b>	<b>9.1%</b>	<b>9.0%</b>	<b>8.8%</b>	<b>9.5%</b>	<b>9.0%</b>	<b>8.9%</b>

Limpopo continues the disappointing pattern revealed in last year's analysis and has allocated less in 2010/11 than for 2009/10 for this sub-programme, while Western Cape has allocated almost exactly the same nominal amount as in 2009/10 despite inflation. In contrast, KwaZulu-Natal, North West, Gauteng, Mpumalanga and Free State have increases that are more than double inflation.

For four of the provinces – Gauteng, Limpopo, Mpumalanga and North West – the adjusted allocations for 2009/10 are lower than the original allocations, and in three of these provinces – all except North West – the difference is substantial. Northern Cape is the only province with a substantially higher adjusted estimate than original allocation. For the provinces combined, the adjusted allocations are 1% lower than the original allocations.

For Social Development we are fortunate in having a more objective measure against which to measure adequacy of budgets than for some other sectors, at least in respect of the Children's Act. This is so because the Department commissioned a very detailed costing (Barberton, 2006) of the Children's Bill while it was being developed. The costing provides estimates over a six-year period for all relevant departments. The costing confirmed, as noted above, that provincial Social Development was responsible for the overwhelming bulk of expenditure related to the Act, and allows us to separate out the amounts that are needed for each provincial department.

For this comparison, we take 2009/10 as the first year of implementation and, after adjusting the costing estimates for the inflation that occurred in intervening years, compare the full combined allocations for the sub-programmes on child care and protection, HIV and Aids and care and support services to families with the estimates in the costing. To simplify matters, we consider only the highest and lowest estimates, namely the Implementation Plan

(IP) low and Full Cost (FC) high. These two comparisons are necessary because 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. Further, examination of the detailed data on which the IP scenarios were based reveals serious discrepancies which, among others, mean that comparisons across provinces should be treated with great caution. For example, In KwaZulu-Natal the number of children referred to intervention services for Year 1 is only 15 793, as compared to 50 164 for Gauteng – a much wealthier province with a similarly sized population and with lower levels of HIV infection. 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. Thus the IP low and FC high represent the minimum and maximum estimated costs.

The table that follows (based on Barberton, 2006: III) illustrates how the low-high and IP-FC characteristics interact to give four different scenarios. The two on which we focus here are the ones with the lowest and highest costs.

**Table 27. The four scenarios of the Children’s Act costing**

<b>IP Low scenario Implementation Plan Low</b>	Low norms and standards	Demand variables supplied by departments
<b>IP High scenario Implementation Plan High</b>	High norms and standards	Demand variables supplied by departments
<b>FC Low scenario Full Cost Low</b>	Low norms and standards	Demand variables based on consulting team’s assumptions
<b>FC High scenario Full Cost High</b>	High norms and standards	Demand variables based on consulting teams assumptions

Table 28 shows the percentage of the inflation-adjusted IP low and FC high costing estimates covered by the provincial allocations for the three sub-programmes in the three years of the MTEF. Overall, Eastern Cape performs worst in the comparison with the IP low costing estimates, with only 25% of the Year 2 estimate covered in 2010/11, and an even lower percentage in the next two years. Mpumalanga is the best performer on the IP Low measure. None of the provinces increase the percentage of the IP low costs covered between Year 2 and Year 4. Overall, the allocations over the nine provinces cover only 45% of the IP low cost estimates for Year 2 and only 38% for Year 4.

As expected, the picture is even more dismal when the comparison is done with FC high estimates rather than IP low. Eastern Cape, KwaZulu-Natal, Limpopo and North West plan to cover only 3-4% of the estimated costs of implementation throughout the period. Northern

Cape performs best, but still only reaches between 13% and 14% of the estimated costs of implementation. Overall the nine provinces combined cover only 5% of the FC high costs in Year 4.

**Table 28. MTEF allocations as percentage of inflation-adjusted Children's Act costing estimates for Years 2-4**

	IP Low			FC High		
	2010/11 vs Yr 2	2011/12 vs Yr 3	2012/13 vs Yr 4	2010/11 vs Yr 2	2011/12 vs Yr 3	2012/13 vs Yr 4
<b>Eastern Cape</b>	25	21	18	3	3	3
<b>Free State</b>	48	47	43	9	9	8
<b>Gauteng</b>	59	55	48	10	11	10
<b>KwaZulu-Natal</b>	49	49	45	4	4	4
<b>Limpopo</b>	29	26	22	4	4	3
<b>Mpumalanga</b>	62	58	50	5	5	5
<b>Northern Cape</b>	39	41	39	13	14	13
<b>North West</b>	61	48	40	4	4	3
<b>Western Cape</b>	42	38	36	11	10	10
<b>Total</b>	45	42	38	6	6	5

These figures indicate that the gap between services provided and services needed is likely to increase over time. This contradicts the principle of progressive realisation.

### ***Performance indicators***

For 2010 national DSD developed a new list of standard indicators which all provinces are expected to include in their Annual Performance Plans. The new list has fewer indicators than the old standard list, and appears to be missing key indicators. For example the child care and protection list does not include registered and or funded child and youth care centres as an indicator despite these centres being the main cost driver in this sub-programme. Several of the new indicators also relate to budgetary amounts, namely the amounts to be transferred to NPOs for various services. This seems inappropriate as performance indicators are meant to complement budgetary amounts by offering measures of output. More generally, the fact that the list has again changed is a problem as each time the list is changed it interrupts efforts to monitor trends.

Four of the provinces (Free State, Limpopo, Mpumalanga and Western Cape) did not include any performance indicators in the 2010/11 published budgets. At the other end of the scale, KwaZulu-Natal included the full set over four years – 2009/10 plus the three years of the MTEF. Gauteng and Northern Cape presented a more or less full set, but only for the three years of the MTEF. Eastern Cape had a non-standard list of indicators, very few of which match the national list.

There are several worrying aspects in respect of indicators where they were included. For example, in Eastern Cape there are unexplained fluctuations over the MTEF period in the crime prevention and support sub-programme. In Gauteng, most of the non-financial indicators do not change over the three years of the MTEF, implying no increase in delivery.



Yet the Gauteng narrative suggests that some of these same elements will be increasing. There are thus some glaring contradictions between the narrative and the list of indicators. In KwaZulu-Natal there are ambitious assumptions about the extent to which delivery will increase between 2009/10 and 2011/12. Some of these are mirrored in large increases in the rand value of funds transferred to NPOs.

### ***Other issues***

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. The majority of these workers 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. Thus while improvements to **government personnel** numbers and conditions of service are to be welcomed, without a concurrent improvement to NPO funding, the main outcome is movement of practitioners within the existing pool rather than an increase in practitioners available to provide services to children.

Seven provinces report on the number of staff employed or planned for the social welfare programme over the period March 2007 to March 2013. Mpumalanga, Gauteng and Eastern Cape show more or less constant staff numbers over the MTEF period. Northern Cape and Eastern Cape have sharp increases planned for the year ending March 2013. Where numbers are static, there should be increased allocations to NPOs so that they can provide additional services to meet the requirements of the Children's Act and other recent legislation. But this is often not the case.

Many of the provinces refer to the occupation-specific dispensation (OSD) which provided for substantially increased salaries for social workers, social auxiliary workers and community development workers when explaining past or even present increases in compensation for employees. Limpopo reports that the compensation of employees item grows by 25,2% between 2009/10 and 2010/11 and 13,3% over the MTEF to cater for the OSD for social workers. This reasoning does not make sense given that 2009/10 expenditure should have included backpay.

Western Cape notes that it has "upgraded" salaries of social workers who are employed by NPOs as well as those employed by government. This statement is puzzling as NPOs report that they have not seen this reflected in the transfers they receive. None of the other provinces discusses the fact that the increases introduced by the OSD will exacerbate the gap between salaries of those employed by government and those employed by NPOs.

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 2010/11 is 51%. If NPOs were fully funded for their work, the percentage would be even higher.

In 2006/07 transfers to NPOs accounted for an average of 60% of the total social welfare programme budget across provinces. The percentage declines to 51% in 2009/10 and 2010/11 with a planned increase after this. This is different from what was in the 2009 budget documents when the increase started in 2010/11. The share of the budget going to NPOs is lower in 2010/11 than in 2009/10 for five of the provinces, namely Eastern Cape, Free State, Limpopo, North West and Western Cape. The decrease is most marked for Western Cape, at close to six percentage points.

In 2010/11 the percentage of the social welfare budget allocated to NPOs varies between 34,3% in the Northern Cape and 61,7% in the Western Cape. Thus while Western Cape shows the biggest decrease in comparison to previous years, it still allocates the highest share to NPOs of all provinces. However, its lead in this respect is diminished. By 2012/13, Gauteng, Free State and Mpumalanga are set to overtake Western Cape in the share of the budget allocated to NPOs.

Eastern Cape explains that the “negative growth of 10 per cent” in transfers in 2009/10 resulted from the province shifting funds from NPO transfers to compensation of employees. The province claims that the allocation “starts to pick up again in 2010/11”, but our analysis shows that the share of the total programme allocation going to NPOs continues to fall.

### ***Conclusion and issues to consider for 2011 budget***

Our more detailed analysis (Budlender and Proudlock, 2010) over several years of provincial social development budgets allows us to be more specific than with other departments as to particular provinces which need monitoring and advocacy in respect of particular sub-programmes where budgets seem to be stagnant or even declining in real terms.

For the **child care and protection** sub-programme it is North West, Western Cape and Eastern Cape that have below or only slightly above inflation increases over the next three years.

For the **care and support to families** sub-programme Free State, Western Cape and Gauteng are of most concern. However, this sub-programme more generally needs serious attention as the average increases for all provinces combined are below inflation over the MTEF period.

In respect of **HIV and AIDS** Western Cape is most worrying. It seems that in this province government perceives that this sub-programme unnecessarily duplicates what is being done from within the Department of Health. This suggests a misunderstanding of the non-medical aspects of HIV and AIDS. In addition to Western Cape, Limpopo, Free State, Eastern Cape and Mpumalanga all have provided either for very small real increases, or a real decrease.

Finally, despite the coming into effect of the Child Justice Act in April 2010, Western Cape, Gauteng and Limpopo all show worrying trends in their **crime prevention and support sub-programmes** which in no ways reflect the increased obligations.

More generally, comparison of allocations with the estimates of the costing of the Children's Act commissioned by the national Department in 2005 shows serious shortfalls across all provinces, and that these shortfalls are not set to decrease over time. This is extremely worrying.

Provincial social development departments compete in their budget bids against all other provincial departments. The strength of their bid is almost certainly weakened by the fact that, unlike health and education, there is no factor in the formula for the equitable share that relates for social development. This needs urgent attention.

As with other sectors, there is much work to be done on indicators. One particular concern with social development is the ongoing changes in indicators that the national Department requires provinces to collect. We are not at all disputing the need for a nationally agreed standardised list of indicators. What concerns us is that the list changes from year to year, which makes it difficult, if not impossible, to develop trends over time. Some of the provinces do not report using the standard indicators, which makes provincial comparisons impossible. Further, some of the indicators introduced for 2010/11, which relate to monetary allocations for NPOs, seem inappropriate as "performance" indicators.

The last-named point must not detract from the need for increased allocations for NPOs. Indeed, as noted in respect of the national Department, there is need for an overhaul of the policy in respect of funding of NPOs, which in most cases needs to be accompanied by improvements in the manner in which the department interacts with NPOs around these transfers and more generally. Further, each province should report in the budget document on the total allocated as NPO transfers for each sub-programme over the MTEF period, as well as the total number of NPOs to be funded per sub-programme. At present each province presents information on NPO transfers at a different level of detail, which makes cross-provincial comparisons impossible.

## Departments of Health: General

### *Key issues that the budgets should take into account*

#### **Children's rights and child law**

The Bill of Rights contains the following rights for children that are most relevant for the analysis of the health budget:

- s27(1) (a): everyone's right to have access to health care services, including reproductive health care
- s27(3): everyone's right not to be refused emergency medical treatment
- s28(1) (c): children's right to basic nutrition and basic health care services
- s28(2): children's right to have their best interests considered of paramount importance in every matter concerning them

The National Health Act<sup>23</sup> is the primary legislation providing for health care services for everyone. The Act entrenches the entitlements to free health care services for pregnant women and children under six years, and free primary health care for everyone. The Act also allocates service delivery responsibilities to the three spheres of government. Two of the provinces – Free State and KwaZulu-Natal – have passed their own Health Acts mainly to deal with the management of provincial and district hospitals and clinics.

#### **Key challenges faced by children in the health sector**

South Africa spends more than 8% of its gross domestic product (GDP) on health. This is above the World Health Organisation's recommendation that developing countries spend at least 5% of their GDP on health. However, according to the most recent Provincial Budgets and Expenditure Review (National Treasury, 2009: 45), **public health expenditure** i.e. expenditure by government, amounted to only 3,7% of GDP in 2009/10. This apparent contradiction is explained by the fact that around 14% of the population is covered by medical schemes. The health care of this segment of the population, often referred to as the "insured" population, as well as the fact that some people without cover make use of private sector services, results in 55-60% of total health resources being spent in the private sector. This results, in turn, in expenditure per capita on those who are insured being about six times as much as expenditure on those who are not insured (Barron, 2009). The ratio has decreased over recent years, and should decrease further with the planned increases for health in the MTEF. However, while South Africa has higher per capita spending on health than many other countries, including our neighbours, public expenditure is still generally acknowledged to be too little to meet the need. The combination of the inequitable distribution of benefit from health resources, as well as the fact that the country faces a major HIV and AIDS epidemic, calls into question the usefulness of the general 5% recommendation for developing countries in the case of South Africa (and perhaps also in other countries). A similar caution is necessary in respect of the African Union's Abuja Declaration of 2000 which requires that countries spend 15% of their total budgets on health.

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<sup>23</sup> 61 of 2003

South Africa has spent approximately 14% of its total budget on this sector since 2004. Yet the available resources are clearly not meeting the need. The existing budgets could certainly be used more effectively and efficiently, but even if this happens they would likely still be insufficient.

Saloojee (2010) notes that while children account for about 40% of the population, it is unlikely that a similar proportion of the health budget benefits them directly. He reports that while two-thirds of paediatricians in South Africa work in the private sector, only about 15% of children are serviced by this sector. Further **disparities** are found in terms of locality. For example, Saloojee points out that there is one paediatrician (including both public and private) for every 9 500 children in the Western Cape compared to one for every 200 000 children in Limpopo. On the positive side, both provincial and health district inequalities in resource allocations have decreased over time. For example, in 2001/2 the ratio between the best and worst funded district was 9,3 while by 2007/8 the ratio had reduced to 3,3.

Similarly, Table 29, which gives the per capita provincial spending in 1995/6 and 2009/10 shows that the ratio between the per capita spending of the highest and lowest spending provinces decreased from 3,8 in 1995/6 (between Gauteng and Mpumalanga) to 1,6 in 2009/10 (between Western Cape and Mpumalanga) (Barron, 2009: 7). The provincial inequities are over-stated as they include spending on academic hospitals in Western Cape and Gauteng which serve people from other provinces as well as providing for training of doctors. Nevertheless, while the reduction in inequality achieved to date is substantial, the ratios are still far from equitable. (The table includes two sets of estimates for 1995/6. The first column for 1995/6 presents the per capita amounts in nominal terms, i.e. in 1995 rands. The second column for 1995/6 presents the per capita amounts for that year in 2009 rands to facilitate comparison with the 2009/10 amounts. These adjustments for inflation do not affect the intra-provincial differences for 1995/6.)

**Table 29. Per capita spending by province, 1995/6 and 2009/10**

Province	1995/6 (1995 rands)	1995/6 (2009 rands)	2009/10
Eastern Cape	388	917	1458
Free State	550	1300	1713
Gauteng	867	2050	1951
KwaZulu-Natal	456	1078	1746
Limpopo	323	764	1488
Mpumalanga	229	541	1483
North West	326	771	1490
Northern Cape	415	981	1960
Western Cape	824	1948	2255
<b>South Africa</b>	<b>493</b>	<b>1166</b>	<b>1714</b>

In 2009, 5,2 million people living in South Africa were **HIV-positive**, of whom an estimated 280 000 were under 15 years of age. In the same year, an estimated 59 000 children were newly infected, the majority of them as a result of mother-to-child transmission. In 2006, the

World Health Organisation estimated that 57% of under-5 mortality in South Africa was associated with HIV infection (Eley, 2010).

In terms of **malnutrition**, the National Burden of Disease study found that 12% of deaths and 11% of disability-adjusted life years in children under five years were a result of children being underweight. Meanwhile vitamin A deficiency contributed to 28% of child deaths from diarrhoeal disease, 23% of deaths from measles, and 21% of deaths from malaria. The 2005 National Food Consumption Survey found that 9% of children between the ages of 1 and 9 were underweight, while 18% were stunted and 4,5% were wasted. This same study found that the government's Vitamin A Supplementation Programme covered only 20,5% of children aged 12-59 months (Hendricks & Bourne, 2010).

Government itself acknowledges that there has been slower-than-expected progress in reaching the health-related Millennium Development Goals (MDGs) and that the country has lagged, in particular, in respect of maternal and **child mortality rates** (National Treasury, 2009: 47). The national Department of Health's most recent Strategic Plan (2010: 17) reports the findings of the various reports of the National Committee on Confidential Enquiries into Maternal Deaths as well as other reports on morbidity and mortality among children under five years and during the perinatal period. In addition to the disturbingly high rates reported, further cause for concern is the variation in estimates from different sources. In respect of maternal mortality, for example, the rates vary between 150 and 578 per 100 000 live births. It notes that the Saving Mothers Report found that 44% of maternal deaths were related to AIDS, while 38% could have been avoidable if the health care system functioned better.

The report of the Portfolio Committee on Health on the national budget vote<sup>24</sup> notes that South Africa is one of ten countries that have been unable to reduce child mortality. Planned strategies to change this situation include increasing the number of new child patients on antiretroviral therapy (ART) from 38 000 in 2009/10 to between 40 000 and 45 000 in 2012/13, and immunisation of children under one year of age with two new vaccines, namely the pneumococcal and rotavirus vaccines. The aim is reportedly to increase the percentage of immunised children in this age group from 40% in 2009 to more than 80% in 2012/13. It is not clear whether the 40% is correct as a higher percentage is reported elsewhere for 2009 and even earlier. The difference in targets is perhaps explained in terms of different vaccines i.e. the 40% might relate to the new vaccine and the 80% to the standard vaccines. Most, if not all, of the immunisation data reported elsewhere would not include these new vaccines.

Table 30 summarises coverage on some of the key available indicators for HIV and general health-related interventions around birth and childhood (Bradshaw et al, 2008: 6). Importantly, the table contains only one indicator for the immediate postnatal phase as indicators such as the extent of postnatal care within three days and Kangaroo Mother Care for small babies, are simply not available. The document from which this table is drawn notes that coverage in South Africa is relatively high in respect of antenatal care, birth and

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<sup>24</sup> Report of the Portfolio Committee on Health on Budget Vote 15 and the Strategic Plan for 2010/11 – 2012/13, Dated 12 April 2010.

immunisation, which are covered in the table. However, South Africa performs less well in respect of routine postnatal care in respect of both general health care and HIV-related care. The report notes that this represents “missed opportunities” for prevention of mother-to-child transmission (PMTCT) and care for HIV-positive mothers with babies, and presents a gap in the full continuum of care.

**Table 30. Coverage of HIV and general health-related interventions around birth and in childhood**

Phase	Indicator	Rate
Birth	Skilled attendant at birth	84%
	ART for HIV+ pregnant women	61%
	ART for HIV exposed babies	47%
	Early (within 1 hour) breastfeeding	45%
Postnatal	Exclusive breastfeeding for first six months	7%
Childhood	DPT 1 immunisation	93%
	Full immunisation	84%
	Care seeking for acute respiratory infections	75%
	Mothers’ knowledge of oral rehydration therapy	49%
	Vitamin A full coverage	29%
	Cotrimoxazole prophylaxis	26%
	Children 0-14 receiving anti-retroviral therapy (ART)	18%

Table 31 gives a sense of the disparities across provinces in terms of indicators related to implementation of HIV and AIDS initiatives (National Treasury, 2009: 332). The first indicator, which reflects the percentage of the HIV and AIDS budget spent, suggests that in many provinces the main problem might not be the lack of availability of financial resources, but instead challenges in spending the available funds. Underspending is particularly serious in North West and Free State. The second indicator reflects the percentage of health facilities offering prevention of mother to child transmission. Here the most troubling province is again Free State, while Western Cape also does not have as full coverage as most other provinces. For nevirapine take-up among pregnant women and newborns, the patterns vary across provinces. In some provinces take-up is higher among the women than among the babies, while the opposite is true in other provinces. The patterns suggest that strategies might need to differ to some extent across provinces.

**Table 31. HIV and AIDS-related provincial indicators**

	EC	FS	GT	KZN	LM	MP	NC	NW	WC
% of budget spent	70.6	48.3	64.0	60.5	67.3	103.5	60.0	43.5	96.5
PMTCT facility rate	98.0	69.5	91.6	96.0	100.0	100.0	100.0	100.0	84.0
Nevirapine antenatal take-up	73.8	40.0	111.5	80.0	55.2	61.0	68.5	82.1	61.5
Nevirapine newborn take-up	48.0	78.1	99.0	100.0	96.9	94.4	92.4	81.3	100.6

## **National Department of Health**

### ***Introduction and strategic review***

The total government health budget is heavily dominated by provincial spending. To illustrate this dominance, we can subtract the amounts to be transferred to provinces and municipalities from the national estimates and add this net national amount from the equitable share to provinces to get the approximate total of national and provincial expenditure. The net national expenditure is then found to be only 3% of the country's total public (i.e. government) health expenditure over the MTEF period.

The national Department is nevertheless important in that it is responsible for policy making, coordination, setting of norms and standards, and monitoring and evaluation. Further, the transfers from the national to the provincial departments often take the form of conditional grants. These grants, which specify how the money must be used, give the national Department some control over parts of provincial budgets. As seen below, this is particularly relevant in respect of HIV and AIDS.

The strategic review of the period 2006/07-2012/13 in the budget vote notes that the health sector adopted a new set of priorities, the 10-point plan, for the 2009-2014 term of government. None of the ten points refer directly to children, although all of them would benefit children. The strategic review notes further that the Department intends to "steer" the sector back towards the primary health care (PHC) approach of the 1997 White Paper for the Transformation of the Health System in South Africa and the National Health Act of 2003. This entails, in particular, strengthening of the district health system. This emphasis should be of great benefit to children, as a PHC focus is likely to strengthen prevention and improve responses at community level. Saloojee similarly advocates for a redistribution of the budget towards PHC services and away from tertiary services in his observation that when tertiary care (hospital) services attempt to offer "first-class" services this too easily results in lack of basic and essential care for children outside the immediate catchment areas of these (mainly urban) hospitals.

The most recent Provincial Budgets and Expenditure Review (National Treasury, 2009: 56) gives a sense of the disparities between provinces in respect of primary health care in its presentation of annualised utilisation rates for children under five. (Utilisation rates reflect average number of visits per person.) These rates, as well as those for all ages, are shown in Table 32. For the young children, the utilisation rate ranges from 3,6 in Gauteng to 5,9 in Limpopo. The fact that for each province the under 5 utilisation rate is higher than the rate for the general population can be read as an indicator of the greater need that young children have for health care when compared with the general population.



**Table 32. Utilisation of primary health care, 2008/09**

	EC	FS	GT	KZN	LM	MP	NC	NW	WC	RSA
All ages	2.6	2.2	1.9	2.4	2.8	2.2	3.1	2.6	3.0	2.5
Under 5	4.3	4.0	3.6	4.3	5.9	4.5	4.9	4.5	5.2	4.6

The national budget vote names and briefly discusses other priorities for the medium term. Two of these priorities are of direct relevance for children and, as will be seen below, are reflected in the provincial budgets and plans. The first of these is extension of rollout of ART. The discussion in the national budget vote notes that ART will now be available to all pregnant women with CD4 counts below 350. This more generous policy was announced by President Zuma on World AIDS Day in December 2009 and is obviously of benefit to children as it will mean less likelihood that a baby will be born HIV-positive.

The second relevant priority is immunisation of children. In terms of this priority, efforts will continue to ensure that all children under one year of age are fully vaccinated with the two new vaccines against pneumococcal infection and the rotavirus. There will also be a mass immunisation campaign for measles. The discussion of this priority also refers to efforts in respect of vaccinating “at risk” people against the H1N1 virus. Although not stated explicitly, these efforts are targeted at children in terms of the 2010 Guidelines for the Management of HIV in Children (National Department of Health, 2010).

The Strategic Plan 2010/11-2012/13 of the national Department of Health sets the following targets for improving child health (2010: 35):

- Increasing the percentage of infants requiring dual therapy for PMTCT who actually receive it
- Increasing the percent of mothers and babies who receive post-natal care within three days of delivery
- Increasing the percentage of maternity care facilities which review maternal and perinatal deaths and address identified problems
- Ensuring that 90% of children under one year of age are vaccinated with pneumococcal and rotavirus vaccines
- Increasing the percentage of health districts in which 90% of children are fully immunised at one year of age
- Increasing the proportion of training institutions for nurses that teach Integrated Management of Childhood Illnesses (IMCI)
- Increasing the proportion of schools that are visited by a school health nurse at least once annually
- Conducting health screening of learners in Grade 1 in quintile 1 schools for eyes, ears and teeth
- Providing penicillin for prevention of rheumatic heart disease.

Virtually all these targets relate to service delivery for which provinces are primarily responsible, although the national Department provides conditional grants and other assistance in respect of some of them.

### ***Budget programmes***

The national Department of Health's budget is organised in terms of five programmes, as shown in diagram 14 below, in which the programme most relevant to children is shaded.

**Diagram 14: Programmes within the budget vote of the National Department of Health**

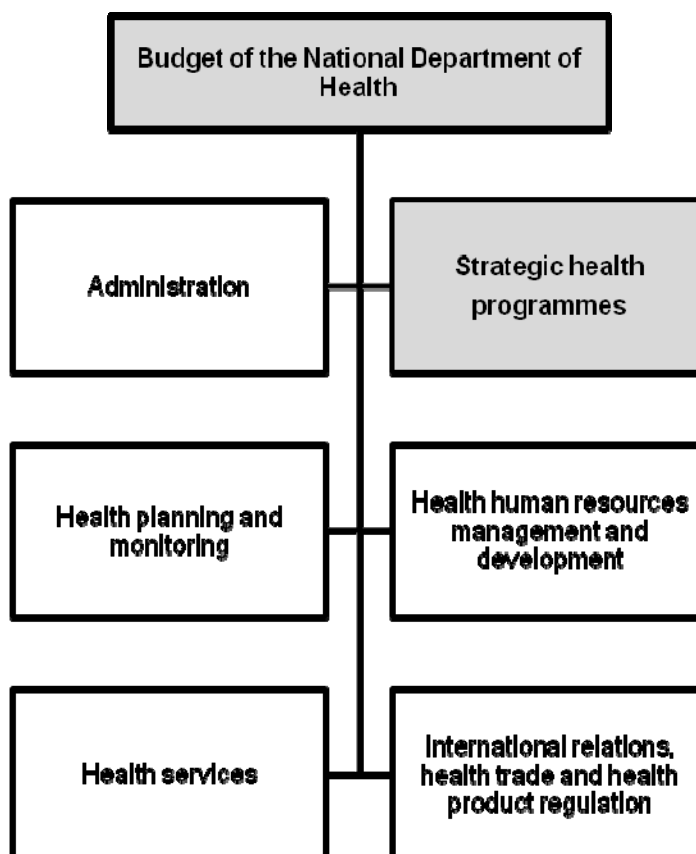


Table 33 shows the allocations for each of the programmes for 2009/10 and over the MTEF period. The **strategic health programmes** is of most direct relevance for our purposes. The proportion of the national Department's budget allocated to this programme increases steadily from 32% in the 2009/10 adjusted appropriation to 34%, 37% and 39% respectively in the successive MTEF years.

**Table 33. Budget of national Department of Health (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Administration	236.6	260.4	260.4	264.8	299.9	330.9
Strategic health programmes	4692.3	5791.3	5688.3	7294.9	8774.4	10147.6
Health planning and monitoring	357.1	396.4	393.4	406.9	426.1	454.2
Health human resources management & development	1786.2	1799.0	1799.0	1897.1	2011.7	2111.8
Health services	9898.9	10086.1	9794.1	11528.8	12083.5	12681.7
International relations, health trade & health product regulation	87.0	90.2	90.2	104.5	112.4	118.5
<b>Total</b>	<b>17058.1</b>	<b>18423.4</b>	<b>18025.5</b>	<b>21497.0</b>	<b>23707.9</b>	<b>25844.7</b>

The budget book describes the purpose of the strategic health programmes as being to coordinate, manage and fund strategic national health programmes, including developing policies, systems and norms and standards for them. Programme 5, **health services**, might seem from the name to fall within the scope of this paper. The focus of this programme is on hospitals, emergency medical services and occupational health. The national Department's responsibility in respect of hospitals primarily relates to policy development. However, the budget for this sub-programme includes two major transfers to provinces. The first – amounting to R7,4 billion in 2010/11 – relates to the national tertiary services grant. The grant currently is provided to 22 tertiary services, most of which are in Gauteng and Western Cape. The Red Cross War Memorial Children's Hospital would be among the 22, but the budget document does not detail the transfers to each hospital. The second major transfer – amounting to R4,0 billion in 2010/11 – related to the hospital revitalisation grant, which provides for capital expenditure of provincial hospitals.

Actual delivery by district hospitals, which the District Health Information System shows is where childbirth is most likely to take place (Peter Barron, personal communication, 7 July 2010), falls within the strategic health programme at provincial level, while provincial hospitals (which are of less relative importance given our emphasis on primary health care) constitutes a separate programme in provincial budgets. In terms of emergency care, while children will be among the beneficiaries, they are likely to constitute a much small proportion of beneficiaries than for the district-level services, and also account for a small proportion of budget expenditure. We therefore focus in this report on the more primary health care-oriented services covered by strategic health programmes that are of more direct benefit to children and, in particular, to poor children.

The discussion in the budget vote of the overall budget for the national Department of Health explains that relatively large increases in the budget are attributed, in particular, to increases in the amounts of the HIV and AIDS and hospital revitalisation **conditional grants**. The first of these grants is transferred from the strategic health programme at national level to the provincial HIV and AIDS sub-programmes which are discussed in more detail below. For the MTEF period additional amounts – more than foreseen in the 2009 MTEF – of R1,7 bn, R2,8

bn and R3,9 bn respectively have been added to this grant to allow expansion of treatment to tuberculosis patients, pregnant women and new-born babies with CD4 levels less than 350. The hospital revitalisation grant is located within the health services programme and is not discussed further in this report.

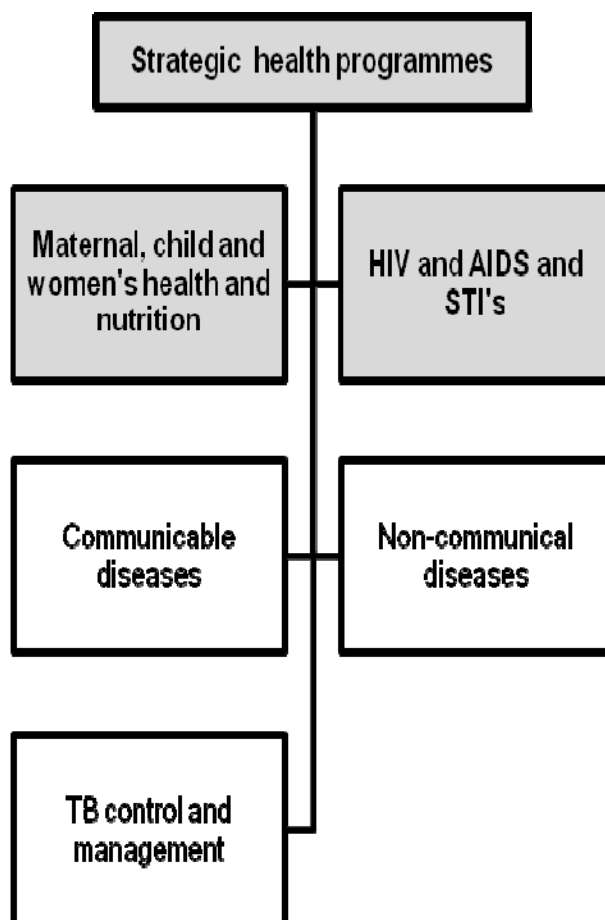
In total, the national Department of Health provides five conditional grants to the provinces, while the provincial departments of health also benefit from a conditional grant from National Treasury for provincial infrastructure. The total allocations for the national Department of Health's five conditional grants are R19,8 bn in 2010/11, R22,0 bn in 2011/12 and R24,0 bn in 2012/13. The comprehensive HIV and AIDS grant accounts for about a third of the combined total for all five grants, at R22,2 bn over the MTEF period. The HIV and AIDS grant is intended to cover a wide range of HIV and AIDS-related interventions, including prevention programmes, voluntary counselling and testing, prevention of mother-to-child transmission (PMTCT), post-exposure prophylaxis and home-based care. In the 2010 budget, amounts of R1,7 bn, R2,8 bn and R3,9 bn respectively for 2010/11, 2011/12 and 2012/13 were added to what was in the 2009 MTEF for this grant to facilitate implementation of the expanded provision announced by President Zuma on World Aids Day in December 2009.

In addition to the conditional grants, the Gauteng budget vote refers to R23 million received for 2010/11 from the national Department of Health as an "earmarked" amount for PHC. None of the other provinces refer to similar earmarked allocations, but it is unlikely that the national Department would have singled Gauteng out in this respect if Gauteng is correct in referring to this money as earmarked by national. In the review of 2009/10 KwaZulu-Natal refers to an additional R10 million provided to contain a measles outbreak, but it is unclear if this additional money came from the national Department or from the province.

Within the strategic health programme, we are especially interested in two sub-programmes, namely **maternal, child and women's health and nutrition; HIV and AIDS and sexually transmitted infections (STIs)**.

Diagram 15 shows the sub-programmes within the strategic health programme with the programmes most relevant to children shaded.

**Diagram 15: Sub-programmes within the strategic health programmes programme**



Neither of these sub-programmes is solely focused on children. For example, the first is also focused on women, while the second deals with many adults who are infected. The sub-programme on communicable diseases might also seem relevant, but is excluded on the basis that the most important child-related communicable diseases – namely measles and HIV and AIDS – are covered by other sub-programmes. The sub-programme for non-communicable diseases might also seem relevant, in that the description states that it deals with disability, oral health and mental health among others. However, a relatively small proportion of this budget probably benefits children as it includes other foci, such as chronic diseases and older people. The exclusion of these two sub-programmes does not imply that children are not affected by communicable and non-communicable diseases. The sub-programmes are excluded in line with this paper's focus on programmes and sub-programmes which have a major focus on children.

Table 34 shows the estimates for the two focus sub-programmes for 2009/10 and the MTEF period. The final row of the table gives the total for all sub-programmes rather than only for the two of interest. The **HIV and AIDS and STIs** sub-programme clearly dominates the budget of the programme, and its domination increases from 84% of the total adjusted

appropriation for 2009/10, to 89%, 90% and 92% respectively in the three years of the MTEF. This increasing domination is largely accounted for by the increase in the HIV and AIDS conditional grant which accounts for a large part of this sub-programme's budget. In real terms, after correcting for inflation, the amount for this sub-programme increases by 25,0%, 15,5% and 10,9% over the three years of the MTEF.

**Table 34. Budget for strategic health programmes (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Maternal, child & women's health and nutrition	26.5	46.5		57.3	50.0	31.3
HIV and AIDS and STIs	3962.2	4877.7		6489.3	7935.8	9303.4
Total	4692.3	5791.3		7294.9	838.6	10147.6

The increased relative dominance of the HIV and AIDS and STIs sub-programme is also partly explained by an absolute decrease over the period in the budget for **maternal, child and women's health and nutrition**. For the outer two years of the MTEF there is a marked decrease even in the nominal estimates for this sub-programme. In real terms the amount increases by 15,8% for 2010/11 but then decreases by a startling -17,6% and -40,8% respectively in the following two years. This pattern is explained by the additional allocations for mass immunisation against measles of R20m, R30m and R20m respectively over the period 2009/10 to 2011/12. It is not clear why the Department plans to end these special allocations when a target of 95% coverage is reached rather than continuing with the additional allocations in the hope of reaching full coverage as well as providing for all the new babies who are born each year.

There also seems to be no provision for a Demographic and Health Survey (DHS) during the MTEF period. Such surveys are a very valuable – indeed essential – source of data for key child health indicators. South Africa conducted the first post-apartheid DHS in 1998, and this was followed by further similar surveys in 2002 and 2005. A further DHS was scheduled for 2008 but has not yet been conducted. Lack of budget appears to be a major stumbling block.

The discussion of service delivery notes two potentially child-related achievements in past years. Firstly, there was an increase in the national immunisation coverage from 85,2% in 2007/08 to 88,8% in 2008/09. As noted above, these estimates almost certainly exclude the two new vaccines. Secondly, in 2008/09 nutritional supplements were provided to 734 409 people living with debilitating conditions, which far exceeded the target of 500 000. The way the latter is framed suggests that some proportion – perhaps substantial – of those benefiting from nutrition may not be children, or even women. In particular, it is likely that many of those benefiting are HIV-positive men and women. This is also suggested in some of the provincial narratives, which means we must be cautious in assuming that the maternal, child and women's health and nutrition sub-programme is firmly focused on women and children.

Total transfers to NPOs for the national Department amount to R193,8m in 2010/11. R189,8m of this total is located within the strategic health programme. According to the report of the Portfolio Committee on the budget vote, transfers include R77,4m for loveLife and R17m for Soul City as well as a combined total of (only) R1,1m for an unspecified number of NPOs working in the area of maternal, child and women's health. Some of the loveLife and Soul City money should benefit children and youth.

### ***Performance indicators***

The budget vote lists 14 selected performance indicators. Of these, three are of direct relevance to children. As seen from Table 35, two of the indicators relate to immunisation, while the third relates to the integrated management of childhood illness (IMCI) strategy developed and promoted by UNICEF. The text accompanying the table explains that saturation is defined to mean that 60% of health workers who manage children at the facility concern have been trained in this strategy. The table suggests quite ambitious targets in terms of improvement on all three child-related indicators over the MTEF period.

**Table 35. Child-related performance indicators for national Department of Health**

<b>Indicator</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
% of national immunisation coverage	88%	90%	95%	95%
No of 52 health districts with >90% full immunisation coverage	38	42	45	48
% of PHC facilities saturated with IMCI health workers	56%	70%	75%	80%

### ***Conclusion and issues to consider for 2011 budget***

Overall the national Department of Health's budget is pleasing, as is the planned increase emphasis to be given to primary health care. The increases in respect of the HIV and AIDS conditional grant are especially welcome given that they include provision for implementation of expanded provision in respect of women and new-born babies announced on World Health Day in late 2009. The pleasing picture from the perspective of children is spoiled by the large planned decrease over the MTEF period in spending on immunisation within the maternal, child and women's health and nutrition programme. The lack of provision for a Demographic and Health Survey is especially worrying.

The ambitious performance targets for child-related indicators are pleasing. The big question that remains is whether the Department, in partnership with its provincial counterparts, will be able to live up to its own expressed expectations. The point about provincial counterparts is especially important given that a substantial proportion of the national Department's budget consists of transfers to provincial departments. While this is appropriate given that it is within the provincial sphere that delivery is meant to happen, it is worrying given all the challenges facing provincial departments described in the next section. Also worrying is that when one reads the provincial narratives it is not clear that even the increased conditional grants will be sufficient to meet the need.

There are several areas on which greater clarity is needed. One of these relates to the indicators in relation to immunisation, where clarity is needed as to which vaccines are covered and, in particular, whether the two new vaccines are included. A second issue needing clarity is the extent to which the child and women's health sub-programme services people other than children and women.

Another aspect of the child and women's health sub-programme budget that is worrying are the marked decreases even in the nominal estimates for the outer two years of the MTEF. The budget document states that these decreases reflect additional allocations in the period 2009/10 to 2011/12 for mass immunisation. It is worrying that additional allocations are not continuing when we still do not have full coverage. Further, each year many new babies are born and will need immunisation.

## **Provincial departments of health**

### ***Introduction***

The nine provincial departments have similar structures for their budgets. This facilitates comparison across provinces as well as facilitating the extraction of a national picture of budgeting and provision.

The provincial budget votes generally begin with a mission and vision and a short discussion of the strategic goals. These differ from province to province, but there are often similarities. For example, many provinces refer to the national programme of action and national priorities. In line with this, some emphasise the need to expand access to and quality of PHC services.

Children are not regularly explicitly mentioned in these sections of their votes. There are, however, some explicit references to children (and the related issue of maternal health) and youth. For example:

- Eastern Cape has strengthening of mother and child health as the third of five strategic priorities
- Free State list reduction of infant and under-5 morbidity and mortality among its corporate goals, as well as improvements in adolescent and youth health
- One of Gauteng's strategic goals is to reduce new HIV infections in youth, adults and babies by 50%
- Northern Cape lists mother, child and women's health and the integrated nutrition programme as the first and second of the services provided by the department, but has reduction of maternal and child mortality and morbidity as the last of the listed strategic priorities
- North West states that the Children's Rights Charters constitutes one of the values observed by the department



- Western Cape names the Children’s Act and Child Care Act among the legislation governing operations.

Several provinces refer to the health-related MDGs. Although this is not usually spelt out, these goals relate primarily to women’s and child health.

### ***Budget programmes***

The provincial health budgets consist of eight programmes. Diagram 16 below shows these programmes with the ones most relevant to children shaded.

**Diagram 16: Programme within the budget votes of provincial department of health**

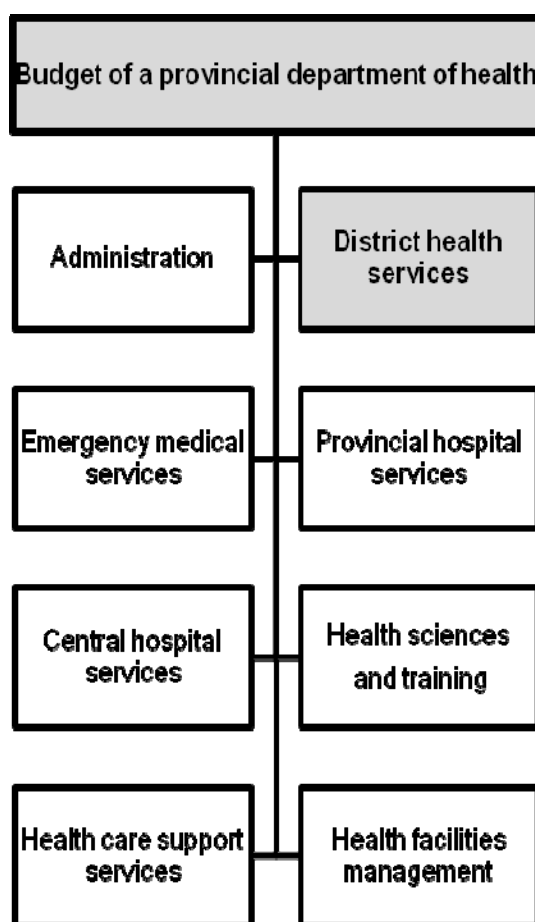


Table 36 shows the share of the total budget allocated to each programme for the nine provinces combined. (The share calculation takes into account negative “allocations” for internal charges. These always account for less than 1% of the budget and therefore should not affect the overall picture.)

**Table 36. Budgetary share of programmes within provincial health budgets**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Administration</b>	3%	4%	4%	3%	3%	3%
<b>District health services</b>	41%	41%	41%	43%	43%	43%
<b>Emergency medical services</b>	4%	4%	4%	4%	4%	4%
<b>Provincial hospital services</b>	23%	22%	23%	22%	22%	22%
<b>Central hospitals</b>	13%	14%	15%	14%	14%	14%
<b>Health sciences and training</b>	3%	3%	3%	3%	3%	3%
<b>Health care support services</b>	2%	2%	2%	2%	2%	2%
<b>Health facilities management</b>	10%	9%	8%	9%	9%	9%
Total	100%	100%	100%	100%	100%	100%

The programme of interest for our purposes is **district health services**. As is evident from the table, this programme is the largest in monetary terms, accounting for 43% of the combined provincial health budgets during the MTEF period. The relative importance of this programme has increased over time in that it accounted for 41% of the total in 2009/10 and 39% in 2006/07. In real terms, after controlling for inflation, the estimates for this programme increase by 9,9%, 3,6% and 0,9% respectively in each successive year of the MTEF.

Two comments can be made in respect of this pattern. Firstly, as the North West budget narrative notes, increases “should not be interpreted as an indication of sufficient funds”. This observation would probably hold for other provinces as well. Secondly, this pattern of relatively large real increases for 2010/11, followed by smaller increases for 2011/12 and sometimes even decreases in 2012/13 is found in many of the sub-programmes. This pattern is interesting given that in 2009 South Africa was, like other countries, affected by the international financial crisis. One might therefore have expected smaller increases in 2010/11, followed by larger ones as the economy recovers. One interpretation is that government is acting counter-cyclically i.e. it does not want to remove stimulation from the economy at a difficult time. Another interpretation is that government does not want to raise expectations about the funds that might be available in future years, but instead wants to surprise and please everyone with higher-than-expected increases in coming years.

In absolute terms, the total allocation for health increases from R86,2 bn in the adjusted allocation for 2009/10, to R98,3 bn, R10,6 bn and R11,3 bn respectively in successive years of the MTEF. In real terms the increases are 7,2%, 2,2% and 0,0% respectively. All the provincial budget narratives point out that the occupation-specific dispensation (OSD), first for nurses and then for doctors, has had a major impact on health budgets over recent years and additional increases in this respect are reflected in the 2010/11 allocations. In absolute terms, compensation of employees increases from R47,9 bn in the adjusted 2009/10 budget to R55,6 bn, R59,3 bn and R62,4 bn respectively in the MTEF years. For this item the real increases are 9,1% and 0,7% in the first two years of the MTEF, followed by a real decrease of -0.5% in 2012/13. These figures confirm the provincial claims that compensation of employees is a major factor in the increases. However, if we subtract the amounts for

compensation of employees, we still find real increases, after controlling for inflation, of 4,9%, 4,2% and 0,6% respectively in the combined provincial budgets.

The issue of compensation for employees is important for our purposes as district health services is one of the four service delivery programmes of the provincial departments, and is heavily dependent on personnel. It is thus important to understand to what extent increases in the district health services budgets are driven by increases in remuneration of staff rather than, for example, increases in the number of staff or in other items. The question is especially important given that provincial health departments claim that they are severely understaffed. However, we would not want to argue against OSD and other improvements in conditions of service as without decent remuneration and conditions, staff is unlikely to provide quality services. On the downside, Free State reports that they are planning to abolish 3 810 unfunded vacancies as a result, among others, of the OSD. The seriousness of this situation is difficult to judge without knowing more about the extent to which the staff establishment in the province (including the unfunded posts) meets or exceeds norms and standards in respect of workload as ongoing research into norms and workloads suggests that while there are insufficient doctors in South Africa, the insufficiency of professional nurses may sometimes be overstated (Peter Barron, personal communication, 5 July 2010). The Integrated Support Team appointed by the then Minister of Health in early 2009 to conduct an investigation into, among others, projected overspending by the provincial Departments of Health (Barron et al, 2009) found, for example, that the number of staff relative to the uninsured population was much higher than average in KwaZulu-Natal. However, KwaZulu-Natal has the highest HIV prevalence in the country and might thus need an above-average number of staff.

More generally, what is noticeable across all the provincial votes is the emphasis placed on the immense challenges faced in meeting enormous need with insufficient budgets. While this complaint is common across many sectors, it is more marked and more consistent in health than in some other sectors. In KwaZulu-Natal the mismatch between budget and expenditure was so serious that a Joint Task Team that included officials from the Provincial Treasury and the Department of Health was created to implement a “turnaround” strategy. Of concern for our purposes is that Saloojee (2010) notes that when inadequate budgeting led to freezing of posts and restriction of basic services in the Free State in 2009, the child immunisation services were among those badly affected. The report of the Portfolio Committee on Health on the budget vote notes plans to establish a Provincial Finance and Budget Support Unit within the national Department of Health to assist with addressing the challenges. R2m, R4m and R6m respectively are allocated in each of the successive MTEF years for this Unit.

The extent of the crisis in respect of provincial health budgets led in 2009 to the appointment by then Minister Hogan of an Integrated Support Team, which was tasked with reviewing over-spending in the sector and reviewing the public health system more generally. The consolidated report of the Team (Barron et al, 2009) confirms the seriousness of the problem. The report noted, among others, that the planned scale up of ART was “unsustainable from a health system perspective and unaffordable from a budgetary perspective”. It noted that other “unfunded mandates” included the OSD and unfunded

legislative requirements in respect of the district health system. The strain imposed by the OSD was exacerbated by the fact that the centrally bargained increases for health personnel were above the increases for which provinces had budgeted. However, the Team argued that these findings did not necessarily mean that the public health sector was underfunded. Instead, it suggested that existing models – such as relying on central hospitals and medical doctors and imposing strict criteria for accreditation of facilities in respect of ART – meant that health care was more expensive than was necessary.

The Integrated Support Team’s investigation was conducted before the December 2009 announcement of expansion of a large-scale campaign on counselling and testing, new protocols for ART, and early interventions for pregnant women, children and people with tuberculosis infections. The current Minister of Health is clear that South Africa “needs help” from donors if it is to fund the promised initiatives (Parker, 2010).

The provincial **district health services** programmes consist of six or seven sub-programmes. Diagram 17 shows these sub-programmes with those most relevant to children shaded.

**Diagram 17: Sub-programmes within the District health services programme**

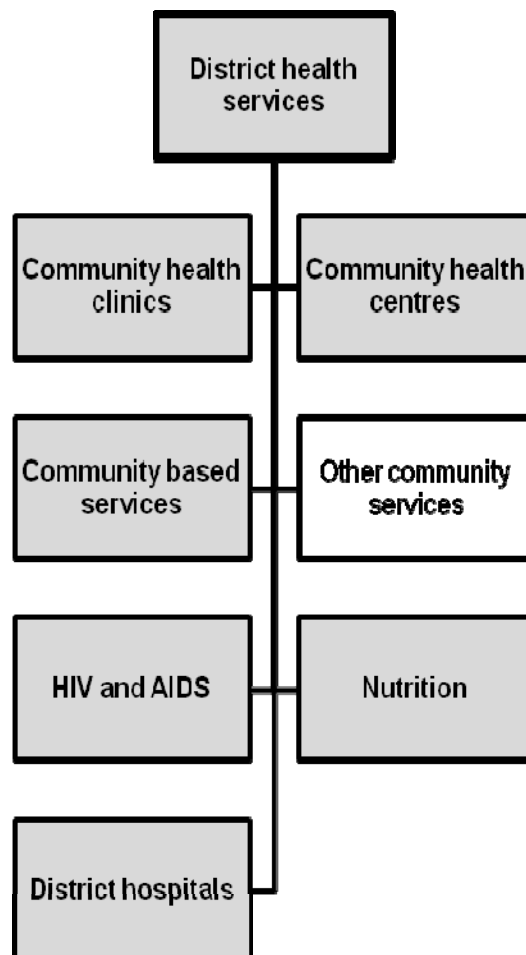


Table 37 shows the share of the programme budget allocated to each sub-programme for each of the nine provinces. The sub-programmes of particular interest for our purposes are community health clinics, community health centres, community based services, HIV/AIDS, nutrition, and district hospitals.

**Table 37. Budgetary share of sub-programmes within provincial district health programme budgets for 2010/11**

Sub-programme	EC	FS	GT	KZN	LM	MP	NC	NW	WC
Community health clinics	21%	22%	21%	21%	28%	18%	19%	18%	21%
Community health centres	9%	3%	13%	6%	4%	11%	12%	18%	22%
Community based services	5%	14%	12%	1%	3%	2%	0%	0%	3%
Other community services	2%			6%	2%		4%		0%
HIV/AIDS	12%	20%	26%	19%	9%	12%	18%	20%	13%
Nutrition	2%	1%	1%	1%	0%	1%	1%	0%	1%
District hospitals	41%	37%	19%	44%	43%	51%	41%	33%	35%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

The table reveals the dominance of the community health clinics and health centres sub-programmes. However, the relative domination differs across provinces. For example, clinics account for 28% of the programme budget in Limpopo, but only 18% in Mpumalanga and North West. Similarly, the HIV/AIDS sub-programme constitutes 20% or more of the total programme budget in Free State, Gauteng and North West, but only 9% in Limpopo and 12% in Eastern Cape. While HIV prevalence rates differ across provinces, these differences in the share cannot be explained by provincial differences in prevalence. Similarly, the share of district hospitals ranges from only 19% in Gauteng to 51% in Mpumalanga. Again, the patterns are not easy to explain as provinces with high shares for this sub-programme include both more urban and more rural. Community based services ranges from less than 1% in Northern Cape and North West to 14% in Free State and 12% in Gauteng. It is not clear to what extent these patterns reflect provinces making different choices as to priorities and to what extent it reflects differences in location of particular activities across sub-programmes.

The sub-programmes are differently described by the various provinces, and the Northern Cape's descriptions, which are very similar to those of Western Cape, are used as the basis here, for a general understanding of the likely focus of the sub-programmes:

- The **community health clinic services** sub-programme provides for a nurse-driven PHC service at clinic level including visiting points, mobile and local authority clinics.
- The **community health centres** provide PHC services which include full-time medical officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, speech therapy, communicable diseases, and mental health. The Mpumalanga vote explains that the centres, while providing a wide range of services, do not provide for surgery under general anaesthesia.

- **Community based services** provides for services at non-health facilities, such as in respect of home-based care, abuse victims, mental and chronic care, and school health. In terms of home-based HIV and AIDS care, health departments tend to focus on the medical aspects, while social development departments focus on child-related mitigation and other intervention. We therefore do not report on the home-based care aspect here. This health sub-programme is nevertheless included here because it covers school health.
- **HIV/AIDS** is responsible for HIV and AIDS campaigns and special projects. General care and treatment for opportunistic infections of HIV-infected people would be covered by many of the other sub-programmes.
- **Nutrition** provides direct and indirect nutrition services and interventions aimed at specific target groups.
- **District hospitals** render a hospital service at district level.

An indication of the relative reach of different services is provided by Free State, where services are provided through 235 fixed clinics, 10 community health centres and 24 district hospitals. The relative numbers would differ across provinces but the Free State numbers give an indication of the importance of the clinics in terms of reach. Facilities at other levels to which the clinics can refer patients whom they cannot treat adequately are also necessary, but it is the lowest level that forms the basis for PHC.

The **other community services** sub-programme is not covered in this paper because, although its name implies it might relate to PHC, its focus is on areas such as environmental, port health, and district surgeon services. District surgeon services are of interest for child victims of assault and rape, but there are no references to this function in the narratives. In some provinces this sub-programme might provide some other child-related services. In Eastern Cape, for example, this sub-programme provides for school oral health services.

Table 38 gives the estimates for the **community health clinics** sub-programme across the nine provinces. The final row shows the percentage of the total programme budget accounted for by this sub-programme in each year. This final row suggests a decrease in importance of the sub-programme over the MTEF period, from the more than 23% that it represented in the 2009/10 allocations to less than 21% in 2012/13. However, this apparent decrease is misleading as it results from the sharp expansion in the allocation for HIV/AIDS, and thus increased share for that sub-programme, over this period rather than necessarily a decrease in the allocation for the community health clinics and other sub-programmes. Indeed, in real terms, the total amount allocated across the nine provinces increases by 4,5% in 2010/11, followed by a minimal 0,3% in 2011/12 and a decrease of -2,0% in 2012/13. This trend is disturbing given that this sub-programme forms the bedrock for PHC.

**Table 38. Provincial budgets for community health clinics sub-programmes (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	1099023	1142038	1293175	1258256	1227197	1252008
<b>Free State</b>	375547	470462	436272	515498	587108	593103
<b>Gauteng</b>	900765	924274	955724	1255506	1366060	1419595
<b>KwaZulu-Natal</b>	1631322	1653002	1922250	2145578	2367691	2488297
<b>Limpopo</b>	1774938	1774938	1106589	1571364	1584550	1588317
<b>Mpumalanga</b>	466066	561454	547700	586082	629456	662060
<b>Northern Cape</b>	466066	561454	547700	586082	629456	662060
<b>North West</b>	510386	523333	500386	517849	548082	576958
<b>Western Cape</b>	750561	757050	766444	871457	947369	1001441
<b>Total</b>	7974674	8368005	8076240	9307672	9886969	10243839
<b>% of total</b>	23.6%	23.4%	21.7%	22.3%	21.6%	20.9%

North West's narrative on the district health services programme notes, among the key measurable objectives, an increase in the number of clinics rendering a comprehensive package of PHC services on a 24-hour basis. This objective implies that currently some of the clinics are not providing such services. The narrative also lists among the objectives for this sub-programme that all clinics have water, sanitation and telecommunication as well as essential medicines. Again, this implies that these facilities are currently not always in place. More positively, another North West objective for the sub-programme is to improve management of children under five years who present with illnesses such as pneumonia, diarrhoea, malaria and HIV.

There are a few other explicit references to children that are likely to relate to this sub-programme. At least three provinces – Gauteng, Mpumalanga, and Western Cape – explicitly refer to initiatives in respect of IMCI. Mpumalanga provides a concrete measure of coverage of children in that it records that 134 614 children under five years of age and 286 996 five years and above were reached through the mobile services.

Several of the provinces refer to campaigns and other special initiatives related to immunisation. Free State notes that the Reach Every District strategy is being used in districts and sub-districts with low immunisation coverage. Mpumalanga records its intention to strengthen Reach Every Child in the District during 2010/11, presumably referring to the same strategy. Gauteng notes that an Every Day is Immunisation Day campaign in Tshwane as well as Mop-up campaigns resulted in their exceeding their immunisation target in 2009/10.

Table 39 gives the provincial budgets for the **community health centres** sub-programme. Overall, the sub-programme is about half the size of the community health clinics sub-programme. Once again the relative importance of this sub-programme seems to decrease over the MTEF period, although to a lesser extent than community health clinics. In real terms the increases are 8,5%, 2,9% and 0,1% respectively over the successive years of the

MTEF. Thus, unlike the clinics, this sub-programme does not see any real decrease. Nevertheless, the extent of the increase declines markedly over the MTEF period.

**Table 39. Provincial budgets for community health centres sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	400741	432213	561518	569424	581011	612832
<b>Free State</b>	78307	75013	48057	61082	91062	97123
<b>Gauteng</b>	631766	657288	701651	777667	889643	935249
<b>KwaZulu-Natal</b>	558011	476892	555282	628739	676456	710870
<b>Limpopo</b>	219349	219349	195106	228754	247551	291429
<b>Mpumalanga</b>	309871	354547	334513	365598	412103	420876
<b>Northern Cape</b>	121997	126602	122998	141572	149777	157340
<b>North West</b>	484238	496388	484238	515683	546556	576258
<b>Western Cape</b>	800149	807629	826934	922077	992975	1049281
<b>Total</b>	3604429	3645921	3830297	4210596	4587134	4851258
<b>% of total</b>	10.7%	10.2%	10.3%	10.1%	10.0%	9.9%

Table 40 provides a similar table for the **community health services** sub-programme. The overall amount is only about a quarter of that of the clinics sub-programme. This would, in part, reflect the fact that much of the work in this sub-programme is done by volunteers who are paid small stipends rather than full salaries. Nevertheless, the longer-term trend reveals that this sub-programme has been substantially expanded over recent years as the total cross-province allocation stood at only R424m in 2004/05. Barron (2009: 8) attributes this increase to rapid expansion in the number of community health workers employed. Northern Cape has no allocation for this sub-programme while Mpumalanga's allocations start only in 2010/11. The Northern Cape anomaly illustrates the fact that, despite similar sub-programme names, provincial departments may not organise their activities in similar clusters. Northern Cape would certainly be funding some home-based care services of the kind that are included in this sub-programme in other provinces. Indeed, for 2010/11 Northern Cape would have – like other provinces – received a conditional grant to pay stipends to NPOs providing these services as part of the Expanded Public Works Programme (EPWP). In this province, and perhaps in others, such payments may be reflected elsewhere in the budget.

Across all provinces combined the estimates for this sub-programme increase by 22,1% in 2010/11, followed by decreases of -0,8% in 2011/12 and -13,2% in 2012/13. The substantial increase for 2010/11 is probably largely explained by the one-year conditional grant for home-based care services.



**Table 40. Provincial budgets for community health services sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	329638	310942	317325	313753	339373	351143
<b>Free State</b>	260079	251465	305503	316486	313938	331594
<b>Gauteng</b>	478777	502089	592397	732626	785490	554808
<b>KwaZulu-Natal</b>	99702	100106	96744	116491	123336	130078
<b>Limpopo</b>	122807	122807	144014	151403	159289	166253
<b>Mpumalanga</b>	0	0	0	74460	69568	90317
<b>Northern Cape</b>	0	0	0	0	0	0
<b>North West</b>	7477	7477	7477	5558	5919	6275
<b>Western Cape</b>	117802	121113	121851	129518	136570	144240
<b>Total</b>	1416282	1415999	1585311	1840295	1933483	1774708
<b>% of total</b>	4.2%	4.0%	4.3%	4.4%	4.2%	3.6%

Table 41 gives the estimates for the **HIV and AIDS** sub-programme. When all provinces are combined, this sub-programme's share of the programme budget shows substantial growth over the MTEF period, from 13,5% in the main appropriation for 2009/10 to 20,7% for 2012/13. This growth largely reflects the substantial growth of the HIV and AIDS conditional grant that feeds into this sub-programme. In real terms the growth rates for each year of the MTEF is 19,8%, 16,0% and 12,5% respectively.

**Table 41. Provincial budgets for HIV and AIDS sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	480157	573606	564725	741283	974680	1172444
<b>Free State</b>	274921	338139	315807	478855	573929	664542
<b>Gauteng</b>	932649	1064318	1064318	1512782	1901618	2406432
<b>KwaZulu-Natal</b>	1454806	1655685	1521982	1930006	2341404	2732488
<b>Limpopo</b>	301474	412133	412353	524896	623404	720009
<b>Mpumalanga</b>	271693	371408	281136	398824	510931	610116
<b>Northern Cape</b>	145268	147641	157828	216981	236661	262294
<b>North West</b>	374638	486210	379838	565767	695579	807448
<b>Western Cape</b>	309913	383538	383538	554054	648314	738098
<b>Total</b>	4545519	5432678	5081525	6923448	8506520	10113871
<b>% of total</b>	13.5%	15.2%	13.6%	16.6%	18.5%	20.7%

All provinces refer in their budget narrative to strengthening and expansion of PMTCT. They refer less consistently to initiatives in respect of improved ART provision for babies and children. Northern Cape is one of the exceptions in that its narrative explicitly explains the increase in funds for HIV/AIDS as relating, among others, to the need to provide triple therapy to all children born with HIV and Aids. Very few provinces refer explicitly to ART

provision for children more generally. Gauteng is an exception here, reporting that the number of HIV-positive children on treatment increased from 16 000 in 2008/09 to 19 000 in 2009/10, and that it hopes to provide treatment for all HIV-positive children in 2010/11. However, the province notes further that infrastructural delays and staff shortages have prevented progress being as fast as expected.

Table 42 provides the estimates for the **nutrition** sub-programme. When the estimates for provinces are combined, this sub-programme accounts for less than 1% of the programme total for all years examined. This is perhaps less serious than it seems to the extent that the school feeding scheme now falls with the Education rather than the Health sector. The sub-programme experiences real growth of 6,4% in 2010/11, but this is followed by a decrease of -1,5% in 2011/12 and then an increase of 2,0% in 2012/13.

**Table 42. Provincial budgets for nutrition sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	66024	62024	65636	93960	96513	110542
<b>Free State</b>	13142	16608	8989	12899	13803	14724
<b>Gauteng</b>	37049	37636	27517	39010	41210	43270
<b>KwaZulu-Natal</b>	103275	101697	101461	106016	108024	113425
<b>Limpopo</b>	23000	23000	23000	24610	26087	27391
<b>Mpumalanga</b>	23000	23000	23000	24610	26087	27391
<b>Northern Cape</b>	5800	5933	3866	6841	7227	7596
<b>North West</b>	13346	13346	13346	11043	13223	14017
<b>Western Cape</b>	18452	18530	19933	22730	24327	25847
<b>Total</b>	303088	301774	286748	341719	356501	384203
<b>% of total</b>	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%

As noted in respect of the national budget vote, discussion of nutrition in the provincial budget votes tends to refer to other target groups more often than children. In particular, references to people infected and affected by HIV and AIDS are common. It is thus not clear to what extent children benefit from this particular sub-programme. Overall, the provincial health budgets do not present a hopeful picture in respect of addressing child malnutrition.

Table 43 gives the estimates for the **district hospitals** sub-programme. The relative importance of this sub-programme has declined in monetary terms over recent years. In 2006/07, this sub-programme accounted for 43% of the combined provincial totals while by 2012/13 the percentage is expected to fall to 37%. After correcting for inflation, the allocation for this sub-programme increases by a healthy 9,9% in 2010/11, followed by a small real increase of 0,9% in 2011/12 and a decrease of -1,1% in 2012/13.

**Table 43. Provincial budgets for district hospitals sub-programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
<b>Eastern Cape</b>	1998553	2086397	2607648	2462205	2646744	2741482
<b>Free State</b>	753204	811683	743144	859860	874220	927227
<b>Gauteng</b>	895887	1020944	991893	1116496	1175089	1256627
<b>KwaZulu-Natal</b>	3656129	3669885	4328746	4580576	4939973	5183982
<b>Limpopo</b>	1912421	1912421	2400986	2401777	2531522	2654788
<b>Mpumalanga</b>	1509163	1604700	1569009	1708458	1870663	1887059
<b>Northern Cape</b>	418195	438604	480359	485342	528171	554993
<b>North West</b>	840797	858460	888742	944166	979013	1029897
<b>Western Cape</b>	1245566	1309500	1327240	1469943	1577262	1663742
<b>Total</b>	13229915	13712594	15337767	16028823	17122657	17899797

Looking at the budgets for district hospitals is important because this is where the majority of babies are born. It is also the place where the majority of recorded maternal deaths occur (Department of Health, 2010: 18). Good quality health care services at district hospitals for pregnant mothers, newborn babies and young children is essential for reducing the high mortality rate for children under five years of age.

The budget narratives say very little about childbirth apart from general references to the importance of mother and child health and discussion of PMTCT-related initiatives.

Because the narrative in the budget votes is not usually organised strictly by sub-programme, it is sometimes difficult to know to which sub-programme a particular observation refers. This is the case, for example, in respect of initiatives targeted at schools.

The report of the Portfolio Committee on Health on the national budget vote records plans to ensure that school health services are provided in the 18 priority districts by 2010/11 and in all schools by the end of the MTEF period. Reporting on initiatives in relation to school health are inconsistent across provinces. The mention of past or planned achievements in this area of work include:

- Eastern Cape and Gauteng: An increase in the proportion of schools visited by a school health nurse at least once per year, and health screening of eyes, ears and teeth of learners in Grade 1 in quintile 1 schools.
- Gauteng: Life skills education in 95% of schools
- Limpopo: All schools providing school health services
- Mpumalanga: Launch of 7 new health promoting schools.

There are also disparate references to youth-related initiatives. Again, it is not always clear to which sub-programmes references such as the following relate:

- Eastern Cape: Provision of life skills education for youth
- Gauteng: An objective to increase male circumcision among youth

- Mpumalanga: Adoption of a youth fitness and wellness charter and a planned strengthening of youth health services so as to decrease health risk behaviour among this group
- Western Cape: Objective of improving health services for youth.

Many of the provinces – Eastern Cape, Free State, KwaZulu-Natal, Limpopo and Western Cape – report on donor funding. Most note that these funds are not voted by the legislature and are thus not included in the standard tables. Western Cape is an exception in that the district health services programme includes a sub-programme for the Global Fund. This funding will come to an end in 2010/11 unless a new six-year proposal is accepted. Other provinces do not have a similar sub-programme even where they report Global Fund money. Western Cape also reports support through donations in kind through agencies funded by the [US] Presidents Emergency Fund for AIDS Relief (PEPFAR). Other provinces do not report similar in-kind assistance.

KwaZulu-Natal reports that “where funds are available”, the department will continue with activities when donor funding ends. This assertion is supported by the later reporting of an increase in the government budget allocation to provide funds to (NPOs?) Dream Centre, Genesis Care Centre and Ethembeni after Global Fund funding ended in December 2008. Limpopo is more confident than KwaZulu-Natal in that it states that in all cases where donor funding ends, the provinces continues to fund the relevant initiatives with money from the equitable share.

Several provinces – Eastern Cape, Free State, KwaZulu-Natal and Limpopo – report on funding from the European Union. This funding is intended to improve PHC as well as to formalise relationships between the provincial departments and NPOs. In this respect it differs from some of the other donor funding, which focuses on HIV and AIDS, although the European Union funds also include HIV and AIDS among the foci. 2010/11 is at present the final year for the European Union funds.

What is noticeable about the reporting on donor funding is that amounts are more frequently reported for past years than for future years or even 2010/11. This could well reflect late notification by donors that funds will be made available. This, in turn, negatively affects the ability of provinces to plan both budgets and operations.

Gauteng does not report on donor funding, but does in its narrative of achievements report on assistance from UNICEF in respect of public health education programmes in schools and creches. School managers and educators in all districts were trained on communicable diseases and information brochures on the topic were distributed. There are no similar references in the budget votes of other provinces.

All the provinces include some transfers to NPOs from within the district health services programme. The transfers are reported in different ways. For example, some provinces describe them in categories while for other provinces the names of NPOs are provided. It seems that many of the transfers relate to home-based care services, while others are for NPOs providing services for specialised target groups, such as people with disabilities, or

specialist services, such as mental health or nutrition. In some cases the NPOs concerned are health centres or clinics.

Overall, there is minimal evidence that the NPO transfers will benefit children in particular. However, Free State's list of NPOs funded includes R11,8 million to Bethlehem Child Welfare for 2010/11, although the purpose of the funding is not specified in the budget book. KwaZulu-Natal provides for a transfer of R0,179 million for Durban School for the Deaf for the same financial year.

### ***Performance indicators***

The sections of the budget votes containing the review of 2009/10 and outlook for 2010/11 often provide service delivery achievements and targets. These sections often provide interesting information but are not ideal for accountability purposes. Firstly, the items reported differ across provinces. Secondly, the items reported often differ between the review of the past and outlook for the coming year. This flexibility provides an opportunity for provinces to choose what they report on, with possible avoidance of areas of concern.

Some of the provinces provide service delivery indicators. Three – Gauteng, KwaZulu-Natal and Northern Cape - report in terms of what seems to be a standard set of indicators divided into several categories, of which the last relates to women and child health. Commonly reported indicators relevant from a child perspective are:

- Newborn nevirapine uptake
- Newborn AZT uptake
- Antenatal client initiated on AZT during antenatal care visits
- Immunisation under 1 year
- Vitamin A under 1 year
- Measles under 1 year.

It is disappointing that not all provinces report against these indicators in their budget books. Mpumalanga explicitly refers the reader to the annual performance plan of the department for indicators. However, accountability for the link between budgets and performance would be strengthened if indicators were included in the budget book. It is also not clear that all provinces understand the indicators in the same way. In particular, Gauteng reports a target of 0% for newborn baby AZT uptake, while other provinces have high target percentages.

The latest Provincial Budgets and Expenditure Review (National Treasury, 2009: 55-6) provides some relevant indicators of past performance. While these estimates were produced in 2009, the patterns are unlikely to have changed materially since then.

Table 44 provides the average number of PHC visits per person per year and per child under five years. The rates are calculated on the basis of the estimated number of "uninsured" people i.e. those without medical aid coverage. (The health component of the equitable

share formula is based, in part, on the uninsured percentage of the population in each province.) For the children the rate is lowest in Gauteng and highest in Western Cape.

**Table 44. Utilisation rate for all uninsured users and children under five years**

	Utilisation rate	Utilisation <5 years
<b>Eastern Cape</b>	2.6	4.3
<b>Free State</b>	2.2	4.0
<b>Gauteng</b>	1.9	3.6
<b>KwaZulu-Natal</b>	2.4	4.3
<b>Limpopo</b>	2.8	5.9
<b>Mpumalanga</b>	2.2	4.5
<b>Northern Cape</b>	3.1	4.9
<b>North West</b>	2.6	4.5
<b>Western Cape</b>	3.0	5.2
<b>National average</b>	2.5	4.6

Table 45 reveals that nevirapine uptake among babies born to HIV-positive women is again highest in Western Cape and Northern Cape and lowest in Gauteng. For the pregnant women, in contrast, it is highest for Gauteng and lowest for Free State.

**Table 45. Nevirapine uptake among HIV-positive pregnant women and babies**

	Uptake among HIV-positive pregnant women	Uptake among babies born to positive mothers
<b>Eastern Cape</b>	82.8	66.8
<b>Free State</b>	54.0	67.2
<b>Gauteng</b>	86.3	61.5
<b>KwaZulu-Natal</b>	78.8	82.8
<b>Limpopo</b>	55.2	68.6
<b>Mpumalanga</b>	58.5	68.4
<b>Northern Cape</b>	77.3	103.4
<b>North West</b>	84.8	65.4
<b>Western Cape</b>	66.9	94.6
<b>Average</b>	71.6	75.4

The Integrated Support Team (Barron et al, 2009) argued that Health sector had “too many indicators resulting in a mass of data”. Further, very few of the many indicators measure outcomes or impact, while most relate to inputs and processes. One informant told the team that there were 290 performance indicators, of which 145 were included in the provincial Annual Performance Plans and 67 had to be reported on a quarterly basis. This 290 was an undercount to the extent that it excluded some of the indicators collected in the District Health Information System and specific programmes. Yet, despite the time and energy spent on indicators, the sector cannot produce a figure that represents the number of people on ART.

### ***Other issues***

The health sector has a **revenue** source that is not found in other departments in the form of user fees for some services. The amount of revenue is small across all provinces. One reason for this is that the fee schedule for hospitals provides automatic fee exemptions for social grant recipients and means-tested exemptions for people deemed unable to pay the full amounts. The fee schedule is based on the National Health Act which entitles specified categories of people to free health care services, including pregnant women, children under 6 years, and people with disabilities. Only one province refers to these exemptions, although several provinces note the large numbers they serve in terms of their responsibility for those who do not have access to medical aid. The exceptional province is KwaZulu-Natal, which notes that the province provides free services at clinics to, among others, children under 16 years of age. This is puzzling as primary health care should be provided free to all.

While the focus in this paper is not on non-district **hospitals**, there are some child-specific references to such hospitals that are relevant. The Gauteng budget vote notes that the Rahima Moosa mother and child hospital will get its own 24-hour blood bank during 2010/11. The Western Cape documents notes that during 2009/10 the Red Cross War Memorial Children's Hospital commissioned a new digitalised theatre complex. It further records ongoing upgrading of this hospital with funding provided by the Children's Hospital Trust. The infrastructure allocations for this hospital stand at R7,0m, R8,0m and R10,0m respectively for the three MTEF years.

### ***Conclusion and issues to consider for 2011 budgets***

Our discussion of the provincial budgets begins by welcoming the fact that the provincial health budgets have a similar structure. However, closer examination of the narratives suggests that particular sub-programmes may not always consist of exactly the same services and activities across provinces. This renders comparison across provinces difficult.

The health budget votes are striking in the extent to which they complain about the inadequacy of the allocations. Complaints about limited resources are common across many departments, but the extent of the complaints in health suggests that the problems are particularly severe in this sector. As noted by North West, any reported increases – and such increases are found in health budgets – cannot be assumed to indicate adequacy. Nevertheless, it is pleasing to note that even after subtracting personnel expenditure, the combined provincial budgets still show real increases after adjustment for inflation. What is not clear is whether this will still be the case once salary levels for 2010/11 are finalised.

There are explicit references to children in some of the narratives relating to the community health clinics sub-programme, with the emphasis generally on immunisation and IMCI. It is disappointing that not all provinces mention these key initiatives. For HIV and AIDS, all provinces refer to strengthening and expansion of PMTCT, but few refer explicitly to ARVs for children. The latter needs explicit naming as the service differs in important respects from provision for adults. While the budgets for the district health sub-programme generally increase, it is disappointing that there is virtually no mention of childbirth apart from PMTCT.

Yet the majority of pregnant women are not HIV-positive, but are nevertheless in need of good services.

The allocations for the nutrition sub-programme are tiny, and refer mainly to non-child beneficiary groups. This is to some extent explained by the fact that the National School Nutrition Programme now falls under education. However, this programme does not cover all nutrition-related needs of children. The narrative on school health initiatives is very inconsistent across provinces both in terms of whether such initiatives are mentioned, and in terms of the actual initiatives described.

The provincial health votes are unusual in the extent to which they refer to donor funds, although even here minimal information about actual amounts is provided outside of the Western Cape. One concern is the observation by several provinces that funds from the European Union, which focus among others on primary health care, are set to end in 2010/11.

Five of the standard child-related performance indicators are child-related, which is pleasing. However, not all provinces report against these indicators.



## Departments of Education: General

### *Key issues that the budgets should take into account*

#### **Children's rights and law**

The Bill of Rights obliges the Education departments to promote, protect, respect and fulfil the following rights for children:

- S9: the right to equality, including the full and equal enjoyment of all rights and freedoms, and the right not to be discriminated against
- s29(1): the right to basic education
- s29(2): the right to further education
- s29(3): the right to receive education in the official language of choice
- s28(2): the right to have their best interests considered of paramount importance in every matter concerning them

The South African Schools Act<sup>25</sup> and regulations, guidelines, and notices promulgated in terms of this Act provide for Grade R, primary and secondary schooling. The Act provides for no-fee schools as well as school fee exemptions. The funding mechanisms for no-fee schools and school fee exemptions are set out in the Act's regulations on Norms and Standards for School Funding. The National Education Policy Act<sup>26</sup> and regulations, schedules and guidelines promulgated in terms of this Act regulate co-operative governance in the education sector (relations between national and provincial government). All nine provinces have their own Schools Acts which generally follow the lead of the national South African Schools Act.

The Children's Act is relevant in relation to children with disabilities and their rights to education. The Act obliges the state (including the Education departments) to give due consideration to making it possible for a child with a disability to participate in educational activities and to recognise that the child has special needs that must be accommodated. The Education departments are responsible for providing education for children with disabilities within the mainstream schools as well as within special schools.

The Children's Act also regulates Schools of Industry and Reform Schools for children who have been placed in these schools by the Children's court due to being in need of care and protection or by the criminal courts for committing a crime. Currently these schools are the financial responsibility of the provincial departments of education. By 2012 the Children's Act requires them to be moved over to the provincial departments of social development.

The provincial departments of Education are responsible for funding the National School Nutrition Programme (NSNP) which is one of the state's primary programmes for fulfilling children's rights to basic nutrition. They receive a conditional grant for this purpose.

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<sup>25</sup> 84 of 1996

<sup>26</sup> 27 of 1996

## Key challenges facing children

South Africa rates relatively well on standard indicators of access to education. For example, in 2008 the overall gross enrolment rate for the primary phase (grades 1-7) was 98,0%, although this dropped to 85,0% for the secondary phase (grades 8-12). For the two grades combined, the gross enrolment rate was 92,0% (National Treasury, 2009: 27). The standard indicators must, however, be treated with caution in that many learners are not the correct age for the grade in which they are enrolled due, among others, to high rates of repetition. This fact inflates the gross enrolment rate, and also skews net enrolment rates.

The general household survey (GHS) conducted by Statistics South Africa in July 2009 found that 81,2% of persons aged 7-24 were attending educational institutions (Statistics South Africa, 2010: 10ff). Our own calculations for the age group 7-17 find that 96,4% of these children were reported to be attending educational institutions. However, the survey also found a small decline in enrolment rates in most provinces between 2007 and 2009, which it suggests could reflect the impact of the international economic crisis on households. Indeed, when asked to give the reason for non-attendance, lack of money emerges as the most common reason. This reason is given for 36% of non-attendees, and as many as 44% in Mpumalanga.

However, the survey also found that 44,5% of those who were attending educational institutions in 2009 were not paying tuition fees. This could reflect the impact of the no-fee school policy. The percentage of non-payers was highest in Free State and Eastern Cape (66% each). The percentage was lowest in Gauteng (26%) and Western Cape (32%), in line with lower levels of poverty in these provinces. Among those attending school, 48% did not pay fees.

When asked what problems enrolled learners experienced at schools, the most common response was lack of books, which affected 7% of learners. However, in response to a separate question, 18,8% of the learners said that they experienced violence, corporal punishment or verbal abuse at school. Corporal punishment was most commonly reported in Eastern Cape (26%) and KwaZulu-Natal (25%).

Overall, 61,6% of public school learners said that they received food at school. This benefit was most common in Northern Cape (87%), with Eastern Cape the next most common, but at only 70%.

Overall, the attendance rate was 96,5% for children aged 7 to 17 years in 2007 according to the GHS of that year i.e. more or less identical to the rate recorded in 2009. This means that approximately 400 000 children were not enrolled in or attending school in 2007. A closer analysis of the data reveals that there is a drop-out problem from age 15 onwards. While the attendance rate for 14 year olds is 98%, this drops to 95% for 15 year olds, 93% for 16 year olds, and 88% for 17 year-olds (De Lannoy & Lake, 2008).

Non-attendance and drop out are caused by a range of factors including poverty; the stoppage (in 2007) of the child support grant at age 15 years (this has now been addressed

by the extension to 18 announced at the end of 2009); lack of trained staff and accessible facilities in mainstream schools for children with moderate disabilities; children needing to stay at home to care for a sick parent, caregiver or sibling; children heading households; unhappiness with the poor quality of schooling; and lack of access for foreign children (see Fleisch et al, 2009; Dieltiens & Meny-Gilbert, 2009). For young women, pregnancy repeatedly emerges as the single most important cause for dropping out and non-attendance (Social Surveys & Centre for Applied Legal Studies, 2009). The available research therefore shows that the main reasons for non-attendance at school are related to supply-side problems (lack of access to meaningful education) or social problems (e.g. illness in the family due to HIV and AIDS, lack of money due to stoppage of the CSG, or early pregnancy).

There are still discrepancies between provinces in terms of the conditions under which education is provided. Overall, the 2009 Provincial Budgets and Expenditure Review (National Treasury: 2005) reported an average of 31 learners to each educator in public ordinary schools if one includes teachers employed by school governing bodies. However, the number stood at 33 in KwaZulu-Natal compared to 29 in Free State. If teachers employed by school governing bodies are excluded, the ratio increases to 34:1 and 36:1 respectively in Western Cape and Gauteng. This change demonstrates the difference that wealthier parents are able to make in the learning conditions of their children by being able to contribute extra funds for employment of additional teachers.

There are even bigger differences in the average number of learners per school, which ranges from 358 in Eastern Cape to 863 in Gauteng. The smaller numbers in the more rural provinces reflect the less dense population and can result in small schools with multi-grade classes. This makes learning more difficult for both teachers and learners.

The differences in per learner allocations shown in Table 46 (National Treasury, 2009: 38) provide further clear evidence of provincial disparities. Northern Cape has the highest per capita allocation throughout the period except for 2006/07, when North West is the front-runner. KwaZulu-Natal has the lowest per capital allocation from 2007/08 onwards, while Eastern Cape and Mpumalanga are the lowest in 2005/06 and 2007/08 respectively. In 2005/06 the lowest allocation was 70% of the highest allocation, while in 2011/12 it was 80%. This shows some improvement, but means that in 2011/12 each learner in the poorer province would benefit from only 80c of every rand benefiting a learner in the wealthier province. Lower per capita amounts would, among others, imply that less money would be available for textbooks and other learner and teacher support materials (LTSM) given that salaries are standardised across provinces.

**Table 46. Per learner allocations per province (Rands)**

	2005/06	2006/07	2007/08	2008/10 Pre-audit	2009/10	2010/11	2011/12
<b>Eastern Cape</b>	5222	6129	6765	8591	9350	10523	11428
<b>Free State</b>	7133	7793	8516	10011	11010	12115	13025
<b>Gauteng</b>	5963	6237	7342	8822	10025	11058	12221
<b>KwaZulu-Natal</b>	5526	5859	6461	8293	8952	10059	10959
<b>Limpopo</b>	5435	6417	6626	8326	9272	10254	11104
<b>Mpumalanga</b>	6322	5742	7192	8902	9580	10659	11561
<b>Northern Cape</b>	7440	6276	8648	10727	11206	12445	13618
<b>North West</b>	7034	8660	8238	9212	10453	11836	12932
<b>Western Cape</b>	6580	7072	7985	9555	10755	11780	12789
<b>National average</b>	6295	6687	7530	9160	10067	11192	12182

There is widespread agreement that one of the biggest challenges in education – perhaps *the* biggest challenge – relates to the quality of education and related poor educational outcomes. However, none of the indicators above directly measures quality, although some – such as the learner: teacher ratios – can affect quality. Yet it is widely acknowledged that it is the quality of education in South Africa that is of most concern, rather than the size of the allocations, which are above international norms.

The results of two large-scale evaluations of learners from Grade 3, which is the end of the Foundation Phase of schooling, give some indication of the extent of the problem, as do the results of a similar evaluation of Grade 6 learners, i.e. those at the end of the Intermediate Phase of schooling. The results are summarised in Table 47 (Department of Education, 2009: 78-9).

**Table 47. Average percentage scores attained in evaluations of Grade 3 and Grade 6 learners**

Grade 3: 2001	Literacy (reading only)	30%
	Numeracy	30%
	Life skills	54%
Grade 3: 2007	Literacy (reading only)	36%
	Numeracy	35%
Grade 6: 2004	Language	38%
	Mathematics	27%
	Natural Sciences	41%

Disaggregation by province reveals that for Grade 3 the average score for Grade 6 across the three learning areas was 34% in Western Cape, compared to only 19% in Limpopo. For Grade 3, the average score in 2007 ranged from 48% in Western Cape to 29% in Limpopo.

At the end of ordinary schooling, the performance indicators are also extremely worrying. The requirements for a university entrance pass in grade 12 are far from exacting, in that the

learner is required to score at least 50% in only four subjects from a designated list and 40% or more in a further three subjects. Yet, as seen above, the performance is dismal. Calculations based on data provided by the Department of Basic Education reveals that of all those who enrolled for the grade 12 examination in 2009, only 58% obtained the basic National Senior Certificate pass, and only 19% obtained a pass that qualified them to study for a university degree. In 2008, the standard pass rate varied between 50,6% in Eastern Cape and 76,3% in Gauteng (National Treasury, 2009: 39).

For the purposes of this paper, we focus on activities that directly benefit learners. We highlight other initiatives such as those targeting development of teachers. Such initiatives are obviously crucial if the educational rights of children are to be achieved. However, given the enormity of the education sector, a focus on direct benefit to children was chosen.

## **National Department of Basic Education**

### ***Introduction and strategic review***

The National Treasury's latest Provincial Budgets and Expenditure Review (National Treasury, 2009: 21; 23) notes that government spending on education accounted for 17,7% of total government expenditure between 2005/06 and 2008/09, and the percentage was expected to increase still further. In 2008/09, the South African government spent R127.5 bn, equal to 5,5% of GDP. This is lower than the 6% recommended by the Organisation for Economic Cooperation and Development.

Spending on primary and secondary school education dominates the education budgets, as will be seen below. In 2009, the Department of Education was split into two – the Department of Basic Education and the Department of Higher Education and Training. This paper focuses on the former, as it is this Department that is responsible for children's education. The relative share of higher education is set to increase slightly over time.

The Provincial Budgets and Expenditure Review (National Treasury, 2009: 29) notes that education declined as a share of provincial expenditure between 2005/06 (when it was 44,7%) to 2008/09 (40,8%). The share was expected to increase again, but not to the former level.

### ***Budget programmes***

As with health and social development, the national Department of Basic Education is primarily responsible for policy development, development of norms and standards, coordination and monitoring and evaluation, while the provincial departments are responsible for service delivery. The bulk of the primary and secondary education budget is therefore located at a provincial level.

**Diagram 18: Programmes within the budget vote of the national Department of Basic Education**

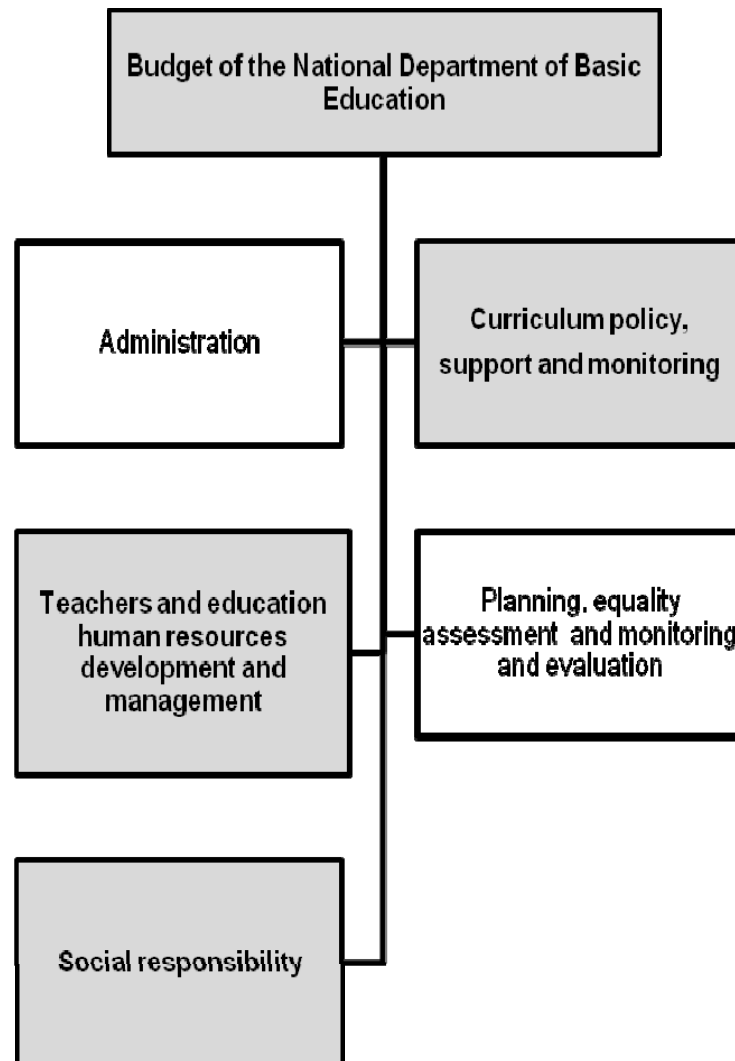


Table 48 gives the programme breakdown for the national department. The main appropriation for 2009/10 is not given because when that budget was tabled there was a single national Department of Education. It is therefore difficult to find the comparable estimates for some programmes. After adjusting for inflation, the budget still has a real increase of 29,5% in 2010/11, followed by 15,6% in 2011/12 and then a much smaller 1,5% in 2012/13. Much of the money causing these large increases would be attributable to creation of a new department, with a separate building etc. One can question whether the amounts concerned could not have been spent more strategically and in a way that more directly assisted poor children. Other contributors to the increase over the full seven years shown in the budget books are the growth in the National School Nutrition Programme (NSNP) and mass literacy campaign.

**Table 48. Budget of national Department of Basic Education (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Administration		159.3	155.1	252.8	262.0	275.0
Curriculum policy, support & monitoring		1070.4	787.6	1354.3	1757.8	1895.6
Teacher & education human resources development & management		498.6	495.8	513.7	546.0	573.5
Planning, quality assessment & monitoring & evaluation		133.6	152.8	148.7	156.7	166.1
Social responsibility		2612.4	2606.6	3896.7	4827.3	5189.1
<b>Total</b>		<b>4474.4</b>	<b>4197.9</b>	<b>6166.2</b>	<b>7549.8</b>	<b>8099.3</b>

For the purposes of this paper we are most interested in programme 2, curriculum policy, support and monitoring, programme 3, teacher & education human resources development and management, and programme 5, social responsibility. The first is important given the need to improve the quality of education. However, it must be noted that many might argue that at this point less rather than more curriculum development is needed so that educators and learners can start focusing on what is there already rather than coping with yet more changes. In this respect we note the recent announcement of the Minister of Basic Education about the shift from the earlier focus on outcomes-based education and related changes to the curriculum and hope that the emphasis will now be on supporting teachers to deliver on the newly agreed approach. The strangely named social responsibility programme is described as having the purpose of developing policies and programmes to increase the participation of learners in schools and improve the quality of learning in schools. This programme includes the NSNP. This is clearly important from a rights-based perspective.

Programme 2 accounts for 4% of the total budget in 2010/11, decreasing to 3% in the outer two years of the MTEF. Programme 5, social responsibility, accounts for 63% in 2010/11, up from 58% in the adjusted allocation for 2009/10. Its share increases further to 64% in the outer two years of the MTEF. This is positive from our perspective.

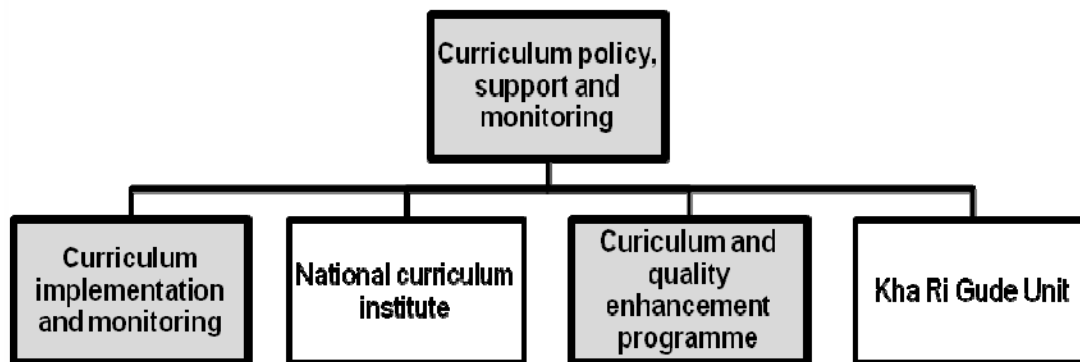
Programme 3 accounts for 8% of the total budget in 2010/11, falling to 7% by the end of the MTEF period. In 2009/10 this programme accounted for a higher proportion of the budget – 11%, which rose to 12% in the adjusted budget, but then fell to 8% in the revised budget which reflects likely actual expenditure. After controlling for inflation, the 2010/11 allocation represents a -3,2% decrease on the adjusted allocation for 2009/10, while the changes are 0,4% and -0,6% respectively for 2011/12 and 2012/13 respectively. These decreases and tiny increase follow a substantial increase to R498,6m in the adjusted budget for 2009/10 from the R280,4m spent on this programme in 2008/09. The narrative explains that the large increase is largely attributable to the Funza Lushaka bursary scheme for newly trained teachers, which was introduced in 2007/08. The money for this scheme is transferred to the National Student Financial Aid Scheme (NSFAS) which administers the bursaries. In

2010/11 the transfer to NSFAS amounts to R424,0m, equal to 82,5% of the total allocation for this programme.

Programme 4, Planning, quality assessment and monitoring, is important in that it is responsible for developing and co-ordinating policies such as no-fee schools. Grade R funding norms were also published by this programme in March 2009, to be implemented from April 2010. As seen below in the section on provincial budgets, these funding norms have resulted in further sometimes substantial increases in the ECD sub-programme budgets at provincial level. In budget terms, however, this programme is not significant at a national level. The relevant sub-programme, financial and physical planning and analysis, accounts for 8% of this relatively small programme over the MTEF period. For 2010/11, the allocation is R11,3 million.

The **curriculum policy, support and monitoring programme** has four sub-programmes with the two most relevant shaded in diagram 19 below.

**Diagram 19: Sub-programmes within the curriculum policy, support and monitoring programme**



The two sub-programmes shaded in the diagram and shown in Table 49 are most relevant for our purposes as they potentially help deal with what is widely acknowledged as perhaps the key challenge in respect of education in South Africa, namely the quality of education.

The **curriculum implementation and monitoring** sub-programme covers the curriculum for ECD and inclusive education as well as the “general” curricula for the schooling system. In the coming years a large part of this sub-programme’s funds will consist of transfers to



provinces for the technical schools recapitalisation grant. The **curriculum and quality enhancement programmes** sub-programme supports programmes that “enhance curriculum outcomes”. The budget book’s examples of activities include children and youth literacy quality improvement and development support; curriculum innovation; foundations for learning, and Dinaledi support. Of particular importance within this sub-programme would be initiatives that provide support to teachers of all subjects, not only mathematics and science, and one hopes that a substantial proportion of this sub-programme’s money is spent on these. The latter two programmes account for R751.2 million of the sub-programme’s total of R762,3 million for 2010/11. The Dinaledi project provides support to selected secondary schools serving poor communities to improve their results in mathematics and science. The foundations for learning campaign targets teachers and schools in the hope of improving learners’ skills in reading, writing and numeracy, for example through the planned distribution of workbooks to all schools.

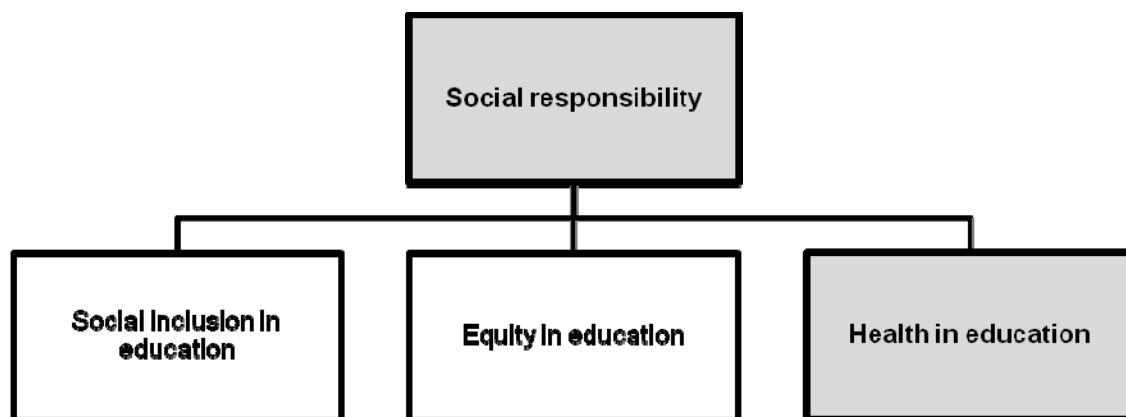
When the estimates for the two sub-programmes are combined and corrected for inflation, there is a very healthy increase of 32,5% in 2010/11, followed by another healthy increase of 34,5% in 2011/12, and then a small real increase of 3,1%. The new technical schools recapitalisation grant accounts for much of the increase in the first sub-programme, while the foundations of learning campaign and Dinaledi support do so within the second relevant sub-programme. The narrative offers the workbooks project and Dinaledi conditional grant among the contributing factors for the marked increase over the MTEF period.

**Table 49. Budgets for relevant sub-programmes of curriculum policy, support and monitoring programme (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Curriculum implementation & monitoring		71.8		119.9	243.6	255.7
Curriculum & quality enhancement programmes		553.8		762.3	1013.2	1113.8
Sub-total		625.6		882.2	1256.8	1369.5

Diagram 20 below and Table 50 give the sub-programme breakdown for the **social responsibility** programme.

**Diagram 20: Sub-programmes within social responsibility programme**



The table below shows the clear dominance of the health in education sub-programme. This sub-programme is dominated, in turn, by the NSNP conditional grant. In real terms, the allocation for this programme increases by a massive 40,2% in 2010/11, followed by 17,0% in 2011/12 and then 1,7% in 2012/13.

**Table 50. Budget for social responsibility programme (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Social inclusion in education		8.5		16.0	18.0	19.0
Equity in education		7.5		7.8	8.2	8.6
Health in education		2596.4		3872.9	4801.1	5161.6
Total		2612.4		3896.7	4827.3	5189.1

The small Social inclusion in education sub-programme is responsible for policy, programmes and systems related to creating a safe learning environment. It also collaborates with other international and local organisations in respect of enrichment programmes. The bulk of the sub-programme's budget is spent on personnel-related costs.

The even smaller Equity in education sub-programme develops and monitors policies and programmes for promoting gender equity, non-racialism, non-sexism, democratic values in education, and human rights in public schools. The narrative states that it also promotes

access to education in rural and farm schools but does not elaborate on this. Again, the budget is dominated by personnel-related costs.

The large Health in education sub-programme manages policies on the overall wellness of educators and learners, including the NSNP. It includes both the NSNP conditional grant and the smaller HIV and AIDS conditional grant to provincial education departments.

Table 51 provides a more detailed breakdown of the health in education sub-programme budget. It confirms that the bulk of the allocation (R3 663,3 million of a total of R3 872,9 million in 2010/11) is allocated for the NSNP at provincial level. Less than 0,1% is allocated for the NSNP at national level, presumably for management. The remainder is allocated for HIV and AIDS at provincial level.

**Table 51. Health in education sub-programme budget breakdown (Rm)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
National School Nutrition Programme		11.1		16.4	17.5	18.4
NSNP: Provincial		2394.5		3663.3	4578.8	4928.1
HIV and AIDS: provinces		180.9		188.0	199.3	209.3
Total		2596.4		3872.9	4801.1	5161.6

The objectives and measures for this sub-programme envisage the NSNP continuing in quintiles 1 to 3 in primary schools and 1 in secondary schools, and being phased in for quintiles 2 and 3 in secondary schools over the MTEF period. Other objectives relate to reducing the number of teenage pregnancies at the same time as ensuring that a rights-based approach is applied in public schools, rolling out screening of vision, hearing and immunisation to all Grade R and Grade 1 learners in 18 priority health districts, and strengthening of HIV and AIDS programmes in schools. The health screening shows some overlap with Department of Health's reported plans.

For 2009/10 the Department reports that prevention and management of sexual violence and harassment in public schools was a major focus of advocacy and communication programmes. Unfortunately, no concrete outcomes of this focus are reported.

### ***Performance indicators***

The national Department presents eight performance indicators, of which four seem relevant for our purposes. Of these, as seen in Table 52 below, one is within social responsibility, two within the curriculum programme, and the fourth within the teachers and education human resources development and management programme. This distribution of indicators does not match the relative size of the budget allocations. What is also noticeable is that at least three of the performance measures that relate to these indicators will be "delivered" by provinces. These three indicators are the ones that relate most directly to beneficiaries i.e. the child learners.

**Table 52. Selected performance indicators for national Department of Basic Education**

Number of learners fed a meal each school day per year	Social Responsibility
Percentage of matric mathematics higher grade (or equivalent) passes at the Dinaledi schools per year	Curriculum Policy, Support and Monitoring
Percentage of matric science higher grade (or equivalent) passes at the Dinaledi schools per year	Curriculum Policy, Support and Monitoring
Number of public ordinary schools moderated through school based integrated quality management system evaluations per year	Teachers and Education Human Resources Development and Management

### ***Conclusion and issues to consider for 2011 budget***

As with health and social development, responsibility for the bulk of delivery of education services lies with provinces. The major exception to this rule relates to tertiary education. This is, however, not directly relevant for our purposes as most tertiary students will be adults.

As with health, conditional grants account for a substantial proportion of the national education budget. Of especial importance for our purposes is the conditional grant for the National Schools Nutrition Programme. This is provided for within the health in education sub-programme, which also includes the smaller HIV and AIDS conditional grant. The continued large allocations for the NSNP are welcome. The HIV and AIDS conditional grant is more worrying in that it receives far less attention both here and in the provincial votes. From these narratives, it is not clear that the money is being used effectively.

It is widely acknowledged that the quality of public education in South Africa is poor. The allocations for Funza Lushaka, curriculum development, foundations for learning and Dinaledi might be expected to help in this respect. However, the Funza Lushaka allocations have begun to tail off, and the Dinaledi initiative focuses on mathematics and science, which in effect excludes many of the most disadvantaged children. What are sorely needed are initiatives that provide support to teachers of all subjects.

There is very little information on equity-oriented programmes beyond ones that target poverty in general, such as the no-fee policy. In particular, while the narrative on the equity in education sub-programme refers to promotion of gender equity, non-racialism, non-sexism, human rights, and the needs of rural and farm schools, there is virtually no information on what is being done. Similarly, no concrete outcomes of advocacy and communication initiatives focused on sexual violence and harassment in public schools are reported.

As for some other sectors, the distribution of indicators does not match the relative size of the budget allocations. Further, at least three of the “national” performance measures will be “delivered” by provinces.

## Provincial departments of education

### *Introduction*

The nine provincial departments have similar structures for their budgets. This facilitates comparison across provinces as well as facilitating the extraction of a national picture of budgeting and provision.

In addition to the money that the provinces receive from National Treasury via the equitable share, the provincial education departments receive a number of conditional grants from the national department of Education. In addition they receive, via the provincial treasuries, a portion of the provincial infrastructure conditional grant that comes from National Treasury. The education-specific grants include two of the three new grants introduced for the 2010 MTEF, namely the technical secondary schools recapitalisation grant which aims to help with “modernisation” of these schools, and the Dinaledi schools grant which focuses on support for maths and science in selected secondary schools. The Dinaledi schools grant will start only in 2011/12. These new grants complement a range of existing conditional grants provided by the national Department of Education to provincial departments. The grants and the allocations are shown in Table 53 below.

**Table 53. Conditional grants of the national departments of education (Rm)**

	2009/10	2010/11	2011/12	2012/13
Dinaledi schools	–	–	70	100
HIV and Aids (life skills education)	1 81	188	199	209
National school nutrition programme	2 395	3 663	4 579	4 928
Technical secondary schools recapitalisation	–	80	200	210
Higher Education and Training				
Further education and training colleges	3 168	3 773	3 972	4 169

For our purposes, we are most interested in the HIV and AIDS and National School Nutrition Programme (NSNP) grants. The Dinaledi schools grant, which provides for support to improve grade 12 performance in maths and science, is not covered in this year’s analysis as the grant will only become available in 2011/12.

The explanatory memorandum to the division of revenue (National Treasury, 2010) explains that the NSNP programme “seeks to improve nutrition of poor school children, enhance active learning capacity and improve attendance in schools. The HIV and Aids (life skills) programme grant provides for life skills training, sexuality and HIV and Aids education in primary and secondary schools.

As noted above, in addition, provincial education budgets benefit from a portion of the provincial infrastructure grant that comes from National Treasury to the provincial treasuries. The exact proportion going to a provincial education department is determined through the provincial budgeting process.

## ***Budget programmes***

The provincial education budgets consist of seven programmes. Diagram 21 shows these programmes with those most relevant shaded.

**Diagram 21: Programmes within the budget vote of provincial department of education**

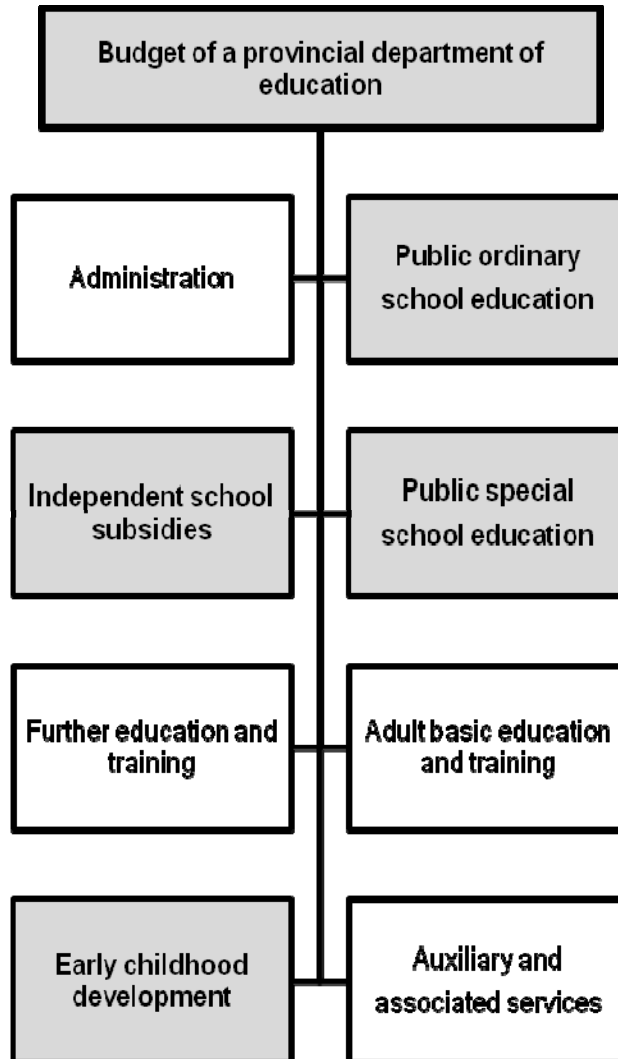


Table 54 shows the share of the total budget allocated to each programme for the nine provinces combined. The shares remain more or less constant over the four years shown. Public ordinary school education clearly dominates the budgets, accounting for 82% or more of the total. Further education and training, which accounts for 3% of the total, is due to be transferred to the Department of Higher Education and Training. For this interim year, the allocation takes the form of a conditional grant from National Treasury to each of the provinces.

**Table 54. Budgetary share of programmes within provincial education budgets**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Administration	7%	7%	7%	6%	6%	6%
Public ordinary school education	82%	83%	83%	82%	82%	82%
Independent school subsidies	1%	1%	1%	1%	1%	1%
Public special school education	3%	3%	3%	3%	3%	3%
Further education and training	3%	3%	2%	3%	3%	3%
Adult basic education and training	1%	1%	1%	1%	1%	1%
Early childhood development	2%	1%	1%	2%	2%	2%
Auxiliary and associated services	2%	2%	2%	2%	2%	2%
Total	100%	100%	100%	100%	100%	100%

In absolute terms, the combined total for the provinces is R137 438,7m, R149 752,5m and R156 934,4m respectively in the three successive years of the MTEF, compared to R126 287,0m in 2009/10. After adjusting for inflation, the real increases are 3,5% and 2,9% in the first two years of the MTEF, followed by a decrease of -0,9% in 2012/13.

The programmes focused on in this paper are:

- **Public ordinary school education**, which covers both primary and secondary level public schools
- **Independent school subsidies**, which provides some assistance to independent schools in respect of poorer learners
- **Public special school education**, which provides for learners with special needs, such as children with disabilities as well as out-of-school children
- **Early childhood development**, which focuses primarily on Grade R, the reception year.

We include some discussion of auxiliary and associated services to the extent it covers the HIV and AIDS grant. However, as will be seen, this fact is often not mentioned in the provincial budget votes.

Table 55 gives the budget allocations for **public ordinary school education**. In real terms, the combined allocations show increases of 2,9% and 2,2% respectively in 2010/11 and 2011/12, followed by a decrease of -0,7% in 2012/13. These changes, when compared with those for the provincial departments as a whole, confirm the slight decrease in relative importance of this key sub-programme.

**Table 55. Provincial budgets for public ordinary school education programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate			
Eastern Cape	15966352	17089030	17842304	18830716	20275583	21131691
Free State	5722853	6164767	6159161	6666121	7159211	7495556
Gauteng	14731914	15537548	15502298	17154109	18785706	19521010
KwaZulu-Natal	21322477	22602926	22777964	24995784	26987469	28449008
Limpopo	13665696	14710635	14972972	16110255	17332680	18015097
Mpumalanga	8405087	8991478	9111478	9652872	10425391	11144686
Northern Cape	2366304	2545163	2626952	2817939	3066755	3211635
North West	6846429	7173318	7173318	7529793	8290721	8820252
Western Cape	8385571	8653075	8653075	9538617	10298227	10886552
Total	97412683	103467940	104819522	113296206	122621743	128675487

A large part of the increase in budgets for this programme over recent years reflects increased allocations for personnel and, in particular, teachers' salaries. All the provinces comment on this, generally offering it as the main reason for increases. KwaZulu-Natal's budget book contains a useful list of the various agreements signed in 2009/10 that contribute to the need for an increased budget. These items come on top of previous factors, including – most importantly – the original OSD for teachers. The list is as follows:

- Collective Agreement No. 1 of 2009, which provides for the improvement in the conditions of the lecturers in the further education and training sector. This entailed the payment of a once-off 4% of salary to each lecturer, for which no funding was provided by National Treasury. (This item would not affect the public ordinary schools programme)
- Resolution No. 3 of the Public Service Co-ordinating Bargaining Council (PSCBC), which provides for a revised salary structure for employees on salary levels 1-12 not covered by an OSD. The impact of this agreement is that the salary levels of employees mentioned above will be re-aligned to the new structure with effect from 1 July 2009.
- Collective Agreement No. 4 of the Education Labour Relations Council (ELRC), which finalises some matters linked to the OSD for educators.
- Resolution No. 5 of PSCBC, which provides for an average 11,5% increase in salaries of all employees between 1-12.

These factors mean that above-inflation increases in personnel budgets do not necessarily translate into more teachers, or even necessarily more staff, or better quality staff and teaching, in general. Table 56 shows the staff complement over the period March 2007-2013 for programme 2. For five provinces – Eastern Cape, Free State, Gauteng, Limpopo and Northern Cape – there is no planned increase in staff numbers over the MTEF period. Yet Eastern Cape and Gauteng have relatively high learner: teacher ratios. Gauteng notes in its narrative that the “stringent financial conditions” mean that it will not be able to fund most of the OSD resolutions. Yet, in apparent contradiction of the numbers in the table below, it



states that the allocation for compensation of employees increases in part to meet the prescribed learner: teacher ratios.

**Table 56. Staff complement in programme 2 as at end March**

Province	2007	2008	2009	2010	2011	2012	2013
Eastern Cape	63675	63524	69671	69675	69675	69675	69675
Free State	27114	27287	27005	26721	26927	26927	26927
Gauteng	51962	51962	53957	61155	62378	63626	64898
KwaZulu-Natal	84961	89697	92216	94972	95472	96837	97500
Limpopo	58432	58432	57577	57577	57577	57577	57577
Mpumalanga	31023	36172	36860	38842	38999	39154	39205
Northern Cape	7807	9897	11063	11088	11088	11088	11088
North West	26388	27008	25392	27008	25392	25417	25443
Western Cape	33459	34765	34570	35902	36017	36690	36690

Diagram 22 below shows the sub-programmes within the public ordinary school education programme.

**Diagram 22: Sub-programmes within the public ordinary school education programme**

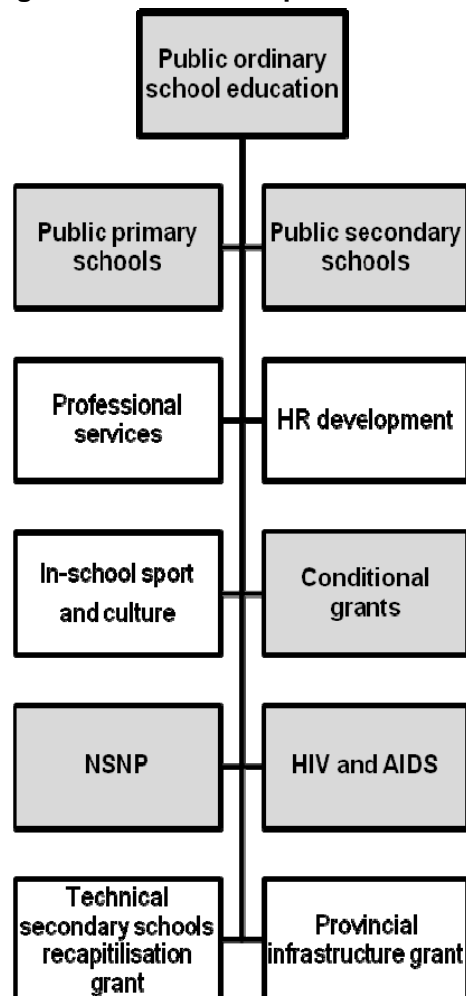


Table 57 gives the breakdown by sub-programme within the public ordinary school education programme for 2010/11. The “holes” in the table relate to the fact that the sub-programme structure differs across provinces. In particular, provinces differ in how they deal with conditional grants. Firstly, some provinces group conditional grants into a single sub-programme, while others have separate sub-programmes. Secondly, while at least one province (KwaZulu-Natal) records an allocation for the HIV and AIDS conditional grant in this programme, most other provinces seem to record it under the auxiliary and associated services programme. These and other differences with how provinces deal with allocations complicates comparisons – especially as these differences are not pointed out in the budget books.

**Table 57. Sub-programme shares of public ordinary school education programme allocations for 2010/11 by province**

Subprogramme	EC	FS	GT	KZN	LM	MP	NC	NW	WC
Public primary schools	31%	55%	53%	55%	49%	60%	59%	56%	57%
Public secondary schools	62%	38%	39%	40%	43%	32%	33%	29%	36%
Professional services	0%	3%	3%	1%			4%	8%	5%
HR development	0%	0%	0%	1%	0%	0%	1%	0%	1%
In-school sport & culture	0%	0%	0%	0%	0%	0%	0%	0%	
Conditional grants	6%	3%	5%			7%	0%	3%	2%
NSNP				3%	4%		3%		
HIV and AIDS				0%					
Tech sec schools recap grant				0%	0%			0%	
Prov infrastructure grant				0%	4%			3%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Eastern Cape characterises the purpose of the different sub-programmes as follows:

- Public primary schools: To provide specific public primary ordinary schools with resources required for Grades 1 to 7
- Public secondary schools: To provide specific public secondary ordinary schools with resources required for Grades 8 to 12
- Professional services: To provide educators and learners in public ordinary schools with departmentally-managed support services
- Human resource development: To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools
- In-school sport and culture: To provide additional and departmentally-managed sporting and cultural activities in public ordinary schools
- Conditional grants: To provide for projects specified by the national Department of Education and funded with conditional grants.

The table confirms public primary schools as the dominant sub-programme for all provinces except Eastern Cape, where the public secondary school allocation is double that for public primary schools. The reason for this apparent anomaly is that the Eastern Cape has many schools that are classified as "combined schools" because they have learners in at least one

of each of the school phases (foundation, intermediate, senior, and FET). There are more than a million learners in these schools as opposed to approximately 600 000 in primary schools and just over 400 000 in secondary schools. Expenditure on the "combined schools" is captured under the secondary schools sub-programme. This increases the expenditure for this sub-programme to the extent that it substantially exceeds the expenditure on the primary school sub-programme. Thus a large proportion of the learners covered by the secondary schools sub-programme allocation would in fact be in primary level grades.

The professional services allocation is unusually high in North West, and unusually low in Eastern Cape. Western Cape has no allocation recorded for in-school sport and culture. Presumably the relevant functions are dealt with under another sub-programme.

In terms of economic classification, the Provincial Budget and Expenditure Review (National Treasury, 2009: 35) reveals that across all provinces combined compensation of personnel accounts for about three-quarters of total allocations to Education. The publication suggests that the proportion spent on personnel will decline somewhat over the MTEF, with an accompanying increase in the amount for goods and services. Unfortunately, the budget numbers do not reveal how much of this increase might be spent on items such as learner and teacher support materials (LTSM). Further, the 2010/11 budget books generally do not discuss this item beyond the national workbook initiative. This is disappointing given the importance of such support materials to improving quality.

The total provincial allocation for conditional grants sub-programmes recorded under this programme range from 3% in Free State and Northern Cape to 8% in Limpopo. However, as noted above, some of this discrepancy might relate to inclusion or exclusion of particular grants.

The **no-fee school policy** is among the most important initiatives in promoting enrolment and attendance of poor learners. The policy was introduced in 2007, and targeted at schools in quintiles 1 and 2 i.e. the schools that available data suggested were attended predominantly by learners from the poorest 40% of households in the country. In 2009/10, government expected provinces to spend R10,9 bn on no-fee schools, and benefit 5,3 million learners at 14 029 schools (National Treasury, 2009: 37). The policy provides for graded allocations to schools by provinces, with allocations increasing the lower the quintile. For example, in 2009 the target allocation per learner per year for quintile 1 schools was R807 while it was R740 for quintile 2 schools. National Treasury notes challenges in implementing the policy, including delays in transferring allocations to schools. To address this challenge, norms and standards were changed so as to state the date by which allocations should reach schools.

The Provincial Budgets and Expenditure Review (National Treasury, 2009: 37) states that the no-fee policy would be extended to quintile 3 schools over the 2009 MTEF period. Some of the provincial narratives suggest that extension happened in 2009/10. However, some of these same provinces then have extension as a planned activity for 2010/11. This suggests that implementation was partial in 2009/10.

For the six provinces for which performance indicators allow calculation, the percentage of public school learners reached by the no-fee policy ranges from 49% in Gauteng to 82% in Eastern Cape. (See table Table 61 below.) The relative ranking of Gauteng and Eastern Cape seems appropriate given the differences in their poverty levels. However, the 54% for KwaZulu-Natal seems lower than its poverty ranking would merit when a province such as North West has a percentage of 80%. Eastern Cape shows fewer children benefiting in 2010/11 than in 2009/10 in their service delivery table. For all the provinces, the indicators are much higher than recorded in the 2009 Provincial Budgets and Expenditure Review (National Treasury, 2009: 37). The latter publication records that 22,8% of learners are exempted from school fees in Gauteng, 56,8% in Eastern Cape and 41,8% in KwaZulu-Natal. This difference could reflect the progressive rolling out of this policy.

One of the criticisms of the no-fee policy has been the way in which schools are assigned to quintiles. Gauteng is the only province that refers to this problem in noting that nine quintile 5 and 44 quintile 4 schools were re-ranked during 2009/10 so that they could qualify for no-fee status.

KwaZulu-Natal notes explicitly that the increased number of no-fee schools in 2009/10 included farm schools. It is not clear why the latter are treated as an exception that requires reporting. KwaZulu-Natal notes as a problem that the norms and standards do not currently provide for Grade R, even where this is provided within a no-fee school.

The no-fee policy provides for no fees to be paid by any child attending that school. However, there are also poor children who attend other schools that do charge fees. For equitable access, these children (or their caregivers) need to be exempted from paying all or part of the fees applicable at that school. There is national policy on this issue, including provision for automatic exemption of all grant recipients. However, there are also many reports that the policy is not well implemented.

KwaZulu-Natal notes that funding has been made available for re-imburement of schools in Quintiles 3 to 5 that enrol learners from a poor background. This is not mentioned by other provinces, and it is not clear whether it is the province or national government that has made this funding available. Gauteng notes that they dealt successfully with 121 school fee exemption appeals in 2009/10. The budget book does not explain what is meant by "successfully".

The **National School Nutrition Programme** (NSNP) grant seems to be included in the public ordinary schools programme for all provinces. It is also discussed in the budget books of all provinces. Generally, the narratives record that assistance is provided to all public primary schools in quintiles 1, 2 and 3 as well as to quintile 1 secondary schools. The latter were a new innovation in 2009/10. Several of the provinces note that they plan to extend coverage to quintile 2 secondary schools during 2010/11. Mpumalanga notes that a policy shift calling for such extension would cost the province close on R59 million.

For the six provinces for which indicators allow calculation of a percentage, the percentage of all learners in ordinary public primary and secondary schools covered by the NSNP ranges from 39% (in Gauteng) to 91% (in Northern Cape).

Northern Cape is clearly providing the programme beyond the quintiles covered by the conditional grant. It must be doing this with funds from its equitable share of nationally raised revenue. Similarly, KwaZulu-Natal notes that in previous years it paid for the NSNP in quintiles 4 and 5 using the conditional grant, in 2009/10 this was funded through the province's equitable share. The province plans to continue to fund these quintiles from the equitable share over the MTEF period. The extra funds are allocated through the special projects sub-programme of the auxiliary and associated services programme.

The Provincial Budgets and Expenditure Review (National Treasury, 2009: 40) notes that, in addition to the money for the food itself, additional funding is provided to provinces for related infrastructure at schools, such as kitchen equipment, garden tools, and eating and serving utensils. Additional funding was also provided for the 2009 MTEF period for improvements to the quality of meals.

Several provinces refer to these and related issues in their narratives. For example, KwaZulu-Natal notes an increase in the "value" of feeding per learner per day in terms of nutritional value as well as number of school days covered. Further, containers were provided for cooking and storage purposes where schools did not have the necessary facilities. All new schools built will in future include fully equipped kitchens.

North West reports that in 2009/10 it was not able to feed all quintile 3 schools in the first quarter, but had done so by the second quarter. This province also supported establishment of school gardens in 304 schools. The province notes that children in special schools were also assisted. This point is not made explicitly by most other provinces.

Northern Cape notes that the conditional grant has been used in part to fund integration of nutrition education into the school curriculum.

There are no special allocations recorded for **learner transport**. This is, however, an issue that is discussed in many of the provincial budget books.

Eastern Cape reports that while there was an increase in the number of learners supported in 2009/10, this is a "cost pressure area", with the pressures increasing as schools are "rationalised" in rural areas. The term "rationalised" refers to the Guidelines for Rationalisation of Small/Non-Viable Schools which came into effect in October 2009. Free State, under strategic goals and objectives, states that the province aims to provide transport for farm school dwellers who walk 21 km to school. It seems that implementing this policy has encountered challenges. A recent article in "Amandla"<sup>27</sup> reports that in one case the Free State government closed a farm school on the basis that providing transport was too expensive, and that the children should instead be accommodated in a school hostel. The

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<sup>27</sup> Letter to the editor, Amandla 14, May/June 2010: 4

parents and teachers protested after children from a nearby informal settlement were accommodated in the hostel rather than the farm children, and government re-opened the farm school.

The Free State narrative also seems to have incorrectly specified the distance as it is difficult to imagine any child walking 21 km to school and another 21 km home every day. Further, at a later point the budget book reports on an allocation of R44,8m for the learner transport “special project”, which is targeted at learners walking more than 6 km to school. However, there are further discrepancies in the distance specified elsewhere as the Provincial Budgets and Expenditure Review suggests that the cut-off is 5 km (National Treasury, 2009: 43). Meanwhile Mpumalanga’s budget book commits the department to ensuring provision of transport for learners at more than 3 km distance from school.

Gauteng, in its review of 2009/10, notes that some secondary learners are among the 47 792 learners assisted with transport. In this case, in contrast to Eastern Cape, construction of four new schools allowed some learners to “exit” the special assistance. Northern Cape notes that provision of learner transport is especially challenging in the John Taolo Gaetsewe district because of poor road infrastructure.

KwaZulu-Natal reports extending their learner transport programme in three predominately rural districts, but notes that need continues to far outstrip provision. For 2009/10, it records over-expenditure of 113% of the budgeted amount. This province is transferring some aspects of the learner transport programme to the Department of Transport, which is likely to make it more difficult to monitor what is happening in the programme.

North West notes that shortage of transport on some routes “leaves learners stranded on a daily basis”. It reports being engaged in negotiations with EXCO (presumably the Council of provincial MECs) and Treasury to have the learner transport budget moved to the education vote. This suggests that currently there is a budget for this purpose within another vote, presumably that for transport.

The Provincial Budgets and Expenditure Review (National Treasury, 2009: 43) observes that “it is not clear whether the education or transport sector should have the mandate to provide learner transport where necessary.” It notes further that bus companies receive a transport subsidy from the Department of Transport to provide transport services to commuters in general, but the learner transport system is currently funded by the provincial education departments. The National Treasury suggests that this issue “needs to be resolved”.

As seen below, six provinces give performance indicators in respect of learner transport. For the five for which percentages can be calculated, the percentage of public ordinary school learners benefiting from subsidies or other assistance ranges from 1% in KwaZulu-Natal and Limpopo to 7% in the sparsely settled Northern Cape. For North West it is 4%, and for Gauteng 3%.

An alternative way of assisting learners far from schools is through provision of school **hostels**. Several provinces – Eastern Cape, Free State, Gauteng and Western Cape –

mention these. Free State again records an allocation for a special project in this respect, which is targeted at learners from “nonviable” farm schools. The allocation is R20,0m. Gauteng says only that it will “explore” hostels for rural areas. Western Cape’s mention of hostels is in relation to the public special school education programme.

All provinces discuss **infrastructure** in their budget books. This is appropriate given the backlogs and deficiencies. At least some of the infrastructure expenditure is funded through the provincial infrastructure conditional grant which is provided by National Treasury to provincial treasuries, but with an instruction that education is one of the priority areas. As seen above, in three provinces this grant is reflected in a separate sub-programme. In other cases it may be included in the general conditional programmes sub-programme. However, Northern Cape notes explicitly that this grant falls within the auxiliary and associated services programme. Further, this grant may also be used elsewhere in education. For example, several provinces (such as North West and Eastern Cape) refer to infrastructure activity in relation to Grade R facilities which is being funded through the provincial infrastructure grant.

The following examples give a sense of the different challenges faced by particular provinces:

- In Eastern Cape the emphasis within infrastructure is on providing for roll-out of Grade R, replacement of mud structure schools and non-school buildings.
- In Free State the aim is to build 11 new schools and improve 4 schools so as to eliminate the platooning system, whereby different children are taught in different shifts so as to allow limited infrastructure and teachers to accommodate a greater number of children.
- Gauteng plans to build new schools and additional classrooms to provide for an “expanded” population.
- In KwaZulu-Natal planned infrastructure activity includes construction of a relatively large number of schools as well as adding classrooms, toilets, computer rooms, laboratories and media centres in existing schools.
- Limpopo records 815 schools with more than 45 learners per classroom, 681 schools in very poor condition, and 694 schools with more than 50 learners per toilet seat.
- Mpumalanga prioritises the building of additional classrooms in existing schools and the rehabilitation/upgrading of existing classrooms. This is needed, among others, to eliminate instances where children learn (or attempt to learn) under trees. The province notes that the function has been “carried over” to the Department of Public Works and Transport. The implications of this carrying over are not clear.
- Western Cape’s emphasis is addressing classroom backlogs in poor and expanding communities.

The narrative to the national Basic Education vote notes that the country lacks “credible” information on existing facilities and infrastructure and that this has hampered addressing shortcomings and meant that provision of infrastructure has not been guided by national or provincial policies and norms. School registers of needs were compiled in 1996 and 2000. The information is currently being updated to create a new “national education infrastructure

management system.” The narrative does not say when this new system will be fully operational. The report of the Portfolio Committee on the budget vote records that the committee asked the Department to provide them with a copy of the “blue-print” for school infrastructure.

Several provinces refer to initiatives in relation to **safety**. These are generally not accompanied by specified budget allocations. Some of the initiatives might have very small budget implications, but are nevertheless important given the levels of personal and property crime in South Africa. For the most part these initiatives probably fall within the ordinary public schools programme, but this will not always be the case. The following examples give an idea of the activities engaged in:

- In Eastern Cape schools in all 23 districts participate in the Promotion of School Safety programme. Schools are encouraged to form school safety committees, and it is estimated that about four-fifths have such committees.
- North West records that most schools participate in their Adopt-a-Cop programme. Schools have also elected school safety teams and coordinators. The province notes that increasing substance abuse contributes to the problems experienced.
- Northern Cape notes plans to consolidate implementation of its Integrated School Safety Plan during 2010/11. Two hundred schools will participate in the School Safety Emergency Readiness programmes and 100 will participate in the Anti-vandalism programme. The department will also continue to collaborate with South African Police Services, among others, to ensure that schools operate in safe conditions.
- Western Cape also records collaboration with the South African Police Service and metro police, including arrangement of random police inspections and tests at schools for drugs and weapons.

Table 58 gives the provincial budgets for the **independent schools subsidy** programme. This programme accounts for only half a percent of the total combined provincial budgets over the period 2006/07 to 2012/13. The Provincial Budgets and Expenditure Review (National Treasury, 2009: 31) attributes the relatively small size of the independent school sector to a “high level of confidence in the public school sector”. One could also argue that the cost of such schooling, even after the partial subsidies, encourages attendance at public schools. In real terms, after adjusting for inflation, the MTEF amounts represent increases of 2,8% and 2,4% respectively, followed by a decrease of -0,6%.



**Table 58. Provincial budgets for independent schools subsidy programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Eastern Cape	50366	50124	50124	54219	56659	59492
Free State	41017	41017	47417	44298	46956	49304
Gauteng	282461	314667	314667	350600	389600	409080
KwaZulu-Natal	55861	55861	55861	59772	63357	66525
Limpopo	89333	96964	96964	99928	105924	111230
Mpumalanga	11275	11275	11275	11400	11600	12192
Northern Cape	6639	6639	6716	7100	7654	8251
North West	12643	12643	12643	18693	19877	20121
Western Cape	55907	55907	55907	59709	63888	68041
Total	605502	645097	651574	705719	765515	804236

As might be expected given the small allocations, there is relatively little discussion of this programme in the provincial budget books.

Eastern Cape notes that they plan to stop funding 15 independent schools that failed to achieve the provincial average pass rate of 51%. The money saved in this way will be given to primary schools which are already subsidised to allow for a higher subsidy per school. The indicator on the number of learners to be covered in Eastern Cape falls and then rises over the MTEF period accordingly.

Gauteng, in contrast, notes that their allocation increases by 19% between 2009/10 and 2010/11, and that this cannot be adjusted as it is “hard-normed” in the sense that it is directly based on per capita expenditure in a system in which schools that charge low fees to poor communities received a 60% subsidy on their per capita expenditure. Western Cape also refers to the 60% subsidy). If this is the case, it is not clear how Eastern Cape can adjust subsidies. Western Cape does add the caveat that subsidies are only provided in the second year of operation of an independent school after it has operated. This approach is justified as a means to ensure sustainability.

KwaZulu-Natal provides another contrast in that the budget book states that the increase in allocations has not kept pace with learner enrolments. In contrast to Gauteng, which says it cannot adjust the budget, KwaZulu-Natal states that the department “can only subsidise schools within its budget [and] the pressure is [thus] mainly felt by the schools. The number of children covered is set to decrease from 28 696 in 2011/12 to 24 600 in 2012/13.

Table 59 provides the provincial allocations for public special school education. This programme’s share of the overall combined provincial education budgets increases from 2,7% in 2006/07 to above 3% in 2010/11 to 2012/13. After adjusting for inflation, the budget increases by 12,3% in 2010/11, 14,4% in 2011/12, followed by a decrease of -2,9% in 2012/13.

**Table 59. Provincial budgets for public special school education programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Eastern Cape	505917	457237	435947	470677	643234	676252
Free State	235666	247065	246835	265569	298523	313452
Gauteng	947596	1002735	1095657	1196701	1403680	1404006
KwaZulu-Natal	539352	553251	586280	772903	1007616	1057997
Limpopo	211425	211425	211425	251564	261992	277710
Mpumalanga	160262	161262	161262	194635	258390	203673
Northern Cape	73301	75584	70823	82343	89659	96543
North West	171134	171274	171274	218948	248359	268981
Western Cape	544597	585798	585798	688112	807069	853529
Total	3389250	3465631	3565301	4141452	5018522	5152143

Northern Cape notes that several programmes, including special school education, were “scaled down due to financial constraints” in 2009/10. Other provinces, in contrast, give the impression of expanding this programme.

The Provincial Budgets and Expenditure Review (National Treasury, 2009: 31-2) notes that Western Cape and Gauteng have a disproportionately high number of schools for special needs education, and an associated disproportionately high number of learners. For example, in 2007 Gauteng accounted for 43 057 (42%) of the total of 102 057 learners in special schools, while Western Cape accounted for a further 16 336 (16%). This is also noted in Gauteng’s budget book, which notes that it has the largest concentration of special schools in the country. The relative lack of special schools in other provinces means that learners with special needs who cannot be adequately catered for in mainstream school are either placed inappropriately in public ordinary schools or remain out of school. Thus the recent Barriers to Education study found that 63% of caregivers of children whom the caregivers defined as disabled felt that the school their child attended did not cater for their disability (personal communication, Sarah Meny-Gibert, 13 July 2010).

Western Cape’s budget book explains the way in which transfer payment to special schools are calculated, as specified in the Employment of Educators Act, 1998. The transfer payments are reportedly based primarily on the number of learners and weightings based on the various barriers to learning.

Eastern Cape’s narrative on 2009/10 illustrates the range of activities that can be covered. This province’s activities include:

- resourcing 43 special schools in respect of tuition, administration, transport and assistive devices;
- designating four mainstream schools as full service schools with computers
- allocating 32 assistive devices to the centres
- providing transport to 15 special schools

- providing training for district-based support teams in all 23 districts on the screening and support of learners with barriers to learning as well as training of 50 teacher aids and housemothers on child care
- providing training to 40 educators in special schools and full service schools in communication systems and basic sign language.

Full service schools are referred to by most provinces. These are mainstream schools that provide sufficient services to cater for children who do not require high levels of support. At least some of the costs associated with this might fall under the public ordinary schools programme for some provinces. Several provinces also refer to establishing special schools as resource centres.

KwaZulu-Natal notes that it is focusing on making provision for under-serviced rural areas in that currently more than 60 of the registered special schools are in urban areas. It also notes the problem that some of the registered schools only cater for particular disability categories, thus denying access to children with other disabilities.

Mpumalanga refers to the allocation for 2010/11 of a conditional grant for upgrading of school infrastructure in respect of special schools. It is not clear which grant this refers to unless the province has allocated part of the provincial infrastructure grant for this purpose.

Western Cape notes the need to “rationalise” special schools to promote accessibility, but it is not clear what this means.

Many people might think of the special schools sub-programme as catering only for children with disabilities. The provincial narratives for this sub-programme include some references that highlight that this conception is too narrow. For example, Eastern Cape refers to out-of-school children as a target, while KwaZulu-Natal refers to children in trouble with the law. The narratives do not elaborate on the form of provision provided for these categories of children, but the KwaZulu-Natal reference would be to reform schools and schools of industry. The responsibility should in the near future be shifted to the departments of social development. It is not clear whether these categories of children are provided for in the calculation of subsidies. Reform schools and schools of industry are not mentioned in the other provinces’ budget votes for education.

The patterns in respect of the standard performance indicator for special education within the public ordinary schools programme show distinct variations across provinces. The standard indicator used is number of learners in public ordinary schools with special needs.

- For Eastern Cape there is an increase followed by a decrease over the MTEF period
- For Free State the number is constant over the MTEF period
- For Gauteng the number increases
- For KwaZulu-Natal the 2010/11 number is more than double that for 2010/11, and the number then remains constant
- For Limpopo the number is a paltry 66, 67 and 68 respectively in the three MTEF years

- In Northern Cape the number increases over the period
- In North West the number decreases over the period

These patterns suggest that different provinces might have different ideas as to what the ideal situation is that they should target. In particular, there might be different understandings as to how greater provision of full service schools should affect the number of children in special schools.

Table 60 gives the allocations for the **early childhood education** programme. Within the education departments, the focus within ECD is on Grade R, the year prior to Grade 1, while social development bears the main responsibility for provision in respect of younger children. The programme accounts for a small share of the overall provincial education budgets, but the share has increased markedly over time. By 2012/13 it is set to be 2,1% of the combined education budgets whereas in 2006/07 it accounted for only 0,7%. Gustafsson (2010), using several different data sources, finds this increased spending reflected in a rapid increase in the proportion of children benefiting from Grade R education. For example, 80% of learners enrolled in Grade 1 were reported in the National Income Dynamics Survey of 2008 to have previously attended pre-primary or Grade R classes, whereas this was the case for Grade 4 learners the percentage is only 60%.

The percentage share allocated to early childhood education is relatively constant over the MTEF period, at either 2,0% or 2,1%. This is, however, noticeably higher than the 1,7% in the original allocation for 2009/10, and even more different from the 1,4% that the programme accounted for in the revised estimates. In real terms, the budget increases by a massive 41,2% in 2010/11, followed by a further 9,8% increase in 2011/12, but then a decrease of -1,8% in 2012/13. This decrease is surprising as the target of achieving universal coverage of Grade R in public schools has been shifted to 2014 or 2015 (provinces differ on the target date), several years later.

**Table 60. Provincial budgets for early childhood education programme (R1000)**

	2009/10			2010/11	2011/12	2012/13
	Main approp	Adjusted approp	Revised estimate	Medium-term estimates		
Eastern Cape	367316	307816	290486	528492	652168	676000
Free State	80555	82122	82122	95738	100978	105717
Gauteng	309146	280785	280785	557541	660215	679843
KwaZulu-Natal	336299	326704	264963	598678	722054	758157
Limpopo	228615	171515	144116	237423	249253	267750
Mpumalanga	96922	97922	97922	124553	155718	134667
Northern Cape	63350	58284	50337	47930	51655	55673
North West	193156	194503	194503	209020	224109	239553
Western Cape	313468	305489	305489	342657	363593	384764
Total	1988827	1825140	1710723	2742032	3179743	3302124

All provinces recognise ECD as a national priority in their budget books. Earlier in the decade a conditional grant was provided in respect of ECD. After the grant ended in 2004,

provinces continued to provide for ECD on an expanded scale. This was encouraged by the addition of funds to the equitable share of each province with ECD highlighted as one of the national priorities that provinces should target in allocating the additional funds. In line with this, many provinces “earmarked” funds for ECD in their appropriation acts. Generally, ECD allocations increase over the period. However, Free State notes that limits in available funding prevent it expanding coverage beyond the 1 582 classes currently covered.

The KwaZulu-Natal budget book provides a useful list of the main services provided by the programme, as follows:

- To provide specific public ordinary schools with resources required for Grade R;
- To support particular community centres at the Grade R level;
- To provide particular sites with resources required for Pre-Grade R;
- To provide educators and learners in ECD sites with departmentally managed support services; and
- To provide departmental services for the professional and other development of educators and noneducators [such as cooks and gardeners] in ECD sites.

Western Cape documents the per learner [per day?] subsidy for Grade R as increasing from R9 to R12 in quintiles 1 and 2 in 2009/10, with increases from R8 to R9 in quintile 3, from R4 to R6 in quintile 4, and from R4 to R5 in quintile 5. Free State reports funding of R1,80 per day for quintile 3, R1,96 for quintile 2 and R2,1t per child per day.

Other provinces do not provide this detail and it is thus not possible to ascertain whether subsidies are standard across provinces. The quintile 1 and 2 subsidy in Western Cape is similar to that provided by provincial departments of social development. The Western Cape budget book further explains that for Grade R provided in public schools, support is provided in the form of staff and norms and standards funding. However, for community (or “independent”) sites receives “norms and standards” funding that they are expected to use to pay teaching and administrative staff. It is possible that the disparity between Free State and Western Cape is explained by the first referring to the subsidy for “independent” sites while the Free State numbers refer to funding for public ordinary schools additional to provision of staff.

Western Cape appears to focus on Grade R. Other provinces refer to pre-Grade R initiatives to varying degrees. All provinces probably provide training for staff at the pre-Grade R level. However, it appears that most provinces to some extent also provide other support for the pre-Grade R level, especially in community schools i.e. schools and centres that are not government-run. It is not clear how in these provinces the departments distinguish between their mandate and that of social development. Yet only two provinces – Eastern Cape and North West (which refers to “social services”) – refer to the need to liaise with social development.

Most provinces refer to the training provided to educators in terms of the various levels of the National Qualifications Framework. Several note that this training is provided for as part of the EPWP. Free State details an amount of R5,0 million for training and payment of stipends

for pre-Grade R practitioners, alongside a much larger amount of R52,6 million for expansion of Grade R. KwaZulu-Natal is unusual in funding learners – 90 in 2009 and a planned 100 in 2010 – for a Bachelors of Education degree under this programme.

Mpumalanga notes that as from 2010/11 the subsidy amount will decrease as educator payments will shift to Persal. The subsidy decrease will be mirrored in an increase in compensation of employees. The province does not discuss whether the shift to government employee status will result in an increase in the amount per person, but this seems very likely.

Finally, we include a short discussion of the **auxiliary and associated services** programme on the basis that the HIV and AIDS conditional grant is often located within this programme. We note, however, that the location of the grant is not standardised across provinces and it is often not clear from the budget book where the location is and where HIV and AIDS-related activities are funded by this grant or from other funds. In a sense, then, the discussion that follows is about HIV and AIDS-related activities in general within the provincial education departments.

We do not provide the budget numbers for the auxiliary and associated services programme as, even where the HIV and AIDS grant falls within it, the bulk of the expenditure will be for other purposes, such as provision of departmentally managed examination services.

It seems appropriate to start with KwaZulu-Natal given that this is the province worst-hit by HIV and AIDS. A further reason for starting with KwaZulu-Natal is that the province includes more on this issue than most other provinces.

In reviewing 2009/10, KwaZulu-Natal report training of 3 418 educators in the integration of life-skills into the curriculum, lay counselling, care and support, and 579 learners in peer education. By March 2010, about 3 000 Soul Buddyz Clubs had been established in primary schools. In addition, 1 200 schools with high prevalence of orphans and vulnerable children (OVC) were each allocated a budget of R12 000 for care and support of OVC. Schools are expected to provide services such as a focussed life-skills programme, psycho-social support and nutrition depending on the particular needs. In reporting plans for the future, the province commits to continuing with the two-pronged approach of mainstreaming life skills in all schools alongside providing targeted support to vulnerable groups. The number of targeted schools is set to increase to 1 311. The KwaZulu-Natal narrative notes that the HIV and AIDS conditional grant funds a life skills programme. It does not record from where it obtains the funds for the targeted support.

At least one province focuses attention on what HIV and AIDS means in terms of availability of educators. Mpumalanga reports that it has increased the amounts set aside for bursaries over the MTEF period so as to develop educators for the future. Other provinces refer more generally to provision of HIV and AIDS education to educators, often at the same time as referring to HIV and AIDS education for learners and other stakeholders. Overall, life skills education is the most frequently named activity in respect of HIV and AIDS. This is not surprising given the framing of the HIV and AIDS conditional grant.

North West states that 280 schools are providing care and support to affected learners but does not elaborate on the nature and cost of the support. Eastern Cape similarly states that its Orphans and Vulnerable Children's Care and Support programme operates in 300 primary schools and provides "direct support" to 26 096 learners, but does not explain what this support entails beyond access to education. Eastern Cape has extended its HIV and AIDS activities to the ECD level by developing, printing and supplying HIV and AIDS board games to 5 314 centres.

### ***Performance indicators***

As for other sectors, provinces vary in whether and how they report service delivery indicators. Two provinces – North West and Gauteng – do not do so at all. Mpumalanga refers readers to the annual performance plan while Western Cape has no reference to indicators. Among the others, the number of indicators varies across the provinces. Further, some provinces report indicators for 2009/10 as well as for the three MTEF years, while others do it only for the three MTEF years.

For the purposes of this paper we focus on indicators for the public ordinary school education programme given that it accounts for the overwhelming bulk of the budget. The number of indicators given for this sub-programme varies from 12 in Eastern Cape to 25 in Free State. The similarity in indicators across provinces among those that are chosen suggests that provinces are generally taking them from a standard set used for the annual performance plan. Indeed, Eastern Cape and North West provide code numbers for each indicator that suggest they are part of a larger set.

Table 61 extracts the indicators relating to number of learners. Unfortunately Free State does not include an indicator for the total number of learners enrolled in public ordinary schools. For the other provinces we can calculate the percentage of learners that other indicators – such as for the NSNP, travel allowance, and no-fee school – constitute of the total and these were discussed in the relevant sections above. So, for example the table indicates that Northern Cape records the highest percentage of learners being reached by the NSNP (91%) and transport subsidies or learner transport (7%), while Eastern Cape records the highest percentage (82%) of learners being covered by the no fee school policy. These patterns are, at least to some extent, explained by the differences between the provinces. For example, it is appropriate that Eastern Cape – which is one of the poorest provinces – has a very high percentage of learners covered by the no fee school policy, and also appropriate that the vast geographical Northern Cape provides transport assistance to a relatively high percentage of learners. Less clear is why Northern Cape should outperform poorer provinces in respect of the NSNP and why North West should have a higher percentage of children benefiting from the no fee policy than the poorer KwaZulu-Natal and Limpopo.

**Table 61. 2010/11 targets in respect of number of learners**

Number of learners	EC	FS	GT	KZN	LM	NC	NW
Enrolled in public ordinary schools*	2042081		1737445	2497663	1700700	267000	697227
In schools targeted by NSNP	1341131	14252	670000	1845000	1282763	243370	531615
<i>% of all learners</i>	<i>66%</i>		<i>39%</i>	<i>74%</i>	<i>75%</i>	<i>91%</i>	<i>76%</i>
Benefiting from no fee school policy	1680652	503594	850000	1352721	1121255	170000	557832
<i>% of all learners</i>	<i>82%</i>		<i>49%</i>	<i>54%</i>	<i>66%</i>	<i>64%</i>	<i>80%</i>
With special needs enrolled in public ordinary schools	19731	14252	2713	13000	66	165	2651
Benefiting from transport subsidies / learner transport		6115	49489	13000	16537	18500	28184
<i>% of all learners</i>			<i>3%</i>	<i>1%</i>	<i>1%</i>	<i>7%</i>	<i>4%</i>

\* Eastern Cape notes that this number excludes Grade R.

Most of the performance indicator tables also contain indicators relating to inadequate infrastructure, such as the number of schools targeted to be supplied with adequate water, electricity or sanitation, or the number without adequate basic services. Table 62 lists three indicators that are found across most of the provinces. While the indicators are found in a table headed “service delivery measures”, the indicators for infrastructure seem – except in the case of Eastern Cape – to reflect lack of delivery i.e. the number of schools without each type of infrastructure. Gauteng records that none of its schools are lacking in any of the three types of infrastructure. Northern Cape includes these indicators in its list but has no estimates recorded. The patterns vary widely across the other provinces. Eastern Cape records the highest number for lack of water supply, but the book records that these will all be supplied in the coming year. Limpopo has the highest number of schools without adequate sanitation facilities, while KwaZulu-Natal performs worst in terms of electricity.

**Table 62. 2010/11 measures in respect of number of school infrastructure**

	EC	FS	GT	KZN	LM	NC	NW
Schools without water supply	661*	54	0	100	70	-	40
Schools without electricity	171*	25	0	650	237	-	
Schools without sanitation facilities	661*	35	0	50	936	-	30

\* Number to be supplied in this financial year

Eastern Cape includes gender indicators in the form of the percentage of girl learners who register for Mathematics and Physical Science respectively in Grade 12. (This indicator, which is a standard one required of provinces, should in fact be terms “percentage of learners who register for Maths/Physical Science in Grade 12 who are female” rather than it is framed in the standard list.)



### ***Other issues***

Only one province – KwaZulu-Natal – records donor funding. The funding, from the Royal Netherlands Embassy, was provided for construction and equipping of a network for 120 district and satellite education centre sites.

Only two provinces – Eastern Cape and North West – appear to refer to libraries in their budget books.

### ***Conclusion and issues to consider for 2011 budget***

Unlike for other sectors, we can be confident that the bulk of allocations in the provincial departments of education are child-targeted, whether directly or indirectly. This to some extent simplifies analysis. However, analysis is then complicated by the broad nature of the programmes and sub-programmes. In particular, the fact that funding for public primary schools constitutes a single sub-programme leaves us reliant on the narrative to investigate particular aspects of this core activity, such as no fee schools, learner transport, and infrastructure. Where an issue is not mentioned in the narratives, we are left without any information. This is the case, for example, in respect of learner and teacher support materials.

What further complicates analysis is that despite a relatively standardised service, the sub-programme structures is not fully standardised. For example, conditional grants are in some provinces reflected as separate sub-programmes (with varying names), and in other provinces included in larger sub-programmes. There seems no good reason for these differences given that the activities and services are so similar across provinces.

All provinces include discussion of the roll-out of the no-fee school policy. There is some lack of clarity on the extent to which it has been extended to quintile 3 and secondary schools. The information on relative coverage in different provinces is also worrying in that, for example, KwaZulu-Natal reports 54% coverage as against North West's 80%, yet KwaZulu-Natal has higher levels of poverty. Further, Eastern Cape shows fewer children benefiting in 2010/11 than in 2009/11 in their service delivery table. KwaZulu-Natal notes as a particular problem that the norms and standards do not currently provide for Grade R, even where this is provided within a no-fee school. This problem presumably also affects other provinces unless they allocate part of the provincial equitable share for this purpose.

The NSNP is also reported on by all provinces and shows some good progress, as might be expected with the substantial and increasing budget allocations. However, at least one province questions whether there is sufficient budget for the planned extension to quintile 2 schools at secondary levels. Further, again relative rates of coverage across provinces are sometimes worrying. For example, Northern Cape records a 91% coverage rate but is by no means the poorest province.

There are no special allocations recorded for learner transport, but this important issue in terms of access is discussed in several of the budget books. The fact that the level and type of provision varies across provinces is not in itself worrying as the needs might differ. What

is worrying is that it seems there is not yet clarity as to whether responsibility for provision of learner transport should lie with the Department of Transport or with Education. Until this issue is resolved, provision is likely to remain uneven and inadequate.

All provinces face challenges in respect of facilities and infrastructure. Again, one expects both the needs and forms of provision to differ. What is worrying is the lack of clear national and provincial policies and norms which, the national Department asserts results from a lack of “credible” information on existing facilities and infrastructure. With the first school register of needs having been conducted in 1996, one would hope that by 2010 we would have a reliable management information system in place with a system for regular updating of the information.

There is less discussion than one might have expected about school-based and other initiatives in relation to safety. This is disappointing given the widespread acknowledgment of lack of safety of children at many public schools, and how this affects their education opportunities and outcomes as well as their general wellbeing.

There are several issues on which comparison of the different provincial narratives suggest confusion or contradiction. These include the impact of the OSD on each of the budget years, and the way in which funding for independent schools should and/or does happen.

With special needs education, there are again many differences in what different provinces report. As with some other issues, some of these differences might be appropriate, but it seems as if others might reflect different understanding of, or commitment to, implementing national policies. It is somewhat disappointing that only one province – Eastern Cape – refers to children in trouble with the law, presumably with reference to reform schools and schools of industry. This function will, however, soon be shifted to the provincial departments of social development. It is not clear whether these children, and other categories such as the out-of-school children referred to by Eastern Cape, are currently provided for in the calculation of subsidies. This might be another area that requires standardisation across provinces.

South Africa has made great progress over recent years in extending access to Grade R, although we are still far short of full coverage of children. The cross-province 2010/11 allocation is substantially higher than for 2009/10, but the increases tail off sharply with a real decrease in 2012/13. This is difficult to understand as the target of achieving universal coverage of Grade R in public schools has been shifted to 2014 or 2015 (provinces differ on the target date). Two further worrying aspects of ECD relate to differing subsidy levels across provinces, as well as potential overlap in provision with social development for the pre-Grade R years.

## Concluding comments

The discussion of each sector at national or provincial level ends with a conclusion that highlights key issues that might need to be addressed in the 2011 budget. These conclusions need to be read by all those who are interested in sector-specific recommendations and highlighting of priorities. This overall concluding section will not repeat the sector-specific issues raised in these summaries. Instead, it will provide comments and highlight some general issues that need attention across sectors.

Near the beginning of this report we state our concern at the lack of specific references to children in the 2010 budget speech of the national Minister of Finance. We emphasise the importance of explicit references to children as they show that government is pro-actively considering the needs of children in its budget decisions. Explicit references to children by the Minister of Finance are likely to encourage other government decision makers similarly to consider children's needs pro-actively. We can extend this point to note that explicit references to children in the budget documents are likely to reflect an awareness of these issues by the officials responsible for compiling the department budgets, encourage other officials to recognise the importance of meeting children's needs, and also highlight the issues for those who monitor budgets, including members of parliament and provincial legislatures.

What is especially disappointing in this respect is the failure of the Minister to make any reference to the two new child laws that were scheduled to come into full operation in April 2010, namely the Child Justice Act 75 of 2008 and the Children's Act 38 of 2005. We hope that this omission will be rectified by the Minister in his Medium Term Budget Policy Statement speech in October 2010

This paper focuses on budget, and we therefore must in concluding make some comments on budget numbers in the form of allocations. The most important point here is that despite having been developed against the context of a global recession, the 2010 budget shows real increases for most programmes and sub-programmes for 2010/11, or at least for those examined here as being of most relevance for children. This achievement must be welcomed. Further, the budget included marked increases for several initiatives, including some of particular benefit to vulnerable children. These included, for example, the extra R3 bn to address the needs of people co-infected with TB and HIV, and pregnant women and children with CD4 counts lower than 350, and increased allocations for the NSNP.

While most sub-programmes show increases, our analysis above reveals that some key programmes and sub-programmes show decreases or very small increases in real terms for 2010/11.

The generosity of the 2010/11 allocations must not make us complacent. In general, the 2011/12 estimates recorded in the first outer year of the MTEF reflect a lower real increase than for 2010/11, and the 2012/13 estimates reflect an even smaller increase and, in some cases, a decrease. The budget process for 2011/12 is now well underway and discussion is

needed as to whether and how the estimates for 2011/12 and 2012/13 might change in the 2011 budget documents. For virtually all areas even with the increases of 2010/11 children's needs are far from being met. We thus need discussion as to where further additional funds are to be found, where funding can be cut, and where it is not additional funds but rather better spending of available money that is needed.

Turning to the levels of transparency of budget-related information, the National Treasury, in partnership with provinces, has made impressive strides in standardising budget formats as well as programme and sub-programme structures across provinces. This is important if government is to provide and deliver for children and other members of the population in a coherent and equitable way as it provides a clearer picture of where the gaps are. If government had not made these improvements, we would have struggled to conduct the analysis presented in this paper.

Nevertheless, this paper has highlighted that there is further room for standardisation even in programme and sub-programme structure. This relates not only to the number and names of sub-programmes, but also what activities are included in particular sub-programmes. We would like to suggest that it would be useful to discuss whether there is further scope for standardisation in narratives. For example, it might be useful to specify that all provincial departments of education must include some narrative on particular initiatives at the sub-programme level. These could, for example, include learner transport and safety at schools.

An area that still needs a lot more attention is performance indicators. In some respects there has been movement backwards in that some provinces previously reported more indicators than they do now. Some might argue that performance information is available in the annual performance plans, which are meant to become available more or less at the same time as the budget documents. There are several problems with using this as a reason for non-inclusion of performance indicators in the budget documents. Firstly, in reality the annual performance plans are much less easily accessible than the budget documents. Secondly, producing performance indicators in a separate document goes against the international move towards performance budgeting, which is based on the idea that budgets must follow policy and law rather than vice versa. Thirdly, and related, without this performance information, members of parliament and the legislature cannot see what the monies that they vote are meant to "buy". In this sense performance indicators provide a very basic indicator of value for money.

In addition to specifying that prescribed performance indicators must be included in the budget votes, the standardised format should require that four years be specified for each indicator – the estimated actual for the current year, and the targets for the three years of the MTEF. This would be in line with the performance budgeting argument above.

In terms of the number of indicators, we are not arguing for a large set, but rather for a limited set of indicators, but a set in which the number of indicators for each programme bears some relation to the amount of money allocated. We recommend that there be at least one indicator for each sub-programme and that sub-programmes with larger allocations have

more indicators than those with small allocations. At present this is not the case for most departments even when they include indicators.

A final point on indicators is that discussion is needed on whether it is appropriate for a national department to have performance indicators for areas in which the provinces are responsible for delivery. National departments are responsible for the co-ordination of national policy and law. This makes them ultimately responsible for the impact of the national policy or law. However, the provincial departments are responsible for delivering the services that will achieve the impact and manage the budgets used for delivery. It thus seems appropriate that provinces report on these indicators in their budget documents rather than the national departments.

A final area which we suggest needs attention in respect of transparency is donor funding. In comparison with many other developing countries, South Africa relies very little on donor funding. Nevertheless, in some specific areas – the SOCA unit of the National Prosecuting Agency being one, and children’s social welfare services being another – government has been heavily dependent on donor funding. Without this information, we will be unaware of where shortfalls might occur when donors, as is inevitable, end their funding, and will not be able to plan for what might be quite small allocations in relative terms, but ones that are essential for particular groups of vulnerable children.

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