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**WRITTEN SUBMISSION TO WESTERN CAPE PROVINCIAL PARLIAMENT
DEPARTMENT OF SOCIAL DEVELOPMENT ON THE BUDGET PROCESS**

FROM

THE HOMESTEAD (PROJECTS FOR STREET CHILDREN) NPO 003-217

Thank you for the opportunity to contribute to the budget debate. As an NPO providing services to Street Children and their families, the budgets of Child Care and Protection Services and Care and Support to Families are cause for concern. With the expectation that we will meet the requirements of the Children's Amendment Act in terms of increased staff to child ratios, and increase the reach of our early intervention programmes, it seems that the budgetary allocations to these sub-programmes are inadequate.

In general terms, as the attached Analysis of Project Costs shows, government subsidies for our programmes currently amount to only 37% of the total costs. Of the 7 services we offer, only 4 are subsidised at all. These subsidies cover 73% of the costs of the Children's Home; but only 51% of the costs of Yizani Drop In Centre; 20% of the costs of the Intake Shelter; and 9% of the costs of early intervention work in Manenberg. The other 3 programmes receive no subsidy at all.

It should also be noted that, apart from a much appreciated increase for the Children's Home in 2007, the other subsidies were not increased for some years.

We are particularly concerned about our capacity to continue to employ Social Workers in the 2 residential care programmes. The gap between government and non-government social work salaries must be closed, or retention of this scarce skill category of staff within the residential care sector will be impossible. KZN province has managed to achieve this equity through improved subsidies to NPOs.

Social Workers in statutory care settings are essential in terms of the Children's Act and the Children's Amendment Act. Urgent consideration needs to be given to subsidising Social Work posts separately to cost per child subsidies, as is done for other service providers.

Similarly, residential care requires that Child and Youth Care Workers are employed to care for the children. These salaries also have to come out of the cost per child subsidy. If we are to meet the proposed norms and standards of a ratio of 1 CYCW to 8 children, many more CYCWs will have to be employed. Current subsidy levels make this impossible.

Government is encouraging NPOs to provide more prevention and early intervention programmes within disadvantaged communities. This is the right way to go, as it is cost-effective and prevents the damage that is done to children who end up living on the streets. However, apart from a 9% of total costs subsidy to one of our 3 early intervention programmes, no subsidy at all is received for this work.

I hope that these observations will be helpful in guiding your deliberations on the allocations for transfer payments to NPOs, which are rendering services in the child protection field.

Yours sincerely,

Sandra Morreira
DIRECTOR

ANALYSIS OF PROJECT COSTS - SUBSIDY VERSUS FUNDS TO BE RAISED BY THE HOMESTEAD

SERVICE	LEVEL	ANNUAL BUDGET 2008/2009	GOVERNMENT SUBSIDY	PERCENTAGE COSTS COVERED BY GOVERNMENT	PERCENTAGE COSTS COVERED BY NGO	YEAR SUBSIDY WAS LAST INCREASED
Street Outreach & Yizani Drop In Centre	Early intervention	170,450	86,460	51%	49%	2005
Street Outreach & Muizenberg Drop In Centre (Huis Hoop)	Early intervention	164,920	0	0%	100%	
Homestead Intake Shelter	Statutory Care	1,278,920	248,688	20%	80%	2003
The Bridge at Elukhuselweni Children's Home	Statutory Care	1,872,981	1,368,900	73%	27%	2007
Masithethe Community Project	Early intervention, afternoon care, family preservation	158,135	13,860	9%	91%	2004
Khayelitsha Community Project	Early intervention, afternoon care, family preservation	284,413	0	0%	100%	
Job Creation for Mothers	Poverty Alleviation Capacity building	656,757	0	0%	100%	
TOTAL BUDGET		4,586,576	1,717,908	37%	63%	