
THE COST OF THE CHILDREN'S BILL

Estimates of the cost to Government
of the services envisaged by the
Comprehensive Children's Bill
for the period 2005 to 2010

Prepared by
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*Then the word of the Lord came to Zechariah saying,
“Thus has the Lord of hosts said,
‘Dispense true justice,
and practise kindness and compassion each to his brother,
and do not oppress the widow or the orphan, the stranger or the poor;
and do not devise evil in your hearts against one another.’”*

Zechariah 7: 8-10

*Woe to those who enact evil statutes,
And to those who constantly record unjust decisions,
So as to deprive the needy of justice,
And rob the poor of My people of their rights,
In order that widows may be their spoil,
And that they may plunder the orphans.*

Isaiah 10: 1-2

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Cornerstone Economic Research cc was established by Conrad Barberton in August 2001 with the aim of providing quality economic research and consulting services to the public sector.

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Abbreviations

AIDS	acquired immunodeficiency syndrome
ASSA	Actuarial Society of South Africa
CPO	child protection organisation
CYC	child and youth care
DQA	development quality assurance process
ECD	early childhood development
FC	Full Cost
HIV	human immunodeficiency virus
HoD	head of department
IDP	individual development plan
IP	Implementation Plan
MTEF	medium-term expenditure framework
NGO	non-governmental organisation
NPO	non-profit organisation
PFMA	Public Finance Management Act
SCOA	Standard Chart of Accounts
SLA	service level agreement

Executive Summary

The Children's Bill proposes that government be required to deliver a wide range of services to children at risk and children in need of care and protection. It is critical for Parliament to be aware of the likely cost of these services when deliberating the Bill so that it can make informed decisions regarding trade-offs between different priorities given the resource constraints that exist, and ensure that the Bill directs the allocation of resources to meet the needs of children in especially vulnerable circumstances. In this regard Parliament will need to pay careful attention to which services it makes mandatory, and which not, as well as to phasing the implementation of the Bill. Knowing the cost of different services will also assist Parliament in exploring ways of amending the Bill to give effect to more cost-effective approaches to achieving the desired objectives.

It is also important for Parliament to be aware of the budgetary implications of the Children's Bill prior to passing it into legislation, so that when the government begins to implement the future Act, Parliament and the provincial legislatures will be prepared to allocate funds appropriately.

The costing of the Children's Bill is also a requirement of the Public Finance Management Act 1 of 1999. Both the S.75 and the S.76 Children's Bills assign functions to the provincial governments, and impose extensive service delivery obligations on them. Therefore in terms of section 35 of the PFMA a memorandum of the financial implications of both the S.75 and the S.76 Children's Bills should be tabled in Parliament along with the Bills. The fact that this was not done at the time when the S.75 Children's Bill was introduced in Parliament is contrary to section 35 of the PFMA. Also the fact that Parliament deliberated and passed the S.75 Children's Bill without access to information on the cost implications of the Bill may have negative repercussions when it comes to its implementation.

Version of the Children's Bill costed

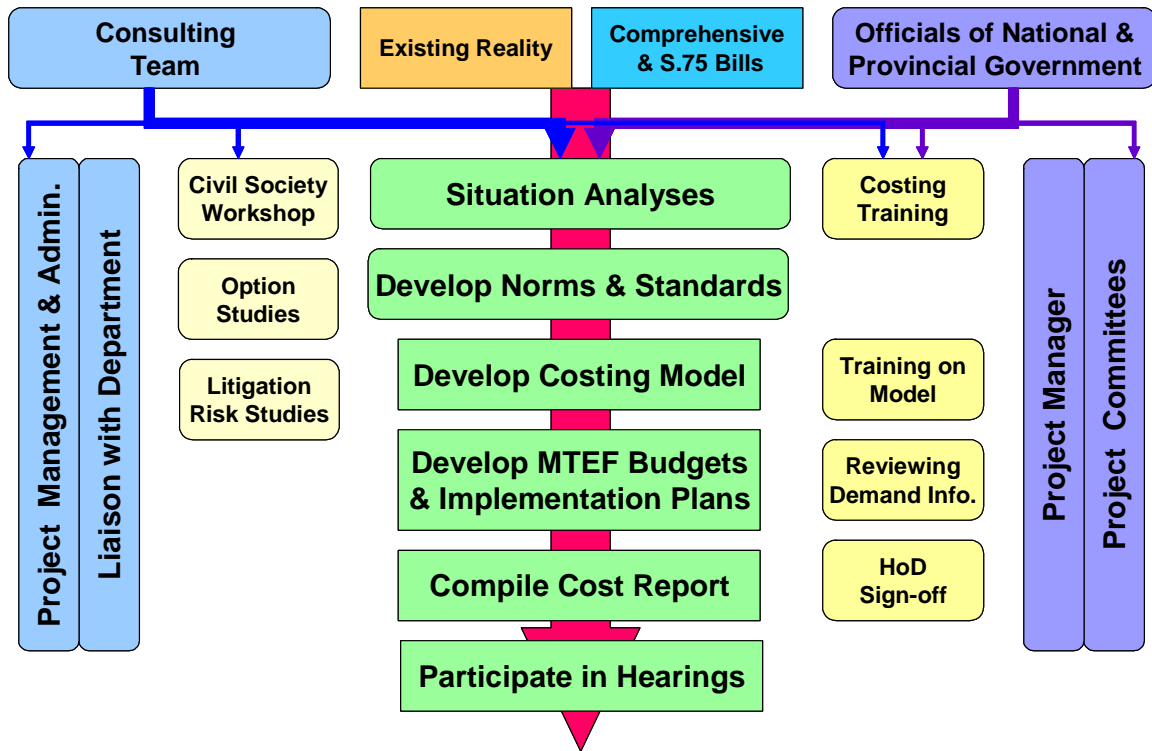
The Costing Project focussed on costing the services envisaged by the comprehensive Children's Bill, i.e. the combined S.75 and S.76 Children's Bills. The revisions and amendments to the S.75 Bill have been taken into consideration in the costing process.

Note that the costing outcomes pertain to a very specific set of draft legislative provisions. Any changes to these provisions made during the redrafting and passing of the S.76 Bill may impact on costs. It is, therefore, recommended that the cost implications of any proposed amendments to the Children's Bill get evaluated as they are made. It is also recommended that the cost implications of the regulations get evaluated as they get drafted.

Method used to cost the Children's Bill

- 1. Approach – departments responsible for costing:** The general approach used to cost the Children's Bill sought to ensure that the government departments responsible for the implementation of different components of the Bill were directly involved in the costing process and were therefore responsible for the costing outcomes. To emphasise this, the heads of the principal departments have signed-off on the final Implementation Plan costing modules and costing outcomes, with the exception of the Department of Justice.
- 2. Activities to develop costing:** The approach outlined above required extensive interaction between the consulting team and the various departments. It also required the direct and indirect involvement of large numbers of officials and other role-players.

Figure E1: Main activities of the Children’s Bill Costing Project



The above figure emphasises that the outcomes of the Costing Project are the product of the combined efforts of both the consulting team and the officials of the various national and provincial departments that participated in the process.

3. **Costing method – mostly activity-based costing:** Four modules are used to cost the Children’s Bill. The modules applicable to the Department of Justice, the provincial social development departments and the provincial education departments use activity-based costing to calculate the cost of services. The module applicable to the national Department of Social Development estimates costs on the basis of the personnel establishment it is proposed the department would require to manage the implementation and oversight of the Bill.

At its simplest, activity-based costing calculates the cost of a specific service as follows:

$$\text{Cost of Service} = \text{Quantity} \times \text{Input}_n \times \text{Price}_n$$

Where:

- Quantity* = The demand for the service, i.e. the quantity of the service that must be produced or supplied within a specific time period (usually a year).
- Input_n* = The amount of the various inputs required to deliver one unit of the service in question.
- Price_n* = The prices of the inputs, calibrated to the amounts required to produce one unit of the service in question.

4. **Scope of the costing:** The purpose of the Costing Project was to calculate the cost to the state (national, provincial and local government) of implementing the services envisaged by the Children's Bill for the period 2005/06 to 2010/11.
5. **State fully responsible for the cost of statutory services:** All statutory services outlined in the Children's Bill are costed on the basis that the state has an obligation to provide such services directly or, alternatively, to pay an agent the full cost of providing such services.
6. **Children who are wards of the state:** When a children's court finds a child to be in need of care and protection, and orders the child to be placed in alternative care, the child becomes a ward of the state. The Bill does not provide specific guidance, but it may be assumed that, as with detained persons, the state is obliged to provide such children with *at least adequate* accommodation, nutrition, clothing, education, medical treatment and recreational opportunities.
7. **Existing and new obligations:** The Costing Project calculates the cost to government of delivering both the existing and new obligations envisaged by the Children's Bill. In section 7.2 the funding gap between current allocations and the cost of existing and new obligations is analysed.
8. **Municipalities' roles and costs:** The comprehensive Children's Bill and the S.75 Children's Bill do not require municipalities to perform any new functions. Consequently, as the Bill currently stands, it does not hold any new costs for municipalities.
9. **Areas of service delivery costed:** The costing focuses on working out the operational cost of the services envisaged by the Children's Bill that have significant cost implications for the state. Separate exercises explore the capital cost of providing new facilities, and the cost of preparing for implementation and initial training (see sections 6.5 and 6.6).
10. **Areas of service delivery and costs excluded from costing:** The main costing does not include services that are a small part of departments' existing obligations, the cost of services where the policy is unclear, the capital costs of building child care facilities, the cost of preparing for implementation and initial training, and the cost of litigation that may arise from the Bill.

Scenarios costed

Two sets of assumptions were developed for the purpose of costing the Children's Bill, namely:

- Norms and standards: 'Low' and 'High' options
- Demand for services: Implementation Plan and Full Cost options

These sets of assumptions are used to structure four costing scenarios as follows:

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

The key difference between the two sets of norms and standards is that:

- the 'High' norms and standards describe a more or less uniform standard for all services based on a consensus of what represents 'good practice',

whereas

- the 'Low' norms and standards maintain 'good practice' norms and standards for priority services, but describe significantly lower norms and standards for non-priority services and activities.

The difference between the Implementation Plan and Full Cost scenarios is:

- the Implementation Plan scenarios are strongly influenced by current levels of service delivery, the quality of management information collected by the respective departments, and the planning capacity of the management teams in each department; and
- the Full Cost scenarios were developed so as to get a clearer understanding of the cost of a comparable level of demand for services across all provinces. To achieve this, the consulting team developed demand assumptions for the different services based on demographic and poverty information for each province.

Note that most of the demand variables for the services provided by the Department of Justice are driven by what services the provincial social development departments render.

Key cost variables and assumptions

A large number of variables and assumptions are used in the Costing Model. They include staffing qualification norms, staffing norms for facilities and a range of other assumptions related to partial care/ECD subsidies, school fee subsidies, the cost of material assistance, and the cost of food, clothing and recreation for children in facilities. They also include activity and time assumptions and service quantity norms. The former are used to calculate what staff are required to deliver one unit of the different services, the latter define 'how much' of a particular service is provided to individual clients. Details of these cost variables and assumptions are presented in section 4.

Demand variables and process assumptions

The demand variables indicate 'how many' units of the different services are required, or 'how many' facilities there are or are needed to meet the demand for places in them. Given that detailed service delivery information is often not available, extensive use is made of process assumptions to estimate 'how many' units of the different sub-services and activities are required.

The departments responsible for the different services provided the demand information for the Implementation Plan scenarios, while the consulting team developed the demand assumptions for the Full Cost scenarios. The demand variables for the Full Cost scenarios reflect a level of demand that has been standardised across provinces.

Given the range of services outlined in the Children's Bill, a large number of demand variables are specified. Information on them is presented in section 4.2, along with information on the assumptions that underpin them. Further detailed information on the breakdown of the demand variables by province is available on the CD that accompanies this report.

The following two tables set out the demand variables for the various services for which the provincial social development departments are responsible. Note that the IP Low demand variables were supplied by the relevant provincial social development departments and signed-off by the heads of department, with the exception of the Department of Justice. They reflect officials' estimates of the demand for services, and consequently the level of demand differs widely from province to province. By contrast the FC High demand variables are based on uniform assumptions linked to the demographics of each province. These assumptions take into account differing levels of poverty and the differing impact of the HIV/AIDS pandemic.

Table E1: IP Low: Demand variables – provincial social development

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD						
Registered partial care facilities	13,291	16,258	20,451	25,105	30,068	34,905
New applications to register facilities	2,997	4,228	4,694	5,003	4,877	4,854
Children attending partial care	606,092	756,674	924,933	1,111,750	1,310,554	1,503,166
Children in partial care that are subsidised	315,803	378,314	451,195	560,814	685,602	830,262
Child protection organisations						
Registered child protection organisations	548	596	649	712	763	821
New applications to register organisations	37	57	59	55	54	59
Child protection register (Part A)						
Cumulative no. of records on Part A	87,243	115,349	149,290	185,492	224,233	265,823
New cases to register on Part A	32,468	39,709	43,666	48,016	52,801	58,071
Prevention, intervention and protection						
Children at risk referred to social welfare services	160,584	189,476	208,797	230,112	253,644	279,645
Children receiving intervention services	145,236	167,609	191,846	215,648	243,448	271,267
Children referred to court enquiries	91,368	110,996	122,650	135,551	149,845	165,695
Foster care and kinship care						
Children in foster care	47,449	54,832	62,874	71,459	80,840	90,952
Children in kinship care	275,632	367,539	463,949	560,191	655,934	761,927
New foster care orders	8,362	10,723	11,823	13,037	14,377	15,858
New kinship care orders	84,261	102,390	113,497	115,919	122,474	135,298
Foster and kinship care orders reviewed	115,958	127,074	196,005	226,376	300,481	331,228
Management of child and youth care centres						
Registered CYC centres	501	501	543	577	601	622
New applications to register CYC centres	0	41	35	24	21	17
Places of safety & secure care - outside services						
Children in places of safety & secure care	8,721	8,225	8,608	9,147	9,839	10,734
New orders placing children in facilities	14,947	17,121	18,666	20,250	22,170	24,434
Case reviews (every 3 months)	34,956	33,570	35,001	37,088	39,882	43,377
Child and youth care centres – outside services						
Children in children's homes	18,673	22,343	26,550	30,605	35,234	39,909
Children in other CYC centres	3,485	3,910	4,531	4,978	5,463	5,947
New orders placing children in children's homes	4,819	5,790	6,357	6,978	7,659	8,408
New orders placing children in other CYC centres	1,522	1,826	2,016	2,196	2,396	2,613
No. of cases reviewed (every 2 years)	6,721	11,202	10,957	15,302	15,815	19,842
Child and youth care centres						
Places in places of safety	2,150	2,458	2,798	3,328	3,928	4,478
Places in secure care	2,110	2,820	3,632	3,872	3,982	3,982
Places in children's homes	13,984	15,978	18,131	18,757	19,347	19,972
Places in schools of industry	2,116	2,221	2,336	2,361	2,481	2,581
Places in reform schools	511	561	631	631	696	756
Shelter and drop-in centres						
Capacity of drop-in centres	967	1,342	1,467	1,567	1,662	1,757
Places in shelters	3,238	3,383	3,763	4,063	4,293	4,423
Adoptions						
Non-related adoptions (classic and foster)	1,415	1,555	1,707	1,962	2,255	2,593
Family adoptions	1,158	1,216	1,277	1,339	1,403	1,472

Table E2: FC High: Demand variables – provincial social development

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD						
Registered partial care facilities	38,469	38,399	38,343	38,248	38,116	37,947
New applications to register facilities	699	712	672	633	593	594
Children attending partial care	2,308,137	2,303,921	2,300,572	2,294,870	2,286,965	2,276,814
Children in partial care that are subsidised	922,413	918,640	916,862	915,424	914,084	912,551
Child protection organisations						
Registered child protection organisations	548	596	649	712	763	821
New applications to register organisations	37	57	59	55	54	59
Child protection register (Part A)						
Cumulative no. of records on Part A	361,387	468,016	573,707	676,608	775,202	869,194
New cases to register on Part A	124,699	129,092	131,587	132,424	132,752	133,577
Prevention, intervention and protection						
Children at risk referred to social welfare services	464,363	474,750	480,199	481,340	481,127	482,001
Children receiving intervention services	446,696	481,126	524,007	555,560	593,589	621,043
Children referred to court enquiries	324,162	335,202	341,029	342,374	342,382	343,792
Foster care and kinship care						
Children in foster care	111,065	119,722	128,216	135,928	143,208	149,832
Children in kinship care	1,094,386	1,316,929	1,525,927	1,731,951	1,921,128	2,107,678
New foster care orders	16,208	16,760	17,051	17,119	17,119	17,190
New kinship care orders	259,329	268,161	272,823	273,899	273,906	275,034
Foster and kinship care orders reviewed	469,001	510,193	695,247	741,406	912,762	955,168
Management of child and youth care centres						
Registered CYC centres	2,910	3,295	3,628	3,939	4,210	4,469
New applications to register CYC centres	385	333	311	271	259	258
Places of safety & secure care - outside services						
Children in places of safety & secure care	18,009	19,447	20,177	20,700	21,054	21,363
New orders placing children in facilities	42,747	44,379	45,610	46,514	47,352	48,350
Case reviews (every 3 months)	75,547	79,199	81,414	82,977	84,167	85,391
Child and youth care centres – outside services						
Children in children's homes	154,606	176,233	196,283	215,190	232,175	248,213
Children in other CYC centres	7,692	8,714	9,207	9,607	9,859	10,098
New orders placing children in children's homes	32,416	33,520	34,103	34,237	34,238	34,379
New orders placing children in other CYC centres	3,626	3,783	3,902	3,993	4,081	4,182
No. of cases reviewed (every 2 years)	65,531	73,722	88,569	96,395	109,157	115,746
Child and youth care centres						
Places in places of safety	14,074	14,382	14,915	15,679	16,279	16,829
Places in secure care	3,935	4,645	5,772	6,012	6,196	6,196
Places in children's homes	154,606	176,945	197,386	215,982	232,965	249,005
Places in schools of industry	5,292	5,873	6,135	6,484	6,604	6,767
Places in reform schools	2,400	2,673	2,743	3,082	3,147	3,466
Shelter and drop-in centres						
Capacity of drop-in centres	13,080	13,455	13,580	13,680	13,715	13,870
Places in shelters	12,960	13,105	13,565	13,725	14,015	14,085
Adoptions						
Non-related adoptions (classic and foster)	2,977	3,534	4,057	4,569	5,039	5,500
Family adoptions	1,158	1,216	1,277	1,339	1,403	1,472

Personnel costs and related assumptions

The assumptions on personnel costs underpin the entire costing of the Children's Bill. The two most important personnel assumptions relate to the price of personnel and the productivity of personnel, which is calculated on the basis of full-time equivalent assumptions. The 'price' of personnel is the cost to the state of employing officials in the different staff categories. These assumptions are based on the salary levels effective from 1 July 2005, issued by the Minister for Public Service and Administration. Full-time equivalent assumptions calculate the number of officials required to deliver a particular service assuming that that is all they do, taking into account the number of working hours in a year.

As regards other inputs, the majority of these are costed as a fixed ratio to the personnel costs (the ratios differ across departments). The remainder are costed explicitly, including travel related to the delivery of services, the partial care/ECD subsidies, the material assistance interventions, the per capita allowances for food, clothing and recreation of children in facilities, and the school fees the state should pay in respect of children that are its wards.

Factors impacting on the accuracy of the costing outcomes

The costing outcomes generated by the different modules of the Children's Bill Costing Model are calculated estimates. The accuracy or robustness of these calculated estimates is dependent on the accuracy of the service demand variables, whether the service delivery norms and standards are correctly specified and whether there is a common understanding of the definitions used to describe different kinds of services. Also important is whether the Costing Model describes and models the envisaged services correctly. Finally, the accuracy of the calculations themselves is important.

The costing team adopted a number of strategies to minimise the impact of each of these factors, including auditing the formulae, cross-checking data, consulting extensively on the structure of services and on appropriate norms and standards, and providing clear guidelines to officials on definitions. There may still be errors. If there are, their impact on the overall costing outcomes is probably insignificant.

The cost of the Children's Bill

Note that the costing outcomes presented here aggregate very detailed information, much of it at a provincial level. This detailed information is available on the CD that accompanies the report.

The estimated overall cost of implementing the comprehensive Children's Bill under the four different scenarios is presented in the table below. The table also shows the total cost of each scenario divided by the total number of children, which gives the estimated annual cost of the Children's Bill per child in the country.

Table E3: Total cost of the Children's Bill by scenario

Total cost by scenario						
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
IP Low scenario	6,030.2	7,469.8	9,242.6	10,938.4	12,975.0	15,151.9
IP High scenario	8,400.0	10,470.8	13,019.0	15,448.7	18,347.3	21,451.6
FC Low scenario	25,268.9	28,706.4	32,622.5	36,144.2	40,075.8	43,849.5
FC High scenario	46,893.9	53,947.7	61,786.4	69,176.8	77,195.5	85,054.0
Cost per child by scenario						
Rands	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
IP Low scenario	333.7	413.5	511.9	606.2	719.6	841.0
IP High scenario	464.9	579.7	721.1	856.2	1,017.5	1,190.7
FC Low scenario	1,398.4	1,589.2	1,806.9	2,003.2	2,222.6	2,434.0
FC High scenario	2,595.2	2,986.5	3,422.2	3,833.9	4,281.3	4,721.1

To place the above cost estimates in perspective it should be noted that in 2005/06 the consolidated national and provincial expenditure on the education function was R83 574 million (revised estimate). This gives a per capita expenditure of about R6 472, which is nearly twenty times the per capita expenditure for the IP Low scenario, and about two and half times the per capita expenditure for the FC High scenario. Admittedly, the services envisaged by the Children's Bill are intended to reach a more limited section of the child population than the education function, but by the same token the services are generally more intensive (one-on-one counselling versus classrooms and

residential care versus partial care at school). What this suggests is that the costing outcomes are of the correct order of magnitude.

In 2005/06 consolidated government expenditure was R460 billion. The costing outcomes for 2005/06 of the IP Low and FC High scenarios are respectively 1.3% and 8.4% of consolidated government expenditure. By comparison the education function was 18% of consolidated government expenditure in 2005/06.

Comparing the costing outcomes of the IP Low versus the FC Low scenario (or the IP High versus the FC High scenario) suggests that the Implementation Plan scenarios will only meet approximately 30% of the estimated demand for services in the Full Cost scenarios.

The following two tables summarise the cost to each department/sector of implementing the Children's Bill according to the IP Low and FC High scenarios.

Table E4: IP Low: Cost of scenario by department

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice	391.0	522.5	750.3	958.9	1,242.5	1,523.3
Provincial social development	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1
Provincial education	530.9	627.3	738.8	818.2	926.1	1,029.7
Overall Cost	6,030.2	7,469.8	9,242.6	10,938.4	12,975.0	15,151.9

Clearly, the provincial social development departments have the greatest responsibilities. They account for roughly 83% of overall cost. Also notable is how quickly the costs increase over the period as departments seek to rollout the required services. The overall cost grows on average by about 17% per annum. The Department of Justice's costs increase most rapidly, growing almost fourfold over the period, while those of provincial social development more than double. By contrast the national Department of Social Development's costs increase in line with inflation.

Table E5: FC High: Cost of scenario by department

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3
Provincial social development	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5
Provincial education	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5
Overall cost	46,893.9	53,947.7	61,786.4	69,176.8	77,195.5	85,054.0

In this scenario the costing outcomes do not show the same level of growth across the period as in the IP Low scenario. This is because the scenario is structured to cost the full demand for services as if the Children's Bill is fully implemented from 2005/06 onwards. The growth in the costing outcomes therefore reflects the 'normal growth' in the demand for the different services and the impact of inflation. The overall cost increases by about 11% per annum.

The following two tables summarise the cost to each provincial social development department of implementing the Children's Bill according to the IP Low and FC High scenarios.

Table E6: IP Low: Overall cost by province – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	734.0	1,008.9	1,246.0	1,515.5	1,822.3	2,159.7
Free State	482.6	555.4	645.6	736.1	836.2	935.7
Gauteng	1,207.2	1,498.3	1,883.9	2,280.4	2,726.4	3,212.4
KwaZulu-Natal	850.0	994.6	1,240.0	1,400.3	1,621.0	1,849.9
Limpopo	480.8	647.5	836.3	1,022.5	1,236.1	1,511.8
Mpumalanga	252.4	322.9	416.8	518.8	644.7	779.8
Northern Cape	184.0	227.3	249.2	277.2	303.8	335.4
North West	170.3	234.5	313.5	383.5	469.9	550.6
Western Cape	691.7	773.9	863.0	965.1	1,081.3	1,195.8
South Africa	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1

In the IP Low scenario the costing outcomes for the different provinces bear little relationship to the size of the child populations in the respective provinces, but reflect the extent of current inequalities in social welfare services and the fact that due to existing capacity constraints these inequalities are set to persist. This issue is explored in greater detail in section 8.2.

Table E7: FC High: Overall cost by province – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	6,504.3	7,459.9	8,484.3	9,548.8	10,674.8	11,824.3
Free State	2,655.6	3,060.3	3,487.8	3,918.0	4,354.2	4,800.7
Gauteng	7,211.1	8,422.5	9,777.6	11,032.6	12,430.5	13,772.5
KwaZulu-Natal	11,810.8	13,584.3	15,582.7	17,400.5	19,296.2	21,160.1
Limpopo	4,597.9	5,242.6	5,942.7	6,621.7	7,369.3	8,169.2
Mpumalanga	3,644.3	4,195.0	4,788.2	5,354.3	5,942.3	6,524.6
Northern Cape	577.2	676.8	759.9	840.7	947.8	1,032.8
North West	3,200.1	3,717.5	4,276.4	4,805.3	5,383.5	5,944.0
Western Cape	2,495.9	2,827.0	3,211.9	3,603.0	4,039.3	4,477.3
South Africa	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5

These costing outcomes should be compared to the costing outcomes reported in the previous table. The latter reflect a uniform level of demand across the provinces adjusted for the relative impact of HIV/AIDS and poverty. The overall impact of HIV/AIDS on the costing is explored in section 8.3.

The cost of the key services envisaged by the Children's Bill

The following two tables detail the cost of the key services delivered by the Department of Justice according to the IP Low and FC High scenarios.

Table E8: IP Low: Cost by activity – Department of Justice

Activity	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Protection and alternative care	84.8	108.2	125.5	145.6	169.1	196.3
Contribution orders	1.6	2.0	2.3	2.7	3.1	3.7
Interdicts and other orders	7.5	15.7	22.6	27.5	35.2	41.9
Reviewing existing orders	121.9	136.2	185.4	218.0	280.5	321.3
Adoptions	5.3	5.8	6.5	7.4	8.4	9.7
Parental rights and responsibilities	32.3	84.7	177.9	280.1	392.2	535.3
Lay forums	3.6	7.1	13.1	19.2	25.7	33.5
Legal representation	134.1	162.8	217.1	258.4	328.2	381.7
Overall cost	391.0	522.5	750.3	958.9	1,242.5	1,523.3

The cost of services linked to the children's courts' existing responsibilities with regards to children in need of care and protection more or less double across the period. By contrast, the very rapid increase in the department's costs are due to the growth in the cost of providing interdicts, applications for access, lay forums, and registering parental plans. Admittedly these services start from a low base. However, given the scarcity of personnel resources, the question is which set of services should be prioritised: those dealing with children in need of protection, or services to children that are with their families, albeit families that need assistance to sort out their problems?

It is expected that in 2010/11 applications for access and registering parenting plans will constitute about 40% of the cost to the department of implementing the Children's Bill.

Table E9: FC High: Cost by activity – Department of Justice

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Protection and alternative care	325.1	353.0	377.1	397.5	417.4	440.1
Contribution orders	14.0	15.2	16.2	17.1	18.0	19.0
Interdicts and other orders	43.3	48.5	54.8	60.6	67.5	74.0
Reviewing existing orders	531.0	592.3	760.7	838.8	1,021.0	1,112.0
Adoptions	8.2	9.6	11.0	12.6	14.2	16.0
Parental rights and responsibilities	582.2	623.5	667.8	715.2	766.0	820.4
Lay forums	109.3	113.1	118.6	122.6	128.3	132.7
Legal representation	639.9	716.4	897.1	984.3	1,175.0	1,276.3
Overall cost	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3

In the above table the reviewing of existing orders (primarily foster care and kinship care orders) make up about 24% of the overall cost in 2005/06 and 29% in 2010/11. The costs associated with this activity almost double across the period as increasing numbers of children get placed in alternative care arrangements as a consequence of the impact of HIV/AIDS.

The following two tables detail the cost of the key services for the provincial social development departments according to the IP Low and FC High scenarios.

Table E10: IP Low: Cost by activity – provincial social development

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD	463.9	661.5	894.5	1,231.3	1,623.2	2,083.8
Oversight of child protection organisations	6.6	7.4	8.4	9.6	10.8	12.2
Child protection register (parts A+B)	12.8	16.1	20.0	23.7	28.6	34.0
Management of prevention, intervention and protection	267.8	327.7	390.8	459.4	542.2	633.3
Prevention services	90.7	112.3	135.4	161.2	192.6	227.9
Intervention services	1,192.9	1,443.2	1,734.9	2,046.9	2,427.2	2,839.1
Protection services	442.1	557.5	645.6	747.6	866.0	1,003.3
Foster care and kinship care	503.7	639.7	832.8	995.3	1,225.0	1,450.1
Reunification services to children in facilities	189.4	221.7	256.2	302.8	350.6	412.7
Management of child and youth care centres	6.3	6.7	7.6	8.5	9.3	10.1
Places of safety	179.4	214.5	255.2	317.8	391.7	466.9
Secure care	219.3	307.1	414.7	464.0	500.8	525.3
Children's homes	1,214.4	1,442.1	1,743.3	1,929.2	2,123.8	2,335.9
Management of shelters and drop-in centres	1.0	1.1	1.4	1.7	2.0	2.2
Shelters and drop-in centres	202.7	232.6	267.3	299.2	329.5	355.9
Adoptions	18.1	20.7	23.4	27.2	30.8	36.1
Training	42.1	51.3	62.6	74.0	87.6	102.2
Overall cost	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1

Intervention services constitute a substantial portion of the overall cost primarily due to the comparatively high level of demand for these services. However, it needs to be borne in mind that intervention services, if properly implemented, are significantly more cost-effective than removing children from their homes.

Table E11: FC High: Cost by activity – provincial social development

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD	2,289.8	2,396.3	2,511.4	2,632.2	2,758.6	2,890.1
Oversight of child protection organisations	7.6	8.5	9.7	11.1	12.5	14.1
Child protection register (parts A+B)	55.5	65.3	77.0	88.2	100.8	113.2
Management of prevention, intervention and protection	1,616.8	1,811.1	2,040.1	2,244.2	2,484.7	2,708.7
Prevention services	644.6	734.0	840.8	941.3	1,061.0	1,178.4
Intervention services	4,849.4	5,490.4	6,295.0	7,013.7	7,883.8	8,666.9
Protection services	2,087.1	2,259.4	2,410.3	2,540.4	2,667.9	2,811.8
Foster care and kinship care	2,579.7	3,076.5	3,727.2	4,280.4	4,983.1	5,598.1
Reunification services to children in facilities	1,189.2	1,392.9	1,610.1	1,821.8	2,047.3	2,271.7
Management of child and youth care centres	61.4	72.7	84.0	95.6	107.2	119.5
Places of safety	1,569.4	1,681.9	1,828.8	2,015.4	2,191.9	2,373.9
Secure care	480.5	601.1	785.4	860.5	930.2	975.9
Children's homes	22,981.0	27,130.9	31,417.0	35,722.2	40,147.3	44,725.7
Management of shelters and drop-in centres	6.4	6.7	7.0	7.4	7.7	8.1
Shelters and drop-in centres	1,921.2	2,045.1	2,193.4	2,317.7	2,459.1	2,591.5
Adoptions	32.1	39.3	46.3	53.8	59.8	67.9
Training	325.3	373.9	427.9	479.2	535.0	590.0
Overall cost	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5

The cost of running children's homes constitutes 53% of the overall cost in 2005/06, increasing to 57% in 2010/11. These costs are based on the assumption that 10% of children's court enquiries result in children being placed in children's homes, resulting in a demand for 154 606 places in 2005/06 and 248 213 places in 2010/11. At present there are only 13 984 places in children's homes.

The number of personnel required to implement the Children's Bill

The following two tables detail the number of personnel required to implement the Children's Bill within the Department of Justice according to the IP Low and FC High scenarios.

Table E12: IP Low: Personnel required – Department of Justice

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Court personnel						
Magistrate	526	663	890	1,073	1,313	1,527
Senior administration clerk	28	35	52	65	82	97
Administrative clerk	293	403	570	722	897	1,076
Maintenance investigator	3	3	3	4	4	5
Family Advocate's Office						
Family advocate	19	48	97	145	194	252
Family counsellor	28	67	132	197	262	340
Family law assistant	5	10	18	26	34	43
Legal Aid Board						
Supervising attorney	15	17	22	25	30	33
Legal Aid attorney	386	446	566	641	776	860
Total personnel	1,302	1,693	2,350	2,897	3,593	4,232

The personnel required by the Department of Justice to implement the Children's Bill increases in line with the costs. The greatest growth is in the Family Advocate's Office. In 2010/11 the number of

magistrates required to deliver the services envisaged by the Children's Bill will exceed the total number of magistrates serving in magistrates courts in 2004/05.

Table E13: FC High: Personnel required – Department of Justice

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Court personnel						
Magistrate	2,633	2,752	3,068	3,170	3,450	3,545
Senior administration clerk	133	141	166	174	196	203
Administrative clerk	1,747	1,820	1,967	2,023	2,150	2,203
Maintenance investigator	23	23	24	24	24	24
Family Advocate's Office						
Family advocate	361	368	375	383	390	398
Family counsellor	1,060	1,082	1,107	1,129	1,155	1,178
Family law assistant	169	173	179	183	190	194
Legal Aid Board						
Supervising attorney	89	95	114	119	135	140
Legal Aid attorney	2,324	2,477	2,955	3,087	3,510	3,631
Total personnel	8,538	8,931	9,954	10,292	11,201	11,515

The above table indicates that the Department of Justice will need to employ over a thousand family counsellors. They are required to implement the sections of the Children's Bill dealing with access orders and parental plans. Although they are called family counsellors here, in practice they will be social workers. This suggests that the Department of Justice will be competing with the social welfare sector to employ social workers from the very limited pool that currently exists.

The following tables detail the number of personnel required to implement the Children's Bill within the provincial social development departments according to the IP Low and FC High scenarios.

Table E14: IP Low: Personnel required – provincial social development

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Facility manager	392	458	518	547	570	589
Social work manager	220	258	298	335	380	424
Chief social worker	979	1,139	1,309	1,461	1,645	1,825
Social worker	7,456	8,738	10,113	11,327	12,810	14,255
Auxiliary social worker	7,682	8,994	10,319	11,629	13,119	14,648
Child care worker	7,946	9,134	10,718	11,542	12,290	12,955
Other professional	366	418	501	556	608	654
Financial management and admin	939	1,074	1,365	1,459	1,575	1,666
Support staff	3,595	4,174	4,844	5,163	5,478	5,718
Total personnel	29,575	34,386	39,985	44,020	48,475	52,734

Table E15: FC High: Personnel required – provincial social development

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Facility manager	3,553	3,959	4,326	4,646	4,930	5,194
Social work manager	1,406	1,518	1,654	1,747	1,863	1,945
Chief social worker	5,735	6,190	6,747	7,121	7,589	7,919
Social worker	40,163	43,635	47,675	50,551	53,938	56,465
Auxiliary social worker	34,158	37,186	40,518	43,245	46,207	48,660
Child care worker	149,861	165,532	180,830	193,856	205,916	216,831
Other professional	11,729	12,976	14,185	15,221	16,176	17,044
Financial management and admin	6,776	7,613	8,554	9,259	9,932	10,532
Support staff	37,444	42,255	46,816	50,795	54,419	57,746
Total personnel	290,826	320,864	351,305	376,441	400,971	422,338

The greatest obstacle to the implementation of the Children's Bill is the acute shortage of suitably qualified personnel. This is highlighted with reference to social workers and auxiliary social workers, but the problem exists in relation to other categories of personnel such as magistrates and child care workers.

The following table presents information on the estimated number of social workers and auxiliary social workers required to implement the Children's Bill in 2005/06 by scenario, along with other information on social workers.

Table E16: The supply and demand for social workers

Personnel category	Number registered with Council (April 2005)	Total number employed by social development and NPOs (2005)	Number required to deliver services to children in terms of 'integrated' norms	IP Low scenario		FC High scenario	
				2005/06	2010/11	2005/06	2010/11
				Social workers (all levels)	11,372	5,063	4,822
Aux. social workers (all levels)	1,849	?	no norm	7,682	14,648	34,158	48,660

Note: The number of registered social workers and auxiliary social workers was obtained from the SA Council for Social Service Professionals (letter dated 12 April 2005). The council also indicated that there are 484 registered non-practising social workers, and 14 registered non-practising auxiliary social workers. Number of social workers employed by social development departments and NPOs is based on the 'Findings Report on the Financial Awards to Service Providers, 2005'

The above table shows that:

- at the end of 2005 the social welfare sector in government as well as the NPOs employed 5 063 social workers which is 241 more than are required if the 'integrated' norms are applied only to the child population. The situation is particularly acute in view of the fact that the social workers currently employed are responsible for all the departments' programmes, and not only those related to children;
- the number of social workers required to implement the Children's Bill according to the IP Low scenario in 2005 is slightly less than twice the number proposed by the 'integrated' norms, but as soon as the demand for services begins to pick up the numbers diverge even more. In 2010/11 some 16 504 social workers are required to implement the Children's Bill according to the IP Low scenario. The numbers diverge because the 'integrated' norms are population-based and are not sensitive to the actual demand for services; and
- the number of social workers required to implement the Children's Bill according to the FC High scenario exceeds the current number of registered social workers by almost 36 000 in 2005/06 and by 55 000 in 2010/11.

It is often proposed that the shortfall in the number of social workers can be alleviated by employing more auxiliary social workers. In theory this is true, and the service delivery models underpinning the Costing Model provide for this wherever possible. But what the above table shows is that the shortage of registered auxiliary social workers is even greater. There are simply too few auxiliary social workers available to substitute for social workers.

While the shortage of suitably qualified personnel is a national problem, the problem's impact differs across the provinces. The following table shows the number of children per social worker based on

the number employed by the provincial social development departments and NPOs in 2005 and compares this to the number of children per social worker proposed by the IP Low scenario and the FC High scenario.

Table E17: Number of children per social worker

Province	Integrated norm	If all existing social workers employed by social development and NPOs delivered services to children only (2005)	IP Low scenario		FC High scenario	
			2005/06	2010/11	2005/06	2010/11
Eastern Cape	3,000	3,067	1,644	561	420	285
Free State	3,000	3,210	1,097	707	343	238
Gauteng	5,000	2,619	1,435	923	343	256
KwaZulu-Natal	4,500	4,147	3,638	2,129	305	218
Limpopo	3,000	5,830	2,622	1,120	540	380
Mpumalanga	3,000	5,285	2,525	1,131	333	242
Northern Cape	3,000	1,492	999	715	491	334
North West	3,000	4,682	4,386	1,880	392	267
Western Cape	4,500	2,200	1,485	1,149	563	410
South Africa (average)	3,747	3,569	2,086	1,092	382	272

The above tables show that:

- if all the social workers currently employed by the social development departments and the NPOs only delivered services to children then Northern Cape, Western Cape KwaZulu-Natal and Gauteng would have sufficient social workers to comply with the 'integrated norm'. Eastern Cape is close. However, this is assumption is unrealistic given the sector's other service delivery obligations;
- none of the provinces employ sufficient social workers to service the social welfare needs of children within their provinces according to the norms and standards specified for the implementation of the Children's Bill;
- the shortage of social workers is most acute in Limpopo, where there are currently 5 830 children per social worker, but according to the IP Low scenario there should be between 2 622 and 1 120 children per social worker; and
- provincial inequalities in the number of children per social worker are expected to persist under the IP Low scenario. The extent of these inequalities is highlighted by comparing the IP Low numbers to the numbers for the FC High scenario in the above table:
 - According to the FC High scenario, KwaZulu-Natal should have the lowest number of children per social worker of all the provinces, but in the IP Low scenario it will continue to have among the highest.
 - According to the FC High scenario, Gauteng and Western Cape should have the highest number of children per social worker, but in the IP Low scenario they will continue to have among the lowest.

Estimating the extent of the funding gap

To estimate the extent of the funding gap entails calculating the difference between the costing outcomes in each scenario and the current MTEF budgets for social welfare services to children that are the same or similar to those envisaged by the Children's Bill.

From the perspective of costing the Children's Bill, a key issue is whether the entire funding gap can be attributed to the Children's Bill or whether it is the result of the under-funding of the government's existing obligations with regards to children's social welfare services as envisaged by current legislation, particularly the Child Care Act. The following analysis therefore distinguishes between existing and new obligations.

The summary below focuses on the funding gap in relation to the IP Low scenario outcomes. The funding gap in relation to the FC High scenario is greater in all instances.

The following table sets out what the government currently allocates to the implementation of services envisaged by the Children's Bill.

Table E18: Total current allocations to services covered by the Children's Bill

Department	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R million							
National Social Development Department	4.1	6.5	9.5	25.8	25.8	26.6	27.9
Department of Justice	95.3	109.6	114.7	152.0	176.2	195.7	214.6
National Government Total	99.4	116.1	124.2	177.8	202.0	222.3	242.5
Provincial social development departments	629.8	760.5	897.8	1,022.4	1,209.7	1,403.7	1,781.7
Provincial education departments	118.4	124.6	131.2	138.1	154.3	172.8	183.8
Provincial Government Total	748.2	885.2	1,029.0	1,160.5	1,364.0	1,576.5	1,965.5
Total Current Allocations	847.6	1,001.3	1,153.2	1,338.3	1,566.0	1,798.8	2,208.1

Note that these amounts are less than the 'children's budgets' within the respective departments, since the aim is not to identify what the departments allocate towards services for children, but rather what the departments allocate to the services envisaged by the Children's Bill.

The following table indicates the cost of existing and new obligations by department for the IP Low scenario. The assumptions used to calculate these figures are presented in Table 7.4.

Table E19: IP Low: Existing and new obligations by department

Department		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
National Department of Social Development	Existing	52.2	53.4	55.9	58.4	61.1	64.0
	New	3.1	3.2	3.3	3.5	3.6	3.8
Department of Justice	Existing	184.5	230.1	297.0	351.5	437.8	509.2
	New	206.5	292.4	453.3	607.4	804.7	1,014.1
Provincial social development departments	Existing	4,030.4	5,028.3	6,189.8	7,318.3	8,609.2	10,034.8
	New	1,022.6	1,235.0	1,504.4	1,781.1	2,132.4	2,496.3
Provincial education departments	Existing	530.9	627.3	738.8	818.2	926.1	1,029.7
	New	0.0	0.0	0.0	0.0	0.0	0.0
Total Children's Bill obligations	Existing	4,798.1	5,939.2	7,281.5	8,546.5	10,034.3	11,637.7
	New	1,232.1	1,530.6	1,961.1	2,392.0	2,940.7	3,514.2

The following table shows the extent of the under-funding of existing obligations for the IP Low scenario. Note that figures only relate to the current MTEF period as there are no current budgets for the last two years of the costing period.

Table E20: IP Low: Under-funding of current obligations by department

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development	26.3	27.6	29.3	30.5		
Department of Justice	32.5	54.0	101.3	136.9		
Provincial social development departments	3,008.1	3,818.6	4,786.2	5,536.7		
Provincial education departments	412.5	502.7	607.6	680.1		
Total under-funding	3,479.5	4,402.9	5,524.3	6,384.1		
<i>% Under-funding of current obligations</i>						
<i>National Department of Social Development</i>	<i>50.5%</i>	<i>51.7%</i>	<i>52.4%</i>	<i>52.3%</i>		
<i>Department of Justice</i>	<i>17.6%</i>	<i>23.4%</i>	<i>34.1%</i>	<i>38.9%</i>		
<i>Provincial social development departments</i>	<i>74.6%</i>	<i>75.9%</i>	<i>77.3%</i>	<i>75.7%</i>		
<i>Provincial education departments</i>	<i>77.7%</i>	<i>80.1%</i>	<i>82.2%</i>	<i>83.1%</i>		
% Total under-funding	72.5%	74.1%	75.9%	74.7%		

The above table indicates that according to the IP Low costing outcomes:

- current budgets only fund about 25% of the existing obligations set out in the Child Care Act and other legislation which are repeated in the Children's Bill;
- the existing obligations of the Department of Justice were under-funded by about 18% in 2005/06. The extent of the under-funding is set to increase as the demand for the normal services of the children's court increase more rapidly than the budgets for these courts; and
- the provincial social development departments are collectively under-funded by about 75%. In other words they are only receiving about 25% of the budget they require to meet the demand for services set out in the IP Low scenario according to the 'Low' norms and standards.

The following table shows the extent of the funding gap between the total current budget allocations shown in Table E18 and the overall cost of implementing the Children's Bill according to the IP Low scenario as shown in Table E4.

Table E21: IP Low: Funding gap for Children's Bill obligations by department

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development	29.4	30.9	32.6	34.0		
Department of Justice	239.0	346.4	554.6	744.3		
Provincial social development departments	4,030.6	5,053.6	6,290.6	7,317.8		
Provincial education departments	412.5	502.7	607.6	680.1		
Total funding gap	4,711.6	5,933.5	7,485.4	8,776.1		
<i>% Funding gap for Children's Bill obligations</i>						
<i>National Department of Social Development</i>	<i>53.3%</i>	<i>54.5%</i>	<i>55.1%</i>	<i>54.9%</i>		
<i>Department of Justice</i>	<i>61.1%</i>	<i>66.3%</i>	<i>73.9%</i>	<i>77.6%</i>		
<i>Provincial social development departments</i>	<i>79.8%</i>	<i>80.7%</i>	<i>81.8%</i>	<i>80.4%</i>		
<i>Provincial education departments</i>	<i>77.7%</i>	<i>80.1%</i>	<i>82.2%</i>	<i>83.1%</i>		
% Total funding gap	78.1%	79.4%	81.0%	80.2%		

Comparing the above table to Table E20 it is evident that the funding gap faced by Department of Justice in 2005/06 increases from 18% in relation to existing obligations to 61% in relation to the total obligations under the Children's Bill. This is due to the fact that Children's Bill imposes substantial new obligations on the Department of Justice.

The overall funding gap between current budgets and the cost of implementing the Children's Bill in line with the IP Low scenario is around 80% overall, as well as for the provincial social development and education departments.

The following table presents details of the under-funding of existing obligations for each of the provincial social development departments according to the IP Low scenario. When considering this information one must keep in mind the fact that the demand variables in this scenario are based on information from the respective provincial departments.

Table E22: IP Low: Under-funding of current obligations – provincial social development

Province R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	477.9	655.1	774.0	923.0		
Free State	264.3	300.2	392.6	449.1		
Gauteng	683.7	868.8	1,143.4	1,370.9		
KwaZulu-Natal	529.9	642.5	852.0	953.7		
Limpopo	348.0	473.2	600.1	711.7		
Mpumalanga	152.5	186.6	254.7	304.6		
Northern Cape	102.3	134.9	141.2	153.3		
North West	100.6	145.4	210.8	251.7		
Western Cape	348.8	411.9	417.4	418.7		
Total under-funding	3,008.1	3,818.6	4,786.2	5,536.7		
<i>% Under-funding of current obligations</i>						
Eastern Cape	81.7%	82.9%	80.7%	80.3%		
Free State	70.8%	69.5%	78.4%	78.2%		
Gauteng	72.6%	72.9%	75.2%	73.8%		
KwaZulu-Natal	71.6%	73.9%	78.2%	77.6%		
Limpopo	89.6%	90.2%	89.7%	87.4%		
Mpumalanga	76.3%	72.0%	75.8%	72.5%		
Northern Cape	77.7%	80.0%	76.7%	75.1%		
North West	71.2%	73.6%	79.4%	77.7%		
Western Cape	65.9%	69.3%	62.7%	56.2%		
% Total under-funding	74.6%	75.9%	77.3%	75.7%		

Key issues raised by the costing outcomes

The information gathered during the course of the Costing Project, and the costing outcomes, draw attention to a range of issues related to the delivery of social welfare services to children, namely:

1. The proper implementation of the Children's Bill will require large numbers of social workers and auxiliary social workers. The costing indicates that the numbers required greatly exceed the number of registered social workers and auxiliary social workers in the country.
2. The current budgets show that there are enormous disparities in expenditure on social welfare services for children between the provinces. The information received for the Implementation Plan scenarios from the provincial social development departments show that these disparities are set to persist.
3. HIV/AIDS has a very significant impact on the cost of implementing the Children's Bill. The costing enables one to explore the extent of this impact and its implications for services delivered by different departments and by provinces.
4. While it is always preferable to place children requiring alternative care in families within communities, this is not always possible – especially given the very high numbers of orphans as a result of HIV/AIDS. All the costing scenarios indicate that there is a very significant backlog of

places in children's homes and places of safety. There are also enormous provincial disparities in the availability of places in these facilities.

5. The per capita cost to the state of the different alternative care options, including adoptions, shows that adoption is by far the most cost-effective way of caring for children outside of their families. Despite this, there is at present no national strategy to promote adoptions, and the number of classic adoptions being performed each year appears to be declining.
6. The Children's Bill provides that alternative care orders may only be extended by a children's court after a court hearing, and this needs to happen every two years. The costing scenarios show that this provision increases the courts' workload very significantly and is probably not cost-effective, especially when dealing with cases that are effectively permanent placements, e.g. an orphaned child in a stable kinship care arrangement.

The above issues are discussed in section 8. Readers are strongly encouraged to refer to this section so as to get a better appreciation of the issues and their impact on the Children's Bill and its implementation.

Conclusions of the Children's Bill Costing Project

Nine key points emerge from the Children's Bill Costing Project process and outcomes, namely:

1. There is a need for management teams within departments capable of collecting and using information to plan the delivery of social welfare services to children properly;
2. The new cost of the Children's Bill is limited relative to existing obligations;
3. The current budgets under-fund government's existing obligations to deliver social welfare services to children;
4. There are persistent inequalities between provinces in the provision of social welfare services;
5. The training of social work personnel and improving their working conditions need to be prioritised;
6. There is a need to prioritise key services and phase implementation given existing resource constraints and the fact that systems can only reasonably expand at about 10% per year;
7. Justice and social development sectors need to co-ordinate service delivery;
8. There is an urgent need to develop cost-effective services and alternative care arrangements to meet the demand for services resulting from the impacts of HIV/AIDS; and
9. The government needs to make optimal use of the for-profit, the non-profit and voluntary sectors given its own limited capacity.

These nine key points are elaborated upon in section 9. Again readers are strongly encouraged to refer to this section so as to get a better appreciation of the issues and their impact on the Children's Bill and its implementation.

1 Introduction

The Children's Bill proposes that government be required to deliver a wide range of services to children at risk and children in need of care and protection. It is critical for Parliament to be aware of the likely cost of these services when deliberating the Bill so that it can make informed decisions regarding trade-offs between different priorities given the resource constraints that exist, and ensure that the Bill directs the allocation of resources to meet the needs of children in especially vulnerable circumstances. In this regard Parliament will need to pay careful attention to which services it makes mandatory, and which not, as well as to the phasing of the implementation of the Bill. Knowing the cost of different services will also assist Parliament explore ways of amending the Bill to give effect to more cost-effective approaches to achieving the desired objectives.

It is also important for Parliament to be aware of the budgetary implications of the Children's Bill prior to passing it into legislation, so that when the government begins to implement the future Act, Parliament will be prepared to allocate funds appropriately to the different spheres of government in the annual Division of Revenue Act, and vote sufficient funds for the relevant national departments to carry out their obligations. The provincial legislatures also need to be aware of the budgetary implications of the Bill, so that they can participate in an informed manner in debating the Bill, and so that, when it becomes an Act, they too vote sufficient funds for the relevant provincial departments.

The costing of the Children's Bill is also a requirement of the Public Finance Management Act 1 of 1999. Section 35 of this Act states:

35. Unfunded mandates. – Draft national legislation that assigns an additional function or power to, or imposes any other obligation on, a provincial government, must, in a memorandum that must be introduced in Parliament with that legislation, give a projection of the financial implications of that function, power or obligation to the province.

Both the S.75 and the S.76 Children's Bills assign functions to the provincial governments, and impose extensive service delivery obligations on them. Therefore in terms of section 35 of the Public Finance Management Act a memorandum of the financial implications of both the S.75 and the S.76 Children's Bills should be tabled in Parliament along with the Bills. The fact that this was not done at the time when the S.75 Children's Bill was introduced in Parliament is contrary to section 35 of the Public Finance Management Act. Also the fact that Parliament deliberated and passed the S.75 Children's Bill without access to information on the cost implications of the Bill may have negative repercussions when it comes to its implementation.

In late 2004 the national Department of Social Development commissioned the Children's Bill Costing Project. The primary aim of the project was to estimate the cost to government of implementing the services envisaged by the comprehensive Children's Bill. This report describes the key elements of the four modules of the Children's Bill Costing Model developed to estimate these costs. It then sets out the main costing outcomes and an analysis of some of their implications, before concluding with a number of key points to emerge from the project.

The report consists of the following sections:

- Section 2 – gives details of the different versions of Children's Bill, and indicates which version is costed by the Children's Bill Costing Project;

- Section 3 – outlines the method used to cost the Children's Bill, and gives details of the different modules of the Costing Model and the four scenarios;
- Section 4 – sets out the key assumptions, service delivery demand variables and other variables used in the costing;
- Section 5 – discusses factors that impact on the accuracy and robustness of the costing outcomes generated by the different modules of the Costing Model;
- Section 6 – presents the main costing outcomes of the Children's Bill Costing Project for each of the four scenarios;
- Section 7 – estimates the extent of the funding gap between the costing outcomes in each scenario and the current MTEF budgets for social welfare services to children. It also explores what proportion of the funding gap can be attributed to the Children's Bill as opposed to the under-funding of the government's existing legislative obligations, particularly in terms of the Child Care Act 74 of 1983;
- Section 8 – explores five key issues, highlighted by the costing outcomes, related to the delivery of social welfare services to children and the implementation of the Children's Bill; and
- Section 9 – concludes the report by drawing attention to eight key points relevant to the future implementation of the Children's Bill, once it gets passed into legislation.

As indicated, the costing outcomes set out in this report are the products of four modules of the Children's Bill Costing Model. The four modules are:

- *Module 1: National Department of Social Development* – costs the management and oversight responsibilities of the department, as well as specific functions such as the Registrar of Adoptions;
- *Module 2: Department of Justice and Constitutional Development* – costs the responsibilities of the department in relation to children's courts and associated lay forums, the responsibilities of the Family Advocate, and the provision of legal representation by the Legal Aid Board;
- *Module 3 X 9: Provincial social development departments* – costs the responsibilities of each of the provincial social development departments separately, focussing on the main social welfare services envisaged by the Children's Bill, including partial care/ECD, the provision of intervention, protection and re-unification services, adoptions, the management of facilities and the cost of running child and youth care centres;
- *Module 4 X 9: Provincial education departments* – costs the responsibilities of each of the provincial education departments separately, focussing on the cost of schools fees for children that are wards of the state, and the cost of running schools of industry and reform schools.

In addition to the main task of costing the Children's Bill, the Children's Bill Costing Project also involved a number of supplementary studies aimed at exploring various aspects of the Bill that have important cost considerations to government. A list of these studies is presented in Annex Two, and they are available on the CD that accompanies this report. These studies are divided into three sets, namely:

- *Option Studies* aimed at analysing different options with regard to particular provisions in the Children's Bill with a view to identifying cost-effective approaches;
- *Litigation Risk Studies* aimed at analysing the Children's Bill with a view to identifying the litigation risks it poses, and to make proposals as to how these risks might be mitigated; and

- *Situational Analyses* aimed at gathering basic information relating to the demand for services, the provision of services, the spread of infrastructure and current service delivery processes.

The following supplementary studies deal with issues beyond the costing exercise that are particularly relevant to Parliament's deliberations of the Children's Bill:

- *OS 2 – Options regarding the penalties set out in the Children's Bill*: this study explores the appropriateness of the existing penalties prescribed by the Children's Bill in the light of the best interests of the child principle and principles of restorative justices;
- *LRS 1 – Analysis of constitutional litigation risks posed by the Children's Bill*: this study explores how the Constitutional Court might view provisions in the Children's Bill, and therefore the litigation risk posed by the Bill;
- *LRS 2 – Analysis of regressive provisions in the Children's Bill*: this study compares the Children's Bill to existing legislation to assess whether any of the clauses are regressive in the way they deal with children's existing rights;
- *SA 6 – Review of the use of Contribution Orders*: this study explores the efficiency and effectiveness of the use of contribution orders in relation to children placed in alternative care;
- *SA 10 – Children with Disability or Chronic Illness*: this study explores the kinds of services that children with disabilities or chronic illnesses are entitled to under the Children's Bill; and
- *SA 11 – Dealing with Unaccompanied Foreign Children in terms of the Children's Bill*

Information CD on the Children's Bill Costing Project

The costing outcomes set out in this report aggregate very detailed information generated by the different modules of the Children's Bill Costing Model. This detailed costing information, as well as this report and the supplementary studies are available in electronic format on CD.

Copies of this report and the information CD can be ordered from:

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2 Version of the Children's Bill costed

There are multiple drafts of the Children's Bill. There are also the so-called S.75 and S.76 Bills, and there will be regulations issued in terms of the final Children's Act. Which of these did the Children's Bill Costing Project cost?

Broadly speaking there are five versions of the Children's Bill that are of importance from the point of view of the Costing Project:

1. A draft the Children's Bill that was released in 2002 as part of the South African Law Commission review of the Child Care Act. In June 2003, Cornerstone Economic Research was commissioned by the national Department of Social Development to evaluate the cost to government of implementing the Bill. The resultant report 'Scoping the fiscal and budgetary implications of the Children's Bill' highlighted areas of the Bill that appeared to be cost intensive, concluding that "the fiscal implications of the Bill will run into the tens of billions of rands".
2. In August 2003, a much-reduced version of the Children's Bill was tabled by the Minister of Social Development in Parliament. This version is marked [B –2003], and is referred to here as the 'comprehensive Bill'.

Subsequent to this, the Children's Bill was split into two Bills – a so-called S.75 Bill dealing with matters pertaining ostensibly only to national government, and a S.76 Bill dealing with concurrent functions, i.e. matters where provinces are the primary service providers.

3. In January 2005, the Minister tabled the S.75 portion of the split Children's Bill. This version is marked [B70 –2003 (Reintroduced)]. As this Bill went through the parliamentary process numerous drafts were produced to capture the amendments made by the Portfolio Committee on Social Development and, subsequently, the Select Committee on Social Development.
4. In December 2005, Parliament passed the S.75 Children's Bill. This version is marked [B – 70D – 2003]. The President has assented to the Bill, and it is now the Children's Act 38 of 2005. However, for the sake of continuity in terminology this Act is referred to as the S.75 Children's Bill in the remainder of this report.
5. The S.76 portion of the split Children's Bill was still being redrafted at the time of writing. It is due to be tabled in Parliament as an Amendment Bill – as it will amend the Children's Act by re-inserting the sections that were removed when the original Bill was split.

The Costing Project focussed on costing the services envisaged by the comprehensive Bill (2 above). The revisions and amendments to the S.75 Bill (3 and 4) have been taken into consideration in the costing process. However, the Costing Project does not take into consideration:

- Any changes to the S.76 Bill (5) that may be made before it gets tabled in Parliament, or amendments that may be effected during the parliamentary process. Indeed, it is expected that the outcomes of the Costing Project may lead to certain changes being made to the S.76 Bill.
- The regulations that will be issued in terms of the Children's Act (4), and the final amended Children's Act that will emerge once the S.76 Bill (5) has been passed. Again, it is anticipated that the norms and standards, and service delivery processes developed during the Costing Project will inform the drafting of these regulations.

The costing outcomes set out in this report pertain to a very specific set of draft legislative provisions, namely those reflected in the comprehensive Bill, and the S.75 Bill passed by Parliament. Any

changes to these provisions made during the redrafting and passing of the S.76 Bill may impact on costs, either increasing or decreasing them. The greater the extent of these cost changes the less relevant the costing outcomes reported here will become.

It is, therefore, recommended that the cost implications of any proposed amendments to the S.76 Bill get evaluated as they are made, and that the Costing Model and costing outcomes get updated at key moments in the legislative process. The aim would be to produce a set of revised modules of the Costing Model and costing outcomes that reflect the provisions of the final amended Children's Act.

It is also recommended that the cost implications of the regulations get evaluated as they get drafted. Again the aim would be to produce a set of revised modules of the Costing Model and costing outcomes that reflect the norms and standards, and service delivery processes that government departments and other role-players are required to implement.

3 Method used to cost the Children's Bill

3.1 Approach: departments responsible for costing

The general approach used to cost the Children's Bill sought to ensure that the government departments responsible for the implementation of different components of the Bill were directly involved in the costing process and are therefore responsible for the costing outcomes. To emphasise this, the heads of the principal departments have signed-off on the final Implementation Plan costing modules and costing outcomes, with the exception of the Department of Justice (for details see Annex Three). A secondary aim of the approach was to facilitate the development of capacity to do costing and budgeting within the different departments involved in the process.

Officials from the relevant departments (both national and provincial) were responsible for gathering information on the demand for services and on service processes, the actual costing of the delivery of services, and developing forward projections of the demand for services for the Implementation Plan scenarios. They are also expected to develop department-specific implementation plans informed by the costing outcomes. Officials directly responsible for service delivery were also involved in developing the norms and standards used to cost the different scenarios.

The consulting team from Cornerstone Economic Research focussed on managing the process, providing training and expert advice, doing critical research, facilitating the development of norms and standards, developing the Costing Model and implementation plan templates, and monitoring the quality of the outputs received from departments. The consultants also developed the Full Cost scenarios and compiled this report.

3.2 Activities to develop costing

The approach outlined above required extensive interaction between the consulting team and the various departments. It also required the direct and indirect involvement of large numbers of officials and other role-players. This is highlighted by the fact that during the Costing Project:

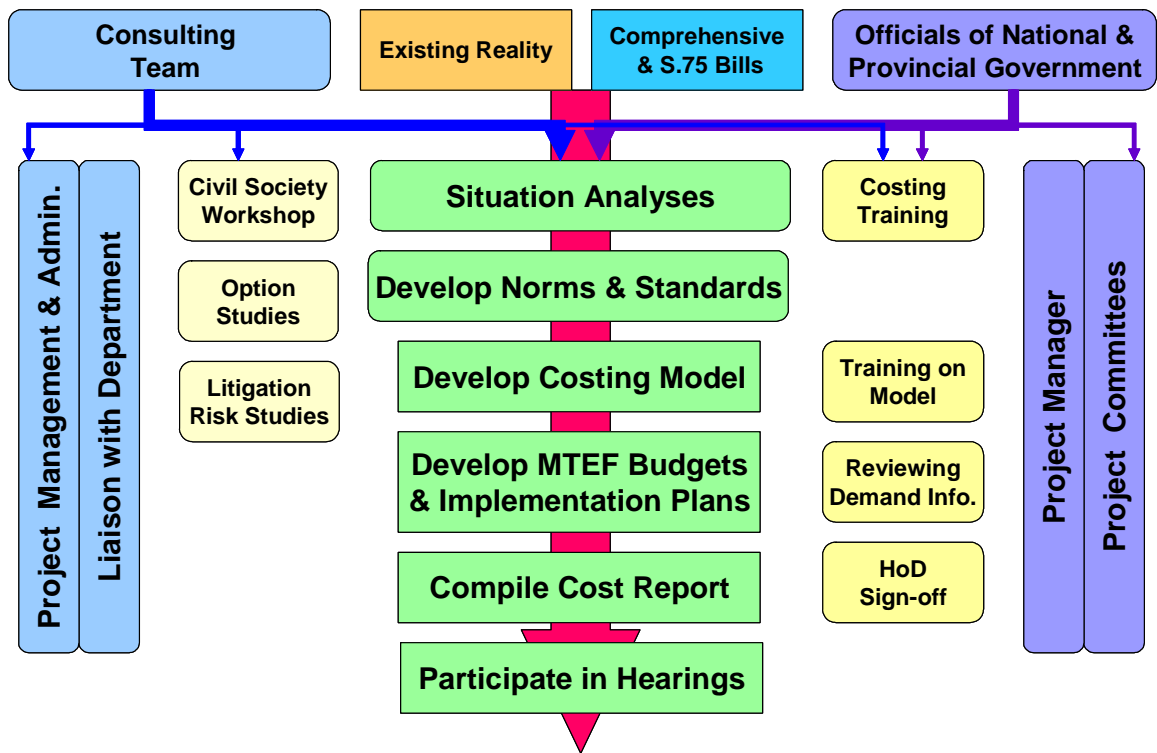
- Officials from forty-eight national and provincial government departments were involved;
- One hundred and twenty-three officials were trained on the costing of legislation at six training workshops;
- One hundred and eleven officials and representatives from NGOs participated in the five workshops held to set service delivery norms and standards; and
- Two hundred and thirty-one officials were trained on the use of the different modules of the Children's Bill Costing Model through ten workshops.

The activities co-ordinated by the Costing Project represent the apex of a far wider range of activities that took place within departments to gather information and to cost the Children's Bill. For instance, most provincial social development departments cascaded the costing process down to regional level, establishing regional teams to provide input into the process. The following summary of activities to cost the Bill is, therefore, of necessity, incomplete.

The main activities of the Children's Bill Costing Project are summarised below and the relationship between them illustrated in Figure 1.

- | | | |
|-----|---|---|
| 1. | Co-ordination committees | The national Department of Social Development established two committees to facilitate and co-ordinate the inputs of the various government departments. The committees were: <ul style="list-style-type: none"> – <i>National Children's Bill Committee</i>: consisting of national departments with Children's Bill responsibilities; – <i>Social Development Children's Bill Committee</i>: consisting of the national and provincial departments of social development. |
| 2. | Costing training workshops | Six costing training workshops were conducted to empower officials to carry out their responsibilities with regards to the costing. |
| 3. | Civil society workshop | The Children's Institute based at the University of Cape Town organised a workshop that afforded civil society an opportunity to give input into the costing process. |
| 4. | Option studies | The consultants conducted option studies to identify cost-effective approaches to implement particular provisions in the Bill. |
| 5. | Litigation studies | The consultants analysed the litigation risk posed by the Bill, and proposed how these might be mitigated. |
| 6. | Situational analyses | The consultants performed situational analyses of each of the main areas of service delivery. These studies examined the current demand for services, the level of service provision and service delivery processes. This information laid the foundation for the Costing Model. |
| 7. | Developing norms and standards | Five workshops were held to develop norms and standards for the main services. The norms and standards to emerge from these workshops inform the 'High' scenarios. Later in the costing process a workshop was held to review these norms and standards. These new norms and standards inform the 'Low' scenarios. |
| 8. | Developing Costing Model and templates for implementation plans | The consultants developed four costing modules that make up the Children's Bill Costing Model and templates for the compilation of implementation plans. The Costing Model has been revised a number of times to reflect amendments to the S.75 Bill, and improve the way costs are calculated. |
| 9. | Training on Costing Model | Officials responsible for doing the costing were trained in the use of the Costing Model through a series of workshops. |
| 10. | Costing of the Children's Bill | Officials used the Costing Model to work out the cost of the departments' Children's Bill responsibilities. The consultants consolidated the information received from the departments and analysed them for consistency. They also produced a set of Full Cost scenarios. |
| 11. | Reviewing demand information | Working sessions were conducted with the Department of Justice and the provincial social development departments to ensure greater consistency in the information on the demand for services. The costing figures to emerge from this process form the basis of the Implementation Plan scenarios |
| 12. | Sign-off by HoDs | The HoDs of the departments with the greatest responsibilities in terms of the Children's Bill signed-off on the final Implementation Plan scenarios. |
| 13. | Developing implementation plans | Departments are developing implementation plans using the templates and information in the final Implementation Plan scenarios. This process is ongoing since the S.76 Bill has yet to be finalised. |
| 14. | Write cost report | The consultants compiled this cost report. |
| 15. | Participate in hearings and other meetings | The consultants are available to participate in meetings and hearings on the contents of this report and the costing outcomes generally. |

Figure 1: Main activities of the Children’s Bill Costing Project



The above figure emphasizes that the outcomes of the Costing Project are

the product of the combined efforts of both the consulting team and the officials of the various national and provincial departments that participated in the process.

3.3 Costing method: mostly activity-based costing

Four modules are used to cost the Children’s Bill. The module of the Costing Model applicable to the Department of Justice, the provincial social development departments and the provincial education departments use activity-based costing to calculate the cost of services.

At its simplest, activity-based costing calculates the cost of a specific service as follows:

$$\text{Cost of Service} = \text{Quantity} \times \text{Input}_n \times \text{Price}_n$$

Where:

- Quantity* = The demand for the service, i.e. the quantity of the service that must be produced or supplied within a specific time period (usually a year).
- Input_n* = The amount of the various inputs required to deliver one unit of the service in question.
- Price_n* = The prices of the inputs, calibrated to the amounts required to produce one unit of the service in question.

While the logic of this formula underpins the costing calculations in the three modules that use activity-based costing, the actual structure of the models and the calculations are complicated by:

- The structure of services, particularly the fact that clients ostensibly requiring the same service are provided with very different services depending on their individual circumstances – for instance,

the extent or intensity of the service may differ, which means that a range of sub-services need to be costed;

- The wide range of activities and sub-activities involved in the delivery of specific services and sub-services; and
- The diversity of personnel and other inputs required to deliver the services and sub-services.

The three modules of the Costing Model that use activity-based costing apply it strictly in relation to personnel inputs and selected other inputs such as transport and subsidies for partial care/ECD. The quantities of these personnel and other inputs required to deliver single units of the relevant services are indicated by the norms and standards developed as part of the costing process. The inputs that were costed using strict activity-based costing account for just less than 75% of the total costs.

To simplify the costing process it was decided to cost the remaining non-personnel inputs according to a fixed ratio to the personnel inputs. The logic was that these inputs are used by officials to deliver services, and the greater the responsibilities of an official (as reflected by their salary) the more of these 'other inputs' they would require to perform their duties (for more details see section 4.4).

The module of the Costing Model applicable to the national Department of Social Development estimates costs on the basis of the personnel establishment it is proposed the department would require to manage the implementation and oversight of the Bill. The proposed establishment mirrors the range of services outlined in the Children's Bill for which the social development sector is responsible. Where the department delivers particular services, such as the registration of adoptions, these are costed using activity-based costing. As in the other modules, the non-personnel inputs are costed as a fixed ratio to the personnel inputs.

3.4 Scope of the costing

The purpose of the Children's Bill Costing Project was to calculate the cost to the state (national, provincial and local government) of implementing the services envisaged by the Children's Bill for the period 2005/06 to 2010/11.

Note that the comprehensive Children's Bill does not deal with social security grants. The sections that cost foster care and kinship care therefore do not deal with the cost of foster care grants or their direct administration. Nor does the costing deal with any costs related to the child support grants.

Certain provisions of the Children's Bill place obligations on parties other than the state. The costing does not take these costs into consideration, even though they may be significant and in some instances onerous. It is proposed that a separate study is needed to identify provisions in the Bill that are unduly onerous on private individuals or entities. Such a study should also propose ways in which the Bill might be modified in order to mitigate these impacts.

Neither does the Costing Project evaluate or cost the expected benefits of the Children's Bill to individuals and to society. Needless to say working out such benefits in monetary terms would be exceptionally difficult, and entail making some heroic assumptions about the value of protecting children. However, the absence of such information does mean that it is impossible to show that the expected benefits of the Bill outweigh the expected costs of the Bill, or *vice versa*. Nor can one evaluate whether the calculated cost of implementing the Bill is high or low, as there is no benefit information to which the costs can be compared. Again, it is proposed that a study is needed to

evaluate (not cost) the expected benefits of the Bill with a view to comparing them to the costing outcomes set out in this report and to identifying activities that may not be cost-effective¹.

The following sections set out in greater detail the scope of the costing:

3.4.1 State fully responsible for the cost of statutory services

All statutory services outlined in the Children's Bill are costed on the basis that the state has an obligation to provide such services directly or, alternatively, to pay an agent the full cost of providing such services according to the prescribed norms and standards.

Currently, when a department provides these statutory services the state pays their full cost (whether the service provision is cost-effective or not). When government contracts companies to provide statutory services (or any other service for that matter), it pays the full-cost of the service plus a profit margin. By contrast, the subsidies that the government pays to NPOs for the provision of statutory services to children rarely cover the full cost of providing such services. Those NPOs that can, raise funds privately to cover the shortfall. Where this is not possible, the under-funding impacts negatively on the quality of the services, and ultimately on the sustainability of the NPOs and, hence, the actual provision of services. This situation is inequitable from the perspective of the children that are the recipients of these statutory services; consequently, it could be challenged legally.

The method used to cost the statutory services envisaged by the Children's Bill anticipates the need for government to develop a procurement system that:

- pays the full-cost of providing such services according to prescribed norms and standards,
- does not discriminate between provision by government, companies and NPOs; and
- ensures children receive services that comply with the prescribed norms and standards, irrespective of who the service provider is.

3.4.2 Children who are wards of the state

When a children's court finds a child to be in need of care and protection, and orders the child to be placed in alternative care, the child becomes a ward of the state. The Children's Bill does not set out in a systematic fashion the state's responsibilities with regards to such children or what these children's rights are vis-à-vis the state. It is therefore not clear what kind of support the state is obliged to provide to children placed in the different alternative care options, which makes it difficult to cost the state's responsibilities in this regard.

Contrast this with the very clear statement in the Bill of Rights of the rights of detained persons, including sentenced prisoners. In terms of section 35(2)(e) of the Constitution: "Everyone who is detained, including every sentenced prisoner, has the right to conditions of detention that are consistent with human dignity, including at least exercise and the provision, at state expense, of adequate accommodation, nutrition, reading material and medical treatment."

¹ Report SA 6: 'Review of the use of contribution orders' indicates that the use of contribution orders is probably not cost-effective given the pressure on children's courts' time and the fact that in 2004/05 they secured just R1.58 million. Similarly, section 8.6 of this report suggests that the requirement that all alternative care orders have to return to court to be extended is probably not cost-effective. In both these instances it would appear that the cost outweighs the benefits.

The key question is: *What level of care is the state obliged to provide to children who are its wards?* As a parent substitute, is the state a poor parent, a middle-class parent or a rich parent? The Bill does not provide specific guidance, but it may be assumed that, as with detained persons, the state is obliged to provide children who are its wards with *at least adequate* accommodation, nutrition, clothing, education, medical treatment and recreational opportunities.

The next question is: *Is the state obliged to provide a higher level of care and support to children who are its wards than it provides to children who are poor and living with their parents?* The Children's Bill does not provide specific guidance on this issue either. The current practice is also inconsistent; in certain areas the state does recognise that it has a greater responsibility towards children who are its wards, in other areas not. This is evident from the following:

- The Foster Care Grant pays R590 (2006/07) until the child is 18 years old, while the Child Support Grant pays R190 (in 2006/07) until the child is 14 years old. However, children's courts do not apply the eligibility criteria for the Foster Care Grant consistently resulting in the level of support being given to children who are the wards of the state because they have been placed in foster care (and kinship care) varying across court jurisdictions.²
- Provincial social development departments pay the full cost of caring for children in state-run children's homes and places of safety. The per capita cost of doing so was calculated to be around R5700 per month in 2003. The departments subsidise the children's homes and places of safety run by NPOs at per capita rates that are up to five times less than the per capita cost of state-run facilities.³ The levels of these subsidies also vary between provinces.⁴
- The Department of Education does not have any policy regarding children that are wards of the state, except those that are placed in a school of industry, or are serving a sentence handed down by a criminal court and attending a reform school. As a result, the provincial education departments do not treat foster children or children placed in children's homes any differently from other children. Foster parents are expected to pay school fees for the foster children in their care, unless their incomes fall below the poverty thresholds set for exemption from school fees. There are even reports of children's homes run by NPOs being expected to pay the school fees of children in their care.⁵
- The Department of Health does not have any policy regarding children that are wards of the state either. Consequently, these children receive free medical care at state-run facilities up until the age of 6, but thereafter the foster parents are expected to pay the clinic and hospital fees, unless they can prove their income falls below the poverty threshold set for exemption. Again there are reports of children's homes run by NPOs being expected to pay clinic and hospital fees for children in their care.⁶

The lack of clear policy guidance in this area, and the inconsistency and inequity of current practice pose a very significant litigation risk. The government will, therefore, need to address these issues sooner or later, either on its own initiative or as a result of being ordered to do so by the Constitutional Court. The Costing Project proceeded on the basis that it should anticipate and cost what a consistent and equitable policy in this regard might say, rather than costing the current

2 Comments of commissioners at the Children's Court Norms and Standards Workshop held in Pretoria on 3-4 August 2005.

3 Department of Social Development (2004) paragraph 8.22

4 Comments at the Child and Youth Care Norms and Standards Workshop held in Pretoria on 22-23 August 2005.

5 Comments at the Foster Care and Adoption Norms and Standards Workshop held in Pretoria on 24-25 August 2005.

6 Comments at the Child and Youth Care Norms and Standards Workshop held in Pretoria on 22-23 August 2005.

inconsistent and inequitable status quo. Table 3.1 sets out the framework that was developed to guide the costing of services to children who are wards of the state.

Table 3.1: The state's responsibilities to children who are wards of the state

Alternative care placement option	Extent of the state's responsibilities				
	Care and supervision	Accommodation	Nutrition	Clothing	Recreation
1. Temporary safe care with private person	Provided by care-giver. State must screen and provide supervision. State may pay stipend.	Provided by care-giver. State must ensure it meets minimum standards.	State contributes by means of a grant that is designed to cover 100% of nutrition needs.	State contributes by means of grant that is designed to cover 100% of clothing needs.	No state obligation. Provided by care-giver.
2. Temporary safe care in place of safety run by state.	State fully responsible	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.
3. Temporary safe care in place of safety run by CPO or company.	State must ensure compliance with norms and standards. State pays for personnel costs in accordance with a SLA.	State must ensure it meets minimum standards. State pays for running costs in accordance with a SLA.	State must ensure it meets minimum standards. State pays a per capita amount designed to cover 100% of nutrition needs.	State must ensure it meets minimum standards. State pays a per capita amount designed to cover 100% of clothing needs.	State pays a per capita amount designed to cover 100% of an agreed programme.
4. Foster care and kinship care	Provided by care-giver. State must screen and provide supervision.	Provided by care-giver. State must ensure it meets minimum standards.	State contributes by means of a grant that is designed to cover 80% of nutrition needs.	State contributes by means of grant that is designed to cover 80% of clothing needs	No state obligation. Provided by care-giver.
5. Children's home run by state	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.
6. Children's home run by CPO or company	State must ensure compliance with norms and standards. State pays for personnel costs in accordance with a SLA.	State must ensure it meets minimum standards. State pays for running costs in accordance with a SLA	State must ensure it meets minimum standards. State pays a fixed per capita amount designed to cover 100% of nutrition needs.	State must ensure it meets minimum standards. State pays a per capita amount designed to cover 100% of clothing needs.	State pays a per capita amount designed to cover 100% of an agreed programme.
7. Secure care facility run by state	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.
8. Secure care facility run by CPO or company	State must ensure compliance with norms and standards. State pays for personnel costs in accordance with a SLA.	State must ensure it meets minimum standards. State pays for running costs in accordance with a SLA	State must ensure it meets minimum standards. State pays a per capita amount designed to cover 100% of nutrition needs.	State must ensure it meets minimum standards. State pays a per capita amount designed to cover 100% of clothing needs.	State pays a per capita amount designed to cover 100% of an agreed programme.
9. School of industry	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.
10. Reform school	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.	State fully responsible.

Education

- Where the children attend government schools the state, like other non-poor parents, should pay a prescribed school fee to these schools' governing bodies, unless they are fee exempt schools.
- Where the facility is run by the state and has a school attached the state is fully responsible for the cost of education.
- Where the facility is operated by a CPO or company and runs an education programme, the state pays a per capita amount based on the nature of the agreed education programme.

Medical Care All children that are wards of the state, regardless in which alternative care option they are placed, are entitled to medical care at state expense at any state-run clinic or hospital up to the age of 18.

Notes:

- The costing does not distinguish between facilities run by the state and those run by CPOs or companies. It is assumed that in all instances the state is fully responsible for funding the service to the prescribed norms and standards.
- The table does not indicate who is responsible for the capital cost of facilities. This is usually determined on a case-by-case basis, with there being a range of options: state, foreign state donors, private donor organisations, company social investments and private donations.

3.4.3 Existing and new obligations

The provisions of the Children's Bill can be divided into two categories:

1. Those that envisage services that are the same or similar to services already required by the Child Care Act or by other legislation. In these instances the government has an existing obligation to provide these services; they are not new obligations and therefore the costs associated with their delivery are not new costs.
2. Those that envisage services that are new. These provisions extend the government's service delivery obligations.

The Costing Project calculates the cost to government of delivering both the existing and new obligations envisaged by the Children's Bill. The cost of the existing obligations (1) is calculated on the basis of norms and standards that have been worked out as part of this process. The current levels and standards of service provision are not used because, firstly, there are subtle changes in the way the services are described in the Bill which meant the norms and standards needed to be reviewed; secondly, in most instances current service provision falls far short of what is required; and thirdly, in many areas there are either no norms and standards defined, or they are poorly defined.

Section 6 presents a breakdown of the cost to government of delivering on its existing obligations versus the cost of the new obligations envisaged by the Children's Bill.

3.4.4 Municipalities' roles and costs

The roles of municipalities envisaged by the Children's Bill can potentially fall into three categories:

1. New functions that the Children's Bill requires municipalities to perform, and that fall outside the scope of municipalities' constitutionally assigned functions;
2. Functions that the Children's Bill requires municipalities to perform, and that fall within the scope of municipalities' constitutionally assigned functions; and
3. Functions that are the responsibility of a department in another sphere of government, but that can be delegated or assigned by agreement to a municipality to perform (in its area) provided it has the necessary capacity.

The comprehensive Children's Bill and the S.75 Children Bill do not require municipalities to perform any new functions that fall into category 1 above. Consequently, as the Bill currently stands, it does not hold any new costs for municipalities.

Both the comprehensive Children's Bill and the S.75 Children's Bill do require municipalities to perform certain functions that fall into category 2. In all instances these functions relate to ensuring that child care facilities comply with the "structural, safety, health and other requirements of the municipality of the area in which the [facility] is or is to be situated" – see for instance S.194(2)(b)(ii) of the comprehensive Children's Bill. In most established municipalities these are routine functions, and so the associated costs form part of the municipalities' normal operations and are thus not costed. In emerging municipalities the capacity to undertake these functions is still being developed. In the interim, certain provincial social development departments have appointed building and health and safety inspectors to perform the function. Since this is a temporary arrangement in specific provinces, and the costs involved are limited, the function is not costed.

As regards functions that fall into category 3, the comprehensive Children's Bill contains four sections that provide specifically for the assignment of functions to municipalities, namely:

- Section 88 – functions in relation to partial care;
- Section 102 – functions in relation to early childhood development;
- Section 147 – functions in relation to prevention and early intervention services; and
- Section 225 – functions in relation to shelters and drop-in centres

In addition, sections 300 to 304 of the S.75 Children's Bill make provision for various role-players to delegate or assign their functions "to any organ of state, by agreement with that organ of state", which includes municipalities.

All the functions that fall into category 3 are currently the responsibility of either a national or provincial department. They have therefore been costed as part of the relevant department's responsibilities. Should the function be delegated or assigned to a municipality at some time in the future, the maxim 'funds follow function' should apply, and so the cost of performing the relevant function would then need to be reallocated to the relevant municipalities.

3.4.5 Areas of service delivery costed

The Costing Project focuses on working out the operational cost of the services envisaged by the Children's Bill that have significant cost implications for the state. Table 3.2 lists the areas of service delivery that are costed by each of the four modules of the Children's Bill Costing Model:

Table 3.2: Areas of service delivery costed by department

National Department of Social Development (one national model)			
1. Chief Directorate: Families and Children 2. Directorate: Policy, Monitoring and Training <ul style="list-style-type: none"> • Norms and Standards • Monitoring and Evaluation • Capacity Building and Training 	3. Directorate: Prevention, Intervention and Protection <ul style="list-style-type: none"> • Intervention and Protection • Prevention Programmes • Partial Care and ECD • Child Protection Register • Capacity Building and Training 	4. Directorate: Alternative Care <ul style="list-style-type: none"> • Child and Youth Care Centres • Kinship Care, Foster Care and Adoptions 	5. Directorate: Adoption and ISS <ul style="list-style-type: none"> • Registrar of Adoptions • Central Authority • International Social Services 6. Directorate: Families <ul style="list-style-type: none"> • Families
Department of Justice (one national model)			
1. Protection and Alternative Care <ul style="list-style-type: none"> • Enquiries • 14 Day Postponements 2. Contribution Orders	3. Interdicts and Other Orders <ul style="list-style-type: none"> • Interdicts • Other Orders • Monitoring Orders • Reviewing Existing Orders • Revision of Orders 4. Adoptions <ul style="list-style-type: none"> • SA Adoptions • Inter-Country Adoptions • Transfers 	5. Parental Rights and Responsibilities <ul style="list-style-type: none"> • Applications for Access • Investigations for Access and Parental Plans • Registering Parental Plans 	6. Lay Forums <ul style="list-style-type: none"> • Admin. of Lay Forums • Facilitation of Lay Forums 7. Legal Representation <ul style="list-style-type: none"> • Administration • Legal Aid Board

Provincial Departments of Social Development (nine provincial models)			
1. Partial Care and ECD <ul style="list-style-type: none"> • Management • Registration & renewal • Subsidisation/funding • Monitoring & evaluation • Complaints • Paying Subsidy 	4. Prevention, Intervention and Protection <ul style="list-style-type: none"> • Management • Prevention Work • Risk Assessment • Intervention Services • Investigations • Court Processes • Statutory After Care of Other orders 	7. Place of Safety and Secure Care - Outside Services <ul style="list-style-type: none"> • Management • Placement • Re-unification • Reviewing existing orders 	10. Management of Shelter and Drop-in Centres <ul style="list-style-type: none"> • Management • Registration & renewal • Subsidisation/funding • Monitoring & Evaluation • Complaints
2. Child Protection Organisations <ul style="list-style-type: none"> • Management • Registration • Funding • Monitoring of Services • Complaints 	5. Foster Care & Kinship Care <ul style="list-style-type: none"> • Management • Recruitment • Screening • Statutory Case Management • Reviews & extensions 	8. Child and Youth Care Centres - Outside Services <ul style="list-style-type: none"> • Management • Placement • Re-unification • Reviewing existing orders 	11. Shelter and Drop-in Centres <ul style="list-style-type: none"> • Drop-in Centres • Shelter
3. Child Protection Register (A&B) <ul style="list-style-type: none"> • Managing Register • Management • Data Entry 	6. Management of Child and Youth Care Centres <ul style="list-style-type: none"> • Management • Registration & renewal • Subsidisation/funding • Monitoring & evaluation • Complaints 	9. Child and Youth Care Centres <ul style="list-style-type: none"> • Place of Safety • Secure Care • Children's Homes • Schools of Industry • Reform Schools 	12. Adoptions <ul style="list-style-type: none"> • Management • Recruitment • Screening prospective adoptive parents • Approval of children for adoption • Court processes • Contact and telling • Tracing
13. Training of officials			
Provincial Departments of Education (nine provincial models)			
1. Subsidising School Fees	2. Schools at Places of Safety and Secure Care	3. Schools of Industry <ul style="list-style-type: none"> • Hostels & schools 	4. Reform Schools <ul style="list-style-type: none"> • Hostels & schools

There are a number of services that are not costed separately, but the cost of their delivery is either factored into or assumed to be part of the services that have been costed. These services are:

1. *Early Childhood Development* – all the costs of registering, monitoring and subsidising early childhood development programmes are assumed to be integrated into the registration, monitoring and subsidisation costs associated with partial care. Although partial care and early childhood development are described separately in the Bill, the services are, in most instances, provided at a single facility and so their administration is likely to be integrated.
2. *Children with disability or chronic illness* – the costs associated with providing the services envisaged in section 11 of the S.75 Children's Bill are calculated explicitly in the case of child and youth care centres, where the costing allocates extra officials and extra operational budgets for facilities that accommodate children with disabilities and chronic illnesses. In other areas the cost of these services is assumed to form part of the costs calculated for:
 - intervention and protection services, particularly the other orders that children's courts can make;
 - foster care and kinship care, in relation to the intensity of statutory case management, and orders for the provision of other intervention services; and
 - outside services to children in child and youth care centres, in relation to the intensity of the 'outside services' provided and orders for the provision of other intervention services.
3. *Temporary safe care* – children requiring temporary safe care are placed with volunteers, with people that receive a stipend, in places of safety and in children's homes. It is therefore assumed that the cost of this service forms part of the costing of foster care, places of safety and children's homes. The stipend option is not widely used and so is not costed.
4. *Cluster foster care schemes* – these are emerging as a cheaper mode of delivery than formal children's homes. They are costed as part of foster care and kinship care.

5. *Trafficking and abduction of children* – combating trafficking and abduction of children is primarily a police function. However, where trafficked or abducted children are found and require services, these services are costed as part of prevention, intervention and protection, as well as part of the cost of International Social Services.

3.4.6 Areas of service delivery and costs excluded from costing

The range of services and activities envisaged by the Children's Bill is very diverse. As indicated above, the Costing Project focuses on costing the services and inputs that have significant cost implications for the state. This means that not all services have been costed. The following areas of service delivery and costs are excluded from the costing:

1. *Costs fall outside the ambit of the Bill* – Certain services are not costed because there is an existing obligation outside of the Children's Bill's ambit that requires the state to fund them. Included in this list are:
 - the head and district office functions related to the management of departments, unless they are directly linked to the implementation of services envisaged by the Children's Bill;
 - the operational overhead costs of the Legal Aid Board and the Family Advocate's Office; and
 - the provision, maintenance and running of court facilities.
2. *Services are a small part of departments' existing obligations* – Certain departments have responsibilities in terms of the Children's Bill that are not costed because they constitute minor portions of the services that are the departments' main business. Included in this list are:
 - The President's Office: the Office on the Rights of the Child has an oversight responsibility. This is not a responsibility emerging from the Children's Bill, but rather the strategic priorities of government. The cost of this Office can not be attributed to the Children's Bill.
 - Department of Safety and Security: the Children's Bill requires police officers to perform a number of functions. After analysing the nature and extent of these functions, the department's senior management indicated that the activities in question were part of their normal operations, and therefore did not need to be costed separately.
 - Department of Correctional Services: the services that the department is responsible for providing to children in conflict with the law have been costed separately under the Child Justice Bill. In addition, the department is responsible for providing services to children between 0 and 5 that are incarcerated with their mothers. The number of children is small, and apart from food and clothing, the department is also required to provide them with early childhood development opportunities. The consulting team and senior officials from the department discussed how this could be achieved most cost-effectively. It was agreed that the department should simply enrol the children at a crèche close to the relevant prison and pay the crèche fees and transport costs of taking the children there each day. The department calculated the cost of implementing this suggestion, and it came to about R6 000.00 per year.
 - Department of Home Affairs: the services that the department is required to provide to children, including adoptive children, in terms of the Children's Bill fall within the core functions of the department, and relative to the department's overall responsibilities they are minor.
 - Department of Labour: there is a separate process to cost the Child Labour Plan of Action, and so the provisions in the Children's Bill dealing with the prevention of exploitative child labour are not costed as part of this process.
 - Department of Health: the department needs to establish guidelines and registers in relation to artificial insemination and surrogate mothers. These responsibilities are largely regulatory,

and the number of cases is currently very small. The costs are likely to be very small and so are not costed.

- Provincial departments of health: there are various provisions that require provincial departments of health to provide services to children. Probably the most extensive are the provisions in section 11 of the S.75 Children's Bill, that require due consideration to be given to providing children with disabilities or chronic illnesses with the necessary support services. These have not been costed, primarily because the provision was a late addition to the Bill. Other services, such as HIV-testing, are core responsibilities of the departments.
3. *Policy is unclear* – in section 3.4.2 above it is noted that the Department of Health's policy as regards the right of children that are wards of the state to receive medical care at state expense appears to be inconsistent with their status. The Children's Bill does not clarify the situation, and so extending access to 'free' medical care to all children that are wards of state has not been costed.
 4. *Capital costs* – the Costing Project focuses on calculating the operational or current cost of implementing the Children's Bill. The capital cost of providing offices and office equipment for officials, of purchasing vehicles and of providing new child and youth care centres are not calculated by the Children's Bill Costing Model. Capital costs were excluded from the costing because:
 - Certain capital requirements can be met out of existing stock, e.g. office space and office furniture. To determine what each department and each regional office has available would require a very detailed analysis that was beyond the scope of this Project.
 - The cost of land for building new child and youth care centres varies widely across the provinces. Again it would require detailed planning information to identify what land is required and then to work out the cost of acquisition.
 - The cost of establishing new offices and new child and youth care centres can vary greatly depending on whether an existing building or facility is renovated or a completely new facility is built. Again it requires detailed planning to determine what approach will be used, and such planning has yet to be done.
 - The cost of building new facilities depends on their design and size, and whether facilities are clustered so as to share certain facilities, e.g. dining halls, kitchens and recreation facilities.

Section 6.5 reports on a separate exercise that draws on the information generated by the Children's Bill Costing Model to develop very rough estimates of the likely capital cost implications of the Bill. It must, however, be emphasised that these cost estimates are illustrative.

5. *Preparing for implementation and initial training* – As indicated, the Costing Project focuses on the operational costs of the Bill. There are various things that need done before the Bill can be implemented, including developing an implementation plan, developing service delivery norms and standards, writing the regulations and initial training. These are once-off start-up costs, and they were therefore not costed by the Costing Model. They are essential costs, so section 6.6 discusses the different activities and estimates their likely costs.
6. *Litigation costs* – the cost of litigation arising from challenges to provisions in the Children's Bill, or from the state's failure to deliver the services anticipated or in a manner consistent with the Bill is not costed. These costs are contingent on a range of factors, most notably the state's decision whether to defend any legal action that may be brought against it, the nature of the state's plans to implement the Bill and the quality of implementation. The litigation risk posed by the Bill also depends on the actual contents of the Bill and the quality of drafting.

3.5 Scenarios costed

The aim of developing a number of scenarios to cost the Children’s Bill is to gain a better understanding of the range of costs, and the impact that different assumptions and input variables have on the costing outcomes.

Two sets of assumptions were developed to cost the Children’s Bill. These two sets of assumptions are used to develop four scenarios of the cost implications of the Children’s Bill. Each scenario is essentially a separate Costing Model that provides a ‘picture’ of the cost implications of the Children’s Bill.

The two sets of assumptions are:

- Norms and standards: ‘Low’ and ‘High’ options
- Demand for services: Implementation Plan and Full Cost options

The four scenarios consist of different combinations of these assumption sets, and are named as follows:

1. Implementation Plan Low scenario (IP Low)
2. Implementation Plan High scenario (IP High)
3. Full Cost Low scenario (FC Low)
4. Full Cost High scenario (FC High)

The following figure illustrates the relationship between the two sets of assumptions and the scenarios.

Figure 2: Relationship between scenarios and assumption sets

	Low Norms and Standards	High Norms and Standards
Implementation Plan demand variables supplied by departments	Implementation Plan Low Scenario (IP Low)	Implementation Plan High Scenario (IP High)
Full Cost demand variables based on team’s assumptions	Full Cost Low Scenario (FC Low)	Full Cost High Scenario (FC High)

3.5.1 Norms and standards: 'Low' and 'High' options

As noted above, five workshops were held to develop norms and standards for the main services envisaged by the Children's Bill. The norms and standards to emerge from these workshops inform the 'High' norms and standards option.

Later in the costing process, it became evident that these 'High' norms and standards were leading to costing outcomes that were impractical in that they required more social workers to implement the Bill than there were social workers in the country. It was therefore decided to review these 'High' norms and standards and produce a second set of norms and standards that would be less personnel intensive. The resultant set is referred to as the 'Low' norms and standards.

The key difference between the two sets of norms and standards is that:

- the 'High' norms and standards describe a more or less uniform standard for all services based on a consensus of what represents 'good practice',

whereas

- the 'Low' norms and standards maintain 'good practice' norms and standards for priority services, but describe significantly lower norms and standards for non-priority services and activities. More specifically, the 'Low' norms and standards give priority to:
 - partial care as a preventative strategy;
 - children in need of protection;
 - the screening of foster and kinship care parents;
 - foster care and kinship care placements relative to placements in facilities;
 - foster and kinship care placements requiring 'high intensity' oversight and support;
 - residential placements requiring 'high intensity' re-unification services; and
 - adoptions.

The 'Low' norms and standards described lower norms and standards in the following areas:

- management oversight of officials;
- oversight of partial care facilities – frequency is drastically reduced;
- reduced emphasis on prevention and intervention services;
- foster care and kinship care placements requiring 'low intensity' oversight and support;
- residential placements requiring 'low intensity' re-unification services;
- the staff complements of child and youth care centres are reduced; and
- the financial oversight of all facilities is reduced.

For the Department of Justice the 'High' scenarios provide for:

- a greater percentage of children appearing in court having a legal representative appointed at state expense;
- more extensive use of contribution orders;
- the Family Advocate's Office doing more investigations; and
- wider use of lay forums to resolve disputes related to access and parenting plans.

The norms and standards applicable to the services rendered by the national Department of Social Development were not reviewed, and so there is only a single set of norms and standards applicable to this department.

3.5.2 Demand for services: Implementation Plan and Full Cost options

To give effect to the objective that departments cost their Children's Bill responsibilities, each department was required to indicate the current levels of service delivery, and how they intend increasing delivery with the implementation of the Bill. This information on the demand for services, together with their plans to register/build child and youth care centres form the basis of the Implementation Plan scenarios.

The Implementation Plan scenarios of both the provincial social development and provincial education departments are strongly influenced by current levels of service delivery, the quality of management information collected by the respective departments, and the planning capacity of the management teams in each department. As a result the levels of service delivery planned and costed differ significantly between provinces. It was also not clear whether the planned levels of service delivery met the actual demand for services.

The Full Cost scenarios were developed so as to get a clearer understanding of the cost of a comparable level of demand for services across all provinces. To achieve this, the consulting team developed demand assumptions for the different services based on demographic and poverty information for each province. The intention is that these assumptions should estimate the actual demand for services in each province, and therefore the resultant costing would represent the 'full cost' of implementing the Children's Bill. However, it is not possible to determine whether the Full Cost assumptions estimate the actual demand accurately or not, since the actual demand for services is unknown. Nevertheless the Full Cost scenarios remain useful in that they set a comparable level of service delivery against which provinces' current and planned performance can be evaluated and compared. The key demand assumptions underpinning the Full Cost option are presented in section 4.2.

Most of the demand variables for the services provided by the Department of Justice are driven by what services the provincial social development departments render. As a result, the demand variable options for the Department of Justice are closely linked to the Implementation Plan and Full Cost options described above. The same applies to the national Department of Social Development in respect of adoptions. The other costs of the national department are not driven by the demand for services, but rather by the planning and oversight functions required to implement the Bill.

4 Key cost variables and assumptions

A large number of variables and assumptions are used in the Costing Model to cost the activities and areas identified in Table 3.2. This section describes the different kinds of variables and assumptions and presents some of the key ones used. They are key because they have a significant impact on the costing outcomes or they are important from a policy perspective, or both.

4.1 Service delivery norms and standards

For the purposes of costing, service delivery norms and standards describe the nature of the services in terms of:

- the qualifications of the persons that should provide the service;
- the staff or other inputs required to deliver the service or that constitute the service;
- the activities involved in providing the service, and the time they take; and
- the quantity of the service provided (usually expressed in terms of time or the number of units of the service provided).

In practice, service delivery norms and standards consist of combinations of the above elements, as is illustrated by the norms for the investigations related to children in need of care and protection.

Table 4.1: Norms for investigations of children in need of care and protection

Inputs and qualifications		Activities and quantities	Time per activity	
Social Worker	Investigations	Obvious abandonment	30	mins
		Not so obvious abandonment	2	days
		Orphaned children	2	days
		Abuse	5	days
		Neglect	5	days
		Behavioural problems	5	days
		Travel time per investigation	180	mins
		Medical exams for abuse and neglect cases	120	mins
		Travel time per medical exam	60	mins
		Social worker – case	Panel per investigation	30
Social worker – colleague	Panel per investigation	30	mins	
Chief Social Worker – supervisor	Panel per investigation	30	mins	

4.1.1 Staffing qualification norms

In most instances the Children's Bill specifies the qualifications of the person that is required to deliver particular services or it is obvious from the context. For instance,

152. (1) A designated social worker or a police official may remove a child and place the child in temporary safe care without a court order if there are reasonable grounds for believing ...

Where this is the case, the Costing Model costs the services using staff with the requisite qualifications.

Where the qualifications are not specified or are not obvious from the context the following rules were applied in the development of staffing qualification norms:

- Services that require professional input are performed by staff with the necessary professional qualifications – social workers, teachers, family counsellors, lawyers, magistrates, etc;
- Social welfare services of an advisory, regulatory or monitoring nature may be performed by auxiliary social workers, under the supervision of a social worker;
- Activities of an administrative nature are performed by administrators or administrative clerks; and
- Activities involving the oversight of finances are performed by finance managers and officers.

4.1.2 Staffing norms for facilities

The Children's Bill does not specify staffing norms for the different kinds of facilities required. It is anticipated that these will be defined in the regulations. In the interim, the Costing Model uses the following 'High' and 'Low' staffing norms to cost the different kinds of residential facilities.

Table 4.2: 'Low' staffing norms of residential facilities described in the Children's Bill

'Low' Personnel Input Assumptions for a 60-place facility	Staffing ratios	Pl. of safety	Secure care	Ch. home 0-6	Ch. home 7-18	Sch. of industry	Ref. school
Management							
Manager	1	1	1	1	1	1	1
Admin. manager	1	1	1	1	1	1	1
Chief social worker	1	1	1	1	1	1	1
Child care staff							
Social worker	60	1	1	1	1	1	1
Control child care worker	60	1	1	2	1	1	1
Chief child care worker	60	2	4	4	2	4	4
Child care worker	60	15	24	60	15	24	24
Psychologist	60	0.5	0.0	0.0	0.0	0.5	0.5
Senior professional nurse	60	1	1	2	0	1	1
Enrolled nurse aid	60	0.01	0.01	4	0.01	0.01	0.01
Occupational therapist	60	0	0.5	0	0	1	1
Support staff							
Administrator (reception, admin., stores)	60	1	1	1	1	1	1
Administrator (procurement)	60	1	1	1	1	1	1
Cleaners/Laundry	60	4	4	4	4	4	4
Kitchen supervisor	1	1	1	1	1	1	1
Kitchen	60	4	4	4	4	4	4
Maintenance (garden, drivers)	60	2	2	2	2	2	2
Security supervisor (Grade B)	1	1	1	0	0	1	1
Security guards (Grade D)	60	5	7	4	4	5	7
Extra staff to deal with substance abuse and severe disabilities							
1x Enrolled nurse		For every 20 children					
1x Child care worker		For every 10 children					

Table 4.3: 'High' staffing norms of residential facilities described in the Children's Bill

'High' Personnel Input Assumptions for a 60-place facility	Staffing ratios	Pl. of safety	Secure care	Ch. home 0-6	Ch. home 7-18	Sch. of industry	Ref. school
Management							
Manager	1	1	1	1	1	1	1
Admin. manager	1	1	1	1	1	1	1
Chief social worker	1	1	1	1	1	1	1
Child care staff							
Social worker	60	2	2	2	2	2	2
Control child care worker	60	2	2	2	2	2	2
Chief child care worker	60	4	4	4	4	4	4
Child care worker	60	24	30	80	24	24	30
Psychologist	60	0.5	0.5	0.5	0.5	0.5	0.5
Senior professional nurse	60	1	1	2	1	1	1
Enrolled nurse aid	60	0.01	0.01	4	0.01	0.01	0.01
Occupational therapist	60	0.5	1	0.5	0.5	1	1
Support staff							
Administrator (reception, admin., stores)	60	1	1	1	1	1	1
Administrator (procurement)	60	1	1	1	1	1	1
Cleaners/Laundry	60	4	4	4	4	4	4
Kitchen supervisor	1	1	1	1	1	1	1
Kitchen	60	4	4	4	4	4	4
Maintenance (garden, drivers)	60	3	3	3	3	3	3
Security supervisor (Grade B)	1	1	1	1	1	1	1
Security guards (Grade D)	60	5	11	5	5	5	11
Extra staff to deal with substance abuse and severe disabilities							
1x Enrolled nurse	For every 20 children						
1x Child care worker	For every 10 children						

The above two tables should be interpreted as follows

- If there is a '1' in the 'staff ratio' column it means that there is only one member of the particular personnel category per facility irrespective the size of the facility. So there is only one manager, admin. manager, chief social worker, kitchen supervisor and security supervisor per facility. Note that the managers of larger facilities are paid more than the managers of smaller facilities.
- If there is a '60' in the 'staff ratio' column it means that the required number of staff from the particular personnel category is related to the number of places in the facility, and that for a sixty-place facility the indicated number of staff are required. For instance, according to the 'Low' norms and standards one social worker is required per sixty places, while according to the 'High' norms and standards two social workers are required per sixty places. So if the facility has ninety places according to the 'Low' norms one and half social workers are required, and according to the 'High' norms three are required.
- As regards 'the extra staff to deal with substance abuse and severe disabilities' the tables show that for every 20 children with either of these difficulties an extra enrolled nurse is required, and for every 10 children with either of these difficulties an extra child care worker is required.

The following table outlines the staff norms used to cost the schools attached to the different kinds of residential facilities, namely certain places of safety and secure care facilities, and all schools of industry and reform schools. The table is interpreted in the same way as the previous two tables.

Table 4.4: Staffing norms for schools attached to residential facilities

Personnel Inputs for Schools	Staff ratios	Schools attached to residential facilities
Management		
Principal	1	1
Head of Department	60	1
Teaching Staff		
Learner Teacher Ratio	10	1
Support Staff		
Administrator	1	2
Cleaner	1	2

The High' and 'Low' staffing norms for drop-in centres and shelters are set out in the table below. Again the table is interpreted in the same way as the previous tables.

Table 4.5: Staffing norms for drop-in centres and shelters

Personnel Inputs	Drop-in centres			Shelters		
	Staff ratios	Low	High	Staff ratios	Low	High
Management						
Manager	1	1	1	1	1	1
Child care staff						
Social worker	30	0.5	0.5	60	1	2
Auxiliary social worker - outreach	30	2	2	60	2	2
Chief child care worker	30	-	1	60	1	2
Child care worker	30	2	6	60	10	30
Support staff						
Administrator (reception, admin. and stores)	30	0.5	0.5	60	1	1
Cleaners / Laundry	30	1	2	60	2	4
Kitchen supervisor	-	-	-	1	-	1
Kitchen	30	1	1	60	2	3
Maintenance (garden and drivers)	30	-	1	60	1	1

4.1.3 Other input norms

For certain services the amount of money allocated for a subsidy or for particular inputs constitutes the norm. Important norms in this regard are:

1. *Partial care/ECD subsidy* – the provincial social development departments subsidise the provision of partial care and early childhood development for children between 0-4. The subsidy is paid to registered partial care facilities in respect of children from poor families. For the purposes of costing it is assumed that the subsidy is paid for 220 days for each eligible child. There is a national policy decision that the norm should be R9 per child per day. The following table sets out the value of the partial care/ECD subsidy that each province is planning to pay over the time period of the costing, as well as the values costed in the Full Cost option. Note that the values of the subsidy do not differ between the 'High' and 'Low' options.

Table 4.6: Daily per capita partial care/ECD subsidy by province

Implementation Plan scenarios	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	% children 0-4 subsidised	
							2005/06	2010/11
Eastern Cape	4.30	5.00	6.00	7.00	8.00	9.00	8%	14%
Free State	4.50	5.50	6.50	7.50	8.50	9.50	9%	14%
Gauteng	6.00	8.00	9.00	9.45	9.92	10.42	2%	25%
KwaZulu-Natal	9.00	11.00	11.55	12.13	12.73	13.37	5%	11%
Limpopo	6.00	7.00	8.00	9.00	9.45	9.92	8%	17%
Mpumalanga	4.40	5.00	6.00	7.00	8.00	9.00	4%	14%
Northern Cape	7.00	7.50	8.00	9.00	9.45	9.92	13%	25%
North West	4.50	6.00	7.00	8.00	9.00	9.45	3%	10%
Western Cape	5.00	6.00	7.00	8.00	9.00	9.45	13%	22%
Per capita average	6.07	7.24	8.24	9.20	9.97	10.63	6%	16%
Full Cost scenarios								
All provinces	9.00	9.45	9.92	10.42	10.94	11.49	18%	18%

The above table highlights the current inequalities between provinces as regards the subsidisation of partial care/ECD. It also shows that the various provincial social development departments' plans to move towards the national norm of R9 per child per day will result in a progressive narrowing of the gap between provinces, but will not eradicate it completely.

Note that the above levels of inequality should be interpreted in conjunction with information on the percentage of children 0-4 being reached with the subsidy in each province. This information shows that although KwaZulu-Natal currently has the highest per capita subsidy at R9 only 5% of children 0-4 are reached, with plans to increase to 11%, whereas Free State with a per capita subsidy of R4.50 reaches 9% of children 0-4, with plans to increase this to 14%. Northern Cape and Western Cape currently reach the highest percentage of children 0-4 at 13% and both have plans to increase this substantially. Gauteng currently only reaches 2% of children 0-4, but has plans to increase this to 25% by 2010/11. In most instances provinces' plans to increase the number of children subsidised overshoot the levels deemed to be appropriate in the Full Cost scenarios. The average is 18%, but in the wealthier provinces it is lower (e.g. Western Cape 7%) and in the poorer ones higher (e.g. Eastern Cape 25%).

2. *School fee subsidy* – in section 3.4.2 it is proposed that the state should pay school fees in respect of children that are wards of the state that attend government schools in the community. In the absence of policy in this regard, the following norms for 2005/06 were used to cost this responsibility:
 - 'High' Option: R500 per year per child in Grade R to Grade 7 and R800 per year per child in Grade 8 to Grade 12.
 - 'Low' Option: R300 per year per child in Grade R to Grade 7 and R500 per year per child in Grade 8 to Grade 12.
3. *Material assistance as an intervention service* – a social worker may decide to provide emergency relief to a family as a form of intervention where children are in need of care. The current practice is to give food parcels to the value of about R100 per family for up to three months, to tide the family over while they access social grants. The material assistance is therefore costed at R300.
4. *Food, clothing and recreation for children in facilities* – the approach used to cost the running of social welfare facilities anticipates a system where the state pays for the different kinds of inputs according to set norms and standards. It is assumed that management, personnel and most

operational costs, because they are effectively fixed costs, would be funded according to the capacity of the facility, whereas variable costs linked to the actual number of children in the facility would be funded on a per capita basis. The variable costs costed in this way are food, clothing, and recreation. The following table shows the norms used to cost these inputs.

Table 4.7: Per capita norms for food, clothing and recreation – facilities

	Low norms for 2005/06		High norms for 2005/06	
	Per capita norms	Annual cost per child	Per capita norms	Annual cost per child
Child and youth care centre				
Food	R15 per day	5,475	R15 per day	5,475
Clothing	R150 per month	1,800	R150 per month	1,800
Recreation	R50 per month	600	R50 per month	600
Shelter				
Food	R10 per day	3,650	R15 per day	5,475
Clothing	R75 per month	900	R150 per month	1,800
Recreation	R50 per month	600	R50 per month	600
Drop-in centre				
Food	R10 per day	3,650	R10 per day	3,650
Clothing	R25 per month	300	R75 per month	900
Recreation	R25 per month	300	R25 per month	300

5. *Medical costs of children in facilities* – in addition to providing extra staff to care for children with substance abuse problems or severe disabilities, the costing of facilities makes provision for the cost of medicines and other equipment for children with chronic illnesses and disabilities. It is assumed that on average the cost of caring for a child with a chronic illness or disability requires 10 percent more 'goods and services' (which includes medicines) than for a healthy child.
6. *Training* – the effective implementation of the Bill on an ongoing basis will require regular training of staff. It is assumed that departments and organisations will use their own inputs such as venues and equipment, and that in most instances the trainers will be experienced staff from the department, or from child protection organisations. A small input cost of R250 per person per day's training is costed to cover materials and refreshments, and the occasional paid facilitator.

4.1.4 Activity and time assumptions

To calculate what staff are required to deliver a particular service, the service is broken down into its component activities and sub-activities, and assumptions are made as to the time it takes to perform each activity in relation to one unit of service delivery. For example, Table 4.1 above shows the activities and time assumptions involved in performing investigations in relation to children in need of care and protection. Similar activity and time assumptions are worked out for all non-facility-based services.

The Norms and Standards Workshops that were held during August 2005 are the primary source of these activity and time assumptions. The workshops developed process maps for the different services, and then specified time assumptions linked to each activity. In certain instances the consulting team added to these initial activity and time assumptions based on the situational analyses and the modelling of the service. These activity and time assumptions are the same across all scenarios.

By way of example, the tables below present activity and time assumptions for two of the key services envisaged by the Bill. There are similar sets of assumptions for each activity costed.

Table 4.8: Assumptions for screening potential foster and kinship care parents

Inputs and qualifications	Activities and quantities	Time per activity		
		Foster care	Kinship care	
Auxiliary/social worker	Application forms assistance	30 mins	30 mins	
	Scrutinising	10 mins	10 mins	
	Screening	Interview at office	120 mins	60 mins
		Home visit without kids	60 mins	60 mins
		Home visit with kids	150 mins	100 mins
		Travel time	60 mins	60 mins
		Cross-checking interviews	60 mins	60 mins
		Following up of references	30 mins	30 mins
	Check against child protection register	0	0	
	Group training	2 social workers for 5x2 hour sessions	600 mins	300 mins
Report writing		120 mins	90 mins	
Social worker – case	Panel/Supervisor assessment	20 mins	20 mins	
Social worker – colleague	Panel/Supervisor assessment	20 mins	20 mins	
Social worker – colleague	Panel/Supervisor assessment	20 mins	20 mins	
Chief social worker – supervisor	Panel/Supervisor assessment	Costed under management		

Table 4.9: Assumptions for children's court enquiries: protection and alternative care

Inputs and qualifications	Activities and quantities	Time per activity	
		Foster care	Kinship care
Magistrate	First Hearing	Parent not present, child not participating	15 mins
		Parent not present, child participating	20 mins
		Parent present, unopposed order	15 mins
	Final Hearing	Parent present, opposed order	210 mins
		Unopposed order	30 mins
		Opposed order, legal representation	360 mins
		Opposed order, no legal representation	240 mins
Postponement		3 mins	
Snr administrative clerk	All hearings	20 mins	
Administrative clerk	First hearing	85 mins	
	Final hearing	115 mins	
	Postponement	5 mins	

4.1.5 Service quantity norms

Service quantity norms seek to define 'how much' of a particular service is provided to individual clients. For instance, a child that has been sexually abused will normally require more counselling than a child that has been neglected due to the poverty of his or her parents. These norms and standards differ from demand variables, which indicate 'how many' clients require the service.

The social worker responsible for a case usually decides 'how much' of a service should be provided to a client. These decisions are made on a case-by-case basis, informed by the professional judgement of the social worker. Decisions around legal representation are made in a similar way. Current data on clients does not allow for the costing to be based on micro-simulations of these decision-making processes. Instead the Costing Model uses 'High-', 'Medium-' and 'Low-intensity' categories to describe different levels or intensities of the services. Assumptions are used to divide the client group into these categories, and the provision of services is costed accordingly.

The tables below present the service quantity norms used to cost four important services. Note that for certain services High and Low scenario options are defined.

Table 4.10: Foster and kinship care supervision – service quantity norms

	Foster care			Kinship care		
	Intensity of activity			Intensity of activity		
Low scenario option	High	Medium	Low	High	Medium	Low
Administration per year	1	1	1	1	1	0
Reviewing court order	1	1	1	1	1	1
Parents	1	1	0	1	0	0
Biological parents	1	1	0	1	1	0.5
Child	2	1	0	2	1	0
Management of IDP	3	2	1	2	1	0
Conferences per year	6	3	2	2	1	0
Support groups	6	3	2	3	2	0
Home visits	30%	15%	0%	20%	10%	0%
Collateral checks	20%	0%	0%	0%	0%	0%
% of cases requiring intervention services	1	0	0	0	0	0
Facilitating access	2	0	0	2	0	0
% requiring						
Times per month						
Extension of grant (>18 yrs) referrals per year						
	2	0	0	2	0	0
High scenario option	High	Medium	Low	High	Medium	Low
Administration per year	1	1	1	1	1	1
Reviewing court order	1	1	1	1	1	1
Parents	1	1	1	1	1	0
Biological parents	1	1	1	1	1	1
Child	2	1	0	2	1	0
Management of IDP	3	2	1	2	1	0
Conferences per year	6	3	2	3	2	1
Support groups	6	3	2	3	2	1
Home visits	60%	30%	0%	50%	25%	0%
Collateral checks	20%	0%	0%	20%	0%	0%
% of cases requiring intervention services	1	0	0	0	0	0
Facilitating access	2	0	0	2	0	0
% requiring						
Times per month						
Extension of grant (>18 yrs) referrals per year						
	2	0	0	2	0	0

Table 4.11: Outside services to children in facilities – service quantity norms

	Intensity of activity		
	High	Medium	Low
Low scenario option			
Administration per year, including communication with centre	1	1	1
Management of IDP	3	2	1
Conferences per year	3	2	1
Support groups	3	2	1
Parents	3	2	1
Children	10	10	10
Average size	50%	20%	0%
% of cases where parents referred for intervention services	4	2	0
Collateral checks	60%	40%	20%
Facilitating access	1	1	1
% requiring weekend visits facilitation	80%	75%	50%
Times per month	4	3	2
% requiring holiday visits facilitation			
Times per year			
High scenario option			
Administration per year, including communication with centre	1	1	1
Management of IDP	3	2	1
Conferences per year	3	2	1
Support groups	3	2	1
Parents	3	2	1
Children	10	10	10
Average size	50%	20%	0%
% of cases where parents referred for intervention services	4	2	0
Collateral checks	60%	40%	20%
Facilitating access	1	1	1
% requiring weekend visits facilitation	100%	75%	75%
Times per month	4	3	2
% requiring holiday visits facilitation			
Times per year			

Table 4.12: Intervention – service quantity norms

Service	Intensity of activity		
	High	Medium	Low
Duration of individual-based programmes	10 days	3 Days	1 day
Duration of group-based programmes	10 days	5 Days	2 days
Average size of groups	6	10	20

Table 4.13: Legal representation – service quantity norms

Service	Intensity of Activity		
	High	Medium	Low
Legal Representation	720 mins	360 Mins	180 mins

The Costing Model also uses service quantity norms to define ‘how much’ monitoring of partial care facilities, child and youth care centres, shelters and drop-in centres, and of child protection organisations the provincial social development departments are expected to do. The following table gives details of the norms used to cost the High and Low scenarios.

Table 4.14: Monitoring activities – service quantity norms and standards

Monitoring activity	Partial care facilities		CYC centres		Shelters and drop-in centres		Child protection organisations	
	High	Low	High	Low	High	Low	High	Low
	Spot checks per year	12	3	12	6	12	6	0
Visits per year to subsidised facilities	4	1	4	2	4	2	1	1
Visits per year to unsubsidised facilities	4	1	4	2	4	2	1	1
Number of years between each DQA	2	0	2	3	2	3	3	3

4.2 Demand variables and process assumptions

The demand variables indicate ‘how many’ units of the different services are required, or ‘how many’ facilities there are or are needed to meet the demand for places in them. The departments responsible for the different services provided the demand information for the Implementation Plan scenarios, while the consulting team developed the demand assumptions for the Full Cost scenarios.

In the case of child and youth care centres, and shelters and drop-in centres, the provincial social development and education departments supplied information on the existing facilities and indicated their plans to register and possibly build new facilities. This information is used in the Implementation Plan scenarios. In the Full Cost scenarios it is supplemented by the consulting team’s estimates of the number of each type of facility needed to meet the estimated demand for places in these facilities in each province.

Given that detailed service delivery information is not available, the Costing Model makes extensive use of process assumptions to estimate ‘how many’ units of the different sub-services and activities are required. Essentially, the process assumptions unpack the overall demand for a service into its constituent sub-services and activities. For instance, if there are 100 children in need of care and protection services, how many of these children require intervention services, and how many are child protection cases and need to be referred to the children’s court? This information is not available, so an assumption is made that 70% require intervention services and 30% are protection cases. These percentages are process assumptions.

An initial set of process assumptions was developed at the Norms and Standards Workshops. The consulting team added to this set based on the situational analyses and the modelling of the services.

A standard set of process assumptions was developed for the Full Cost options. For the Implementation Plan options, the provincial social development departments modified the process assumptions based on their knowledge of local conditions, and the patterns of services they anticipated delivering.

For certain services, the demand is linked across the modules of the Costing Model so that the output of one module becomes the demand input for another module. The following key demand variables are linked in this manner:

- The total number of child protection cases reflected in the module for the provincial social development departments serves as a demand input for the child protection enquiries of the children's courts in the module for the Department of Justice;
- The Children's Bill requires that alternative care placement orders must be reviewed by a children's court. This means the court must review all orders placing children in foster care, kinship care, children's homes, schools of industry and reform schools every two years, and all placements in places of safety and secure care facilities every three months. The number of orders that need to be reviewed is calculated in the module for the provincial social development departments, and the outcomes feed into the review process in the module for the Department of Justice;
- The total number of adoptions reflected in the module for the provincial social development departments serves as a demand input for adoption cases of the children's courts in the Department of Justice, and for the registration activities of the Registrar of Adoptions in the national Department of Social Development;
- The number of children placed in places of safety, secure care and schools of industry or sentenced to reform schools reflected in the provincial social development departments serve as demand inputs for the number of schools attached to places of safety and secure care, and for the number of schools of industry and reform schools in the module for the provincial education departments.
- The total number of children of school-going age that are wards of the state, excluding children in schools of industry and reform schools, reflected in the module for the provincial social development departments serves as a demand input for the calculation of the state's contribution to school fees in the modules for the provincial departments of education.

Note that the initial demand information is exactly the same for the IP Low and IP High scenarios, but due to different assumptions about the provision of intervention services the demand variables for this service differ - the demand for this service in the IP High scenario is estimated to be 15% higher.

The initial demand information for the FC Low and FC High scenarios is also exactly the same, but in addition to the different assumptions around the provision of intervention services, contrasting assumptions are used in respect of the placement of children in alternative care. In the FC Low scenario it is assumed that 5% of children in need of alternative care are placed in children's homes and 10% in foster care, while in the FC High scenario these percentages are reversed. This is done to explore how the demand for places in children's homes is affected by the large number of children being orphaned as a result of HIV/AIDS.

The following sections present the key demand variables used to cost the IP Low and FC High scenarios in the respective modules of the Costing Model, along with information on where the information was obtained, or how the information was calculated. Information on the demand variables used in the other two scenarios, and information on the demand variables by province are available on the CD that accompanies this report. Also on the CD is an analysis of the service delivery inequalities that exist between.

4.2.1 Demand variables: provincial social development

4.2.1.1 IP Low scenario demand variables and assumptions

The demand variables and process assumptions for the Implementation Plan scenarios of the provincial social development departments have been signed-off by the relevant heads of department. The different provincial departments' expectations on service demand trends differ widely, as do their process assumptions. This detail is not reflected in the following table which aggregates the provincial demand variables, but is available on the CD that accompanies this report.

Table 4.15: IP Low: Demand variables – provincial social development

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD						
Registered partial care facilities	13,291	16,258	20,451	25,105	30,068	34,905
New applications to register facilities	2,997	4,228	4,694	5,003	4,877	4,854
Children attending partial care	606,092	756,674	924,933	1,111,750	1,310,554	1,503,166
Children in partial care that are subsidised	315,803	378,314	451,195	560,814	685,602	830,262
Child protection organisations						
Registered child protection organisations	548	596	649	712	763	821
New applications to register organisations	37	57	59	55	54	59
Child protection register (Part A)						
Cumulative no. of records on Part A	87,243	115,349	149,290	185,492	224,233	265,823
New cases to register on Part A	32,468	39,709	43,666	48,016	52,801	58,071
Prevention, intervention and protection						
Children at risk referred to social welfare services	160,584	189,476	208,797	230,112	253,644	279,645
Children receiving intervention services	145,236	167,609	191,846	215,648	243,448	271,267
Children referred to court enquiries	91,368	110,996	122,650	135,551	149,845	165,695
Foster care and kinship care						
Children in foster care	47,449	54,832	62,874	71,459	80,840	90,952
Children in kinship care	275,632	367,539	463,949	560,191	655,934	761,927
New foster care orders	8,362	10,723	11,823	13,037	14,377	15,858
New kinship care orders	84,261	102,390	113,497	115,919	122,474	135,298
Foster and kinship care orders reviewed	115,958	127,074	196,005	226,376	300,481	331,228
Management of child and youth care centres						
Registered CYC centres	501	501	543	577	601	622
New applications to register CYC centres	0	41	35	24	21	17
Places of safety & secure care - outside services						
Children in places of safety & secure care	8,721	8,225	8,608	9,147	9,839	10,734
New orders placing children in facilities	14,947	17,121	18,666	20,250	22,170	24,434
Case reviews (every 3 months)	34,956	33,570	35,001	37,088	39,882	43,377
Child and youth care centres – outside services						
Children in children's homes	18,673	22,343	26,550	30,605	35,234	39,909
Children in other CYC centres	3,485	3,910	4,531	4,978	5,463	5,947
New orders placing children in children's homes	4,819	5,790	6,357	6,978	7,659	8,408
New orders placing children in other CYC centres	1,522	1,826	2,016	2,196	2,396	2,613
No. of cases reviewed (every 2 years)	6,721	11,202	10,957	15,302	15,815	19,842
Child and youth care centres						
Places in places of safety	2,150	2,458	2,798	3,328	3,928	4,478
Places in secure care	2,110	2,820	3,632	3,872	3,982	3,982
Places in children's homes	13,984	15,978	18,131	18,757	19,347	19,972
Places in schools of industry	2,116	2,221	2,336	2,361	2,481	2,581
Places in reform schools	511	561	631	631	696	756
Shelter and drop-in centres						
Capacity of drop-in centres	967	1,342	1,467	1,567	1,662	1,757
Places in shelters	3,238	3,383	3,763	4,063	4,293	4,423
Adoptions						
Non-related adoptions (classic and foster)	1,415	1,555	1,707	1,962	2,255	2,593
Family adoptions	1,158	1,216	1,277	1,339	1,403	1,472

The following assumptions underpin the demand variables presented in the above table:

1. *Partial care/ECD* – information supplied by the provincial social development departments.
2. *Child protection organisations* – information supplied by the provincial social development departments.
3. *Child protection register* – information on the initial number of children registered was supplied by the provincial social development departments, thereafter children that appear at a children's court enquiry due to abuse, neglect and abandonment are added, and 5% of names are removed as children turn 18 years. Note that there are currently proposals under discussion that would greatly increase the number of children needing to be registered, but these have not been costed because they are not reflected in the Children's Bill.
4. *Prevention, intervention and protection* – information on the 'Children at risk referred to social welfare services' was supplied by the provincial social development departments, who also provided the assumptions that are used to calculate the 'Children receiving intervention services' and the 'Children referred to court enquiries'.
5. *Foster Care and Kinship Care* – information on the initial number of children in foster care and kinship care is based on figures for December 2005 as reported by the National Treasury in the Government Gazette. The provincial social development departments indicated the backlog of cases to be processed, the assumed split between foster care and kinship care, and the expected percentage of protection cases the children's court would place in foster care and kinship care respectively. To calculate the number of foster and kinship care orders reviewed each year the basic assumption is that half the existing orders are reviewed each year. This assumption is then adjusted to provide for the review of orders that were previously extended so as to get a smooth flow of reviews.
6. *Management of child and youth care centres* – information supplied by the provincial social development departments, indicating the number of existing and planned facilities.
7. *Places of safety and secure care – outside services* – information on the number of children in these facilities and the number of new orders placing children in these facilities was supplied by the provincial social development departments. To calculate the number of case reviews it is assumed that each child has their placement order reviewed every three months.
8. *Child and youth care centres – outside services* – information on the number of children in these facilities and the number of new orders placing children in these facilities was supplied by the provincial social development departments. To calculate the number of case reviews it is assumed that each child has their placement order reviewed every two years. This assumption is then adjusted to provide for the review of orders that were previously extended so as to get a smooth flow of reviews.
9. *Child and youth care centres* – information supplied by the provincial social development departments, indicating the number of existing and planned facilities.
10. *Shelter and drop-in centres* – information supplied by the provincial social development departments, indicating the number of existing and planned facilities.
11. *Adoptions* – the number of non-related (classic and foster) adoptions is linked to the number performed in 2005/06 increasing by 10% per year. The number of family adoptions is linked to the number performed in 2005/06 increasing by 5% per year.

4.2.1.2 FC High scenario demand variables and assumptions

The consulting team developed a standard set of assumptions to calculate demand variables for the provincial social development departments for the Full Cost scenarios. These demand variables reflect a level of demand that has been standardised across provinces – i.e. a level of demand that reflects an equitable distribution of social welfare services and associated facilities.

In most instances, the assumptions calculate the demand for services with reference to the child population of each province, or a particular age cohort thereof. The population figures, as well as estimates of the number of maternal orphans and double orphans, are outputs of the ASSA2003 Lite model (version 060226). This model was developed to evaluate the demographic impact of HIV/AIDS. It is maintained by the Centre for Actuarial Research at the University of Cape Town, in conjunction with the Actuarial Society of South Africa and the Medical Research Council of South Africa.⁷ The orphan data used for the Full Cost scenarios is available in Annex Four of this report, and on the CD.

In certain instances, the demand variables are weighted by the percentage of the population in the province that is poor. The poor population in a province is defined as those whose incomes fall in quintiles 1 and 2 based on the 2000 Income and Expenditure Survey⁸, and the figures are as follows:

– Eastern Cape	56.4%
– Free State	45.7%
– Gauteng	21.9%
– KwaZulu-Natal	43.0%
– Limpopo	56.3%
– Mpumalanga	36.9%
– Northern Cape	44.0%
– North West	37.9%
– Western Cape	14.6%

In other words, 56.4% of the people living in the Eastern Cape are poor, compared to 14.6% in the Western Cape. Therefore where it is assumed that poverty impacts on the demand for services, one would expect the demand per hundred thousand children to be about four times greater in the Eastern Cape than in the Western Cape. Note that it is generally accepted that poverty among children is greater than among adults, and so the above figures probably underestimate poverty levels among children. This in turn suggests that the poverty-linked demand variables calculated for the Full Cost scenarios are conservative.

The following table presents the aggregated demand variables used to cost the FC High scenario for the provincial social development departments. Again the provincial detail is available on the CD that accompanies this report.

⁷ Our thanks to Leigh Johnson from the Centre for Actuarial Research at the University of Cape Town for supplying this data.

⁸ Budget Review 2006, page 225. The National Treasury uses these figures to calculate the 'poverty component' of the equitable share formula.

Table 4.16: FC High: Demand variables – provincial social development

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD						
Registered partial care facilities	38,469	38,399	38,343	38,248	38,116	37,947
New applications to register facilities	699	712	672	633	593	594
Children attending partial care	2,308,137	2,303,921	2,300,572	2,294,870	2,286,965	2,276,814
Children in partial care that are subsidised	922,413	918,640	916,862	915,424	914,084	912,551
Child protection organisations						
Registered child protection organisations	548	596	649	712	763	821
New applications to register organisations	37	57	59	55	54	59
Child protection register (Part A)						
Cumulative no. of records on Part A	361,387	468,016	573,707	676,608	775,202	869,194
New cases to register on Part A	124,699	129,092	131,587	132,424	132,752	133,577
Prevention, intervention and protection						
Children at risk referred to social welfare services	464,363	474,750	480,199	481,340	481,127	482,001
Children receiving intervention services	446,696	481,126	524,007	555,560	593,589	621,043
Children referred to court enquiries	324,162	335,202	341,029	342,374	342,382	343,792
Foster care and kinship care						
Children in foster care	111,065	119,722	128,216	135,928	143,208	149,832
Children in kinship care	1,094,386	1,316,929	1,525,927	1,731,951	1,921,128	2,107,678
New foster care orders	16,208	16,760	17,051	17,119	17,119	17,190
New kinship care orders	259,329	268,161	272,823	273,899	273,906	275,034
Foster and kinship care orders reviewed	469,001	510,193	695,247	741,406	912,762	955,168
Management of child and youth care centres						
Registered CYC centres	2,910	3,295	3,628	3,939	4,210	4,469
New applications to register CYC centres	385	333	311	271	259	258
Places of safety & secure care - outside services						
Children in places of safety & secure care	18,009	19,447	20,177	20,700	21,054	21,363
New orders placing children in facilities	42,747	44,379	45,610	46,514	47,352	48,350
Case reviews (every 3 months)	75,547	79,199	81,414	82,977	84,167	85,391
Child and youth care centres – outside services						
Children in children's homes	154,606	176,233	196,283	215,190	232,175	248,213
Children in other CYC centres	7,692	8,714	9,207	9,607	9,859	10,098
New orders placing children in children's homes	32,416	33,520	34,103	34,237	34,238	34,379
New orders placing children in other CYC centres	3,626	3,783	3,902	3,993	4,081	4,182
No. of cases reviewed (every 2 years)	65,531	73,722	88,569	96,395	109,157	115,746
Child and youth care centres						
Places in places of safety	14,074	14,382	14,915	15,679	16,279	16,829
Places in secure care	3,935	4,645	5,772	6,012	6,196	6,196
Places in children's homes	154,606	176,945	197,386	215,982	232,965	249,005
Places in schools of industry	5,292	5,873	6,135	6,484	6,604	6,767
Places in reform schools	2,400	2,673	2,743	3,082	3,147	3,466
Shelter and drop-in centres						
Capacity of drop-in centres	13,080	13,455	13,580	13,680	13,715	13,870
Places in shelters	12,960	13,105	13,565	13,725	14,015	14,085
Adoptions						
Non-related adoptions (classic and foster)	2,977	3,534	4,057	4,569	5,039	5,500
Family adoptions	1,158	1,216	1,277	1,339	1,403	1,472

The following assumptions underpin the demand variables presented in the above table:

1. *Partial care/ECD* –

- To calculate the total number of 'Children attending partial care' the following assumptions are used:

% of children in age cohort				
0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs
25%	35%	45%	55%	65%

- To calculate the number of 'Children in partial care that are subsidised' a means test based on the percentage of the population that falls into the first two income quintiles in each province is applied to the total number of children attending partial care in the province.
 - It is assumed that partial care facilities should ideally cater for a maximum of 60 children on average.
2. *Child protection organisations*: no assumptions – Implementation Plan scenario information used.
 3. *Child protection register* – to calculate the initial number of children that should be on the register in 2005/06 it is assumed that 2% of children 0-18 should be registered. Thereafter children that appear at a children's court enquiry due to abuse, neglect and abandonment are added, and 5% of names are removed as children turn 18 years.
 4. *Prevention, intervention and protection* –
 - To calculate the number of 'Children at risk referred to social welfare services' three assumptions are used:
 - the number of children at risk, excluding maternal and double orphans, is calculated as follows:

% of children in each age cohort,		
0-5 yrs	6-12 yrs	13-18 yrs
2.0%	1.0%	0.5%

- 70% of new maternal orphans⁹; and
 - 100% of new double orphans.
- To calculate the number of 'Children receiving intervention services' the basic assumption is that 75% of children referred to social welfare services, excluding maternal and double orphans, require intervention services. Added to this number are children that must be given intervention services following a court order, which are calculated as follows:
 - it is assumed that in just more than 4% of protection cases the children's court will order intervention services to be provided;
 - it is assumed that when the children's court places children in foster care and kinship care it will order intervention services to be provided according to the percentages set out in Table 4.10;
 - it is assumed that when foster care and kinship care orders are allowed to lapse, the children's court will order intervention services to be provided in 70% of the cases;
 - it is assumed that when children are discharged from CYC centres the court will order intervention services to be provided to 5% of children discharged from places of safety and secure care facilities, and 10% of children discharged from other facilities; and
 - it is assumed that when a child is provided with intervention services 1.5 other persons on average (mostly parents or family members) will be provided with intervention services as well. The effect of this assumption is to substantially increase the number of

⁹ This follows Meintjes H, Budlender D and Giese S (2003) page 33.

intervention cases that get costed. However, these persons are not included in the demand number in the above table.

- To calculate the number of 'Children referred to children's court enquiries' the basic assumption is that 25% of children that are referred to social welfare services, that are not maternal or double orphans, will require protection services. Then 70% of maternal orphans and 100% of double orphans are added to this number.

5. *Foster Care and Kinship Care –*

- To calculate the number of children that should be in foster care and kinship care at the beginning of 2005/06 in each province the expected number of new foster care orders for 2005/06 is multiplied by (1/the percentage of orders that will lapse after a review). In the case of foster care the number of orders that will lapse is assumed to be 15% and in the case of kinship care it is assumed to be 10%. These initial 2005/06 numbers are then adjusted by the number of new orders and the number of lapsed orders in the succeeding years.
- To calculate the number of new foster care orders in each year it is assumed that in 5% of protection cases the children's court will place the child in foster care. (Note that in the FC Low scenario this percentage is 10% due to the assumption that fewer children will be placed in children's homes in this scenario).
- To calculate the number of new kinship care orders in each year it is assumed that in 80% of protection cases the children's court will place the child in kinship care.
- To calculate the number of foster and kinship care orders reviewed each year the basic assumption is that half the existing orders are reviewed each year. This assumption is then adjusted to provide for the review of orders that were previously extended so as to get a smooth flow of reviews.

6. *Management of Child and Youth Care Centres –*

- The initial number of registered CYC centres in 2005/06 is based on the demand for places in each kind of facility less the number of existing places divided by 60, which is the norm for the recommended size of facilities.
- The number of new applications to register CYC centres is determined by changes in the demand for places in each kind of facility.

7. *Place of Safety and Secure Care - Outside Services –*

- To calculate the number of children in places of safety and secure care the initial number in 2005/06 is equal to the number of new orders placing children in these facilities in 2005/06 multiplied by the percentage of children that get discharged following a review (see below). These initial 2005/06 numbers are then adjusted by the number of new orders and the number of lapsed orders in the succeeding years. To calculate the number of orders that lapse it is assumed that children have their cases reviewed every three months, and that 50% of orders placing children in places of safety lapse with every review, and 30% of orders placing children in secure care facilities lapse with every review.
- To calculate the number of new orders placing children in places of safety and secure care it is assumed that:
 - 50% of children who are removed from their family situations for their protection are placed in a place of safety, plus it is assumed that 50% of children whom the children's court places in children's homes are first sent to a place of safety to await 'permanent placement'; and

- 5% of the estimated number of children who are arrested each year, plus 5% of children whom the children's court places in CYC centres are first sent to a secure care facility to await 'permanent placement', usually in a school of industry or a reform school.
 - To calculate the number of case reviews it is assumed that each child has their placement order reviewed every three months.
8. *Child and Youth Care Centres – Outside Services –*
- To calculate the number of children in children's homes it is assumed that the initial number at the start of 2005/06 equals 10% of the child protection cases that do not involve maternal or double orphans multiplied by (1/the percentage of orders that will lapse after a review), plus 10% of the total number of maternal and double orphans in 2005/06. These initial 2005/06 numbers are then adjusted by the number of new orders and the number of lapsed orders in the succeeding years. To calculate the number of orders that lapse it is assumed that children have their cases reviewed every two years, and that 20% of orders placing children in children's homes 0-6 lapse with every review, and 15% of orders placing children in children's homes 7-18 lapse with every review.
 - To calculate the number of children in 'other CYC centres' (i.e. schools of industry and reform schools) it is assumed that the initial number at the start of 2005/06 equals twice the number of new placements in that year less 5%. These initial 2005/06 numbers are then adjusted by the number of new orders and the number of lapsed orders in the succeeding years. To calculate the number of orders that lapse it is assumed that children have their cases reviewed every two years, and that 80% of orders placing children in these facilities lapse with every review.
 - To calculate the number of new orders placing children in children's homes it is assumed that in 10% of protection cases the children's court will place the child in a children's home. (Note that in the FC Low scenario this percentage is 5% as it is assumed that more children are placed in foster care).
 - To calculate the number of new orders placing children in 'other CYC centres' it is assumed in the case of schools of industry that 10% of children referred to children's courts for 'behavioural problems' are placed in schools of industry, and in the case of reform schools that 10% of children initially placed in secure care will be sentenced to a reform school.
 - To calculate the number of case reviews it is assumed that each child has their placement order reviewed every two years.
9. *Child and Youth Care Centres –* this is directly linked to the demand for places as indicated by the number of children placed in and remaining in the different facilities.
10. *Shelter and Drop-in Centres –* to calculate the 'Capacity of drop-in centres' and the number of 'Places in shelters' the basic assumption is that there are three drop-in centres and three shelters for every 500,000 children in a province. This is then adjusted by the percentage of the population that falls into the first two income quintiles in each province.
11. *Adoptions –* to calculate the number of non-related (classic and foster) adoptions performed each year, the basic assumption is that two out of every thousand children in foster care, kinship care and in children's homes get adopted each year. To calculate the number of children that get adopted in each province it is assumed that only non-poor families adopt, and so the basic assumption is adjusted by the percentage of the population that falls into the first two income quintiles in each province. The number of family adoptions is linked to the number performed in 2005/06 increasing by 5% per year.

4.2.2 Demand variables: provincial education

The costing of the education services envisaged by the Children's Bill is complicated by the fact that:

- In the Western Cape the social development department is responsible for all the schools attached to places of safety and the education programmes at secure care facilities;
- In the Eastern Cape the social development department is responsible for one of the schools attached to a secure care facility (John X Merriman);
- In Gauteng the social development department is responsible for the school attached to a secure care facility (Bosasa); and
- In KwaZulu-Natal the provincial social development department is responsible for the hostel costs of the Newcastle School of Industry, and the provincial education department for the school costs.

The costs of these facilities are included with the education costing in order to give a holistic picture of the cost of the education responsibilities set out in the Children's Bill, and to ensure comparability of costs across provinces.

Most of the demand variables for the provincial education departments are outputs of the provincial social development modules of the Costing Model. The following table sets out the demand variables for IP Low scenario

Table 4.17: IP Low: Demand variables – provincial education

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
School fees for wards of the state						
Children in Grade R-7 requiring fee subsidy	170,651	221,489	275,144	328,752	382,873	442,455
Children in Grade 8-12 requiring fee subsidy	72,970	94,686	117,615	140,524	163,653	189,120
Schools at places of safety and secure care						
Capacity of schools at places of safety	815	1,071	1,191	1,461	1,851	2,171
Capacity of schools at secure care facilities	795	1,265	2,027	2,267	2,327	2,327
Schools of industry						
Capacity of hostels and schools	2,116	2,221	2,336	2,361	2,481	2,581
Reform Schools						
Capacity of hostels and schools	511	561	631	631	696	756

The following assumptions underpin the demand variables presented in the above table:

1. *School fees for wards of the state* –

- The number of children who are wards of the state and are likely to need their school fees subsidised are calculated using the following assumptions:
 - 15% of children in children's homes 0-6;
 - 100% of children in children's homes 7-18;
 - 70% of children in foster care and kinship care;
 - 50% of children in places of safety, less the number of places in schools attached to the places of safety; and
 - no children from secure facilities, although in practice in certain provinces some of these children do attend schools in the community.

- The ratio between Grade R-7 and Grade 8-12 is assumed to be 70:30, except in the case of children from children's homes 0-6, where 100% are in Grade R-7.
2. *Schools at places of safety and secure care* – information obtained from the responsible provincial education or social development departments. These numbers indicate existing and planned places. For the new facilities, unless the departments indicated that children will attend schools in the community, it is assumed that they will have schools attached to them.
 3. *Schools of industry and reform schools* – information obtained from the provincial education departments. These numbers indicate existing places and planned places.

Table 4.18: FC High: Demand variables – provincial education

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
School fees for wards of the state						
Children in Grade R-7 requiring fee subsidy	672,985	799,452	918,127	1,034,258	1,140,533	1,244,807
Children in Grade 8-12 requiring fee subsidy	284,885	338,848	389,474	439,042	484,397	528,920
Schools at places of safety and secure care						
Capacity of schools at places of safety	815	1,071	1,191	1,461	1,851	2,171
Capacity of schools at secure care facilities	3,935	4,645	5,772	6,012	6,196	6,196
Schools of industry						
Capacity of hostels and schools	5,292	5,873	6,135	6,484	6,604	6,767
Reform Schools						
Capacity of hostels and schools	2,400	2,673	2,743	3,082	3,147	3,466

The following assumptions underpin the demand variables presented in the above table:

1. *School fees for wards of the state* – the assumptions used to calculate these numbers are the same as for the IP Low scenario indicated above.
2. *Schools at places of safety and secure care* – the number of places in schools attached to places of safety is the same as that for the IP Low scenario as it is assumed that new places of safety will not have schools attached; instead the children will attend schools in the community. The number of places in the schools attached to secure care facilities is directly linked to the demand for places as indicated by the number of children placed in and remaining in these facilities
3. *Schools of industry and reform schools* – the number of places in both the hostels and schools is directly linked to the demand for places as indicated by the number of children placed in and remaining in these facilities.

4.2.3 Demand variables: Department of Justice

As with education, most of the demand variables for the Department of Justice module are outputs of the provincial social development modules of the Costing Model.

Note that in the case of the Department of Justice module separate sets of demand assumptions inform the Low and High scenarios. The differences are noted below in relation to each assumption.

The Department of Justice supplied the information on the demand for the new processes envisaged by the Children's Bill, such as interdicts, applications for access etc. There is, however, very little information on what the actual demand for these services will be, and so the demand figures proposed by the department are only very rough estimates.

Table 4.19: IP Low: Demand variables – Department of Justice

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Protection and alternative care						
Children's court enquiries	91,368	110,996	122,650	135,551	149,845	165,695
Contribution orders						
Contribution orders	1,827	2,220	2,453	2,711	2,997	3,314
Interdicts and other orders						
Interdicts sought	2,000	10,000	15,000	17,500	22,000	25,000
Other orders sought	2,000	5,000	7,500	8,750	11,000	12,500
Monitoring orders made	38,010	44,565	52,850	60,544	69,824	78,658
Reviewing existing orders						
Existing orders reviewed	157,817	172,068	242,208	279,038	356,478	394,778
Adoptions						
SA adoptions	2,573	2,771	2,984	3,301	3,658	4,065
Inter-country adoptions	186	196	209	224	244	269
Transfer of cases between jurisdictions	1,066	1,148	1,235	1,365	1,512	1,680
Parental rights and responsibilities						
Applications for access	20,000	50,000	100,000	150,000	200,000	260,000
Parental plans registered or varied	20,000	50,000	100,000	150,000	200,000	260,000
Investigations	4,000	10,000	20,000	30,000	40,000	52,000
Lay forums						
Lay forums arranged and facilitated	12,064	23,461	42,747	61,317	80,786	102,959
Legal representation						
Cases where legal representation is provided	85,120	98,409	124,931	141,614	171,352	189,762
Protection and alternative care	36,547	44,399	49,060	54,221	59,938	66,278
Contribution orders	0	0	0	0	0	0
Interdicts and other orders	400	1,500	2,250	2,625	3,300	3,750
Review of orders	47,345	51,620	72,663	83,711	106,944	118,433
Adoptions	828	890	958	1,058	1,171	1,300
Parental rights and responsibilities	0	0	0	0	0	0

Table 4.20: FC High: Demand variables – Department of Justice

Demand variables	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Protection and alternative care						
Children's court enquiries	324,162	335,202	341,029	342,374	342,382	343,792
Contribution orders						
Contribution orders	16,208	16,760	17,051	17,119	17,119	17,190
Interdicts and other orders						
Interdicts sought	25,000	25,500	26,010	26,530	27,061	27,602
Other orders sought	12,500	12,750	13,005	13,265	13,530	13,801
Monitoring orders made	153,247	170,789	192,418	208,297	227,422	241,417
Reviewing existing orders						
Existing orders reviewed	613,321	666,467	868,640	924,202	1,109,510	1,159,743
Adoptions						
SA adoptions	4,135	4,750	5,334	5,908	6,442	6,971
Inter-country adoptions	186	196	209	224	244	269
Transfer of cases between jurisdictions	1,691	1,939	2,175	2,408	2,625	2,842
Parental rights and responsibilities						
Applications for access	260,000	265,200	270,504	275,914	281,432	287,061
Parental plans registered or varied	260,000	265,200	270,504	275,914	281,432	287,061
Investigations	156,000	159,120	162,302	165,548	168,859	172,237
Lay forums						
Lay forums arranged and facilitated	201,500	206,438	214,326	219,267	226,852	231,841
Legal representation						
Cases where legal representation is provided	512,978	546,950	652,283	681,616	774,988	801,668
Protection and alternative care	194,497	201,121	204,617	205,424	205,429	206,275
Contribution orders	0	0	0	0	0	0
Interdicts and other orders	7,500	7,650	7,803	7,959	8,118	8,281
Review of orders	306,660	333,233	434,320	462,101	554,755	579,871
Adoptions	4,321	4,946	5,543	6,132	6,686	7,240
Parental rights and responsibilities	0	0	0	0	0	0

The following assumptions underpin the demand variables presented in the above two tables:

1. *Protection and alternative care* – equals the total number of protection cases estimated by the provincial social development departments.
2. *Contribution orders* – in the IP Low scenario it is assumed that courts will make contribution orders in 2% of the protection and alternative care cases. In the IP High scenario it is 5%.
3. *Interdicts and other orders* – the information on the demand for interdicts and other orders was provided by the Department of Justice. The number of monitoring orders is based on 50% of the number orders the court makes for children or associated adults to participate in some form of intervention service.
4. *Reviewing existing orders* – equals the total number of placement orders that need to be reviewed as estimated in the provincial social development module. Orders placing children in places of safety and secure care are reviewed every three months, and other placement orders are reviewed every two years. In the Low scenarios 10% of the contribution orders are also reviewed, and in the High scenarios it is 20%.
5. *Adoptions* – the number of adoptions and inter-country adoptions equals number of adoptions reflected in the provincial social development modules. It is assumed that adoption cases are transferred between court jurisdictions in 20% of the cases.
6. *Parental rights and responsibilities* – the information on the demand for applications for access and the registration of parenting plan was provided by the Department of Justice.
7. *Lay forums* – the following assumptions were used to estimate the demand for lay forums:
 - 2% of protection and alternative care cases, interdicts and other orders and reviews of placement orders;
 - in the Low scenarios 25% of applications for access (50% in the High scenarios); and
 - in the Low scenarios 10% of applications to register parental plans (20% in the High scenarios)
8. *Legal representation* – the following assumptions were used to estimate the demand for legal representation:
 - in the Low scenarios 40% of protection and alternative care cases (60% in the High scenarios);
 - 0% of contribution orders;
 - in the Low scenarios 10% of interdicts and other orders (20% in the High scenarios);
 - in the Low scenarios 30% of reviews of placement orders (50% in the High scenarios);
 - in the Low scenarios 30% of adoptions (100% in the High scenarios); and
 - 0% of applications for access and registration of parental plans, due to the fact that the Family Advocate is tasked to provide this service.

4.2.4 Demand variables: national Department of Social Development

The national Department of Social Development's responsibilities are by and large not demand-driven as they relate to policy development, monitoring and evaluation. The only areas that are demand-driven are the Registrar of Adoptions, the Central Authority and International Social Services. However, the level of demand in each instance is expected to be relatively stable, and so

these services were costed according to their required establishment, rather than using activity-based costing. Assumptions regarding their required establishment were developed in consultation with the department, and with reference to their existing establishment.

4.3 Personnel costs and related assumptions

The assumptions on personnel costs underpin the entire costing of the Children's Bill. To promote comparability across provinces and across scenarios a single set of personnel costs and related assumptions is used for all the scenarios.

There are three categories of personnel assumptions, namely

1. *The 'price' of personnel* – this is the cost to the state of employing officials in the different staff categories. These assumptions are based on the salary levels effective from 1 July 2005, issued by the Minister for Public Service and Administration.

Personnel costs cover the following items:

- Salary: the levels and notches for each category of personnel
- Service bonus: 8.33% of salary
- Home allowance: R4,488.00 for all officials
- Pension contribution: 13% of salary
- Medical aid contribution: R12,168.00 for all officials

The salary levels of all staff in the modules of the Costing Model applicable to the provincial social development and education departments are set to those proposed by the KwaZulu-Natal social development department. The reason this set is used is that the officials involved in the costing had clearly done some of the most detailed work, the province consists of a mix of urban and rural, and this department is required to serve the greatest number of children. The Department of Justice and the national Department of Social Development set the salary levels in their modules of the Costing Model.

2. *Full-time equivalent assumptions* – to work out how many officials are required to deliver a particular service the following formula is used:

$$\text{No. of officials required} = \frac{\text{Total delivery time for service per year}}{\text{Work time of one official per year}}$$

The 'total delivery time per year' is calculated by multiplying the annual demand for the service by the relevant activity time assumptions (as discussed above).

The 'work time of one official per year' is calculated for each staff category, taking into consideration the normal number of working days, leave, public holidays etc. Table 4.21 gives examples of work time assumptions used in the costing:

Table 4.21: Examples of annual work time assumptions

Staff category	Normal Working Days	Normal Leave Days	Public Holidays and Religious Leave Days	Sick Leave Days	Other Leave Days	Hours on the Job	Total hours on the job per year
Magistrate	261	25	14	12	5	4.5	922
All social workers	261	25	14	12	5	7	1435
Administrative staff	261	25	14	12	5	7	1435

The full-time equivalent formula assumes that the officials delivering a service work full-time at doing so and that is all they do in the year. This is obviously not a realistic assumption, but it enables one to calculate the total number of officials required to deliver a package of services. How the management of the department requires officials to allocate their time between the different services in reality is a completely separate issue.

3. *Overtime assumptions* – overtime is costed separately from other personnel costs, because by its nature, it does not add to the number of staff required to perform an activity. It only adds to the cost of the personnel. Overtime is costed at 4/3 of normal personnel costs. There are only two areas where overtime is costed:
 - Social workers and auxiliary social workers responding to after-hours emergency calls in relation to children in need of care and protection; and
 - Magistrates that are required to hear applications for interdicts after-hours.

Note also that no overtime is costed for staff who normally work shifts.

4.4 Goods and services assumptions

Normal activity based costing requires all inputs needed to perform each activity to be specified and costed. However, specifying the full range of inputs is at the best of times fairly difficult. It is even more difficult when dealing with a wide range of non-standardised services such as those envisaged by the Children's Bill.

So to simplify the costing process it was decided to cost certain non-personnel inputs explicitly and the remaining ones according to a fixed ratio to the personnel inputs. The non-personnel inputs that were costed explicitly include the travel related to the delivery of services, the partial care/ECD subsidies, the material assistance interventions, the per capita allowances for food, clothing and recreation of children in facilities, and the school fees the state should pay in respect of children that are its wards. All of these assumptions, except travel, are discussed in preceding sections.

4.4.1 Travel costs

The travel related to the delivery of services is costed on the following basis:

$$\text{Cost of travel} = \frac{\text{Travel time}}{\text{Speed}} \times \text{Cost per km}$$

Where:

<i>Travel time</i>	=	The average travel time per return trip in relation to each activity that requires travel. Most return trips are assumed to take 60 minutes.
<i>Speed</i>	=	The average speed officials are expected to travel at - in most instances 60km/hr.
<i>Cost per km</i>	=	Total cost = 215c/km Based on AA 2005 Rates for a 1500-1900cc vehicle costing between R125 – R150 000 travelling 30,000 km per year. Fixed cost element = 129c/km. Variable cost element = 55.8+16.74+13.71 = 86.29c/km

4.4.2 Goods and service assumptions for non-facility-based services

In the case of non-facility-based services, all other inputs (goods and services) are costed according to a fixed ratio to the personnel costs. The logic of this approach is that these inputs are used by staff to deliver services, and the greater the responsibilities of a member of staff (as reflected by their salary) the more of these 'other inputs' they would require to perform their duties.

The following goods and services to personnel cost ratios are used in the different models to calculate the total goods and service costs of the non-facility-based services:

Table 4.22: Goods and services to personnel ratios for non-facility-based services

Department	Ratio	Information the ratio is based on
Provincial social development departments	35:100	Based on information in the 2006/07 provincial MTEF budgets: – the total estimated expenditure on goods and services to compensation of employees for Programme 2: Social welfare services of the nine provincial social development departments
Department of Justice	30:100	Based on information in the MTEF for the Department of Justice in the <i>Estimates of National Expenditure 2006</i> : – the estimated expenditure on goods and services to compensation of employees (plus the salaries of magistrates) for Programme 2: Court Services.
National Department of Social Development	55:100	Base on information in the MTEF for the Department of Social Development in the <i>Estimates of National Expenditure 2006</i> : – the estimated expenditure on goods and services to compensation of employees for Programme 4: Social welfare services.

In each instance, the programmes selected as the basis for the ratio fund services similar to those being costed.

Note that in the case of the provincial social development departments it was decided to use the national aggregate for all provinces, rather than provincial specific ratios. The provincial specific ratios are quite divergent primarily because the level and nature of social welfare services varies

widely between the provinces. To use provincial specific ratios would perpetuate these inequities, whereas the aim is to move towards a comparable set of services, based on national norms and standards.

In order to give more information on the types of goods and services required to deliver the services envisaged by the Children's Bill, a set of ratios based on departments' 2004/05 actual expenditures was calculated and is used to break down the total goods and services estimates into various sub-categories. These are presented in Table 4.23. Note that these ratios do not impact on the cost of the services in any way, i.e. they are not cost drivers. They simply provide estimates of the allocations for each input. The important ratios from a costing perspective are those in Table 4.22 above.

Table 4.23: Goods and service ratios for non-facility based services

Provincial social development departments		Department of Justice		National Department of Social Development	
SCOA Item	Ratio	SCOA Item	Ratio	SCOA Item	Ratio
Inventory	0.251	Consultants and special services	0.249	Travel and subsistence	0.168
<i>Of which: Food supplies</i>	<i>0.500</i>	Travel and subsistence	0.216	Advertising	0.155
<i>Domestic consumption</i>	<i>0.050</i>	Communication	0.101	Consultants & Special Services	0.144
<i>Stationery & printing</i>	<i>0.350</i>	Inventory	0.059	Communication	0.091
<i>Other</i>	<i>0.100</i>	Computer services	0.053	Inventory	0.088
Communication	0.124	Translations and transcripts	0.052	Computer services	0.080
Computer services	0.115	Legal fees	0.044	Training & staff development	0.055
Owned & leasehold property Exp.	0.092	Witness and related fees	0.073	Venues and facilities	0.053
Operating leases incl. rent	0.083	Operating leases incl. rent	0.031	Printing and publications	0.038
Consultants & special services	0.069	Equipment < R5000	0.010	Equipment <R5000	0.028
Maint. repair & running cost	0.068	Other	0.112	Operating leases incl. rent	0.008
Equipment <R5000	0.039			Courier & delivery services	0.008
Legal Fees	0.026			Legal fees	0.006
Transport (department activities)	0.017			Maintenance, repair & running cost	0.006
Training & staff development	0.008			Other	0.074
Other	0.108				

4.4.3 Goods and service assumptions for facilities

Facilities require a different range of inputs to those used to deliver community-based services. Therefore specific input assumptions were developed to cost the goods and services used by the different facilities. These assumptions are informed by research into the funding of non-government run children's homes reported in the *Study into the funding of Government subsidised residential children's homes in South Africa*. This study documents the expenditures of 165 non-government run children's homes for the period 1999 to 2002. Analysing the total expenditure data for 2002 as reported in this study, the following percentages were calculated:

- 50% of total expenditure goes towards salaries, and 50% to goods and services (including food, clothing and recreation);
- If expenditure on food, clothing, recreation, education, fundraising and conferences is excluded, then expenditure on the remaining goods and services is 54% of the expenditure on salaries, and 35% of the remaining total expenditure.

Taking these expenditure ratios into consideration, and the proposed staffing norms, the approach to costing food, clothing and recreation, as well as the position that the state should pay for education, and fully fund the facilities, the following personnel to goods and services cost ratios are used to calculate the goods and service costs that are not explicitly costed on a per child basis for the different types of facility:

- 100:25 for child and youth care centres and shelters, and
- 100:10 for drop-in centres.

Note that food, clothing and recreation are costed on a per child basis using the input assumptions presented in Table 4.7.

Again, to give more information on the types of goods and services that facilities require to function a set of ratios was developed, again informed by information from the abovementioned study.

Table 4.24: Goods and service ratios for facilities

Input category		CYC Centres	Shelters	Drop-ins
Inventory	<i>Domestic Consumables</i>	2.0%	2.0%	5.0%
	<i>Medical Supplies</i>	3.0%	3.0%	5.0%
	<i>Stationery & Printing</i>	1.0%	1.0%	1.0%
	<i>Inventory Other</i>	1.0%	1.0%	1.0%
Equipment <R5000	<i>Linen and soft furnishings</i>	6.0%	6.0%	0.0%
	<i>Sport and recreation equipment</i>	3.0%	3.0%	3.0%
Computer Services		6.0%	6.0%	10.0%
Property Exp.	<i>Municipal services</i>	21.0%	21.0%	30.0%
Special Services	<i>Insurance</i>	5.0%	5.0%	5.0%
	<i>Specialists: speech, etc</i>	10.0%	10.0%	0.0%
Maintenance, repairs and running costs		16.0%	16.0%	15.0%
Transport		16.0%	16.0%	15.0%
Training and staff development		4.0%	4.0%	4.0%
Other		6.0%	6.0%	6.0%

As before, note that these ratios do not impact on the cost of the services in any way, i.e. they are not cost drivers. They simply provide estimates of the allocations for each input.

4.5 Inflation assumption

All prices in the model are set initially for 2005/06. The Costing Model uses an inflation assumption of 5% per year. This is a conservative assumption, since the National Treasury¹⁰ expects inflation to be slightly lower in the initial years covered by the costing. However, the ongoing efforts to improve the conditions of service of social workers and other workers in the sector means that their salaries are likely to increase in real terms, thus justifying the higher inflation assumption.

Note that all prices increase in line with the above inflation assumption. The Costing Model is structured to allow for different inflation assumptions to be applied to different categories of inputs, but it was decided that to use a range of inflation assumptions would not add value to the final costing outcomes. This facility may, however, be useful if the Costing Model is used for detailed implementation planning.

¹⁰ Budget Review 2006, page 42

5 Factors impacting on the accuracy of the costing outcomes

The costing outcomes generated by the different modules of the Children's Bill Costing Model are *calculated estimates of what it is likely to cost to implement the main services envisaged by the comprehensive Children's Bill.*

The accuracy or robustness of these calculated estimates is dependent on a range of factors, some of which are outlined below.

5.1 Accuracy of the service demand variables

The service demand variables have the greatest impact on the level of the costing outcomes. Consequently, the accuracy of the service demand variables has the greatest impact on the accuracy of these outcomes.

The accuracy of the demand variables used in the Implementation Plan scenarios varies greatly between the different areas of services: some are very accurate, others are little more than informed estimates. When it comes to projecting these numbers forward the situation becomes more uncertain as there is very little trend data on which such projections can be based.

The demand variables used in the Full Cost scenarios are all estimates based on various assumptions about the factors that drive the demand for the different services. The relevant assumptions are discussed in section 4.2 above.

5.1.1 Social development information

There are only two areas where the data on service delivery is collected at a national level, and is known and verifiable, namely:

- The number of foster care grants currently being paid - although there are some anomalies in the data; and
- The number of adoptions registered by the Registrar of Adoptions.

There are a few areas where data on service delivery is available from the provincial social development departments, but it is not clear that it is complete or consistent across provinces. These areas are:

1. *The number of registered partial care/ECD facilities* – the information was supplied by the provincial social development departments which are responsible for registering these facilities. However, these registers are generally out of date and incomplete, since in every province mention was made of facilities that are not registered. In addition, certain provinces only register facilities that receive subsidies, and not the privately funded facilities.
2. *The number of partial care/ECD subsidies currently being paid* – different approaches are used to pay the subsidies with the result that it is not clear that the data from the different provinces is consistent, or reflects the number of children being subsidised accurately. Also the eligibility criteria differ or are applied inconsistently which impacts on the consistency of the data as well.
3. *The number of registered child protection organisations* – provinces had lists of NPOs (non-profit organisations), but mostly did not specifically identify organisations that were registered to

provide statutory services to children. These were identified by officials going through the above lists – in other words not with reference to a specific register. In addition there was some confusion as to how to treat organisations that operate branches in different localities.

4. *The number of child and youth care centres and their registered capacity –*

- Places of safety and secure care facilities – the information on existing facilities is accurate, although there was some confusion about the distinction between the two types of facilities; and
- Children's homes – the information was supplied by the provincial social development departments who are responsible for registering these facilities. However, these registers are in most instances out of date. In all provinces officials indicated that they knew of 'homes' that are operating but are not registered.

5. *The number of shelters and drop-in centres, and their capacity –* the information was supplied by the provincial social development departments who are responsible for registering these facilities. However, these registers are out of date, and incomplete, since in every province mention was made of facilities that are not registered. In addition, there was some confusion as to what constitutes a drop-in centre versus a community-based HIV-support centre.

The demand information on the remaining areas of service delivery within the social development sector varies greatly in accuracy and verifiability across the provinces. Most provincial social development departments collect some information, but its usefulness and reliability varies greatly. Also the information is often incomplete as it only covers the work of the department, and does not include services provided by other organisations on behalf of the department. It is also evident that different definitions underpin the information, which makes it incomparable. There are also many areas of service delivery where it would appear that the departments do not collect information, for instance the number of children placed in child and youth care centres, and the number of children discharged from such centres. In these instances, officials gave estimates of what they believed to be the situation.

The absence of a nationally co-ordinated information set on the delivery of social welfare services to children is cause for grave concern. It means the national Department of Social Development does not have consistent, up-to-date and reliable information with which to monitor what services are being delivered, where there are service gaps or anything else related to the delivery of services to children.

The following table illustrates some of these difficulties with reference to the figures that the provincial social development departments provided on the number of children at risk referred to social welfare services.

Table 5.1: IP Low: Children at risk referred to social welfare services

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	25,000	40,000	44,000	48,400	53,240	58,564
Free State	15,275	16,275	17,275	18,275	19,275	20,275
Gauteng	51,765	56,942	62,636	68,899	75,789	83,368
KwaZulu-Natal	14,000	16,100	18,515	21,292	24,486	28,159
Limpopo	22,000	24,200	26,620	29,282	32,210	35,431
Mpumalanga	15,000	16,500	18,150	19,965	21,962	24,158
Northern Cape	5,544	5,960	6,407	6,887	7,404	7,959
North West	6,000	6,900	7,935	9,125	10,494	12,068
Western Cape	6,000	6,600	7,260	7,986	8,785	9,663
South Africa	160,584	189,476	208,797	230,112	253,644	279,645
<i>No. of children at risk per 100,000 children</i>						
Eastern Cape	1,080	1,751	1,955	2,183	2,435	2,714
Free State	1,520	1,634	1,748	1,862	1,974	2,085
Gauteng	1,804	1,949	2,111	2,291	2,492	2,716
KwaZulu-Natal	350	403	464	535	618	713
Limpopo	833	919	1,013	1,117	1,230	1,353
Mpumalanga	1,109	1,221	1,344	1,480	1,629	1,794
Northern Cape	1,804	1,955	2,116	2,289	2,473	2,669
North West	430	497	573	662	764	882
Western Cape	378	413	451	493	539	590
National Average	889	1,049	1,156	1,275	1,407	1,552

When collecting the data, it was evident that Free State, Gauteng, KwaZulu-Natal, Northern Cape and Western Cape were able to substantiate their numbers with reference to information collected by the departments, although it is not clear that these numbers are counting the same thing. On the other hand the numbers put forward by the other provinces are rough estimates – and in most instances the consulting team had to ask the departments to re-evaluate their original estimates because they appeared unrealistic.

The second half of the table shows the number of children at risk per 100 000 children so that the information can be compared across provinces. This comparison suggests that:

- Five times more children at risk per 100 000 are referred to social welfare services in the Northern Cape than in KwaZulu-Natal. This correlates with the availability of social workers in these two provinces, but does not seem to bear any relationship to the relative need.
- Western Cape, with the highest per capita expenditure on children, reports among the lowest number of children at risk being referred to social welfare services. Contrast this to Limpopo and Mpumalanga that have among the lowest per capita expenditure.

5.1.2 Justice information¹¹

It is commonly agreed amongst role-players from the Department of Justice and national Department of Social Development that accurate and meaningful data in relation to children's court service delivery is not readily available. While information is collected by various units within the Department of Justice, it is not always recorded in a uniform manner and difficulties are often experienced in obtaining the requested information from local courts.

¹¹ This section draws on Report SA1: 'The functioning of the existing children's courts'.

The information provided by lower courts to the Court Nerve Centre of the Department of Justice is provided by means of what are called lower court returns. This information is collated into an annual return. All this information is heavily reliant on personnel at the respective courts for accuracy. If the requested data is not understood, or poorly recorded, it directly affects the integrity of the data. The information from this source available to the Costing Project covered the period from 2002 to 2004. The data sets do not include information from every district court, as not all courts responded to the internal departmental requests for data. In 2003, the returns were extracted from the responses of 398 courts (out of the possible 521 courts), while in 2004 the figures were extracted from the responses of 308 courts (out of the possible 521 courts). This means the data is incomplete. In addition, the department has no mechanisms in place to check the accuracy and consistency of the data.

Consequently, the data from the Department of Justice does not give a clear picture of the current services the department provides to children. At best the existing data can be seen to be illustrative, but even in this regard there are serious concerns about the consistency of the justice data compared to the social development data. These concerns are best illustrated with reference to information on adoptions:

Adoption is the only category of children's court work where the data set from the Department of Justice can be compared directly to other available information. After a children's court has decided to grant an adoption, the adoption order made by the court is forwarded to the Registrar of Adoptions based in the national Department of Social Development. Although the adoption is legal once the children's court has made its order, it is necessary for the order to be listed on the Adoptions Register before the adopted child's surname can be changed at the Department of Home Affairs. There is a predictable time lag between the finalisation of the adoption by the children's court and the onward transmission of the necessary information to the Registrar, as well as the subsequent entering of this information onto the register. Generally speaking, this time lag is rarely more than 3 months. The following table compares the information obtained from the Department of Justice with that obtained from the Registrar of Adoptions:

Table 5.2: Adoptions data from Department of Justice and the Registrar of Adoptions

Data from the Court Nerve Centre of the Department of Justice										
Year	EC	FS	GT	KZN	LIM	MP	NC	NW	WC	Total
2003	709	266	961	1,043	648	198	329	103	550	4,807
2004	607	226	775	535	865	129	55	39	475	3,706
Data from the Registrar of Adoptions, national Department of Social Development										
Year	EC	FS	GT	KZN	LIM	MP	NC	NW	WC	Total
2003	157	80	1,143	231	48	80	121	20	284	2,164
2004	168	141	1,144	236	113	134	33	95	410	2,474

It is apparent that there is a large discrepancy between the number of adoptions recorded by the Department of Justice and those recorded by the Registrar of Adoptions. The Registrar of Adoptions information excludes inter-country adoptions, while the Department of Justice includes these. However, this only accounts for a small proportion of the discrepancy, as according to information from the Registrar there are only about 220 inter-country adoptions per annum.

Given that the Department of Justice only collated information from 398 of the 521 courts in 2003, and from 308 of the 521 courts in 2004, it appears that the variance in the numbers could be greater than stated. There is no clear reason as to why the two sets of numbers differ. However, having examined the two sets of data, and the methodology used to collect them, it is clear that the data from

the Registrar of Adoptions is far more reliable. This highlights the difficulty of using the existing data sets from the Department of Justice as indicative of current demand or even as illustrative of future demand trends.

In those instances where the services provided by the Department of Justice are closely aligned to services provided by the provincial social development departments, the demand variables are either linked to the social development demand variables or are an output of the social development processes. These links are noted in section 4.2.

The remaining demand variables were developed by head office officials from the Department of Justice, after consultation with the consulting team. At best they are very rough estimates of the demand for the different services, especially where the services are new.

5.1.3 Education information

The information on schools of industry and reform schools was supplied by the provincial education departments who are responsible for these facilities. In some instances the consulting team phoned the facilities themselves to verify information, because the provincial department was unclear on the status and capacity of a number of the schools.

Again it is a source of concern that the national Department of Education does not maintain an up-to-date database on these facilities. In the absence of such information, it is not clear how the national department monitors whether there are sufficient facilities to meet the demand for the services, and whether the facilities are functioning optimally.

5.2 Service delivery norms and standards

There are two aspects to the service delivery norms and standards that may impact on the accuracy of the costing:

1. *The norms and standards may not be correctly specified* – Do the norms and standards used to do the costing correctly reflect the nature of the services envisaged by the Children's Bill? This is a difficult matter to answer conclusively. Suffice it to say that the process used to develop the norms and standards sought to draw on a range of experiences and expertise. There may be areas about which there is disagreement, but these are likely to be relatively minor, and their impact on the costing outcomes could be either up or down.
2. *Are the norms and standards set at the correct level?* – This issue is more contentious. As indicated the 'High' option specifies norms and standards that describe a more or less uniform standard for all services based on a consensus of what represents 'good practice', whereas the 'Low' option maintains 'good practice' norms and standards for priority services, but describes significantly lower norms and standards for non-priority services and activities. It is likely that there will be some disagreement around what represents good practice, and also around which services are high priority and which are low priority. However, unless the norms specified are shown to be obviously wrong, the current costing outcomes simply reflect the cost implications of the two sets of norms and standards used. Further scenarios could be developed using different norms and standards.

5.3 Definitions

The fact that the three national departments involved in the delivery of services to children do not have proper systems in place to collect and collate data on service delivery and facilities means that the provincial departments and courts define services, service delivery and the nature of facilities differently. This is further complicated by the fact that the Children's Bill introduces a range of new services and terms to describe existing services. A number of strategies were used to ensure that the different departments involved in the costing used consistent definitions, but this is really only something that can be sorted out over time, and with proper systems in place. Areas where definitional problems may impact on the costing outcomes include:

1. *The number of registered partial care facilities* – There was uncertainty as to which facilities should be counted, given the very wide definition in the Bill. The approach used was to count only partial care facilities offering services to children between 0-4 on a regular basis, whether privately funded or subsidised.
2. *The number of children at risk referred to social welfare services* – There was confusion as to whether this was equivalent to the 'intake numbers' that certain departments collect. This matter was not settled. However, it was emphasised that this demand variable refers to the overall number of new children that 'cross the threshold' of a social worker's door because they may require one or other social welfare service, and in respect of whom a 'risk assessment' is done to establish what service they require, if any.
3. *The difference between foster care and kinship care* – How close does the relationship between a child and foster parent have to be for it to be regarded as a kinship care placement? There were strong arguments for treating the two kinds of placements in exactly the same way, in which case it would not have impacted on the costing. But given that the Costing Model specifies different norms and standards for the screening and oversight of the two placement types the distinction becomes important. The matter was not settled. Instead each provincial department of social development simply made a rough estimate as to the percentage of foster care placements that could be regarded as kinship care placements. In the Full Cost scenarios it is assumed that 80% of all children appearing at a children's court enquiry will be placed in kinship care.
4. *The definition of severe disability and chronic illness* – It was difficult to define when a child with a particular disability fell into this category, especially when dealing with children with learning backlogs or disabilities. This impacts on the levels of staff and funding going to facilities that cater for these children.
5. *The definition of substance abuse* – There was no common understanding around what constituted substance abuse, and therefore whether an facility required additional personnel to deal with the problem or not. The impact of this on the costing is relatively minor.
6. *The definition of drop-in centres*: The definition in the Bill is very broad, covering all centres that offer basic services to children, including street children. However, in practice the centres that reach out to street children are quite different from centres that service children living with parents or relatives within communities. The former have more specialised staff and run programmes specifically aimed at reaching street children, while it would appear that the latter focus on providing meals and homework support. The model costs drop-in centres focussed on reaching street children. However, some provinces seem to have supplied information on the other types of drop-in centres as well.

5.4 The specification of the Costing Model

The way the Costing Model describes, and therefore costs the services envisaged by the Children's Bill reflects a particular understanding or model of how these services are structured, their relationship to each other, and the activities involved in delivering them. At issue here is whether the model that is costed is correctly specified, and has been modelled correctly. In this regard, the work with the provinces, the norms and standards workshops and the situational analyses were important in specifying the different components of the model. In addition, every effort was made to ensure a consistent approach was used to model the different services so that they are all costed at a similar level of detail.

Clearly there may be different service delivery models for particular services, e.g. cluster foster care homes rather than children's homes. Apart from varying the norms and standards, the Costing Model does not cost different ways of delivering a particular service. This would entail developing multiple costing models which was not the aim of the Costing Project.

5.5 The calculations

The Costing Model is essentially a very large set of calculations. The majority are very simple, but there are some that are quite complicated. The accuracy of these calculations obviously impacts on the accuracy of the costing outcomes. The team responsible for developing the model has sought to work as accurately as possible, and has used various strategies to check the calculations, including manually reviewing/auditing each calculation, inserting cross-checks and reality testing the costing outcomes. There may still be errors. If there are, their impact on the overall costing outcomes is probably insignificant since the various reality checks have not alerted the team to any problems.

6 The cost of the Children's Bill

The main costing outcomes of the Children's Bill Costing Project are presented below. These outcomes must be read in conjunction with the preceding sections which outline the service delivery norms and standards, the demand variables and other assumptions key to their interpretation.

The costing outcomes are reported by scenario. These scenarios are described in section 3.5. In brief, they are distinguished from each other as follows:

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

This section also reports on two separate costing exercises. The first estimates the likely capital cost of facilities that the Costing Model estimates are required to deliver services to children in terms of the Children's Bill. The second estimates the cost of the preparatory work and the initial training that needs to be undertaken to implement the Bill

In the sections that follow:

- section 6.1 sets out the overall costing outcomes by scenario;
- section 6.2 sets out the total costing outcomes by department by scenario;
- section 6.3 sets out the costing outcomes for the IP Low scenario by department giving details on the cost of activities, the cost of inputs and the personnel requirement;
- section 6.4 sets out the costing outcomes for the FC High scenario by department giving details on the cost of activities, the cost of inputs and the personnel requirement;
- section 6.5 sets out the results of the exercise to estimate the capital cost of facilities required to implement the Children's Bill; and
- section 6.6 sets out the results of the exercise to estimate the cost of the preparatory work and the initial training that needs to be undertaken to implement the Bill.

This report only sets out the cost of activities, inputs and the personnel requirements for the IP Low and FC High scenarios. These scenarios reflect the lowest and the highest costing outcomes and so provide the outer parameters of the costing outcomes. The costing outcomes for all the scenarios are available on the CD that accompanies this report. Also note that the costing outcomes reported below aggregate very detailed information, much of it at a provincial level. This detailed information is also available on the CD.

6.1 Overall cost by scenario

The estimated overall cost of implementing the comprehensive Children's Bill under the four different scenarios is presented in the table below. The table also shows the total cost of each scenario

divided by the total number of children, which gives the estimated annual cost of the Children's Bill per child in the country.

Table 6.1: Total cost of the Children's Bill by scenario

Total Cost by scenario						
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
IP Low scenario	6,030.2	7,469.8	9,242.6	10,938.4	12,975.0	15,151.9
IP High scenario	8,400.0	10,470.8	13,019.0	15,448.7	18,347.3	21,451.6
FC Low scenario	25,268.9	28,706.4	32,622.5	36,144.2	40,075.8	43,849.5
FC High scenario	46,893.9	53,947.7	61,786.4	69,176.8	77,195.5	85,054.0
Cost per child by scenario						
Rands	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
IP Low scenario	333.7	413.5	511.9	606.2	719.6	841.0
IP High scenario	464.9	579.7	721.1	856.2	1,017.5	1,190.7
FC Low scenario	1,398.4	1,589.2	1,806.9	2,003.2	2,222.6	2,434.0
FC High scenario	2,595.2	2,986.5	3,422.2	3,833.9	4,281.3	4,721.1

To place the above cost estimates in perspective it should be noted that in 2005/06 the consolidated national and provincial expenditure on the education function was R83 574 million (revised estimate)¹². This gives a per capita expenditure of about R6 472, which is nearly twenty times the per capita expenditure for the IP Low scenario, and about two and half times the per capita expenditure for the FC High scenario.. Admittedly, the services envisaged by the Children's Bill are intended to reach a more limited section of the child population than the education function, but by the same token the services are generally more intensive (one-on-one counselling versus classrooms and residential care versus partial care at school). What this suggests is that the costing outcomes are of the correct order of magnitude, and that the outcomes for the Full Cost scenarios are probably the more realistic.

In 2005/06 consolidated government expenditure was R460 billion¹³. The costing outcomes for 2005/06 of the IP Low and FC High scenarios are respectively 1.3% and 8.4% of consolidated government expenditure. By comparison the education function was 18% of consolidated government expenditure in 2005/06.

Comparing the costing outcomes of the IP Low versus the FC Low scenario (or the IP High versus the FC High scenario) suggests that the Implementation Plan scenarios will only meet approximately 30% of the estimated demand for services in the Full Cost scenarios. This differs from service to service. For instance the implementation plans for subsidised partial care appear to far exceed the demand estimated in the Full Cost scenarios, whereas the implementation plans to provide places in children's homes fall far short of the estimated demand.

¹² Budget Review 2006, page 105

¹³ Budget Review 2006, page 105

6.2 Total cost by department in each scenario

The estimated total cost by department/sector of implementing the comprehensive Children's Bill under the four different scenarios is presented in the table below.

Table 6.2: Total cost of the Children's Bill by department by scenario

Department and Scenario R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development						
IP Low Scenario	55.3	56.6	59.2	61.9	64.8	67.8
IP High Scenario	55.3	56.6	59.2	61.9	64.8	67.8
FC Low Scenario	55.3	56.6	59.2	61.9	64.8	67.8
FC High Scenario	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice						
IP Low Scenario	391.0	522.5	750.3	958.9	1,242.5	1,523.3
IP High Scenario	518.0	699.7	1,020.2	1,314.2	1,711.1	2,105.9
FC Low Scenario	1,688.2	1,864.0	2,182.5	2,369.1	2,707.7	2,922.4
FC High Scenario	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3
Provincial social development						
IP Low Scenario	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1
IP High Scenario	7,212.0	8,983.7	11,075.3	13,109.3	15,477.6	18,056.0
FC Low Scenario	21,951.8	24,927.9	28,296.7	31,360.2	34,754.8	38,064.2
FC High Scenario	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5
Provincial education						
IP Low Scenario	530.9	627.3	738.8	818.2	926.1	1,029.7
IP High Scenario	614.7	730.8	864.3	963.2	1,093.8	1,221.9
FC Low Scenario	1,573.6	1,857.9	2,084.1	2,353.0	2,548.5	2,795.2
FC High Scenario	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5

The above table shows that:

1. The national Department of Social Development's costs do not change across the scenarios. This is because they are not demand driven, but rather reflect the personnel establishment required to carry out the department's responsibilities in terms of the Children's Bill.
2. The costing outcomes for both the IP Low and IP High scenarios for the Department of Justice show very rapid growth: averaging around 24% per year across the period. It is probably unrealistic to expect the children's court system to expand at these rates.
3. The difference between the costing outcomes for the IP Low and IP High scenarios (and also the FC Low and FC High scenarios) for the Department of Justice can be attributed primarily to the differing assumptions regarding reviewing existing orders, investigations, lay forums and levels of legal representation proposed in the 'High' and the 'Low' scenarios.
4. The difference between the costing outcomes for the IP Low and IP High scenarios for the provincial social development and education departments can be attributed to the different sets of norms and standards used to cost these two scenarios. This also accounts for some of the difference between the FC Low and FC High scenarios. However, most of the difference between these latter two scenarios can be attributed to the fact that in the FC Low scenario 5% of children's court enquiries result in children being placed in children's homes, while in the FC High scenario it is 10%.

5. The respective departments' percentage shares of the overall costs of each scenario in 2006/07 are:

	IP Low	IP High	FC Low	FC High
National Department of Social Development	0.8%	0.5%	0.2%	0.1%
Department of Justice	7.0%	6.7%	6.5%	4.6%
Provincial social development	83.8%	85.8%	86.8%	91.2%
Provincial education	8.4%	7.0%	6.5%	4.1%

6.3 Implementation Plan Low scenario

The following table details the costing outcomes of the IP Low scenario for each of the main departments.

Table 6.3: IP Low: Cost by department

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
National Department of Social Development	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice	391.0	522.5	750.3	958.9	1,242.5	1,523.3
Provincial social development	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1
Provincial education	530.9	627.3	738.8	818.2	926.1	1,029.7
Overall Cost	6,030.2	7,469.8	9,242.6	10,938.4	12,975.0	15,151.9

Clearly, the provincial social development departments have the greatest responsibilities. They account for roughly 83% of overall cost. Also notable is how quickly the costs increase over the period as departments seek to rollout the required services. The overall cost grows on average by about 17% per annum. The Department of Justice's costs increase most rapidly, growing almost fourfold over the period, while those of provincial social development more than double. By contrast the national Department of Social Development's costs increase in line with inflation.

6.3.1 IP Low: national Department of Social Development

The following three tables detail the costing outcomes of the IP Low scenario for the national Department of Social Development. As noted above, the costing outcomes for the department do not change across the scenarios, as the responsibilities of the department are by and large not demand driven.

The structure of the Chief Directorate outlined in the National Department of Social Development module of the Costing Model, and in the following table, differs from the existing structure accepted by the Department. This new structure reflects the personnel establishment it is proposed the department would require to manage the implementation and oversight of the Bill.

The Department has a critical role to play in planning the implementation of the Bill, co-ordinating with other departments, and monitoring and evaluating the actual implementation work of provincial social development and education departments. However, its share of the overall cost in the IP Low scenario is less than one percent, and even less in the other scenarios.

Table 6.4: IP Low: Cost by activity – national Department of Social Development

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Chief Directorate: Families and Children	1.9	2.0	2.1	2.2	2.3	2.4
Directorate: Policy, Monitoring and Training	12.4	14.0	14.6	15.3	16.1	16.9
Directorate: Prevention, Intervention and Protection	22.1	20.9	21.9	23.0	24.1	25.3
Directorate: Alternative Care	5.9	6.2	6.5	6.8	7.1	7.5
Directorate: Adoption and ISS	9.5	10.0	10.3	10.6	10.9	11.3
Directorate: Families	3.4	3.6	3.8	4.0	4.2	4.4
Overall cost	55.3	56.6	59.2	61.9	64.8	67.8

Table 6.5: IP Low: Cost by input – national Department of Social Development

Input R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total personnel	34.2	36.5	38.2	39.9	41.8	43.7
Total goods and services	18.9	20.1	21.0	22.0	23.0	24.1
Other costs (child protection register)	2.2	0.0	0.0	0.0	0.0	0.0
Overall cost	55.3	56.6	59.2	61.9	64.8	67.8

Table 6.6: IP Low: Personnel required – national Department of Social Development

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Chief director	1	1	1	1	1	1
Director	5	5	5	5	5	5
Deputy director	15	16	16	16	16	16
Assistant director	3	4	4	4	4	4
Assistant director IT	4	4	4	4	4	4
Advanced social work specialist	32	32	32	32	32	32
Assistant social work managers	24	24	24	24	24	24
Principal social worker	17	17	17	17	17	17
Survey statistician	4	4	4	4	4	4
Financial management and admin	48	49	49	49	49	49
Total personnel	153	156	156	156	156	156

6.3.2 IP Low: Department of Justice

The following three tables detail the costing outcomes of the IP Low scenario for the Department of Justice.

Table 6.7: IP Low: Cost by activity – Department of Justice

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Protection and alternative care	84.8	108.2	125.5	145.6	169.1	196.3
Contribution orders	1.6	2.0	2.3	2.7	3.1	3.7
Interdicts and other orders	7.5	15.7	22.6	27.5	35.2	41.9
Reviewing existing orders	121.9	136.2	185.4	218.0	280.5	321.3
Adoptions	5.3	5.8	6.5	7.4	8.4	9.7
Parental rights and responsibilities	32.3	84.7	177.9	280.1	392.2	535.3
Lay forums	3.6	7.1	13.1	19.2	25.7	33.5
Legal representation	134.1	162.8	217.1	258.4	328.2	381.7
Overall cost	391.0	522.5	750.3	958.9	1,242.5	1,523.3

The cost of services linked to the children's courts' existing responsibilities with regards to children in need of care and protection more or less doubles across the period. By contrast, the very rapid increase in the department's costs is due to the growth in the cost of providing interdicts, applications for access, lay forums, and registering parental plans. Admittedly these services start from a low base. However, given the scarcity of personnel resources, the question is which set of services should be prioritised: those dealing with children in need of protection, or services to children that are with their families, albeit families that need assistance to sort out their problems?

It is expected that in 2010/11 that applications for access and registering parenting plans will constitute about 40% of the cost to the department of implementing the Children's Bill, and the revision of existing orders a further 20%.

Table 6.8: IP Low: Cost by input – Department of Justice

Input R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total personnel	300.8	401.9	577.2	737.6	955.8	1,171.8
Total goods and services	90.2	120.6	173.2	221.3	286.7	351.5
Overall cost	391.0	522.5	750.3	958.9	1,242.5	1,523.3

Table 6.9: IP Low: Personnel required – Department of Justice

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Court personnel						
Magistrate	526	663	890	1,073	1,313	1,527
Senior administration clerk	28	35	52	65	82	97
Administrative clerk	293	403	570	722	897	1,076
Maintenance investigator	3	3	3	4	4	5
Family Advocate's Office						
Family advocate	19	48	97	145	194	252
Family counsellor	28	67	132	197	262	340
Family law assistant	5	10	18	26	34	43
Legal Aid Board						
Supervising attorney	15	17	22	25	30	33
Legal Aid attorney	386	446	566	641	776	860
Total personnel	1,302	1,693	2,350	2,897	3,593	4,232

The personnel required by the Department of Justice to implement the Children's Bill increases in line with the costs. The greatest growth is in the Family Advocate's Office.

In 2010/11 the number of magistrates required to deliver the services envisaged by the Children's Bill will exceed the total number of magistrates serving in the courts in 2004/05.¹⁴

6.3.3 IP Low: Provincial social development departments

The following four tables detail the costing outcomes of the IP Low scenario for the provincial social development departments. Note that these tables aggregate detailed province-based information, which is available on the CD that accompanies this report.

¹⁴ Report SA1: 'The functioning of the existing children's courts'.

Table 6.10: IP Low: Overall cost by province – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	734.0	1,008.9	1,246.0	1,515.5	1,822.3	2,159.7
Free State	482.6	555.4	645.6	736.1	836.2	935.7
Gauteng	1,207.2	1,498.3	1,883.9	2,280.4	2,726.4	3,212.4
KwaZulu-Natal	850.0	994.6	1,240.0	1,400.3	1,621.0	1,849.9
Limpopo	480.8	647.5	836.3	1,022.5	1,236.1	1,511.8
Mpumalanga	252.4	322.9	416.8	518.8	644.7	779.8
Northern Cape	184.0	227.3	249.2	277.2	303.8	335.4
North West	170.3	234.5	313.5	383.5	469.9	550.6
Western Cape	691.7	773.9	863.0	965.1	1,081.3	1,195.8
South Africa	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1

In this scenario, the costing outcomes for the different provinces bear little relationship to the size of the child populations in the respective provinces, but reflect the extent of current inequalities in social welfare services and the fact that due to existing capacity constraints these inequalities are set to persist. This issue is explored in greater detail in section 8.2.

Table 6.11: IP Low: Cost by activity – provincial social development

Activity	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Partial care/ECD	463.9	661.5	894.5	1,231.3	1,623.2	2,083.8
Oversight of child protection organisations	6.6	7.4	8.4	9.6	10.8	12.2
Child protection register (parts A+B)	12.8	16.1	20.0	23.7	28.6	34.0
Management of prevention, intervention and protection	267.8	327.7	390.8	459.4	542.2	633.3
Prevention services	90.7	112.3	135.4	161.2	192.6	227.9
Intervention services	1,192.9	1,443.2	1,734.9	2,046.9	2,427.2	2,839.1
Protection services	442.1	557.5	645.6	747.6	866.0	1,003.3
Foster care and kinship care	503.7	639.7	832.8	995.3	1,225.0	1,450.1
Reunification services to children in facilities	189.4	221.7	256.2	302.8	350.6	412.7
Management of child and youth care centres	6.3	6.7	7.6	8.5	9.3	10.1
Places of safety	179.4	214.5	255.2	317.8	391.7	466.9
Secure care	219.3	307.1	414.7	464.0	500.8	525.3
Children's homes	1,214.4	1,442.1	1,743.3	1,929.2	2,123.8	2,335.9
Management of shelters and drop-in centres	1.0	1.1	1.4	1.7	2.0	2.2
Shelters and drop-in centres	202.7	232.6	267.3	299.2	329.5	355.9
Adoptions	18.1	20.7	23.4	27.2	30.8	36.1
Training	42.1	51.3	62.6	74.0	87.6	102.2
Overall cost	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1

Intervention services constitute a substantial portion of the overall cost primarily due to the comparatively high level of demand for these services. However, it needs to be borne in mind that intervention services, if properly implemented, are significantly more cost-effective than drawing children deeper into the care and protection system.

The cost of protection services, foster care and kinship care increase rapidly as departments gear up to deal with the increasing number of children orphaned by HIV/AIDS.

Table 6.12: IP Low: Cost by input – provincial social development

Input						
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total personnel	3,194.6	3,904.4	4,748.4	5,497.5	6,371.0	7,298.3
Total goods and services	1,386.4	1,695.2	2,053.5	2,380.0	2,763.4	3,172.1
Total transfer to individuals	429.9	612.4	829.7	1,147.9	1,519.6	1,958.4
Training	42.1	51.3	62.6	74.0	87.6	102.2
Overall cost	5,053.0	6,263.3	7,694.3	9,099.4	10,741.6	12,531.1

The transfers to individuals consist of two components: the subsidies for partial care/ECD and the material assistance given to families as a temporary intervention while they are applying for social grants. The partial care/ECD subsidies constitute about 99% of the amount.

Table 6.13: IP Low: Personnel required – provincial social development

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Facility manager	392	458	518	547	570	589
Social work manager	220	258	298	335	380	424
Chief social worker	979	1,139	1,309	1,461	1,645	1,825
Social worker	7,456	8,738	10,113	11,327	12,810	14,255
Auxiliary social worker	7,682	8,994	10,319	11,629	13,119	14,648
Child care worker	7,946	9,134	10,718	11,542	12,290	12,955
Other professional	366	418	501	556	608	654
Financial management and admin.	939	1,074	1,365	1,459	1,575	1,666
Support staff	3,595	4,174	4,844	5,163	5,478	5,718
Total personnel	29,575	34,386	39,985	44,020	48,475	52,734

The impact of the Children's Bill on the demand for social workers and auxiliary social workers is analysed in section 8.1

6.3.4 IP Low: Provincial education departments

The following four tables detail the costing outcomes of the IP Low scenario for the provincial education departments.

Table 6.14: IP Low: Overall cost by province – provincial education

Province						
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	56.7	69.6	83.7	98.7	114.8	127.2
Free State	56.8	69.5	74.1	81.5	86.6	92.1
Gauteng	97.9	115.6	125.4	144.9	162.4	181.3
KwaZulu-Natal	63.5	70.1	96.7	103.1	109.9	117.7
Limpopo	12.3	19.5	48.3	54.8	88.0	124.4
Mpumalanga	89.4	96.3	104.0	112.1	120.6	129.6
Northern Cape	2.5	7.9	11.4	15.5	20.5	21.5
North West	19.5	40.0	48.2	53.3	58.9	63.3
Western Cape	132.4	138.8	147.0	154.3	164.4	172.7
South Africa	530.9	627.3	738.8	818.2	926.1	1,029.7

Table 6.15: IP Low: Cost by activity – provincial education

Activity		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
School fees for wards of the state		87.7	113.8	141.4	168.9	196.7	227.3
Places of safety		27.0	36.9	44.4	56.4	71.4	83.6
Secure care		57.9	75.7	105.0	118.8	129.5	136.0
Schools of industry	Hostels	228.3	251.4	277.0	293.9	324.1	353.5
	Schools	58.5	65.7	72.6	76.7	84.9	93.0
Reform schools	Hostels	56.4	64.9	76.3	80.1	92.4	105.2
	Schools	15.1	18.9	22.3	23.4	27.1	31.1
Overall cost		530.9	627.3	738.8	818.2	926.1	1,029.7

Table 6.16: IP Low: Cost by input – provincial education

Input		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
Total personnel		338.0	392.4	457.4	497.6	559.2	615.1
Total goods and services		101.5	116.8	135.1	146.2	164.0	180.5
Training organisation staff		3.7	4.3	5.1	5.5	6.2	6.8
School fees for wards of the state		87.7	113.8	141.4	168.9	196.7	227.3
Overall Cost		530.9	627.3	738.8	818.2	926.1	1,029.7

Table 6.17: IP Low: Personnel required – provincial education

Personnel		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional							
Facility manager		20	23	25	25	27	29
Social worker		63	66	70	71	76	80
Child care worker		1,333	1,408	1,497	1,509	1,599	1,676
Nurse		76	78	81	82	85	88
School principal		51	63	75	81	87	89
Educator		540	628	740	794	862	910
Other professional		172	196	221	232	249	261
Financial management and admin.		206	235	264	277	294	303
Support staff		814	881	957	976	1,040	1,089
Total personnel		3,274	3,578	3,931	4,047	4,320	4,525

6.4 Full Cost High scenario

The following table details the costing outcomes of the FC High scenario for each of the main departments.

Table 6.18: FC High: Cost of scenario by department

Department		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
National Department of Social Development		55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice		2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3
Provincial social development		42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5
Provincial education		1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5
Overall cost		46,893.9	53,947.7	61,786.4	69,176.8	77,195.5	85,054.0

In this scenario the costing outcomes do not show the same level of growth across the period as in the IP Low scenario. This is because the scenario is structured to cost the full demand for services as if the Children's Bill is fully implemented from 2005/06 onwards. The growth in the costing outcomes therefore reflects the 'normal growth' in the demand for the different services and the impact of inflation. The overall cost increases by about 11% per annum.

6.4.1 FC High: National Department of Social Development

The costing outcome for the national Department of Social Development does not change across the scenarios as the policy development, monitoring and other functions of the department are not linked to service delivery norms and standards, and are not demand driven. The outcomes are reported in section 6.3.1 above.

6.4.2 FC High: Department of Justice

The following three tables detail the costing outcomes of the FC High scenario for the Department of Justice.

Table 6.19: FC High: Cost by activity – Department of Justice

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Protection and alternative care	325.1	353.0	377.1	397.5	417.4	440.1
Contribution orders	14.0	15.2	16.2	17.1	18.0	19.0
Interdicts and other orders	43.3	48.5	54.8	60.6	67.5	74.0
Reviewing existing orders	531.0	592.3	760.7	838.8	1,021.0	1,112.0
Adoptions	8.2	9.6	11.0	12.6	14.2	16.0
Parental rights and responsibilities	582.2	623.5	667.8	715.2	766.0	820.4
Lay forums	109.3	113.1	118.6	122.6	128.3	132.7
Legal representation	639.9	716.4	897.1	984.3	1,175.0	1,276.3
Overall cost	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3

In the above table the reviewing of existing orders (primarily foster care and kinship care orders) makes up about 24% of the overall cost in 2005/06 and 29% in 2010/11. The costs associated with this activity almost double across the period as increasing numbers of children get placed in alternative care arrangements as a consequence of being orphaned by HIV/AIDS.

Table 6.20: FC High: Cost by input – Department of Justice

Input R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total personnel	1,723.8	1,891.7	2,223.4	2,412.0	2,764.5	2,981.8
Total goods and services	529.2	579.9	679.9	736.8	843.0	908.5
Overall cost	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3

Table 6.21: FC High: Personnel required – Department of Justice

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Court personnel						
Magistrate	2,633	2,752	3,068	3,170	3,450	3,545
Senior administration clerk	133	141	166	174	196	203
Administrative clerk	1,747	1,820	1,967	2,023	2,150	2,203
Maintenance investigator	23	23	24	24	24	24
Family Advocate's Office						
Family advocate	361	368	375	383	390	398
Family counsellor	1,060	1,082	1,107	1,129	1,155	1,178
Family law assistant	169	173	179	183	190	194
Legal Aid Board						
Supervising attorney	89	95	114	119	135	140
Legal Aid attorney	2,324	2,477	2,955	3,087	3,510	3,631
Total personnel	8,538	8,931	9,954	10,292	11,201	11,515

The above table indicates that the Department of Justice will need to employ over a thousand family counsellors. These staff are required to implement the sections of the Children's Bill dealing with access orders and parental plans. Although they are called family counsellors here, in practice they will be social workers. This suggests that the Department of Justice will be competing with the social welfare sector to employ social workers from the very limited pool that currently exists.

6.4.3 FC High: Provincial social development departments

The following four tables detail the costing outcomes of the FC High scenario for the provincial social development departments.

Table 6.22: FC High: Overall cost by province – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	6,504.3	7,459.9	8,484.3	9,548.8	10,674.8	11,824.3
Free State	2,655.6	3,060.3	3,487.8	3,918.0	4,354.2	4,800.7
Gauteng	7,211.1	8,422.5	9,777.6	11,032.6	12,430.5	13,772.5
KwaZulu-Natal	11,810.8	13,584.3	15,582.7	17,400.5	19,296.2	21,160.1
Limpopo	4,597.9	5,242.6	5,942.7	6,621.7	7,369.3	8,169.2
Mpumalanga	3,644.3	4,195.0	4,788.2	5,354.3	5,942.3	6,524.6
Northern Cape	577.2	676.8	759.9	840.7	947.8	1,032.8
North West	3,200.1	3,717.5	4,276.4	4,805.3	5,383.5	5,944.0
Western Cape	2,495.9	2,827.0	3,211.9	3,603.0	4,039.3	4,477.3
South Africa	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5

These costing outcomes should be compared to the costing outcomes reported in Table 6.10. The latter are impacted by existing inequalities and differences in the respective provincial department's implementation plans, while these reflect a uniform level of demand across the provinces adjusted for the relative impact of HIV/AIDS and poverty.

Table 6.23: FC High: Cost by activity – provincial social development

Activity R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Partial care/ECD	2,289.8	2,396.3	2,511.4	2,632.2	2,758.6	2,890.1
Oversight of child protection organisations	7.6	8.5	9.7	11.1	12.5	14.1
Child protection register (parts A+B)	55.5	65.3	77.0	88.2	100.8	113.2
Management of prevention, intervention and protection	1,616.8	1,811.1	2,040.1	2,244.2	2,484.7	2,708.7
Prevention services	644.6	734.0	840.8	941.3	1,061.0	1,178.4
Intervention services	4,849.4	5,490.4	6,295.0	7,013.7	7,883.8	8,666.9
Protection services	2,087.1	2,259.4	2,410.3	2,540.4	2,667.9	2,811.8
Foster care and kinship care	2,579.7	3,076.5	3,727.2	4,280.4	4,983.1	5,598.1
Reunification services to children in facilities	1,189.2	1,392.9	1,610.1	1,821.8	2,047.3	2,271.7
Management of child and youth care centres	61.4	72.7	84.0	95.6	107.2	119.5
Places of safety	1,569.4	1,681.9	1,828.8	2,015.4	2,191.9	2,373.9
Secure care	480.5	601.1	785.4	860.5	930.2	975.9
Children's homes	22,981.0	27,130.9	31,417.0	35,722.2	40,147.3	44,725.7
Management of shelters and drop-in centres	6.4	6.7	7.0	7.4	7.7	8.1
Shelters and drop-in centres	1,921.2	2,045.1	2,193.4	2,317.7	2,459.1	2,591.5
Adoptions	32.1	39.3	46.3	53.8	59.8	67.9
Training	325.3	373.9	427.9	479.2	535.0	590.0
Overall cost	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5

The cost of running children's homes constitutes 53% of the overall cost in 2005/06, increasing to 57% in 2010/11. These costs are based on the assumption that 10% of children's court enquiries result in children being placed in children's homes, resulting in a demand for 154 606 places in 2005/06 and 248 213 places in 2010/11. In the FC Low scenario the cost of running children's homes is R8.5 billion in 2005/06 and R16.5 billion in 2010/11. The difference between these costs and the costs shown in the above table can be attributed to the lower norms and standards specified for children's homes in the FC Low scenario, and the fact that in the FC Low scenario it is assumed that only 5% of children's court enquiries result in children being placed in children's homes, resulting in a demand for 77 312 places in 2005/06 and 124 093 places in 2010/11.

It is also worth noting that in the FC Low scenario the costs associated with foster care and kinship care are R2.0 billion in 2005/06 increasing to R4.0 billion in 2010/11. This is substantially less than the amounts reflected in the above table for the FC High scenario. And this is despite the fact that in the FC Low scenario there are 1.3 million children in foster care and kinship care in 2005/06 which is about 100 000 more children than in the FC High scenario. Furthermore, in 2010/11 there are 2.4 million foster care and kinship care in the FC Low scenario, which is about 150 000 more children than in the FC High scenario. This indicates that the per capita cost of managing foster care and kinship care in the FC High scenario is significantly higher than in the FC low scenario, which is due the difference in the norms and standards underpinning the respective scenarios.

Table 6.24: FC High: Cost by input – provincial social development

Input R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total personnel	29,492.8	34,128.7	39,212.6	44,074.7	49,283.7	54,465.5
Total goods and services	11,035.8	12,755.9	14,651.1	16,453.5	18,399.0	20,322.7
Total transfer to individuals	1,843.2	1,927.4	2,019.9	2,117.5	2,220.2	2,327.2
Training	325.3	373.9	427.9	479.2	535.0	590.0
Total Cost	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5

Table 6.25: FC High: Personnel required – provincial social development

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Facility manager	3,553	3,959	4,326	4,646	4,930	5,194
Social work manager	1,406	1,518	1,654	1,747	1,863	1,945
Chief social worker	5,735	6,190	6,747	7,121	7,589	7,919
Social worker	40,163	43,635	47,675	50,551	53,938	56,465
Auxiliary social worker	34,158	37,186	40,518	43,245	46,207	48,660
Child care worker	149,861	165,532	180,830	193,856	205,916	216,831
Other professional	11,729	12,976	14,185	15,221	16,176	17,044
Financial management and admin.	6,776	7,613	8,554	9,259	9,932	10,532
Support staff	37,444	42,255	46,816	50,795	54,419	57,746
Total personnel	290,826	320,864	351,305	376,441	400,971	422,338

The differences between the FC High and FC Low scenarios noted above also impact upon the demand for personnel. In the FC Low scenario the demand for social workers in 2005/06 is 25 547, and the demand for child care workers is 25 353.

6.4.4 FC High: Provincial education departments

The following four tables detail the costing outcomes of the FC High scenario for the provincial education departments.

Table 6.26: FC High: Overall cost by province – provincial education

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	256.5	299.8	327.9	382.8	413.3	439.8
Free State	117.4	137.5	148.5	174.3	185.7	197.3
Gauteng	352.4	426.9	462.1	539.6	583.9	649.9
KwaZulu-Natal	471.4	554.7	626.5	701.7	748.1	810.2
Limpopo	174.1	205.7	249.3	268.0	315.7	366.8
Mpumalanga	134.1	150.9	176.3	189.7	202.6	215.4
Northern Cape	48.4	64.5	75.8	87.1	99.6	109.6
North West	126.4	158.3	176.9	192.3	207.6	221.5
Western Cape	207.7	235.4	269.1	305.6	328.9	380.0
South Africa	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5

Table 6.27: FC High: Cost by activity – provincial education

Activity	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
School fees for wards of the state	564.4	670.8	770.6	868.4	957.8	1,045.5
Places of safety	25.7	35.5	42.9	54.8	69.7	81.9
Secure care	128.3	160.0	208.8	230.7	252.7	269.7
Schools of industry						
Hostels	599.5	697.6	764.8	848.4	907.3	976.4
Schools	169.7	199.5	219.2	244.2	260.7	281.5
Reform schools						
Hostels	317.0	370.7	399.2	469.9	503.6	581.7
Schools	83.9	99.4	106.8	124.8	133.6	153.7
Overall Cost	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5

Table 6.28: FC High: Cost by input – provincial education

Input	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Total personnel	1,010.8	1,193.7	1,331.7	1,508.4	1,627.5	1,793.7
Total goods and services	302.4	356.2	395.6	448.0	482.5	531.8
Training organisation staff	10.9	12.9	14.5	16.4	17.7	19.5
School fees for wards of the state	564.4	670.8	770.6	868.4	957.8	1,045.5
Overall Cost	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5

Table 6.29: FC High: Personnel required – provincial education

Personnel	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Professional						
Facility manager	112	128	133	144	146	154
Social worker	275	305	317	340	348	365
Child care worker	4,167	4,624	4,797	5,177	5,276	5,550
Nurse	170	186	191	204	207	216
School principal	177	205	227	245	253	263
Educator	1,244	1,435	1,601	1,729	1,813	1,901
Other professional	427	486	525	564	584	612
Financial management and admin.	635	719	773	833	854	890
Support staff	2,775	3,101	3,247	3,512	3,588	3,777
Total personnel	9,983	11,188	11,811	12,748	13,069	13,728

6.5 Capital costs

As indicated in section 3.4.6, the capital cost of implementing the Children's Bill was excluded from the main costing exercise. This section outlines an exercise to estimate the capital cost of the new facilities required. It draws on the information generated by the Children's Bill Costing Model. The estimates are very rough, but give some indication of the level of capital expenditure required.

Note that these capital cost estimates still do not cover:

- the capital costs of buying land;
- capital costs associated with new office space that may be required by the departments;
- the capital costs associated with appointing new staff;
- the capital cost of new magistrates' offices or additional court facilities; nor
- the capital costs that may need to be incurred to make existing court rooms more child-friendly.

It is generally acknowledged that the proper implementation of the Children's Bill will require the establishment of new places of safety, secure care facilities, children's homes, schools of industry, reform schools, shelters and drop-in centres. The total capital cost of these new facilities is calculated using two main variables – estimates of the unit cost of building each type of facility, and the number of facilities to be built. The values used in each instance are set out below.

Table 6.30 sets out the estimated capital cost of building one 60 place facilities of each type, except the drop-in centres which are non-residential. It is assumed the drop-in centres will cater for 30 children. The cost estimates for 2005/06 are based on discussions with officials who have been involved with building similar facilities in the past, and then the cost is inflated by 5% per year.

Table 6.30: The unit capital cost of facilities (excluding land)

Facility	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Place of safety	4.00	4.20	4.41	4.63	4.86	5.11
Secure care	12.00	12.60	13.23	13.89	14.59	15.32
Children's home 0-6	3.50	3.68	3.86	4.05	4.25	4.47
Children's home 7-18	3.50	3.68	3.86	4.05	4.25	4.47
School of industry	12.00	12.60	13.23	13.89	14.59	15.32
Reform school	12.00	12.60	13.23	13.89	14.59	15.32
Shelter	1.00	1.05	1.10	1.16	1.22	1.28
Drop-in centre	0.30	0.32	0.33	0.35	0.36	0.38

These unit costs are used to estimate the capital cost of facilities for both the Implementation Plan and Full Cost scenarios.

6.5.1 Implementation Plan scenarios: the capital cost of facilities

The capital cost of facilities under both the IP Low and IP High scenarios are exactly the same, as the same information on the registration of new facilities is given in the two scenarios. This information was provided by the provincial social development departments in the course of the Costing Project. This information is set out in the following table, along with the associated capital costs of building these new facilities.

Table 6.31: IP scenarios: Plans for new facilities and the total capital cost

New facilities	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Place of safety	0	0	9	8	8	8
Secure care	0	0	10	9	5	3
Children's home 0-6	0	0	3	4	2	2
Children's home 7-18	0	0	19	13	9	8
School of industry	0	0	0	0	0	0
Reform school	0	0	1	0	0	0
Shelter	0	0	5	13	8	5
Drop-in centre	0	1	20	10	9	9
Capital costs						
R million						
Place of safety	0.0	0.0	37.8	35.3	37.0	38.9
Secure care	0.0	0.0	126.0	119.1	69.5	43.8
Children's home 0-6	0.0	0.0	11.0	15.4	8.1	8.5
Children's home 7-18	0.0	0.0	69.8	50.2	36.5	34.0
School of industry	0.0	0.0	0.0	0.0	0.0	0.0
Reform school	0.0	0.0	12.6	0.0	0.0	0.0
Shelter	0.0	0.0	5.3	14.3	9.3	6.1
Drop-in centre	0.0	0.3	6.3	3.3	3.1	3.3
Total capital cost	0.0	0.3	268.8	237.6	163.5	134.6

The above table assumes that the departments will be responsible for building the facilities they propose to register. This is invariably the situation when it comes to secure care facilities, schools of industry and reform schools, but may not be the case for other facilities, which may be built using funds from a variety of sources.

The following table gives the provincial breakdown of the proposed capital expenditure. Information on the types of facilities the different provinces are proposing to register and build is contained on the CD that accompanies this report.

Table 6.32: IP scenarios: Estimated capital cost by province

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	0.0	0.0	16.8	17.6	18.5	19.4
Free State	0.0	0.0	25.5	26.8	28.1	29.5
Gauteng	0.0	0.0	42.3	21.5	53.3	10.9
KwaZulu-Natal	0.0	0.0	35.9	86.0	13.3	17.6
Limpopo	0.0	0.0	33.3	16.5	13.9	9.1
Mpumalanga	0.0	0.0	26.5	15.3	15.7	16.2
Northern Cape	0.0	0.0	37.8	0.0	0.0	0.0
North West	0.0	0.0	39.4	40.2	15.6	16.4
Western Cape	0.0	0.3	11.3	13.6	5.0	15.3
South Africa	0.0	0.3	268.8	237.6	163.5	134.6

The above table indicates that planned capital expenditure on facilities is fairly evenly spread across the provinces. This means that existing inequalities in the distribution of welfare facilities between provinces is set to persist. The table also suggests that provinces' plans in the outer years are not very well developed.

6.5.2 Full Cost scenarios: the capital cost of facilities

In the Full Cost scenarios the initial number of facilities in 2005/06 is based on the estimated current demand for places in each type of facility. The assumptions used to estimate the current demand are set out in section 4.2. The most important assumptions are those related to the placement of children in need of alternative care following a children's court enquiry. In both the Full Cost scenarios it is assumed that 80% of children are placed in kinship care. Then in the FC Low scenario it is assumed that 10% of children are placed in foster care and 5% in children's homes, while in the FC High scenario these percentages are reversed, i.e. it is assumed that 5% are placed in foster care and 10% in children's homes.

In both the Full Cost scenarios the estimated current demand for each type of facility greatly exceeds the existing number of facilities. This results in a very high number of new facilities being required in 2005/06. In essence these numbers give the estimated national backlog for each type of facility. So for instance, in 2005/06 there were 285 children's homes in existence with capacity for 13 984 children, whereas according to the FC High scenario assumptions the demand for places in children's homes is 154 606, and to supply this number would require 2 391 children's homes (the new children's homes are assumed to have 60 places each). So the estimated backlog is 2,106 children's homes.

From 2006/07 onwards the numbers indicate the new facilities of each type that need to be built simply to keep pace with the 'normal growth' in demand for places from year-to-year. Note that these numbers are high for children's homes due to the number of children expected to be orphaned by HIV/AIDS, and the reality that they cannot all be placed in foster care or kinship care. The normal growth in demand for places in other facilities is in fact very moderate.

The following two tables present the backlog and ongoing demand for new facilities as estimated by the FC Low and FC High scenarios, along with their total capital cost.

Table 6.33: FC Low: Backlog and demand for new facilities and their total capital cost

New facilities	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Place of safety	135	0	2	1	0	1
Secure care	28	0	5	0	1	0
Children's home 0-6	430	29	30	20	21	18
Children's home 7-18	515	150	125	118	107	103
School of industry	52	8	2	5	0	1
Reform school	33	4	0	6	0	4
Shelter	131	0	2	0	1	0
Drop-in centre	174	0	1	0	1	1
Capital costs R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Place of safety	538.3	0.0	9.6	4.6	0.0	6.4
Secure care	332.5	0.0	62.9	0.0	16.8	0.0
Children's home 0-6	1,505.0	102.9	109.5	78.8	87.0	76.7
Children's home 7-18	1,802.5	523.4	460.8	454.2	432.7	436.8
School of industry	624.0	95.2	30.9	71.4	0.0	15.3
Reform school	396.0	44.6	0.0	74.7	0.0	63.0
Shelter	131.0	0.0	2.1	0.0	1.2	0.0
Drop-in centre	52.2	0.0	0.3	0.0	0.3	0.4
Total capital cost	5,381.6	766.1	676.1	683.8	538.0	598.5

Table 6.34: FC High: Backlog and demand for new facilities and their total capital cost

New facilities	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Place of safety	199	0	3	4	0	0
Secure care	31	0	5	0	1	0
Children's home 0-6	876	61	60	47	46	39
Children's home 7-18	1230	299	262	249	224	215
School of industry	52	8	2	5	0	1
Reform school	33	4	0	6	0	4
Shelter	139	0	2	0	1	0
Drop-in centre	183	0	1	0	1	1
Capital costs R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Place of safety	795.0	0.0	13.5	17.3	0.0	0.0
Secure care	372.1	0.0	66.2	0.0	17.1	0.0
Children's home 0-6	3,066.5	212.9	220.9	182.3	187.3	164.5
Children's home 7-18	4,305.5	1,046.9	963.6	960.5	906.2	914.3
School of industry	624.0	95.2	30.9	71.4	0.0	15.3
Reform school	396.0	44.6	0.0	74.7	0.0	63.0
Shelter	139.0	0.0	2.1	0.0	1.2	0.0
Drop-in centre	54.9	0.0	0.3	0.0	0.3	0.4
Total capital cost	9,753.0	1,399.5	1,297.4	1,306.3	1,112.1	1,157.5

The above tables indicate that according to the FC High scenario estimates to make up the backlog in the supply of welfare facilities would cost around R9.7 billion, and that R7.4 billion of this is needed to make up the backlog in children's homes. By contrast in the FC Low scenario the backlog is R5.3 billion, and of this R3.3 billion is required for children's homes. Note that the backlog for facilities other than children's homes remains the same across the scenarios, whereas the backlog for children's homes in the FC Low scenario is only about 45% of the backlog for children's homes in the FC High scenario. The reason for this is that the backlog takes into account the number of existing places which remains constant across the scenarios, while the demand for places in children's homes in the FC High scenario is about double the demand for places in the FC Low scenario.

The above tables also indicate that if there were no backlog, the government would still need to spend between R0.6 and R1.3 billion per year to ensure that the supply of places in facilities keeps pace with the growing demand. Nearly all of this would be required for children's homes.

The following two tables give the provincial breakdown of the estimated capital expenditure for each of the Full Cost scenarios. Information on the demand for new places in the different types of facilities in each of the provinces is contained on the CD that accompanies this report.

Table 6.35: FC Low: Estimated capital cost by province

Province R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	810.2	106.4	84.5	118.8	82.7	83.2
Free State	299.7	39.6	36.1	48.7	28.4	34.2
Gauteng	769.2	164.8	112.4	140.0	102.5	117.4
KwaZulu-Natal	1,604.6	225.9	201.1	190.1	137.5	149.7
Limpopo	654.4	76.8	51.3	43.4	46.7	51.4
Mpumalanga	428.4	54.6	66.1	41.8	36.9	34.9
Northern Cape	94.3	6.2	0.0	7.1	11.2	6.9
North West	454.2	49.9	44.7	39.8	42.5	42.3
Western Cape	266.5	41.9	79.9	54.0	49.6	78.5
South Africa	5,381.6	766.1	676.1	683.8	538.0	598.5

Table 6.36: FC High: Estimated capital cost by province

Province R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	1,476.0	191.5	169.1	209.1	165.4	166.6
Free State	576.4	79.0	74.4	86.3	67.5	64.2
Gauteng	1,502.6	289.6	233.1	262.6	210.6	231.2
KwaZulu-Natal	2,856.9	406.8	379.8	358.5	289.3	295.6
Limpopo	1,091.2	136.3	110.9	103.5	105.7	111.4
Mpumalanga	814.1	109.3	117.8	91.4	82.0	78.4
Northern Cape	146.0	12.5	11.0	13.4	18.0	13.9
North West	780.9	99.8	94.1	89.8	90.6	90.1
Western Cape	508.9	74.5	107.2	91.6	82.8	106.1
South Africa	9,753.0	1,399.5	1,297.4	1,306.3	1,112.1	1,157.5

The provinces with the fewest existing welfare facilities obviously have the greatest backlogs, and will therefore need to spend more to make up the backlogs. The differential impact of HIV/AIDS also has a bearing on the relative size of the backlog between the different provinces. From 2006/07 onwards the amount of capital each province will need to invest in welfare facilities is primarily driven by the number of new orphans in the province. So provinces where the incidence of HIV/AIDS is relatively high will need to invest proportionately more in order to keep pace with the demand for places in children's homes.

Note that the investment plans set out in the IP Low scenario above are about one fifth of what the FC High scenario estimates is required to keep pace with the growth in demand. This means the backlog is increasing each year.

A number of points emerge from this analysis of the capital cost of facilities:

1. There is an urgent need to get a better understanding of the number of children that need to be placed in children's homes, because they cannot be placed in foster care or kinship care. The

capital cost implications of needing to accommodate 10% of children needing alternative care in children's homes versus 5% are enormous. However, cognisance must be given to the increasingly limited capacity of families to provide foster care or kinship care, because they themselves are being impacted by HIV/AIDS.

2. There is an urgent need to develop alternative care options that can substitute for places of safety and children's homes. Cluster foster care arrangements are an example.
3. Current plans to increase the supply of places in all types of facilities, but especially children's homes are woefully inadequate, when compared to the estimated backlog and the ongoing growth in demand for places.
4. In order to begin to make inroads into the backlog estimated by the FC High scenario the government needs to invest more than R1.4 billion each year in welfare facilities for children, and at least 75% of this should go towards building new children's homes.
5. While the 'warehousing' of children in large facilities is undesirable, consideration needs to be given to the scale advantages of building and running facilities that are bigger than the 60 place norm being promoted within the welfare sector. For instance there are likely to be significant cost advantages to clustering a number of 60 place children's homes around central service facilities. The government should consider investigating alternative designs with a view to identifying cost-effective options.
6. Government needs to make sure existing capacity is fully utilised. This is particularly important in relation to children's homes, where the government needs to put in place proper service level agreements with the NPOs that run these facilities, and undertake to pay for the service according to agreed norms and standards that recognise the state's obligation to children who are wards of the state.

6.6 Cost of preparing for implementation and initial training

The successful implementation of the Children's Bill will require a substantial amount of preparatory work, as well as initial training of existing staff.

6.6.1 Scope and cost of preparatory work

The preparatory work is likely to include at least the following:

1. Development of an overarching national implementation plan that sets out priorities, activities and timeframes, as well as indicates who is responsible for different aspects of the implementation process (it may be necessary to include certain aspects of this implementation plan in the Bill so as to provide for the phasing in of the Bill);
2. Development of a crisis intervention plan to address the needs of children who are especially vulnerable, or to deal with serious service delivery problems or backlogs, which may include:
 - children in prison due to the lack of secure care facilities and reform schools;
 - the delivery of services to children who are victims of abuse, sexual abuse and neglect;
 - the delivery of services to street children;
 - the backlogs in processing of foster care and kinship care placements;
 - the working relationship between children's courts and social workers;
 - the discrepancies between the Department of Justice's information on adoptions and the information held by the Registrar of Adoptions;
 - the backlogs in the registration of children's homes;
 - the backlogs in the number of places required in children's homes; and

- the under-funding of child protection organisations and non-state child and youth care centres.
3. Development of a national policy with regards to children who are wards of the state;
 4. Publication of the final consolidated Act in a user-friendly format (similar to that of the pocket-size Constitution and Public Finance Management Act);
 5. Development of detailed norms and standards for the delivery of the different social welfare services envisaged by the Bill;
 6. Development of regulations, that amongst other things would capture the minimum norms and standards, to be issued in terms of the final Act;
 7. Publication of the regulations in a user-friendly format so that they are readily accessible to social workers, and other professionals who will need to use them;
 8. Preparation of detailed guidelines and the associated forms for the delivery of social welfare services in each of the areas covered by the Bill;
 9. Establishment of service delivery protocols to guide the working relationships between the children's courts and the social workers so as to minimise the wastage of time;
 10. Establishment of the Child Protection Register, and the systems to manage it and ensure it remains up to date;
 11. Establishment of the national register of children available for adoption, and the systems to manage it and ensure it remains up to date;
 12. Establishment of systems to track and monitor the placement of children in alternative care, with an emphasis on evaluating the potential risks associated with the placement, and therefore the level of oversight required;
 13. Establishment of an information-gathering system that focuses on counting the number of children serviced, the different types of services that get delivered, and the different kinds of court orders made; and ensuring it is consistently implemented across provinces;
 14. Development of model service delivery agreements for each of the social welfare services covered by the Bill to be used as the basis for contracting for the delivery of services with child protection organisations and other prospective non-government service providers; and
 15. Development of a cost/pricing schedule for statutory services (including residential care) to guide provincial social development departments when contracting with service providers for the delivery of these services.

The above list is certainly not exhaustive, but it is clear that there is an enormous amount of preparatory work to be done. The cost of doing this preparatory work will depend on:

- whether the national Department of Social Development has the capacity to do it in-house, or decides to contract it out;
- decisions on the quantity of different outputs to print;
- the design of information and monitoring systems; and
- the nature of the processes used to develop the norms and standards, and the different plans, guides, schedules etc. How consultative are they?

Assuming that the department will probably contract out most of the work, it is estimated that this preparatory work will cost the department between R35 – R45 million, with the bulk of the cost being for the development of the various information systems and registers mentioned. Note that this expenditure would probably be spread over the following three years, starting with the current fiscal year.

6.6.2 Scope and cost of initial training

The cost of the initial training required to implement the Bill will depend on the range of staff that it is deemed necessary to train, and the nature of the training itself. Also important will be whether the departments use their own staff to do the training, or contract the training out, and whether the training courses are offered at the work place or whether people need to travel and stay overnight to attend the training.

As regards the nature of the initial training¹⁵, it is envisaged that five sets of courses will need to be developed:

1. *Change management course* – this course would be for the managements of the lead departments and the large child protection organisations. Its aim would be to explore with them how the department or organisation needs to change in order to facilitate the implementation of the Children's Bill with reference to, among other things:
 - the kinds of management and monitoring structures required;
 - the roles and responsibilities of head office and regional offices;
 - the delineation of professional services versus other services;
 - the co-ordination of services across departments;
 - the establishment of the various registers and information-gathering systems;
 - their role in creating a work environment that is conducive to the achievement of the objectives of the Children's Bill.
2. *Principles of the Children's Bill course* – this would be a general course for all staff involved in management and service delivery. Its aim would be to take them through the principles that underpin the Children's Bill, and to explore how they impact upon the delivery of services and the responsibilities of the service providers. These courses could commence before the Bill is passed.
3. *Overview of the Children's Act and regulations course* – this would be a general course for all staff involved in management and service delivery. Its aim would be to give them an overview of the structure and content of the final Children's Act and regulations highlighting the areas that are significantly different from the Child Care Act, and emphasising plans for the phased implementation of the different provisions. These courses can only really commence once the Bill has been passed, the regulations finalised, and there is an implementation plan in place.
4. *Special focus courses* – special focus courses are required for each area of service delivery envisaged by the Children's Bill. The aim of these courses would be to train the staff responsible for the delivery of the particular services on the requirements of the Children's Act and the regulations pertaining to that area of service, the guidelines for the delivery of the relevant service and the relevant monitoring and oversight processes. These courses can only really commence

¹⁵ The outline for initial training presented here benefits from discussions with Rose September.

once the Bill has been passed, the regulations finalised, the guidelines and relevant forms developed, and the appropriate monitoring systems are in place. Indeed the development and rollout of these courses should be aligned to the phased implementation plan. The following is a list of some of the special focus courses likely to be required:

Social welfare sector

- Planning and budgeting for services to children
- Registration of facilities
- Complaints procedures
- Child Protection Register
- Monitoring and evaluation
 - Definitions, data gathering and reporting
 - Development quality assurance
- Service delivery processes, norms and standards
 - Partial care
 - Early childhood development
 - Risk assessments and emergency interventions
 - Investigations and court processes
 - Screening for foster care and adoptions
 - Statutory after-care: foster and kinship care
 - Adoptions and inter-country adoptions
 - Placement of children in care centers
 - Re-unification services
 - Individual development plans
- Prevention programmes
- Intervention programmes
- Special focus training
 - Child rape and sexual abuse
 - Children and HIV/AIDS
 - Children with chronic illnesses and disabilities
 - Trafficked children
 - Unaccompanied foreign children

Justice sector

- Commissioners and legal representatives
 - The best interests of the child standard
 - Rights of children that are wards of the state
 - Orders the children's court may make
 - Access and parental plans
- Clerks of the Children's Courts
 - Processes and procedures
 - Alternative dispute resolution forums
- Family Advocate's Office
 - Parental rights and responsibilities
 - Applications for access
 - Parenting plans
 - Alternative dispute resolution processes
 - Inter-country adoptions

Assuming each course costs R150 000 to develop, it is estimated that the national Department of Social Development will need to spend about R4 million on course development, while the Department of Justice will need to spend about R1.7 million.

Ideally the materials should be field tested before being rolled out. It would probably also be advisable to develop a system for accrediting training service providers in order to ensure that all training promotes a uniform approach to the understanding of the Children's Bill.

As regards the actual cost of the initial training itself, there are a number of variables that need to be taken into consideration: the cost of catering, training materials, venues, and then whether the training is outsourced or delivered by the departments. Probably most critical from a cost perspective is whether the training courses are offered at the workplace or whether people need to travel and stay overnight to attend the training. If the latter applies it will add between R150 000 and R200 000 to the cost of a three day course for 30 people.

The following average per capita cost variables, based on a three-day training course for 30 people, were developed to estimate the cost of the initial training:

- Accommodation and travel: R2 500 per person per 3-day course
- Course costs, with in-house trainers: R500 per person per 3-day course

- Course costs, with outside trainers: R1 000 per person per 3-day course

Using information on existing staff numbers, Table 6.37 estimates the number of staff both within and outside of government that will need to be trained, the number of three day-courses for each category of staff and the cost of the training. Note it is assumed that certain categories of staff will always be trained at their workplaces.

Table 6.37: Estimated cost of initial training

Staff category	Estimated no. of staff	Average no. of 3-day courses	Travel and accommodation costs	Using in-house trainers	Using outside trainers
Justice sector					
Head and provincial office managers	100	2	500,000	100,000	200,000
Magistrates	225	3	1,687,500	337,500	675,000
Clerks of the children's courts	225	2	1,125,000	225,000	450,000
Family advocate's office	30	3	225,000	45,000	90,000
Lawyers from the Legal Aid Board	90	3	675,000	135,000	270,000
			4,212,500	842,500	1,685,000
Social development sector					
National department and provincial department head office managers	100	2	500,000	100,000	200,000
Regional officer managers	300	4	3,000,000	600,000	1,200,000
Social workers and other professionals	3,000	4	15,000,000	6,000,000	12,000,000
Auxiliary social workers and child care workers	900	3		1,350,000	2,700,000
Administrative and other staff	5,000	3		7,500,000	15,000,000
			18,500,000	15,550,000	31,100,000
CPO sector					
Managers of CPOs	2,700	2	13,500,000	2,700,000	5,400,000
Social workers and other professionals	6,000	4	30,000,000	12,000,000	24,000,000
Auxiliary social workers and child care workers	3,500	3		5,250,000	10,500,000
Administrative and other staff	9,000	3		13,500,000	27,000,000
			43,500,000	33,450,000	66,900,000
Total cost of initial training			66,212,500	49,842,500	99,685,000

The above table indicates that the total cost of the initial training for the implementation of the Children's Bill is between R110 million and R165 million. This is likely to be spread over four years, with the bulk of it taking place in the third and fourth years, as a substantial amount of preparatory work needs to take place before the special focus courses can be rolled out.

Note that within government the cost of this initial training would incorporate or substitute for the training that departments should be providing for their staff on a routine basis. Consequently only a portion of the cost of the initial training of government staff is likely to be an additional cost to government. The size of this portion depends on the size of the existing training budgets of the relevant departments.

The government will, however, need to assist the child protection organisations with the cost of initial training. Since most staff within the welfare sector are employed by these organisations, this is where the bulk of the initial training costs lie. The cost of the initial training for staff in this sector is estimated to be between R75 million and R110 million. Given the funding pressures already being experienced by the sector it would be unreasonable to expect them to carry this cost themselves.

7 Estimating the extent of the funding gap

To estimate the extent of the funding gap entails calculating the difference between the costing outcomes in each scenario and the current MTEF budgets for social welfare services to children that are the same or similar to those envisaged by the Children's Bill. The calculation itself is simple; more challenging was developing an estimate of the current MTEF budgets for services to children. The method used to do so and the resultant estimates are outlined in section 7.1.

From the perspective of costing the Children's Bill, a key issue is whether the entire funding gap can be attributed to the Children's Bill or whether it is the result of the under-funding of the government's existing obligations with regards to children's social welfare services as envisaged by current legislation, particularly the Child Care Act. Section 3.4.3 notes that the provisions of the Children's Bill can be divided into two categories: namely, those that envisage services that are the same or similar to services already required by the Child Care Act or by other legislation, and those that envisage new services. It also indicates that the Costing Project calculates the cost of delivering both the existing and new services. Section 7.2 outlines the new services envisaged by the Children's Bill, and the percentages of the relevant costs that are attributed to these new obligations.

Section 7.3 provides information on the extent of the funding gap relative to the existing and new service delivery obligations.

7.1 Current MTEF budgets for children's social welfare services

Estimating what the government has allocated in the past and in its 2006 to 2008 MTEF budgets to the delivery of children's social welfare services is complicated by three factors:

1. Certain departments' budget programmes do not distinguish between services for the general population and services for children. For instance, the Department of Justice's budget for 'Lower Courts' incorporates the costs associated with children's courts. This is understandable given that the services in question are delivered in a holistic and integrated way. However, it means that the shares of the relevant budgets that specifically benefit children have to be estimated.
2. The information on budgets that is published is highly aggregated, making it difficult to identify the specific amounts allocated to particular welfare related services for children. For instance the provincial education department's published budgets do not provide information on allocations for schools of industry and reform schools. Again this means the shares of the budgets that fund these services have to be either obtained from the relevant department directly or estimated.
3. Departments deliver a range of services to children, but not all of them fall under the ambit of the Children's Bill. This is complicated by the fact that the programme descriptions in the strategic plans and budget documentation is not sufficiently detailed to clearly distinguish the nature of particular services. Again this means certain assumptions as to the nature of services funded by the different programme budgets must be made.

Against this background, the following table sets out estimates of what the different departments currently allocate to service areas covered by the Children's Bill.

Table 7.1: Total current allocations to services covered by the Children's Bill

Department	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R million							
National Social Development Department	4.1	6.5	9.5	25.8	25.8	26.6	27.9
Department of Justice	95.3	109.6	114.7	152.0	176.2	195.7	214.6
National Government Total	99.4	116.1	124.2	177.8	202.0	222.3	242.5
Provincial social development departments	629.8	760.5	897.8	1,022.4	1,209.7	1,403.7	1,781.7
Provincial education departments	118.4	124.6	131.2	138.1	154.3	172.8	183.8
Provincial Government Total	748.2	885.2	1,029.0	1,160.5	1,364.0	1,576.5	1,965.5
Total Current Allocations	847.6	1,001.3	1,153.2	1,338.3	1,566.0	1,798.8	2,208.1

Note that these amounts are less than the 'children's budgets' within the respective departments, since the aim is not to identify what the departments allocate towards services for children, but rather what the departments allocate to the services envisaged by the Children's Bill.

Also note that these amounts do not include the funding that child protection organisations raise from donors, business and individuals to fund the delivery of social welfare service to children, including the running of children's homes. The reality, however, is that these organisations raise significant but relatively small amounts. For instance the study on children's homes referred to previously reports that the 165 homes surveyed raised R92.7 million in 2002, which covered 38% of their running expenses¹⁶. Even if the non-government funding raised by child protection organisations equalled what government allocates to social welfare services it would not change the essential nature of the analysis that follows. This funding is also excluded from the analysis, given that a basic premise of the Costing Project is that government is responsible for funding the delivery of the services envisaged by the Children's Bill.

The estimates in the above table are based on the assumptions outlined in the following sections.

7.1.1 National Department of Social Development

The following assumptions were used to estimate what the national Department of Social Development currently allocates to services envisaged by the Children's Bill. All the current expenditure and budget information is taken from the department's vote, Vote 18, in the *Estimates of National Expenditure 2006*.

- In Programme 4: Social welfare services:
 - 25% of the sub-programme 'Service Standards' – this sub-programme develops policy relating to all the social welfare services. It is estimated that about 25% of its work relates to social welfare services for children;
 - 100% of the sub-programme 'Child Care and Protection Services';
 - 75% of the sub-programme 'Families' – services to families obviously have a strong focus on preventative type interventions aimed at benefiting children; and
 - 25% of the sub-programme 'HIV and AIDS' – while the entire programme is relevant to children, it is estimated that about 25% of the funds goes towards activities that impact upon children directly.

¹⁶ Department of Social Development (2004) paragraph 8.10.4.

7.1.2 Department of Justice

The following assumptions were used to estimate what the Department of Justice currently allocates to services envisaged by the Children's Bill. All the current expenditure and budget information is taken from the department's vote, Vote 23, in the *Estimates of National Expenditure 2006*.

- Magistrates' salaries:
 - 5% of the amount allocated as a direct charge on the National Revenue Fund for 'Magistrates' Salaries' – this is based on research into the current functioning of the children's courts¹⁷ which indicated that in 2004 about 86 of the 1 502 magistrates were required to work full-time on children's matters in order to deal with the number of children's matters reported to the Justice Nerve Centre. 86 is about 5% of 1 502. The number of 1 502 magistrates is based on the number of magistrates that would be available to work on children's matters.
- In Programme 2: Court Services:
 - 5% of the sub-programme 'Lower Courts' – see above assumption. The children's matters would be heard in courts or chambers funded by this sub-programme, as well as rely on the court personnel linked to these facilities; and
 - 25% of the sub-programme 'Family Advocate' – the Family Advocate is currently mandated to make recommendations to the court where there is litigation relating to children in divorce cases. This obligation overlaps with the services the Children's Bill requires the Family Advocate to provide in relation parental rights and responsibilities and parenting plans. It is therefore assumed that 75% the Family Advocate's current budget goes towards meeting the existing obligation in relation to divorce matters, and 25% to matters envisaged by the Children's Bill.
- In Programme 5: Auxiliary and Associated Services:
 - 10% of the Legal Aid Board's budget – 11% of the matters dealt with by the justice centres in 2004/05 were civil matters. It can be assumed that nearly all these matters related to children, since this is a key focus area of the Board.

7.1.3 Provincial social development departments

The following assumptions were used to estimate what each of the provincial social development departments currently allocate to services envisaged by the Children's Bill. The information is taken from the respective provincial departments' 2006 budgets.

- In Programme 2: Social welfare services:
 - 100% of the sub-programme 'Child Care and Protection Services';
 - 40% of the sub-programme 'HIV and AIDS' – departments indicated that a substantial proportion of this sub-programme is focussed on serving the needs of children infected and affected by HIV/AIDS; and
 - 75% of the sub-programme 'Care and Support Services to Families' – again departments indicated that children are the primary focus of this programme.

The following table shows what each of the provincial social development departments have allocated towards the services areas covered by the Children's Bill, based on the above assumptions.

¹⁷ Report SA1: 'The functioning of the existing children's courts'

Table 7.2: Current allocations to services covered by the Children's Bill – provincial social development

Province	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R million							
Eastern Cape	82.4	126.2	92.1	107.4	135.0	184.6	227.1
Free State	60.1	90.2	104.8	108.8	132.0	107.9	125.5
Gauteng	214.2	190.7	247.5	258.3	323.7	377.7	487.2
KwaZulu-Natal	109.4	128.7	153.8	209.8	226.4	237.4	274.6
Limpopo	41.3	54.2	51.7	40.4	51.5	68.6	102.5
Mpumalanga	33.9	25.5	34.1	47.2	72.7	81.5	115.3
Northern Cape	14.8	18.9	25.3	29.3	33.8	43.0	50.9
North West	2.7	9.4	29.1	40.6	52.1	54.7	72.4
Western Cape	71.0	116.7	159.5	180.5	182.7	248.3	326.1
South Africa	629.8	760.5	897.8	1,022.4	1,209.7	1,403.7	1,781.7

7.1.4 Provincial education departments

The data on the provincial education departments' current expenditures only covers schools of industry and reform schools. It is based on school specific information received from Free State, Mpumalanga and Western Cape for 2005/06 to 2009/10, which was used to calculate an average per capita cost that was then used to estimate the remaining provinces expenditures. The information was projected backwards using a 5% deflator.

Table 7.3: Current allocations to services covered by the Children's Bill – provincial education

Province	2005/06	2006/07	2007/08	2008/09	2009/10
R million					
Eastern Cape	10.0	10.6	11.2	11.9	12.5
Free State	20.6	23.7	24.9	26.3	27.6
Gauteng	18.1	19.1	20.1	21.3	22.4
KwaZulu-Natal	16.2	17.2	18.1	19.1	20.2
Limpopo	0.0	0.0	8.8	9.2	19.5
Mpumalanga	37.4	39.7	42.1	44.7	47.3
Northern Cape	0.0	1.3	2.7	4.4	6.1
North West	5.4	10.5	11.1	11.7	12.3
Western Cape	30.4	32.1	33.7	35.4	37.1
Total Cost	138.1	154.3	172.8	183.8	205.2

7.2 Existing versus new obligations

As noted above, the Costing Project calculates the cost to government of delivering both the existing and new obligations envisaged by the Children's Bill without differentiating between them.

Where the Children's Bill envisages services that are the same or similar to services already required, the government has an existing obligation to provide these services. They are therefore not new obligations and the costs associated with their delivery are not new costs that can be attributed to the Children's Bill. For instance, the government has an existing obligation in terms of the Child Care Act to provide a range of services related to foster care. The Children's Bill restates this obligation, with some change in emphasis. However, this does not mean the Bill is creating a new obligation.

Only those provisions that extend the government's existing obligations or describe new obligations give rise to new costs that should be attributed to the Children's Bill. For instance, the provisions dealing with 'parenting plans' impose new obligations on the Department of Justice and the children's courts. The costs associated with giving effect to these provisions represent new costs.

However, note that many provisions in the Children's Bill introduce changes that do not have significant, ongoing cost implications for government, for instance, changing the age of majority to eighteen years.

The list below identifies those areas of service that are new.

Table 7.4: New obligations envisaged by the Children's Bill

Service or service activity	What is new?	% treated as new
National Department of Social Development		
Central Authority	The Bill provides for the establishment of a Central Authority in relation to inter-country adoptions	100%
Department of Justice		
Care and protection cases	The Bill extends the range of people that may approach children's courts, the scope of the hearings and the range of orders they may make. It is expected that hearings will take longer as a result.	75%
Interdicts and other orders	The Bill extends the range of matters that may be brought before the children's court, and the range of orders it may make.	100%
Reviewing placement orders	The Bill requires that a children's court review orders placing children in children's homes, schools of industry and reform schools at least every two years. The Bill does not mention a specific period for reviewing orders placing children in places of safety and secure care facilities – but the costing provides for reviews every three months.	100%
Parental rights and responsibilities	The Bill provides that the children's court has jurisdiction over issues relating to parental rights and responsibilities, which in most instances relates to parents' access to their children. The Bill also provides that the family advocate must assist parties to prepare parenting plans and must register such plans. In certain instances these plans can be made an order of the court.	100%
Lay forums	The Bill provides for pre-hearing conferences, family group conferences and other lay-forums. In many instances these need to be set-up by clerks of children's courts and would be attended by state employed family counsellors or family law assistants.	100%
Provincial social development obligations		
Monitoring and evaluation of partial care and ECD, Child Protection Organisations and shelters	Under the Child Care Act the process is complaints-driven, whereas the Bill requires the government to be proactive in its monitoring and evaluation activities.	75%
Monitoring and evaluation of child and youth care centres	Under the Child Care Act the process is complaints-driven, whereas the Bill requires the government to be proactive in its monitoring and evaluation activities.	50%
Prevention services	These services are not new, but there is a strong emphasis on them in the Bill. It places a positive obligation on government to provide prevention services aimed at preserving the family environment.	50%
Intervention services	These services are not new, but there is a strong emphasis on them in the Bill. The children's court may also order that intervention services be provided to a child or family either prior to a placement order or in conjunction with a placement order.	75%
Statutory oversight of intervention orders	The Bill allows the Court to require a social worker to report back to the Court regarding progress with implementing court-ordered early intervention services.	100%
Review and extension of foster & kinship care orders	Currently provincial social development departments have administrative processes to review and extend these orders. The Bill requires that a children's court review all these orders by way of a hearing at least every two years.	50%
Review and extension of orders placing children in child and youth care centres	Currently provincial social development departments have administrative processes to review and extend these orders. The Bill requires that a children's court reviews orders placing children in children's homes, schools of industry and reform schools at least every two years. The Bill does not mention a specific period for reviewing orders placing children in places of safety and secure care facilities – but the costing provides for reviews every three months.	75%
Provincial education obligations		
No new obligations		

The following tables indicate the cost of existing and new obligations by department for the IP Low and the FC High scenarios.

Table 7.5: IP Low: Existing and new obligations by department

Department		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
National Department of Social Development	Existing	52.2	53.4	55.9	58.4	61.1	64.0
	New	3.1	3.2	3.3	3.5	3.6	3.8
Department of Justice	Existing	184.5	230.1	297.0	351.5	437.8	509.2
	New	206.5	292.4	453.3	607.4	804.7	1,014.1
Provincial social development departments	Existing	4,030.4	5,028.3	6,189.8	7,318.3	8,609.2	10,034.8
	New	1,022.6	1,235.0	1,504.4	1,781.1	2,132.4	2,496.3
Provincial education departments	Existing	530.9	627.3	738.8	818.2	926.1	1,029.7
	New	0.0	0.0	0.0	0.0	0.0	0.0
Total Children's Bill obligations	Existing	4,798.1	5,939.2	7,281.5	8,546.5	10,034.3	11,637.7
	New	1,232.1	1,530.6	1,961.1	2,392.0	2,940.7	3,514.2

Table 7.6: FC High: Existing and new obligations by department

Department		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million							
National Department of Social Development	Existing	52.2	53.4	55.9	58.4	61.1	64.0
	New	3.1	3.2	3.3	3.5	3.6	3.8
Department of Justice	Existing	837.6	931.6	1,127.8	1,228.8	1,433.2	1,549.8
	New	1,415.4	1,540.0	1,775.5	1,920.0	2,174.2	2,340.5
Provincial social development departments	Existing	38,142.6	44,039.0	50,374.6	56,519.3	62,976.4	69,508.7
	New	4,554.5	5,146.9	5,936.9	6,605.7	7,461.4	8,196.8
Provincial education departments	Existing	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5
	New	0.0	0.0	0.0	0.0	0.0	0.0
Total Children's Bill Obligations	Existing	40,920.9	47,257.6	54,070.6	60,647.6	67,556.2	74,512.9
	New	5,973.0	6,690.2	7,715.8	8,529.2	9,639.3	10,541.1

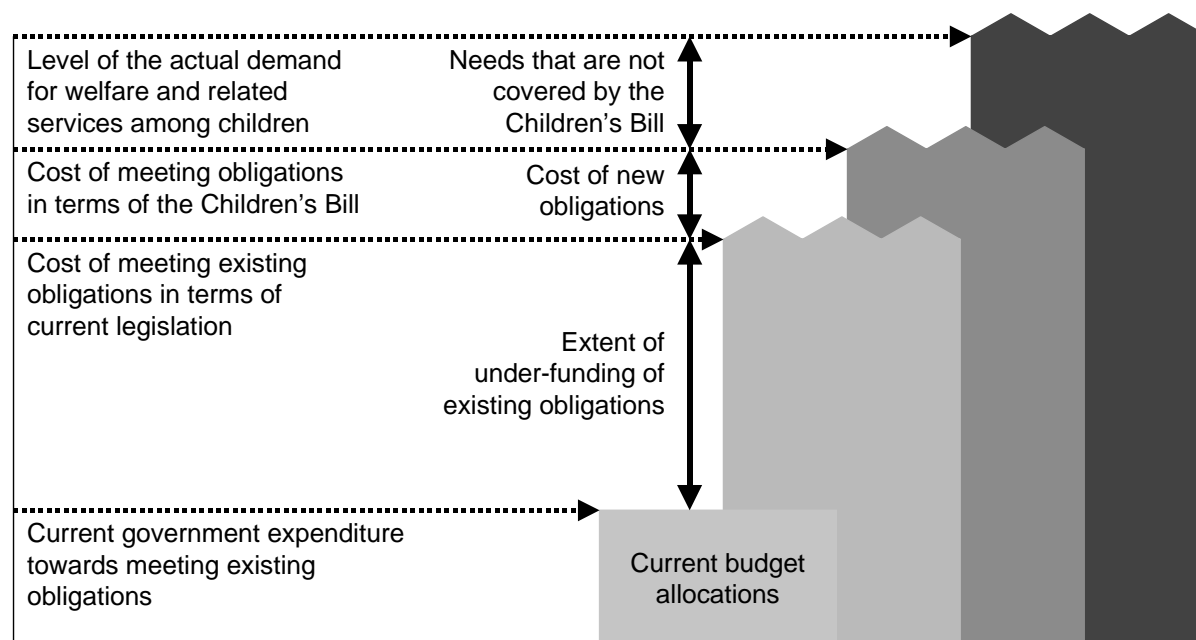
The above tables show:

- The new obligations of the national Department of Social Development are minimal: just 5.6% of the estimated total cost for 2010/11 in both scenarios;
- In the IP Low scenario the cost of the Department of Justice's new obligations increases fivefold over the period; from R0,2 billion in 2005/06 to R1.0 billion in 2010/11. By comparison the cost of the existing obligations of the department only increases two and half times over the period;
- In the IP Low scenario the cost of the Department of Justice's new obligations in 2010/11 constitute 66% of the estimated total cost to the department of implementing the Children's Bill. In the FC High scenario the comparable figure is nearly 60%. This suggests that the Bill extends the obligations of the Department of Justice the most of all the departments.
- In the IP Low scenario the cost of the provincial social developments departments' new obligations in 2010/11 constitute about 20% of the estimated total cost to these departments of implementing the Children's Bill. The other 80% relate to existing obligations. In the FC High scenario the comparable figure is 11% for new obligations. In other words, the Children's Bill only extends the obligations of social development departments by between 10 and 20%.
- This exercise suggests that according to the IP Low scenario the new obligations constitute 23% of the overall cost of implementing the Children's Bill by government. The remaining 77% of the costs relate to existing obligations. The comparable figure for new obligations in the FC High scenario is 12%. In other words 88% of the costs relate to existing obligations.

7.3 The gap in funding

The relationship between existing budgets, the cost of existing obligations and new obligations and the overall demand for welfare and related services among children is illustrated in Figure 3.

Figure 3: Current budgets vs existing obligations vs new obligations



The above figure illustrates that to date, government has allocated insufficient funds in its budgets to meet the existing obligations under the Child Care Act and other legislation. In short, the child welfare function and the related court services are significantly under-funded. This means there is an existing funding gap between current budgets and current legislative obligations. The new obligations in the Children's Bill extend the gap further. The extent of these funding gaps is shown below.

7.3.1 IP Low scenario: Gap in funding by department

The following table shows the extent of the under-funding of existing obligations for the IP Low scenario. It is calculated by subtracting the total current budget allocations shown in Table 7.1 from the estimated figures for existing obligations shown in Table 7.5. Note that figures only relate to the current MTEF period as there are no current budgets for the last two years of the costing period.

Table 7.7: IP Low: Under-funding of current obligations by department

Department	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
National Department of Social Development	26.3	27.6	29.3	30.5		
Department of Justice	32.5	54.0	101.3	136.9		
Provincial social development departments	3,008.1	3,818.6	4,786.2	5,536.7		
Provincial education departments	412.5	502.7	607.6	680.1		
Total under-funding	3,479.5	4,402.9	5,524.3	6,384.1		
<i>% Under-funding of current obligations</i>						
National Department of Social Development	50.5%	51.7%	52.4%	52.3%		
Department of Justice	17.6%	23.4%	34.1%	38.9%		
Provincial social development departments	74.6%	75.9%	77.3%	75.7%		
Provincial education departments	77.7%	80.1%	82.2%	83.1%		
% Total under-funding	72.5%	74.1%	75.9%	74.7%		

The above table indicates that according to the IP Low costing outcomes:

- Current budgets only fund about 25% of the existing obligations set out in the Child Care Act and other legislation which are repeated in the Children's Bill;
- The existing obligations of the Department of Justice were under-funded by about 18% in 2005/06. The extent of the under-funding is set to increase as the demand for the normal services of the children's court increase more rapidly than the budgets for these courts.
- The provincial social development departments are collectively under-funded by about 75%. In other words they are only receiving about 25% of the budget they require to meet the demand for services set out in the IP Low scenario according to the 'Low' norms and standards.

The following table shows the extent of the funding gap between the total current budget allocations shown in Table 7.1 and the overall cost of implementing the Children's Bill according to the IP Low scenario as shown in Table 6.3.

Table 7.8: IP Low: Funding gap for Children's Bill obligations by department

Department	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
National Department of Social Development	29.4	30.9	32.6	34.0		
Department of Justice	239.0	346.4	554.6	744.3		
Provincial social development departments	4,030.6	5,053.6	6,290.6	7,317.8		
Provincial education departments	412.5	502.7	607.6	680.1		
Total funding gap	4,711.6	5,933.5	7,485.4	8,776.1		
<i>% Funding gap for Children's Bill obligations</i>						
<i>National Department of Social Development</i>	<i>53.3%</i>	<i>54.5%</i>	<i>55.1%</i>	<i>54.9%</i>		
<i>Department of Justice</i>	<i>61.1%</i>	<i>66.3%</i>	<i>73.9%</i>	<i>77.6%</i>		
<i>Provincial social development departments</i>	<i>79.8%</i>	<i>80.7%</i>	<i>81.8%</i>	<i>80.4%</i>		
<i>Provincial education departments</i>	<i>77.7%</i>	<i>80.1%</i>	<i>82.2%</i>	<i>83.1%</i>		
% Total funding gap	78.1%	79.4%	81.0%	80.2%		

Comparing the above table to Table 7.7 it is evident that the funding gap faced by Department of Justice in 2005/06 increases from 18% in relation to existing obligations to 61% in relation to the total obligations under the Children's Bill. This is due to the fact that Children's Bill imposes substantial new obligations on the Department of Justice.

The overall funding gap between current budgets and the cost of implementing the Children's Bill in line with the IP Low scenario is around 80% overall, as well as for the provincial social development and education departments.

The following table presents details of the under-funding of existing obligations for each of the provincial social development departments according to the IP Low scenario. When considering this information one must keep in mind the fact that the demand variables in this scenario are based on information from the respective provincial departments.

Table 7.9: IP Low: Under-funding of current obligations – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	477.9	655.1	774.0	923.0		
Free State	264.3	300.2	392.6	449.1		
Gauteng	683.7	868.8	1,143.4	1,370.9		
KwaZulu-Natal	529.9	642.5	852.0	953.7		
Limpopo	348.0	473.2	600.1	711.7		
Mpumalanga	152.5	186.6	254.7	304.6		
Northern Cape	102.3	134.9	141.2	153.3		
North West	100.6	145.4	210.8	251.7		
Western Cape	348.8	411.9	417.4	418.7		
Total under-funding	3,008.1	3,818.6	4,786.2	5,536.7		
% Under-funding of current obligations						
Eastern Cape	81.7%	82.9%	80.7%	80.3%		
Free State	70.8%	69.5%	78.4%	78.2%		
Gauteng	72.6%	72.9%	75.2%	73.8%		
KwaZulu-Natal	71.6%	73.9%	78.2%	77.6%		
Limpopo	89.6%	90.2%	89.7%	87.4%		
Mpumalanga	76.3%	72.0%	75.8%	72.5%		
Northern Cape	77.7%	80.0%	76.7%	75.1%		
North West	71.2%	73.6%	79.4%	77.7%		
Western Cape	65.9%	69.3%	62.7%	56.2%		
% Total under-funding	74.6%	75.9%	77.3%	75.7%		

The following table presents details of the funding gap between existing budgets and the cost of implementing the Children's bill according to the IP Low scenario for each of the provincial social development departments.

Table 7.10: IP Low: Funding gap for Children's Bill obligations – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	626.6	873.9	1,061.4	1,288.4		
Free State	373.8	423.4	537.7	610.6		
Gauteng	948.8	1,174.6	1,506.2	1,793.2		
KwaZulu-Natal	640.2	768.2	1,002.6	1,125.7		
Limpopo	440.5	596.0	767.7	920.0		
Mpumalanga	205.2	250.2	335.4	403.5		
Northern Cape	154.7	193.6	206.2	226.3		
North West	129.7	182.4	258.8	311.1		
Western Cape	511.2	591.2	614.7	639.0		
Total funding gap	4,030.6	5,053.6	6,290.6	7,317.8		
% Funding gap for Children's Bill obligations						
Eastern Cape	85.4%	86.6%	85.2%	85.0%		
Free State	77.5%	76.2%	83.3%	83.0%		
Gauteng	78.6%	78.4%	80.0%	78.6%		
KwaZulu-Natal	75.3%	77.2%	80.9%	80.4%		
Limpopo	91.6%	92.0%	91.8%	90.0%		
Mpumalanga	81.3%	77.5%	80.5%	77.8%		
Northern Cape	84.1%	85.2%	82.7%	81.6%		
North West	76.1%	77.8%	82.6%	81.1%		
Western Cape	73.9%	76.4%	71.2%	66.2%		
% Total funding gap	79.8%	80.7%	81.8%	80.4%		

Table 7.1 indicates that provincial governments collectively allocated R629.8 million to the delivery of services envisaged by the Children's Bill in 2005/06. According to Table 7.9 the departments required an additional R3 billion to simply deliver the services required by the Child Care Act according to the 'Low' norms and standards set specified. In other words the provincial social development departments as a whole are only receiving 25% of the funding they require to implement their existing obligations. The situation in individual provinces is quite diverse. In Limpopo the welfare function only receives about 10% of the funding it requires to implement its existing obligations, while in the Western Cape the function is under-funded by about 66%.

Table 7.10 shows that the Children's Bill will simply increase the extent of the funding gap between social development departments' current budgets and their obligations.

7.3.2 FC High scenario: Gap in funding by department

The following table shows the extent of the under-funding of existing obligations for the FC High scenario. It is calculated by subtracting the total current budget allocations shown in Table 7.1 from the estimated figures for existing obligations shown in Table 7.6.

Table 7.11: FC High: Under-funding of current obligations by department

Department	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
National Department of Social Development	26.3	27.6	29.3	30.5		
Department of Justice	685.6	755.4	932.1	1,014.2		
Provincial social development departments	37,120.3	42,829.2	48,970.9	54,737.6		
Provincial education departments	1,770.1	2,109.0	2,381.1	2,703.0		
Total under-funding	39,602.3	45,721.2	52,313.4	58,485.2		
<i>% Under-funding of current obligations</i>						
<i>National Department of Social Development</i>	<i>50.5%</i>	<i>51.7%</i>	<i>52.4%</i>	<i>52.3%</i>		
<i>Department of Justice</i>	<i>81.9%</i>	<i>81.1%</i>	<i>82.6%</i>	<i>82.5%</i>		
<i>Provincial social development departments</i>	<i>97.3%</i>	<i>97.3%</i>	<i>97.2%</i>	<i>96.8%</i>		
<i>Provincial education departments</i>	<i>93.7%</i>	<i>94.4%</i>	<i>94.8%</i>	<i>95.1%</i>		
% Total under-funding	96.8%	96.7%	96.8%	96.4%		

The above table indicates that according to the FC High costing outcomes:

- Current budgets only fund about 3.2% of the existing obligations set out in the Child Care Act and other legislation which are repeated in the Children's Bill;
- The existing obligations of the Department of Justice are consistently under-funded by about 82%.
- The provincial social development departments are collectively under-funded by about 97.3%. In other words they are only receiving about 2.7% of the budget they require to meet the demand for services set out in the FC High scenario according to the 'High' norms and standards.

The following table shows the extent of the funding gap between the total current budget allocations shown in Table 7.1 and the overall cost of implementing the Children's Bill according to the FC High scenario as shown in Table 6.18.

Table 7.12: FC High: Funding gap for Children's Bill obligations by department

Department	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
National Department of Social Development	29.4	30.9	32.6	34.0		
Department of Justice	2,101.0	2,295.4	2,707.6	2,934.2		
Provincial social development departments	41,674.8	47,976.1	54,907.8	61,343.3		
Provincial education departments	1,770.1	2,109.0	2,381.1	2,703.0		
Total funding gap	45,575.3	52,411.4	60,029.2	67,014.4		
<i>% Funding gap for Children's Bill obligations</i>						
National Department of Social Development	53.3%	54.5%	55.1%	54.9%		
Department of Justice	93.3%	92.9%	93.3%	93.2%		
Provincial social development departments	97.6%	97.5%	97.5%	97.2%		
Provincial education departments	93.7%	94.4%	94.8%	95.1%		
% Total funding gap	97.2%	97.2%	97.2%	96.9%		

The overall funding gap between current budgets and the cost of implementing the Children's Bill in line with the FC High scenario is around 97.2% overall. This is completely dominated by the funding gap for social development departments where current allocations cover less than 2.4% of the cost of implementing the Children's Bill according to the FC High scenario.

The following table presents details of the under-funding of existing obligations for each of the provincial social development departments according to the FC High scenario.

Table 7.13: FC High: Under-funding of current obligations – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	5,725.3	6,569.1	7,437.4	8,360.7		
Free State	2,270.1	2,614.2	3,018.6	3,389.2		
Gauteng	6,151.9	7,199.8	8,335.4	9,370.6		
KwaZulu-Natal	10,378.4	11,966.0	13,741.1	15,336.5		
Limpopo	4,057.2	4,629.4	5,233.3	5,806.8		
Mpumalanga	3,212.4	3,685.5	4,204.7	4,680.0		
Northern Cape	486.0	573.5	637.6	701.4		
North West	2,815.6	3,275.0	3,771.1	4,228.7		
Western Cape	2,023.3	2,316.8	2,591.8	2,863.6		
Total under-funding	37,120.3	42,829.2	48,970.9	54,737.6		
<i>% Under-funding of current obligations</i>						
Eastern Cape	98.2%	98.0%	97.6%	97.4%		
Free State	95.4%	95.2%	96.5%	96.4%		
Gauteng	96.0%	95.7%	95.7%	95.1%		
KwaZulu-Natal	98.0%	98.1%	98.3%	98.2%		
Limpopo	99.0%	98.9%	98.7%	98.3%		
Mpumalanga	98.6%	98.1%	98.1%	97.6%		
Northern Cape	94.3%	94.4%	93.7%	93.2%		
North West	98.6%	98.4%	98.6%	98.3%		
Western Cape	91.8%	92.7%	91.3%	89.8%		
% Total under-funding	97.3%	97.3%	97.2%	96.8%		

The following table presents details of the funding gap between existing budgets and the cost of implementing the Children's Bill according to the FC High scenario for each of the provincial social development departments.

Table 7.14: FC High: Funding gap for Children's Bill obligations – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R million						
Eastern Cape	6,396.9	7,324.9	8,299.7	9,321.6		
Free State	2,546.7	2,928.3	3,379.9	3,792.5		
Gauteng	6,952.8	8,098.8	9,400.0	10,545.4		
KwaZulu-Natal	11,601.0	13,358.0	15,345.3	17,125.9		
Limpopo	4,557.5	5,191.1	5,874.1	6,519.2		
Mpumalanga	3,597.0	4,122.4	4,706.8	5,239.0		
Northern Cape	547.9	643.0	716.8	789.8		
North West	3,159.5	3,665.4	4,221.7	4,732.9		
Western Cape	2,315.4	2,644.3	2,963.5	3,276.9		
Total funding gap	41,674.8	47,976.1	54,907.8	61,343.3		
<i>% Funding gap for Children's Bill obligations</i>						
Eastern Cape	98.3%	98.2%	97.8%	97.6%		
Free State	95.9%	95.7%	96.9%	96.8%		
Gauteng	96.4%	96.2%	96.1%	95.6%		
KwaZulu-Natal	98.2%	98.3%	98.5%	98.4%		
Limpopo	99.1%	99.0%	98.8%	98.5%		
Mpumalanga	98.7%	98.3%	98.3%	97.8%		
Northern Cape	94.9%	95.0%	94.3%	93.9%		
North West	98.7%	98.6%	98.7%	98.5%		
Western Cape	92.8%	93.5%	92.3%	90.9%		
% Total funding gap	97.6%	97.5%	97.5%	97.2%		

The previous two tables sketch a very bleak picture. The extent of under-funding outlined in Table 7.13 is chronic and the funding gap outlined in Table 7.14 is worse. Both tables highlight the gap between the government's good intentions on paper and the actual allocation of resources to address the crisis currently facing children in the country.

8 Key issues raised by the costing outcomes

The information gathered during the course of the Costing Project, and the costing outcomes draw attention to a range of issues related to the delivery of social welfare services to children. This section focuses on six of the key issues, namely:

1. The proper implementation of the Children's Bill will require large numbers of social workers and auxiliary social workers. The costing indicates that the numbers required greatly exceed the number of registered social workers and auxiliary social workers in the country.
2. The current budgets show that there are enormous disparities in expenditure on social welfare services for children between the provinces. The information received for the Implementation Plan scenarios from the provincial social development departments show that these disparities are set to persist.
3. HIV/AIDS has a very significant impact on the cost of implementing the Children's Bill. The costing enables one to explore the extent of this impact and its implications for services delivered by different departments and by provinces.
4. While it is always preferable to place children requiring alternative care in families within communities, this is not always possible – especially given the very high numbers of orphans as a result of HIV/AIDS. All the costing scenarios indicate that there are insufficient places in children's homes and places of safety to meet the current demand. There are also enormous provincial disparities in the availability of places in these facilities.
5. The per capita cost to the state of the different alternative care options, including adoptions, shows that adoption is by far the most cost-effective way of caring for children outside of their families. Despite this, there is at present no national strategy to promote adoptions, and the number of classic adoptions being performed each year appears to be declining.
6. The Children's Bill provides that alternative care orders may only be extended by a children's court after a court hearing, and this needs to happen every two years. The costing scenarios show that this provision increases the courts' workload very significantly and is probably not cost-effective, especially when dealing with cases that are effectively permanent placements, e.g. an orphaned child in a stable kinship care arrangement.

The following sections provide more detail on the key issues noted above.

8.1 Lack of suitably qualified personnel

The greatest obstacle to the implementation of the Children's Bill is the acute shortage of suitably qualified personnel. This is highlighted with reference to social workers and auxiliary social workers, but the problem exists in relation to other categories of personnel such as magistrates and child care workers.

The Costing Model uses activity based costing to calculate how many social workers and other categories of personnel are required to provide the relevant services to the levels of demand indicated in the different scenarios. The personnel outcomes are therefore a product of the kinds of services, the service delivery norms and standards and the projected demand for services.

The above approach to determining the required staff complement differs radically from the population-based approach currently recommended by the *Integrated Service Delivery Model* of the

national Department of Social Development. According to this latter approach the proposed norms for social workers to population are as follows:

- 1:5000 Urban (Gauteng)
- 1:4500 Combined Urban/Rural (KwaZulu-Natal and Western Cape)
- 1:3000 All other provinces

The Department does not propose norms for other personnel categories, such as auxiliary social workers.

The above 'integrated' norms apply to the whole population. Strictly speaking they are therefore not suitable for estimating the number of social workers needed to serve the child population, since the need for social welfare services among children is substantially higher than among adults. Nevertheless, we use them in the following analysis to highlight a number of issues.

The following table presents information on the estimated number of social workers and auxiliary social workers required to implement the Children's Bill in 2005/06 by scenario, along with other information on social workers.

Table 8.1: The supply and demand for social workers

Personnel category	Number registered with Council (April 2005)	Total number employed by social development and NPOs (2005)	Number required to deliver services to children in terms of 'integrated' norms	IP Low scenario		FC High scenario	
				2005/06	2010/11	2005/06	2010/11
				Social workers (all levels)	11,372	5,063	4,822
Aux. social workers (all levels)	1,849	?	no norm	7,682	14,648	34,158	48,660

Note: The number of registered social workers and auxiliary social workers was obtained from the SA Council for Social Service Professionals (letter dated 12 April 2005). The council also indicated that there are 484 registered non-practising social workers, and 14 registered non-practising auxiliary social workers. Number of social workers employed by social development departments and NPOs is based on the 'Findings Report on the Financial Awards to Service Providers, 2005'

The above table shows that:

- at the end of 2005 the social welfare sector in government as well as the NPOs employed 5 063 social workers which is 241 more than are required if the 'integrated' norms are applied only to the child population. The situation is particularly acute in view of the fact that the social workers currently employed are responsible for all the departments' programmes, and not only those related to children;
- the number of social workers required to implement the Children's Bill according to the IP Low scenario in 2005 is slightly less than twice the number proposed by the 'integrated' norms, but as soon as the demand for services begins to pick up the numbers diverge even more. In 2010/11 some 16 504 social workers are required to implement the Children's Bill according to the IP Low scenario. The numbers diverge because the 'integrated' norms are population-based and are not sensitive to the actual demand for services; and

- the number of social workers required to implement the Children's Bill according to the FC High scenario exceeds the current number of registered social workers by almost 36 000 in 2005/06 and by 55 000 in 2010/11.

It is often proposed that the shortfall in the number of social workers can be alleviated by employing more auxiliary social workers. In theory this is true, and the service delivery models underpinning the Costing Model provide for this wherever possible. But what the above table shows is that the shortage of registered auxiliary social workers is even greater. There are simply too few auxiliary social workers available to substitute for social workers.

While the shortage of suitably qualified personnel is a national problem, the problem's impact differs across the provinces. The following table shows the number of children per social worker based on the number employed by the provincial social development departments and NPOs in 2005 and compares this to the number of children per social worker proposed by the IP Low scenario and the FC High scenario.

Table 8.2: Number of children per social worker

Province	Integrated norm	If all existing social workers employed by social development and NPOs delivered services to children only (2005)	IP Low scenario		FC High scenario	
			2005/06	2010/11	2005/06	2010/11
Eastern Cape	3,000	3,067	1,644	561	420	285
Free State	3,000	3,210	1,097	707	343	238
Gauteng	5,000	2,619	1,435	923	343	256
KwaZulu-Natal	4,500	4,147	3,638	2,129	305	218
Limpopo	3,000	5,830	2,622	1,120	540	380
Mpumalanga	3,000	5,285	2,525	1,131	333	242
Northern Cape	3,000	1,492	999	715	491	334
North West	3,000	4,682	4,386	1,880	392	267
Western Cape	4,500	2,200	1,485	1,149	563	410
South Africa (average)	3,747	3,569	2,086	1,092	382	272

The above tables show that:

- if all the social workers currently employed by the social development departments and the NPOs only delivered services to children then Northern Cape, Western Cape KwaZulu-Natal and Gauteng would have sufficient social workers to comply with the 'integrated norm'. Eastern Cape is close. However, this is assumption is unrealistic given the sector's other service delivery obligations;
- none of the provinces employ sufficient social workers to service the social welfare needs of children within their provinces according to the norms and standards specified for the implementation of the Children's Bill;
- the shortage of social workers is most acute in Limpopo, where there are currently 5 830 children per social worker, but according to the IP Low scenario there should be between 2 622 and 1 120 children per social worker; and
- provincial inequalities in the number of children per social worker are expected to persist under the IP Low scenario. The extent of these inequalities is highlighted by comparing the IP Low numbers to the numbers for the FC High scenario in the above table:

- According to the FC High scenario, KwaZulu-Natal should have the lowest number of children per social worker of all the provinces, but in the IP Low scenario it will continue to have among the highest.
- According to the FC High scenario, Gauteng and Western Cape should have the highest number of children per social worker, but in the IP Low scenario they will continue to have among the lowest.

8.2 Persistent provincial inequalities in social welfare services

The nature of the provincial inequalities in social welfare services can be illustrated with reference to every aspect of these services, be it funding, facilities, personnel (see above discussion), provision of services, access to foster care placements, subsidies for partial care, etc. The analysis below focuses on the existing budgets and the costing outcomes of the IP Low and FC High scenarios in order to highlight the overall extent and persistent nature of these inequalities.

The following table analyses the provincial social development departments' past expenditures and current MTEF budget allocations for social welfare services for children, using the expenditure and budget information presented in section 7.1.3.

Table 8.3: Current budgets: per capita expenditure on social welfare services for children by province

Province	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Rands							
Eastern Cape	35.59	54.48	39.75	46.37	59.09	82.04	102.43
Free State	59.79	89.72	104.28	108.30	132.51	109.20	127.82
Gauteng	74.62	66.43	86.22	90.00	110.79	127.27	162.01
KwaZulu-Natal	27.35	32.17	38.43	52.43	56.66	59.53	69.03
Limpopo	15.62	20.52	19.56	15.28	19.55	26.12	39.11
Mpumalanga	25.04	18.88	25.21	34.91	53.77	60.31	85.44
Northern Cape	48.09	61.58	82.42	95.36	110.72	142.09	169.19
North West	1.92	6.75	20.85	29.12	37.50	39.50	52.52
Western Cape	44.78	73.57	100.53	113.77	114.35	154.35	201.34
South Africa	34.85	42.09	49.68	56.58	66.97	77.74	98.74
% Deviation from the average							
Eastern Cape	2%	29%	-20%	-18%	-12%	6%	4%
Free State	72%	113%	110%	91%	98%	40%	29%
Gauteng	114%	58%	74%	59%	65%	64%	64%
KwaZulu-Natal	-22%	-24%	-23%	-7%	-15%	-23%	-30%
Limpopo	-55%	-51%	-61%	-73%	-71%	-66%	-60%
Mpumalanga	-28%	-55%	-49%	-38%	-20%	-22%	-13%
Northern Cape	38%	46%	66%	69%	65%	83%	71%
North West	-94%	-84%	-58%	-49%	-44%	-49%	-47%
Western Cape	28%	75%	102%	101%	71%	99%	104%

The above tables show that:

- Provinces can be divided into two sets, namely those that provide very low levels of service, and those that provide a better level of service to children. In the low set are North West, Limpopo, Mpumalanga, KwaZulu-Natal and Eastern Cape. In the 'better level' set are Free State, Gauteng, Northern Cape and Western Cape.

- All the provinces in the 'low set' spend significantly less per child than the average, with the possible exception of the Eastern Cape where the spending is inconsistent. The worst performer is Limpopo which consistently spends less than 60% the national average per capita.
- All the provinces in the 'high set' spend significantly more than the average. In the case of the Western Cape per capita expenditure is double the average in most years.
- In 2005/06 the gap between the highest and the lowest was between R114 in the Western Cape and R15 in Limpopo. In other words Western Cape spent 7.5 times more per child than Limpopo.
- In 2010/11 the gap between the highest and the lowest is still between the Western Cape (R201) and Limpopo (R39). It is encouraging to see that current plans indicate a slight narrowing of the gap to 5.1 times.
- What is most concerning is that one would expect the need to be greatest among the children in the provinces in the 'low set' given the levels of poverty in these particular provinces.

The following table analyses the costing outcomes of the IP Low scenario reported in section 6.3.3. This scenario represents the most likely implementation path for the Children's Bill of the four scenarios costed.

Table 8.4: IP Low: Per capita expenditure on social welfare services by province

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Rands						
Eastern Cape	316.98	441.73	553.69	683.51	833.52	1,000.70
Free State	480.29	557.58	653.30	749.88	856.33	962.14
Gauteng	420.58	512.84	634.86	758.26	896.35	1,046.51
KwaZulu-Natal	212.40	248.93	310.94	352.01	408.79	468.35
Limpopo	182.06	245.88	318.34	389.98	471.97	577.48
Mpumalanga	186.54	238.88	308.62	384.51	478.25	578.96
Northern Cape	598.76	745.77	823.27	921.21	1,014.65	1,124.65
North West	122.09	168.74	226.48	278.17	342.16	402.41
Western Cape	435.97	484.39	536.42	595.90	663.56	729.91
South Africa	279.64	346.74	426.17	504.31	595.73	695.56
% Deviation from the average						
Eastern Cape	13%	27%	30%	36%	40%	44%
Free State	72%	61%	53%	49%	44%	38%
Gauteng	50%	48%	49%	50%	50%	50%
KwaZulu-Natal	-24%	-28%	-27%	-30%	-31%	-33%
Limpopo	-35%	-29%	-25%	-23%	-21%	-17%
Mpumalanga	-33%	-31%	-28%	-24%	-20%	-17%
Northern Cape	114%	115%	93%	83%	70%	62%
North West	-56%	-51%	-47%	-45%	-43%	-42%
Western Cape	56%	40%	26%	18%	11%	5%

The above tables show that:

- All provinces have ambitious, possibly even unrealistic plans to increase expenditure on social welfare services in order to implement the Children's Bill. For instance Northern Cape intends increasing per capita expenditure from the current level of R95 to nearly R600 in 2005/06, and then still further to R1 125 in 2010/11.
- The provinces can still be divided into two sets, and the provinces in each set remain the same, with the exception of the Eastern Cape which moves from the 'low set' to the 'high set'.
- The per capita spending gaps between the provinces narrow over the period, but very significant inequalities remain in 2010/11.

Note that while the levels of per capita expenditure are higher under the IP High scenario, the inequalities remain largely unchanged. Consequently the above comments apply broadly to the IP High scenario as well.

What this analysis shows is that the provincial social development departments' current plans to implement the Children's Bill will begin to address the existing inequalities, but essentially those that are ahead will remain ahead, and those that are behind will remain behind.

The following table analyses the costing outcomes of the FC High scenario reported in section 6.4.3. The Full Cost scenarios deliberately seek to cost equitable levels of service delivery across the provinces, where differences in the costing outcomes can be attributed to differing levels of poverty and demographic factors such as fertility rates and the differential impact of HIV/AIDS, and not to historical inequalities.

Table 8.5: FC High: Per capita expenditure on welfare services – provincial social development

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Rands						
Eastern Cape	2,235.45	2,596.56	2,989.42	3,402.85	3,842.47	4,293.36
Free State	2,642.71	3,072.40	3,529.40	3,991.20	4,459.23	4,936.41
Gauteng	2,512.39	2,882.80	3,294.99	3,668.44	4,086.77	4,486.69
KwaZulu-Natal	2,951.34	3,400.02	3,907.63	4,374.32	4,866.23	5,357.27
Limpopo	1,741.03	1,990.68	2,262.23	2,525.49	2,813.78	3,120.50
Mpumalanga	2,693.48	3,103.31	3,545.32	3,968.05	4,407.76	4,844.31
Northern Cape	1,878.46	2,220.20	2,510.17	2,793.90	3,165.51	3,463.14
North West	2,293.75	2,675.00	3,089.67	3,485.66	3,920.14	4,344.01
Western Cape	1,573.23	1,769.50	1,996.42	2,224.68	2,478.86	2,732.82
South Africa	2,362.96	2,722.93	3,118.95	3,498.50	3,906.51	4,313.21
<i>% Deviation from the average</i>						
Eastern Cape	-5%	-5%	-4%	-3%	-2%	0%
Free State	12%	13%	13%	14%	14%	14%
Gauteng	6%	6%	6%	5%	5%	4%
KwaZulu-Natal	25%	25%	25%	25%	25%	24%
Limpopo	-26%	-27%	-27%	-28%	-28%	-28%
Mpumalanga	14%	14%	14%	13%	13%	12%
Northern Cape	-21%	-18%	-20%	-20%	-19%	-20%
North West	-3%	-2%	-1%	0%	0%	1%
Western Cape	-33%	-35%	-36%	-36%	-37%	-37%

The above tables show that:

- KwaZulu-Natal, Mpumalanga and North West should be amongst the provinces that spend the most per capita on social welfare services, instead of spending the least per capita.
- Conversely, the Western Cape and Northern Cape, instead of spending the most per capita, should be among the provinces that spend the least per capita. Note that this is not to suggest that these provinces should budget less for social welfare services for children; on the contrary, the gap between where they are now and where they should be in terms of the FC High scenario is still significant.
- KwaZulu-Natal should be spending the most per capita at R5 357 in 2010/11, compared to its IP Low plans to spend just R468 per capita. The latter is nearly twelve times less than the FC High scenario amount.

- The demand for social welfare services for children in Limpopo is significantly less than in Mpumalanga, Gauteng and North West primarily due to the lower number of children orphaned by HIV/AIDS in the province relative to the other provinces.

What this analysis shows is that certain provinces do not only need to 'catch-up' to the national average per capita expenditure, but that they should also in fact be spending substantially more than the national average per capita expenditure given the relative levels of poverty and the differential impact of HIV/AIDS.

8.3 The impact of HIV/AIDS on the costing outcomes

The three most important cost drivers in the costing of the Children's Bill are:

1. The kinds of services specified by the Bill; what is their extent and how cost-intensive are they?
2. The norms and standards that define the nature of the different services outlined in the Bill, and the level of service that the government intends providing. As noted, two sets of norms and standards were developed to cost the Bill. Comparing the IP Low and IP High scenarios it is clear that they have a significant impact on the costing outcomes; and
3. The demand for the services that the Bill proposes the government should be obliged to provide. As indicated previously, two sets of demand variables are used. The first set used to cost the Implementation Plan scenarios is based on estimates and information supplied by officials from the relevant departments. The second set was developed by the consulting team using a range of assumptions outlined in section 4.2 and underpins the costing in the Full Cost scenarios.

To what extent do the specifications of these different cost drivers take into account the impact of HIV/AIDS on children?

As regards the kinds of services specified by the Bill: comparing the Children's Bill to the Child Care Act which was developed long before HIV/AIDS was a factor, it would appear that the Bill makes few concessions to the fact that it will need to be implemented in the context of HIV/AIDS. The only significant service that appears to be directed specifically at addressing the needs of children impacted by the pandemic is kinship care. This gives a wider range of care-givers access to foster care grants to look after children that have been placed in their care by court order. In practice these will mostly be children that have been orphaned. The descriptions of other alternative care options are largely unchanged. This is not to say that given sufficient capacity these care options are not suited to the needs of children orphaned by HIV/AIDS. Quite the contrary; the problem is that there is not sufficient capacity to extend these services to the number of children that require them, and the Bill does not specify any less resource intensive alternatives. The consequence of this is that backlogs emerge in the current systems and children are left without access to any services. Given that the Children's Bill does not describe any care options, other than kinship care, directed at addressing the specific needs of children orphaned by HIV/AIDS the Costing Project does not cost any such options.

As regards the norms and standards: in section 3.5.1 it is noted that an initial set of 'High' norms and standards was developed based on a consensus of what represents 'good practice'. However, when it became evident that these 'High' norms and standards were leading to costing outcomes that were impractical, a second set of 'Low' norms and standards was developed that would be less personnel intensive. The need to develop the set of 'Low' norms and standards can be attributed directly to the impact of HIV/AIDS on the demand for social welfare services. The 'High' norms and standards are not impractical in themselves; they are impractical in the context of HIV/AIDS and the very high number of children that require social welfare services as a result. The extent of the funding gap

between current allocations and the costing outcomes of the IP Low scenario (see Table 7.8) suggests that even the 'Low' norms and standards are still too ambitious, and not sufficiently prioritised.

As regards the demand variables, both sets take into account the impact of HIV/AIDS in some, often less than perfect, way. It is implicit in the demand variables provided by officials for the Implementation Plan scenarios. Indeed, officials found it very difficult to project the demand for social welfare services because historical trends are largely irrelevant given the rapid progress of the pandemic and the extensive impact it is having on communities, families, and the lives of children. In addition the failure of social welfare services generally to keep pace with the demands of the pandemic meant that they had very little current information on which to base their projections. There was also a woeful lack of awareness of the research that has been done on the pandemic's trends and impacts. This partly explains the divergent projections of the number of children at risk referred to social welfare services set out in Table 5.1. Nevertheless, the demand variables put forward by the departments clearly demonstrate an awareness of the need that exists.

The demand variables underpinning the Full Cost scenarios take the impact of HIV/AIDS explicitly into account. As outlined in section 4.2, the number of children at risk referred to social welfare services in the Full Cost scenarios is made up of three components, namely:

- the number of children at risk, excluding maternal and double orphans, is calculated as follows:

% of children in each age cohort,		
0-5 yrs	6-12 yrs	13-18 yrs
2.0%	1.0%	0.5%

- 70% of new maternal orphans (see Annex Four); and
- 100% of new double orphans (see Annex Four).

The first of these assumptions is intended to estimate the 'baseline' number of children at risk referred to social welfare services for reasons other than the fact that they have been orphaned. This is a fairly bold assumption as it implies that the only way children are impacted by HIV/AIDS is by being orphaned. This is obviously not the case: children living in households affected by HIV may be traumatised, suffer neglect or even suffer abuse. However, it was felt that the bias introduced by this assumption was to some degree off-set by the following two assumptions.

The assumptions relating to maternal orphans and double orphans are intended to capture the impact of HIV/AIDS on the demand for social welfare services. These numbers include children orphaned due to other causes but, as noted above, this is assumed to offset the bias in the previous assumption. Note that new maternal and double orphans constitute about 54% of the total number of children referred to social welfare services.

Given these assumptions, it follows that, as far as the demand for services is concerned, the impact of HIV/AIDS on the costing outcomes relates to the costs associated with providing services to maternal orphans and double orphans. These services extend through the entire social welfare system – from the initial risk assessments, court enquiries and placement in one or other alternative care arrangement through to the bi-annual reviews of alternative care orders. To evaluate the extent of the impact a modified FC High scenario was developed that excludes the maternal and double orphans. This scenario is referred to as the ExAIDS scenario. The difference between the costing outcomes of the ExAIDS scenario and the FC High scenario gives an estimate of the impact of HIV/AIDS on the cost

of implementing the Children's Bill according to the FC High scenario. The results of this exercise are shown in the table below:

Table 8.6: FC High: The impact of HIV/AIDS on the costing outcomes

Department R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
FC High scenario						
National Department of Social Development	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice	2,253.0	2,471.6	2,903.3	3,148.8	3,607.4	3,890.3
Provincial social development	42,697.1	49,185.9	56,311.5	63,125.0	70,437.8	77,705.5
Provincial education	1,888.5	2,233.6	2,512.3	2,841.1	3,085.5	3,390.5
Overall cost	46,893.9	53,947.7	61,786.4	69,176.8	77,195.5	85,054.0
ExAIDS scenario						
National Department of Social Development	55.3	56.6	59.2	61.9	64.8	67.8
Department of Justice	933.3	998.8	1,138.7	1,214.6	1,367.3	1,456.3
Provincial social development departments	14,549.3	16,215.3	18,155.0	19,822.6	21,756.0	23,558.1
Provincial education departments	1,353.4	1,593.3	1,804.4	2,010.5	2,194.4	2,407.9
Overall cost	16,891.3	18,864.0	21,157.3	23,109.6	25,382.4	27,490.0
Impact of HIV/AIDS (FC High – ExAIDS)						
National Department of Social Development	0.0	0.0	0.0	0.0	0.0	0.0
Department of Justice	1,319.7	1,472.8	1,764.6	1,934.2	2,240.2	2,434.0
Provincial social development departments	28,147.9	32,970.6	38,156.5	43,302.4	48,681.8	54,147.4
Provincial education departments	535.0	640.3	708.0	830.5	891.1	982.7
Overall impact	30,002.6	35,083.7	40,629.1	46,067.1	51,813.1	57,564.0
Impact as % of FC High scenario						
National Department of Social Development	0%	0%	0%	0%	0%	0%
Department of Justice	59%	60%	61%	61%	62%	63%
Provincial social development departments	66%	67%	68%	69%	69%	70%
Provincial education departments	28%	29%	28%	29%	29%	29%
% Overall impact	64%	65%	66%	67%	67%	68%

The above table indicates that roughly two-thirds of the overall cost of implementing the Children's Bill according to the FC High scenario can be attributed to the impact of needing to provide social welfare services to children orphaned by HIV/AIDS. Although maternal and double orphans constitute only 54% of children at risk referred to social welfare services, their impact on overall costs is around 66%. This is because the cost of running children's homes increases as a percentage of overall costs as the demand for places increases – since it is a very cost intensive service.

The above table also shows that the impact of HIV/AIDS is not uniform across departments. It has no impact on the costs of the national Department of Social Development given that this department's services are not demand driven. The impact on the provincial education departments as a whole is around 29% and relates primarily to the demand for places in places of safety, and the obligation to pay schools fees on behalf of children who are wards of the state. The impact on the Department of Justice is substantial. About 60% of this department's costs in the FC High scenario result from the impact of HIV/AIDS. The impact relates primarily to the number of children's court enquiries to place the children, the bi-annual review of alternative care orders and legal representation related to both these processes.

The impact of HIV/AIDS accounts for about 68% of the costs to the provincial social development departments of implementing the Children's Bill according to the FC High scenario. Most of the impact relates to children's homes where the estimated cost of meeting the additional places in children's homes due to HIV/AIDS is about R18 billion in 2005/06 of the R28 billion overall impact or 63% of the overall impact. The remaining R10 billion impact relates to the provision of services related to foster care and kinship care, intervention services to children in foster care and kinship care,

and protection services. About 90% of the costs of foster care and kinship care in the FC High scenario are due to the impact of HIV/AIDS. This accords with the assumption that 80% of children in need of alternative care will be placed in kinship care.

The impact of HIV/AIDS differs across provinces. This is reflected in the following table which shows the costing outcomes of the ExAIDS scenario by province, the extent of the estimated impact of HIV/AIDS on the costing outcomes of implementing the Children's Bill according to the FC High scenario, and the percentage of each provinces' FC High scenario costing outcome that is attributable to the impact of HIV/AIDS. The costing outcomes in this table must be compared with the FC High scenario costing outcomes reported in Table 6.22.

Table 8.7: FC High: The impact of HIV/AIDS on the costing outcomes – provincial social development

Province R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
ExAIDS scenario						
Eastern Cape	2,390.1	2,632.2	2,890.7	3,147.7	3,433.3	3,700.8
Free State	826.1	917.1	1,015.1	1,119.1	1,231.6	1,332.5
Gauteng	2,296.6	2,615.7	2,954.9	3,303.8	3,685.9	4,056.7
KwaZulu-Natal	3,205.6	3,553.6	4,030.6	4,368.1	4,751.4	5,109.4
Limpopo	2,178.7	2,415.9	2,672.7	2,895.0	3,134.6	3,436.7
Mpumalanga	1,054.5	1,172.4	1,334.1	1,461.1	1,615.5	1,741.1
Northern Cape	264.0	311.3	332.1	352.0	388.0	403.6
North West	1,099.1	1,232.9	1,379.4	1,493.5	1,644.8	1,754.7
Western Cape	1,234.5	1,364.3	1,545.3	1,682.4	1,870.9	2,022.6
Overall total	14,549.3	16,215.3	18,155.0	19,822.6	21,756.0	23,558.1
Impact of HIV/AIDS (FC High – ExAIDS)						
Eastern Cape	4,114.2	4,827.7	5,593.6	6,401.1	7,241.5	8,123.5
Free State	1,829.3	2,142.8	2,472.0	2,798.1	3,121.7	3,467.2
Gauteng	4,913.9	5,805.3	6,820.6	7,726.2	8,741.6	9,712.4
KwaZulu-Natal	8,605.2	10,030.7	11,551.9	13,032.4	14,544.8	16,050.6
Limpopo	2,419.2	2,826.7	3,270.0	3,726.7	4,234.7	4,732.5
Mpumalanga	2,589.8	3,022.7	3,454.1	3,893.2	4,326.7	4,783.5
Northern Cape	313.1	365.5	427.8	488.7	559.8	629.2
North West	2,101.0	2,484.6	2,897.0	3,311.8	3,738.7	4,189.3
Western Cape	1,261.4	1,462.7	1,666.6	1,920.6	2,168.4	2,454.6
Overall impact	28,147.1	32,968.7	38,153.5	43,298.9	48,677.9	54,143.0
Impact as % of FC High scenario						
Eastern Cape	63%	65%	66%	67%	68%	69%
Free State	69%	70%	71%	71%	72%	72%
Gauteng	68%	69%	70%	70%	70%	71%
KwaZulu-Natal	73%	74%	74%	75%	75%	76%
Limpopo	53%	54%	55%	56%	57%	58%
Mpumalanga	71%	72%	72%	73%	73%	73%
Northern Cape	54%	54%	56%	58%	59%	61%
North West	66%	67%	68%	69%	69%	70%
Western Cape	51%	52%	52%	53%	54%	55%
% Overall impact	66%	67%	68%	69%	69%	70%

The above table shows that HIV/AIDS increases the cost of social welfare services for all provincial social development departments by more than 50%. The impact is greatest in KwaZulu-Natal at 73%. In other words nearly three quarters of the cost of implementing the Children's Bill in KwaZulu-Natal is needed in order to address the demand for services resulting from HIV/AIDS. In the Western Cape half the cost of implementing the Bill is needed to fund services to children orphaned by HIV/AIDS.

It is notable that the overall impact of HIV/AIDS increases by about 4% over the six year period. In the Northern Cape the impact increases by 7% across the period, in the Eastern Cape by 6%, and in Limpopo by 5%. This indicates that the demand for services due to HIV/AIDS is increasing more rapidly in these provinces than the national average.

Three points emerge from the above discussion:

- The implementation of the Children's Bill is made significantly more difficult by the impact of HIV/AIDS on the demand for services. This is, however, an unavoidable reality and therefore all involved in the process need to adjust their plans to address the challenges that arise as a result. It is not business as usual for the social welfare sector.
- The allocation of resources needs to take into account the differential impact of HIV/AIDS on the demand for social welfare services across the provinces. The division of revenue formula used by the National Treasury needs to be changed to reflect this.
- The government needs to look at the design of social welfare services with a view to developing innovative approaches to address the specific needs of children impacted by HIV/AIDS in a way that takes the capacity constraints of the sector into account. The S.76 Children's Bill should propose a range of services (in addition to kinship care) specifically designed to address current realities and not simply replicate (albeit slightly modified) the current approaches set out in the Child Care Act.

8.4 Backlog in children's homes

The Children's Bill entrenches the principle that when it comes to the alternative care of children there is a hierarchy of options:

1. As a general principle it is preferable that children remain with their families if reasonably possible, and that every effort is made to resolve problematic family circumstances. To allow time to resolve family problems children may be placed in private temporary safe care, places of safety, kinship care, foster care, children's homes or even schools of industry for limited periods of time;
2. If a child is orphaned or the family environment is irrevocably dysfunctional, then as a general principle it is preferable that the child be given the opportunity to be adopted;
3. If adoption is not an option, then as a general principle placement in long term kinship care is the next option;
4. If both adoption and kinship care are not possible, then as a general principle long term foster care or cluster foster care is the next option;
5. In certain specific circumstances children may even be placed in child-headed households under the supervision of a responsible person; and
6. Finally if all the above options are not available or feasible, then the children's court may place a child in a children's home.

So while it is generally preferable to place children requiring alternative care in families or family-like structures within communities, this is not always possible. In such circumstances, children's homes provide essential and important services.

The emphasis on community-based care options within the government social welfare sector since about 1997 has resulted in certain provincial social development departments being resistant to establishing new children's homes, and even resistant to registering children's homes established by NPOs or community based organisations. This has meant that over the last ten years very little has been done to:

- redress the historical inequalities in the distribution of children's homes between provinces;
- ensure the supply of places in children's homes keeps pace with the demand for such places, especially given the increasing numbers of children that are being orphaned as a result of HIV/AIDS, and the fact that extended families' and communities' capacity to absorb these orphaned children is declining as more families are impacted by HIV/AIDS, and the 'granny' care-givers grow older or die;
- ensure that the existing children's homes run by NPOs are properly funded (resulting in many homes having to close); and
- ensure that the children's homes that get established by individuals and organisations that recognise the need and are able to raise funds privately, are appropriately located and properly registered and monitored.¹⁸

The following two tables compare the demand for places in children's homes to the supply of such places, for the IP Low and FC High scenarios. Note that the IP Low data is based on what officials from the respective provincial social development departments expect the demand for places in children's homes to be. By contrast the FC High scenario uses a range of assumptions to estimate the number of children at risk, including the latest orphan estimates generated by the ASSA2003 Lite model (version 060226). It is further assumed that 10% of alternative care orders will place children in children's homes (for the remaining orders, 80% place children in kinship care, 5% place children in foster care, about 4% return children to their families and about 1% place children in schools of industry).

Table 8.8 also shows the existing number of places in children's homes per hundred thousand children by province, while Table 8.9 shows the required number of places in children's homes per hundred thousand children by province as projected by the FC High scenario for 2010.

Table 8.8: IP Low: Demand and supply of places in children's homes

No. of Children in Children's Homes	Existing Places	Additions in next 5 years	Demand for places in Children's Homes		Shortfall in supply		Existing places per 100 000 children
			2005/06	2010/11	2005/06	2010/11	
Eastern Cape	1,923	0	2,975	11,098	1,052	9,175	83
Free State	1,103	240	1,959	4,072	856	2,729	110
Gauteng	3,792	2,708	5,016	9,978	1,224	3,478	132
KwaZulu-Natal	3,154	1,061	3,553	4,990	399	775	79
Limpopo	445	932	985	3,990	540	2,613	17
Mpumalanga	590	480	832	2,012	242	942	44
Northern Cape	495	95	650	674	155	84	161
North West	412	400	527	1,050	115	238	30
Western Cape	2,070	72	2,176	2,045	106	-97	130
South Africa	13,984	5,988	18,673	39,909	4,689	19,937	77

¹⁸ We received reports of unregistered children's homes or home-like arrangements in all nine provinces.

The above table shows that in nearly all provinces the officials of the social development department indicate that currently the demand for places in children's homes exceeds the supply, and that the shortfall is expected to increase fivefold over the next five years because plans to increase the number of places (by establishing new children's homes) are, in most instances, inadequate or non-existent.

The right-hand column in Table 8.8 highlights the provincial inequalities in the existing number of places in children's homes. It shows that in the Northern Cape there are 161 places per 100 000 children, while in Limpopo there are only 17 places per 100 000 children. A child needing to be placed in a children's home in Limpopo is therefore ten times less likely to get a placement than a child in the Northern Cape. To Limpopo's credit there appear to be plans to triple the number of places in children's homes over the next five years.

Table 8.9: FC High: Demand and supply of places in children's homes

No. of Children in Children's Homes	Existing Places	Additions in next 5 years	Demand for places in Children's Homes		Shortfall in supply		Demand for places in 2010/11 per 100 000 children
			2005/06	2010/11	2005/06	2010/11	
Eastern Cape	1,923	0	22,888	36,018	20,965	34,095	1,308
Free State	1,103	240	9,733	15,507	8,630	14,164	1,601
Gauteng	3,792	2,708	26,474	44,863	22,682	38,363	1,468
KwaZulu-Natal	3,154	1,061	44,396	69,996	41,242	65,781	1,777
Limpopo	445	932	15,352	24,640	14,907	23,263	950
Mpumalanga	590	480	13,681	21,343	13,091	20,273	1,594
Northern Cape	495	95	1,924	3,118	1,429	2,528	1,034
North West	412	400	11,591	19,249	11,179	18,437	1,407
Western Cape	2,070	72	8,567	13,479	6,497	11,337	823
South Africa	13,984	5,988	154,606	248,213	140,622	228,241	1,382

The above table shows that of the estimated number of children appearing before a children's court in need of protection and alternative care, if 10% are placed in children's homes, then the country is currently facing a very grave shortage of places in children's homes. Given the current number of places available, it is estimated that there is a current shortage of some 140 000 places, and that this is set to increase to some 228 000 places in 2010/11. These are truly frightening numbers, and as shown in section 5 the cost and staff implications of providing for these children are very significant.

Could these numbers be wrong? The assumptions that underpin them may appear to be complex, but taken step-by-step are fairly straight forward and intuitive. They are discussed in section 4.2.1, but for present purposes are summarised as follows:

- i. To calculate the number of children in children's homes it is assumed that the initial number at the start of 2005/06 equals 10% of the child protection cases that do not involve maternal or double orphans multiplied by (1/the percentage of orders that will lapse after a review), plus 10% (5% in the FC Low scenario) of the total number of maternal and double orphans in 2005/06. These initial 2005/06 numbers are then adjusted by the number of new orders and the number of lapsed orders in the succeeding years.
- ii. To calculate the number of new orders placing children in children's homes each year it is assumed that 10% of children in need of care and protection are placed in children's homes (5% in the FC Low scenario).
- iii. To calculate the number of children in need of care and protection the basic assumption is that 25% of children who are referred to social welfare services, who are not maternal or double

orphans, will require protection services. Then 70% of maternal orphans and 100% of double orphans are added to this number.

- iv. The number of children referred to social welfare services, excluding maternal and double orphans, is calculated as follows:

% of children in each age cohort,		
0-5 yrs	6-12 yrs	13-18 yrs
2.0%	1.0%	0.5%

- v. To calculate the number of orders that lapse it is assumed that children have their cases reviewed every two years, and that 20% of orders placing children in children's homes 0-6 lapse with every review, and 15% of orders placing children in children's homes 7-18 lapse with every review.

The most critical information in this calculation is the number of maternal and double orphans, since given the above assumptions they constitute just more than 80% of the children in need of protection and alternative care. They therefore contribute to 80% of the above estimated demand for places in children's homes. As noted above, the Full Cost scenarios use the latest orphan estimates generated by the ASSA2003 Lite model (version 060226). These estimates are widely regarded as the best available, and even if they over-estimate the number of orphans by 20% (which is unlikely) this would only moderate the gap between the demand for and supply of places in children's homes highlighted above.

In the FC Low scenario it is assumed that only 5% of children in need of care and protection are placed in children's homes. But this only halves the extent of the problem. The shortfall in 2005/06 remains at a frighteningly high 63 328 places, increasing to 104 121 places in 2010/11.

It would appear that however one analyses the issue, the basic conclusion remains: there is an acute shortage of places in children's homes.

Given the capital cost of children's homes (see section 6.5) and the per capita cost of keeping a child in a children's home (see next section) it will probably be necessary to revise the proposed staffing norms and standards significantly downwards in order to ensure that the available funding reaches as many children as possible with a basic level of care. In addition, government and other role-players need to explore and promote more cost-effective alternatives to children's homes – cluster foster care arrangements being one example. However, a care option midway between cluster foster care and a children's home would probably be a more viable option. Such an alternative needs to be developed and ideally legislated for in the S.76 Children's Bill.

8.5 Cost of alternative care placements and adoption

The following tables set out estimates of the 'total' per capita cost of each of the alternative care placement options in the IP Low scenario and compares these to the per capita cost of facilitating adoptions. Note that in the case of foster and kinship care placements the 'total' per capita cost includes the cost of the foster care grants at R590 per month (plus 3% for grant administration), which are not costed elsewhere in the Costing Model because the Children's Bill does not deal directly with issues related to social security grants. Also note that these per capita costs do not include the cost of the initial children's court enquiries that result in the alternative care or adoption orders since these are common to all the placement options.

Table 8.10: IP Low: Per capita cost of alternative care placements and adoptions – 2005/06

Alternative care option	Placement costs	Annual cost of oversight and reunification services	Cost of court reviews of orders	Annual cost of grants or the annual per capita cost of residential care	Total cost of a 2 yr placement	Total cost of a 10 yr placement
Rands						
Kinship care	1,525	506	1,608	7,292	18,730	87,551
Foster care	1,931	2,843	1,726	7,292	23,929	111,921
Place of safety	763	926	2,662	83,447	190,802	950,960
Secure care	763	926	2,662	103,919	231,747	1,155,684
Children's home 0-6	1,102	2,522	2,436	168,933	346,447	1,727,828
Children's home 7-18	1,102	2,522	2,436	77,480	163,543	813,304
School of industry	1,102	2,522	2,436	108,367	225,317	1,122,176
Reform school	1,102	2,522	2,436	108,367	225,317	1,122,176
Adoption	5,777	69	0	0	5,916	6,471

The figures for the annual per capita cost of residential care are comparable to figures that have been calculated elsewhere for facilities that the government runs. For instance, in the report *Study into the funding of Government subsidised residential children's homes in South Africa* the per capita cost in a sample of government-run children's homes in 2003 is reported to be R5 699 per month, which gives an annual per capita cost of R68 388. If this figure is inflated by 5% per year, in 2005 it equals R75 398. This is very similar to the R77 480 for children's homes 7-18 noted above.

The above table shows that:

- The per capita costs of all the residential placement options are very high relative to community-based placement options such as kinship care and foster care.
- The oversight of kinship care is less than foster care because the norms and standards specify lower intensity oversight for kinship care.
- The most expensive alternative care option is in a children's home 0-6, primarily because the norms and standards propose high staff to child ratios given the care and developmental needs of young children. It should also be noted that children in this age category are the most adoptable.
- Adoption is the most cost-effective long-term option for caring for children that cannot be returned home to their families. Over a ten-year period, it is seventeen times cheaper than foster care and 125 times cheaper than a children's home 7-18.

Despite the cost-effectiveness of adoptions, the government does not have a national strategy to promote and encourage adoptions. Indeed data from the Registrar of Adoptions show that the number of 'foster' and 'classic' adoptions (i.e. unrelated adoptions) declined by 8% from 1 332 in 2004 to 1 226 in 2005. In addition, the 1 226 unrelated adoptions in 2005 need to be seen in relation to the estimated 8 362 foster care and 84 303 kinship care placement orders made in the same year.

8.6 Cost-effectiveness of the process to review alternative care orders

The Children's Bill provides that alternative care orders may not be longer than two years, and that they may only be extended by a court following a hearing. This is a significant change to the current practice, whereby alternative care orders are reviewed every two years by officials in the relevant provincial social development department, and extended administratively if necessary.

The proposed new review process places additional obligations on both the Department of Justice and the provincial social development departments. The following table sets out the estimated number of cases that need to be reviewed each year and the new costs of the new review process for the two departments in the IP Low and FC High scenarios.

Table 8.11: Cost of the process to review alternative care orders

R million		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
IP Low:	No. of case reviews	157,817	172,068	242,208	279,038	356,478	394,778
	New cost to social development	58.3	66.5	97.2	117.4	156.7	182.2
	New cost to Department of Justice	121.9	136.2	185.4	218.0	280.5	321.3
	Total new cost	180.2	202.7	282.5	335.4	437.1	503.5
FC High	No. of case reviews	613,321	666,467	868,640	924,202	1,109,510	1,159,743
	New cost to social development	221.1	252.3	343.4	383.6	482.1	529.2
	New cost to Department of Justice	531.0	592.3	760.7	838.8	1,021.0	1,112.0
	Total new cost	752.1	844.6	1,104.2	1,222.5	1,503.2	1,641.2

The rationale behind the proposed change to the review process is sound when dealing with children who have been placed in alternative care in the hopes that with the aid of a social worker's intervention family relationships can be restored to such an extent that the children can return to their homes. The aim of the court hearing is to ensure that the necessary reunification services are delivered, and to assess whether it is safe for the child to return home. However, information gathered during the Project indicates that these kinds of cases are in the minority, probably less than 20%. Due to the impact of HIV/AIDS, most alternative care orders, although only made for two years at a time, are in fact intended to be permanent placements, primarily because the children are orphans. This is especially true of kinship care placements and alternative care orders placing older children in children's homes. Requiring the children's court to hold a hearing to review each of these placements every two years may be counterproductive in that it may cause unnecessary stress and uncertainty in a placement that is intended to be permanent. In addition, the cost of the review process is significant.

It is therefore proposed that the relevant provisions in the Children's Bill should be modified so that:

- A. In specific circumstances, the children's court be allowed to make alternative care orders that remain effective until a child turns 18 years, and that do not need to be reviewed periodically, and
- B. In the remaining instances, the children's court be required to indicate at the time of making an alternative care order whether the matter needs to be reviewed after two years by way of a court hearing, or whether it can be reviewed and extended administratively by officials of the relevant provincial social development department.

Assuming that 50% of alternative care orders can be dealt with according to the procedure set out in 'A' above, then changing the Bill along these lines would save the government between R90 million and R375 million in 2005/06 and between R250 million and R820 million in 2010/11. If a further 25% can be dealt with administratively as envisaged by 'B' the savings would be even greater.

9 Conclusions

Nine key points emerge from the Children's Bill Costing Project process and outcomes, namely:

1. There is a need for management teams within departments capable of collecting and using information to plan the delivery of social welfare services to children properly;
2. The new cost of the Children's Bill is limited relative to existing obligations;
3. The current budgets under-fund government's existing obligations to deliver social welfare services to children;
4. There are persistent inequalities between provinces in the provision of social welfare services;
5. The training of social work personnel and improving their working conditions need to be prioritised;
6. There is a need to prioritise key services and phase implementation given existing resource constraints and the fact that systems can only reasonably expand at about 10% per year;
7. Justice and social development sectors need to co-ordinate service delivery;
8. There is an urgent need to develop cost-effective services and alternative care arrangements to meet the demand for services resulting from the impacts of HIV/AIDS; and
9. The government needs to make optimal use of the for-profit, the non-profit and voluntary sectors given its own limited capacity.

The following paragraphs elaborate briefly on each of these points.

9.1 The need for capacity to collect and use information

The Costing Project highlighted the lack of reliable, systematic information on the demand for and delivery of services to children by the social welfare sector and the Department of Justice. Even where there is information, this was shown to be unreliable in most instances. The lack of proper information is strong evidence that the current senior management teams within departments are failing in their key responsibility to ensure that the delivery of services is properly planned, funded and managed. When proper information is not available, it means senior management teams:

- have a poor idea of the extent of the need in the community, and therefore the demand for the services that the government should be providing;
- are not able to plan the delivery of services properly – ensuring there are enough personnel available to deliver the services, sufficient facilities correctly located, proper budgets, and understanding and support for the role played by the non-profit sector; and
- are not able to measure the effectiveness of the interventions, and therefore assess whether the current interventions should be modified or replaced by new approaches.

The Children's Bill will fail in its aim to improve the lives of vulnerable children unless the government appoints capable people to manage its implementation and these people put in place appropriate systems to gather, analyse and use information to plan the delivery of social welfare services to children properly.

9.2 The new costs are limited relative to existing obligations

The costing outcomes presented in section 6.1 indicate that the proper implementation of the services envisaged by the Children's Bill will cost the government between R15 billion and R84 billion in 2010/11, with the more realistic estimates being around R44 billion. However the analysis of the extent of the funding gap in section 7.2 indicates that the majority of these costs (between 77% and 87% depending on scenario) are for existing obligations contained in the Child Care Act and other legislation. Indeed the new cost of the Children's Bill is only between R3.5 billion and R10.5 billion in 2010/11.

From a budgeting perspective, the real challenge to government is therefore not the cost of the new obligations in the Children's Bill, but finding resources to address the under-funding of its existing obligations to deliver social welfare services to children.

9.3 The current budgets under-fund social welfare services to children

Due to the lack of proper information and analysis, the extent of the demand for social welfare services by children is not known with any degree of certainty. However, information on children living in poverty, the ASSA data on the number of maternal and double orphans, information on service delivery backlogs in foster care, and the increasing case-loads per social worker all point to the fact that current service delivery is not keeping pace with the demand for services.

The analysis in section 7.3 compares the MTEF allocations for social welfare services for children to the costing outcomes. Comparing current allocations to the FC Low scenario indicates that in 2006/07 the government only allocated sufficient funds to meet about 21% of the projected demand for services. And if the current allocations are compared to the FC High scenario then there is only sufficient to meet 3% of the projected demand for services in 2006/07. The current under-provision of services is estimated to be between 79% and 97% in 2006/07. Note that in this context 'under-provision' refers to not meeting the demand for services according to the relevant norms and standards; it thus reflects both the quantitative and qualitative aspects of under-provision.

The persistent under-funding of social welfare services for children will require sustained political commitment to redress the situation and careful planning as the problem is not so much the lack of funds, but the lack of capacity to plan and manage service delivery, and the lack of suitably qualified personnel to deliver the services.

9.4 The persistent inequalities in welfare services need to be addressed

The analysis in sections 0 and 8.3 highlight the enormous provincial disparities in the delivery of social welfare services and the distribution of facilities such as children's homes. It is simply unacceptable that the per capita expenditure on social welfare services in Limpopo is 7.5 times less than in the Western Cape – effectively implying that a child at risk in Limpopo is 7.5 times less likely to receive an adequate service than a similar child in the Western Cape.

The Implementation Plan scenarios prepared by the provincial social development departments indicate that these provincial inequalities will narrow over the planning period, but in many instances these plans are probably over ambitious given the scarcity of suitably qualified personnel.

It is notable that there is no national plan in place to redress these inequalities across provinces. This can be attributed largely to the lack of an effective national information management and monitoring system, and the failure of the national Department of Social Development to analyse the nature and extent of provincial inequalities in social welfare provision.

9.5 The training of social work personnel must be prioritised

Section 8.1 indicates that even if the funding can be found, and implementation plans drawn up, there are simply not enough registered social workers in the country to deliver the services envisaged by the Children's Bill. There are currently 11 372 registered social workers. According to the IP Low scenario 8 662 social workers are required to implement the Children's Bill in 2005/06. This increases to 16 504 in 2010/11. According to the FC High scenario 47 300 social workers are required in 2005/06 and 66 300 in 2010/11. In short the country is facing a critical shortage.

Other information gathered during the Costing Project suggests that the social work profession is in crisis. The working conditions in both the government and NGO sectors are poor. Pay levels are low, caseloads are high and there is a lack of clear management – no sense that there is light at the end of the tunnel. In addition, the profession does not enjoy the status it had in the past. Consequently, few young people are choosing to study social work, and significant numbers of social workers are leaving the profession, or going to work overseas.

The first thing the government needs to do in order to ensure the Children's Bill gets implemented is develop a comprehensive human resource strategy for the social welfare sector – that will turn this situation around. It is suggested that this strategy should address the problem at the following four levels:

- Develop systems to evaluate the demand for different categories of personnel required by the social welfare sector on an ongoing basis.
- Develop strategies to raise the status of the profession, particularly among prospective students.
- Address the current poor working conditions by:
 - defining the role of social workers – focussing on the provision of professional social welfare services;
 - equalising the pay of social workers working in government and those working in the NGO sector, and raising the general level of pay;
 - improving systems to monitor and manage caseloads to ensure they remain within acceptable limits;
 - providing social workers with the resources (mainly vehicles) they need to do their jobs properly, as well as regular, meaningful training support; and by
 - increasing social workers' basic leave allocation to give them time to recover from compassion fatigue.
- Address the supply of social workers by actively recruiting students to study social work, and providing them with generous bursaries linked with holiday work service obligations, and a post-study work requirement.

9.6 Prioritising key services and phasing implementation

The fact that there are simply not enough social workers available to implement the Children's Bill means that it will be essential to prioritise key services and to phase the implementation of the Bill. The norms and standards developed for the 'Low' scenarios already prioritise certain processes, but clearly this will need to be taken further.

At present the national Department of Social Development does not give clear policy leadership when it comes to identifying priorities within the sector as a whole. In essence everything is treated as a priority. There is an unwillingness to acknowledge that resources are limited and that hard choices need to be made about what should be done first, what should be done later, and what should not be

done at all. The result is that provincial social development departments either set their own priorities or simply muddle along from one crisis to the next.

The national Department of Social Development, working with the Department of Justice, needs to develop a phased implementation plan that takes current resource constraints into account, and that clearly indicates a timetable for rolling out the different services envisaged by the Children's Bill. Failure to do so will perpetuate the current muddling-through approach, and is very likely to result in the government being sued for non-delivery on its obligations.

9.7 Justice and social development sectors must co-ordinate service delivery

The successful implementation of the Children's Bill will depend on the children's courts and local social workers working closely together. Failure to do so has the potential to waste an extraordinary amount of time on both sides: courts waiting for information from social workers, and social workers waiting for time in courts. Indeed lack of co-operation will cause processes to move very slowly resulting in children getting stuck at different points in the system – in places of safety when they should be in foster care, in children's homes when they should be available for adoption, in children's homes when they should be with their parents etc. This will reduce the efficacy of the system, may endanger children's futures and possibly even their lives, and will cost government millions of Rands.

Strategies need to be developed to ensure better co-ordination. This needs to start with the two national departments working out service delivery protocols to guide the development of local level service level agreements between courts and social workers. There needs to be a process to train both sets of staff on the importance of co-operation, the benefits, and the systems that need to be implemented to ensure good co-operation. In addition strategies need to be developed to make children's courts more accessible, essentially moving them to locations where they are needed most – for instance near places of safety or near the welfare department's offices.

9.8 More cost-effective services need to be developed

The demand for social welfare services as a result of HIV/AIDS has completely swamped the existing social welfare system; a system that was already struggling with the challenge of re-orienting and expanding its services to meet the needs of all population groups on an equitable basis. There are simply not enough social workers, facilities or funds to deliver the kinds of intervention, protection and alternative care services set out in the Children's Bill.

In addition to prioritising services and the use of scarce resources, the government and other role-players in the sector need to devise new, more cost-effective ways of delivering services and meeting children's needs. Most of the current services are too resource intensive, and in many instances the provisions of the Children's Bill make them even more resource intensive. The proposed process to review alternative care orders is a pertinent example of this (see discussion in section 8.6). The only 'new' service in the Bill that in some way recognises the impact of HIV/AIDS is kinship care. However, despite being a watered down form of foster care, it is still very resource intensive, with the annual oversight and bi-annual court reviews costing about R1,300 per capita per year in 2005/06. This may not appear much, but when there are over a million children in kinship care it becomes a very significant cost.¹⁹

¹⁹ The Children's Institute has criticised kinship care on the basis that it is simply an avenue for care-givers to access grants, and so undermines foster care as a placement option for children legally 'in need of care'. The alternative they propose is to extend the child support grant as a poverty alleviation mechanism, to retain foster care as an intervention to address the needs of children legally 'in need of care', and to drop the kinship care concept. (see Meintjes et al. (2003))

There is an urgent need to re-evaluate what can and should be done to address children's needs effectively. The Children's Institute at the University of Cape Town has explored a range of options in relation to children impacted by HIV/AIDS, the use of the child support grant versus foster care grants, and the use of schools as nodes of care (see references). There are also other innovative modes of service delivery emerging such as cluster foster care, and responsible person support for child-headed households.

The need for innovation is greatest in respect of:

- systems to identify children at risk as early as possible – schools should play an important role in this regard;
- early intervention services – to prevent problems escalating;
- strategies to evaluate the risks faced by children in kinship care arrangements so as to prioritise the allocation of oversight resources to those most likely to need it (rather than the current uniform, low level of oversight, which is largely ineffective);
- strategies to provide care-givers with the income support they need without burdening the system with excessive oversight responsibilities;
- alternative care options for children who would normally be placed in children's homes; and
- strategies to promote and facilitate adoption.

9.9 Optimal use must be made of all non-government service providers

In many areas the non-profit and voluntary sectors are the primary providers of social welfare services to children. Despite this the government does not provide adequate subsidies or have proper service level agreements in place – thus putting strain on these sectors and compromising the quality of the services they can provide.

By contrast, the government has proper service contracts with the few 'for-profit' service providers that exist, and pays them the full cost of the services they are required to provide plus a profit margin.

The government does not have the capacity to implement the Children's Bill on its own. It is therefore imperative that it works together with the for-profit, the non-profit and the voluntary sectors to develop the phased implementation plan and the comprehensive human resource strategy mentioned above.

It is also imperative for the national Department of Social Development, along with the provincial social development departments, to develop a procurement system that:

- pays the full-cost of providing statutory social welfare services according to prescribed norms and standards irrespective of who the service provider is,
- does not discriminate between provision by government, for-profit companies and non-profit CPOs and NPOs; and
- ensures children receive services that comply with the prescribed norms and standards, irrespective of who the service provider is.

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Legislation

- Children's Act 38 of 2005
- Child Care Act 74 of 1983
- Public Finance Management Act 1 of 1999
- The Constitution of the Republic of South Africa

Annex One: Participants in the Children's Bill Costing Project

Interdepartmental Committee on the Children's Bill

Surname	Name	Department	Surname	Name	Department
Engelbrecht	Freddie	Correctional Services	Cupido	Omar-Shariff	Local Government
Moruane	Sinah	Correctional Services	Ditsebe	Mmaletogo	Local Government
Kweta	Mongameli	Education	Mohamed	Zaheera	National Treasury
Nawa	Silas	Education	Plaatjies	Daniel	National Treasury
Samuels	Marie-Louise	Education	Rantla	Mabel	ORC
Amos	A	Health	Stuurman	Lowesa	SALRC
De Klerk	Estelle	Health	Van Zyl	Ronel	SALRC
Mohlabi	Ray	Health	Brink	Antoinette	SAPS
Ngake	Sibotse	Health	Geldenhuis	Tertius	SAPS
Ramasala	S	Health	De Beer	Johanna	Social Development
Goosen	Andre	Home Affairs	Louw	Andre	Social Development
Kritzinger	Eugene	Home Affairs	Mabetoa	Maria	Social Development
Khesa	Mosiwa	Justice	Makiwane	Fezile	Social Development
Kok	Corlia	Justice	Maloka	Patricia	Social Development
Moodley	Pat	Justice	Muller	Agnes	Social Development
Shabalala	Bridgette	Justice	Naicker	Pat	Social Development
Dlamini	Kenneth	Labour	Ngcobo-Mbere	Musa	Social Development
Mehlomakulu	Joy	Labour	Pakade	Coceko	Social Development
Van Zyl	Anne Marie	Labour	Sebopela	Matlhogonolo	Social Development
De Vos	Ria	Land Affairs	Snyman	Dorothy	Social Development
Manthatha	Sarah	Land Affairs	Swartz	Leon	Social Development

Social Development Committee on the Children's Bill

Surname	Name	Province	Surname	Name	Province
Maxegwana	M	Eastern Cape	Van Geffen	A	Limpopo
Ntshona	W X	Free State	Havenga	Jaco	Mpumalanga
Sapsford	Willie	Free State	Maaga	Tshidi	Mpumalanga
Davids	Margo	Gauteng	Mbonani	Jackie	Mpumalanga
Koutlougenie	Naomi	Gauteng	Mooketsi	H	Northern Cape
Modupo	T Jack	KwaZulu-Natal	Summers	Elize	Northern Cape
Ndaba	Tsholo	KwaZulu-Natal	Kgasi	ML	North West
Niemand	Margaret	KwaZulu-Natal	Mokheseng	Lebohang	North West
Maumela	LM	Limpopo	Wiessie	Hessie	North West
Mothiba	Lekoba	Limpopo	Follentine	Sharon	Western Cape
Sikwane	I	Limpopo			

Norms and Standards Workshops

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Amos	A	Louw	Andre	Pieterse	Tyzie
Badenhorst	Susan	Maaga	Tshidi	Pillay	Visanti
Bloem	Marike	Makoko	Thandi	Primo	Marlene
Botha	Lorraine	Malinga	Doreen	Prozesky	Johanna
Brink	JEM	Masaabela	MP	Raath	Henda
Brink	H	Masango	Lizzie	Ramarumo	Motlatsi
Brink	A	Matthews	V	Ramphenyane	Rosemary
Byroo	R	McNamara	David	Rapoo	Galeboe
Churchill	Carol	Mebo	T	Rousseau	Johan
Coetzee	MCJ	Menyuko	Deliwe	Sakhile	Mathebula
Dalika	Aziza	Modapo	Tibane Jack	Sambo	Zackie
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Du Toit	Elize	Monyamane	M	Scheepers	T
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Gerber	Welma	Mosetlhe	Me	Snyman	Sarie
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Gradner	A	Mteki	K	Temeng	Koena
Groenewald	Patricia	Mtshali	A	Thabethe	Jennifer
Hendriks	Rob	Muller	Agnes	Travem	Yogie
Hollamby	Gordon	Nabela	Nomfundo	Van der Spuy	A
Infantino	Marihet	Nanise	Margaret	Van Loggenburg	Anette
Isola	Flavia	Nawa	SIM	Van Schalkwyk	Stanton E
Joubert	Trudy	Ndaba	T	Venter	Ina
Koagetse	Mothlapele	Ngake	Sebotse	Veronia	
Koena	Temeng	Ngcobo-Mbere	Musa V	Viviers	Frances
Kok	Corlia	Niemand	Margaret	Viviers	Andre
Koutoulogeni	Naomi	Nkosi	Sipho	Vosloo	Christiaan T
Kweta	M	Nteki,	Kgukutii	Weideman	Estelle
Lelaka	JML	Ntmabiseng	Andreas	Whitaker	Penny
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Training Workshop Participants

Government

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Correctional Services	Moruane	Sinah	Provincial & Local Government	Ditsebe	Mmaletoogo J
Correctional Services	Ndamase	Sindi	Public Works	Matlakala	Lerato
CSIR Crime Prevention	Domingo-Swartz	Carmen	Public Works	Pillay	Pari
Education	Koopman	Genevieve	SAPS	Crisp	Gary
Education	Kweta	MI	Social Development	Erasmus	Louise
Education	Nontombana	Nompucuko	Social Development	Esterhuizen	Fanie
Education	Tsibogo	Thembi	Social Development	Florence	Nziyane L
Health	Amos	SA	Social Development	Mabetou	M
Health	Mathosa	Clara	Social Development	Makhado	Poso
Health	Mohlabi	Ray	Social Development	Matlanato	Donald
Health	Mthembu	H	Social Development	Mngadi	Irene
Health	Ngake	Sebotse	Social Development	Mnisi	Rose
Home Affairs	Joeye	Ellis	Social Development	Moltgethi	Molefi
Home Affairs	Joyce	Mokone	Social Development	Moss	Suzette
Home Affairs	Mahlangu	Elmon	Social Development	Muller	Agnes
Justice	Fourie	Elaine	Social Development	Ngcobo-Mbere	Musa
Justice	Govender	Anneline	Social Development	Nziyane	Luzile
Justice	Hartman	Andries	Social Development	Primo	Marlene
Justice	Hitchcock	A	Social Development	Ramphenyane	Rosemary
Justice	Hollamby	Gordon	Social Development	Rapoo	Galeboe
Justice	Khesa	Mosiwa	Social Development	Rasebitse	Kinsey
Justice	Kok	Corlia S	Social Development	Scholtz	Stephanie
Justice	Leppan	Jacqui	Social Development	Sebopela	Matlhogonolo
Justice	Mahlangu	VL	Social Development	Shibe	PK
Justice	Moekoa	D	Social Development	Sohe	Mlamleli
Justice	Morongwa	Moreana	Social Development	Tshotsho	Zodidi
Justice	Pearce	Robert	Social Development	Viviers	Frances
Justice	Pitseng	Jacqui	Treasury	Johnson	Johan
Justice	Potgieter	Liezel	Treasury	Makoloi	Lebogang
Justice	Raath	Henda	Treasury	Mohamed	Zaheera
Justice	Subban	Renuka	Treasury	Sebatane	Libuseng
Labour	Mehlomakulu	Joy	Treasury	Swaratlhe	Sebaetseng
Legal Aid Board	Dheda	Ajanta			
Eastern Cape					
Education	Nkumbaca	C	Social Development	Mgilane	NE
Education	Yabo	N	Social Development	Ngqangweni	NLT
Health	Mallie	M	Social Development	Njengele	M

Department	Surname	Name	Department	Surname	Name
Social Development	Ganyile	P	Social Development	Njengele	V
Social Development	Kila	N	Social Development	Ntsebe	N
Social Development	Kombeka.	Mbejeni	Social Development	Pieterse	T
Social Development	Macingwane	F	Social Development	Prins	S
Social Development	Madikizela	N	Social Development	Siyobi	T
Social Development	Maxegwana	D	Treasury	Duntsula	N
Free State					
Education	Cornelissen	Colleen	Social Development	Loots	Albie
Education	Molefe	Ronald	Social Development	Makae	M
Education	Putter	Lourens	Social Development	Mosethle	M
Education	Roux	ME	Social Development	Oerson	B
Education	Wessels	Johan	Social Development	Sapsford	Willie
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Health	Van Der Merwe	Ilse	Treasury	Kunene	NI
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Social Development	Kemp	Salome	Treasury	Moea	Batang
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Education	Matshiba	Nesupho	Social Services	Msimanga	Themba
Education	Meyers	Anthony	Social Services	Nair	Rennie
Education	Nkotoe	Tidimalo	Social Services	Raman	Shirley
Education	Nonkwelo	Zweli	Social Services	Sibeko	Bheki
Health	Madi	Vusi	Social Services	Van der Merwe	Leonie
Health	Masilela	Sikhontine	Social Services	Van Heerden	I
Social Services	Booyens	Conya	Social Services	Van Loggerenberg	Annette
Social Services	Brink	Hannetjie	Social Services	Van Wyk	Vernon
Social Services	Coetsee	G	Social Services	Yende	Nono
Social Services	Jacobs	Kate	Social Services	Zondo	Busi
Social Services	Koutlougenie	Naomi			
KwaZulu-Natal					
Finance	Modupo	TJ	Social Services	Manyathi	S
Social Services	Adams	A	Social Services	Modupo	Jack
Social Services	Baliraj	R	Social Services	Ndaba	Tsholo
Social Services	Byroo	RS	Social Services	Niemand	Margaret
Social Services	Fillubheka	T	Social Services	Rajah	R
Social Services	Gumede	Kokuthul	Social Services	Van Dyck	Ina
Social Services	Hadebe	N	Social Services	Zungu	SS
Social Services	Luthuli	Fezilie			
Limpopo					
Education	Marara	MS	Health and Social Services	Mudogwe	MR
Health and Social Services	Dibodu	R	Health and Social Services	Mukhahla	A.P
Health and Social Services	Kaba	L	Health and Social Services	Nemukongwe	V.K
Health and Social Services	Khoza	N	Health and Social Services	Ngobeni	MK
Health and Social Services	Khwinana	DL	Health and Social Services	Ntuli	MM
Health and Social Services	Lekgau	MA	Health and Social Services	Phaswana	M
Health and Social Services	Magooa	R.M	Health and Social Services	Ramaphala	MP
Health and Social Services	Maumela	L	Health and Social Services	Scheepers	T
Health and Social Services	Monyela	L.J	Health and Social Services	Siala	TM
Health and Social Services	Moponja	RF	Health and Social Services	Sikhosana	J.N
Health and Social Services	Moropana	H	Health and Social Services	Sindamadi	T.D
Health and Social Services	Mothapo	M	Health and Social Services	Tema	NR
Health and Social Services	Mothiba	Lekoba	Health and Social Services	Thabathi	J
Health and Social Services	Mphasha	J	Health and Social Services	Tshisikhawe	J
Health and Social Services	Mtetma	MM	Treasury	Mothiba	PP
Mpumalanga					
Education	Diphofa	KA	Health and Social Services	Makhubela	Thandiwe
Education	Godi	JG	Health and Social Services	Malinga	Doreen
Education	Ludick	M	Health and Social Services	Martin	Lucinda
Education	Pieterse	MC	Health and Social Services	Masanabo	
Education	Simelane		Health and Social Services	Mbonani	Jacky
Education	Van Zyl	M	Health and Social Services	Mebo	T
Health and Social Services	Badenhorst		Health and Social Services	Mkhabela	N
Health and Social Services	Brummer	Sarie	Health and Social Services	Mnisi	Richard
Health and Social Services	Coetzee	Marietjie	Health and Social Services	Mudau	Justice
Health and Social Services	Gerber		Health and Social Services	Naude	E
Health and Social Services	Godi		Health and Social Services	Nkosi	Sipho
Health and Social Services	Havenga	Jacko	Health and Social Services	Van Geffen	Anton

Department	Surname	Name	Department	Surname	Name
Health and Social Services	Maaga	Tshidi	Treasury	Chauke	George
Health and Social Services	Mahlangu	Zodwa			
Northern Cape					
Education	Abass	Hawa	Social Services	Lekhobo	M
Education	Duze	Joseph	Social Services	Lingham	Valerie
Education	Lepita	Seapei	Social Services	Links	S
Education	Modise	Olebogeng	Social Services	Lotz	Marthie
Education	Modise	Staff	Social Services	Marais	S
Education	Mokgwabone	KC	Social Services	Matthews	V
Education	Senye	Tapsi	Social Services	Mjethu	RL
Education	Siyoko	Pat	Social Services	Modus	Olebogeng
Health	Absolom	G	Social Services	Mooketsi	HM
Social Services	Adams	M	Social Services	Moolman	M
Social Services	Beukes	Frank	Social Services	Mosemeng	Innocentia
Social Services	Bonokwane	Rodney	Social Services	Mouton	Florina
Social Services	Botes	B	Social Services	Pedlar	S
Social Services	Coleridge	Adrian	Social Services	Summers	Elize
Social Services	Dewee	Lynne	Social Services	Syster	Valerie
Social Services	Foni	Mercia	Social Services	Vos	Charmaine
Social Services	Hawker	E	Treasury	Nanablay	Iqbal
Social Services	Holele	Thabo		Dawood	MZ
Social Services	Kanguwe	Boniswa		Isaacs	Cynthia
Social Services	King	T			
North West					
Education	Manaiwa	Kenelwe	Health and Social Development	Paii	M
Health and Social Development	Barnett	M	Health and Social Development	Pedro	A
Health and Social Development	Helepi	L	Health and Social Development	Ramarumo	M
Health and Social Development	Koena	T	Health and Social Development	Senna	Florence
Health and Social Development	Lerumo	S	Health and Social Development	Sprang	Z
Health and Social Development	Malaka	C	Health and Social Development	Tihojare	Ellen
Health and Social Development	Maroane	KM	Health and Social Development	Tshikedi	David
Health and Social Development	Maselesele	S	Health and Social Development	Wiessie	Hessie
Health and Social Development	Mboweni	M	Treasury	Keofithetse	David
Health and Social Development	Mokgeseng	Leboheng	Treasury	Mokgothu	Ogopoleng
Health and Social Development	Montshioane	KC	Treasury	Pule	Kenneth
Health and Social Development	Morile	Ramagaga		Kgasi	Matshediso
Health and Social Development	Morule	PMH		Mokgatle	Tshepo
Health and Social Development	Motshologane	M		Mokheseng	Lebohang
Health and Social Development	Mpye	MA			
Western Cape					
Education	Eyssen	Riaan	Social Services	Lonja	Z
Education	Olivier	Theo	Social Services	Louw	M
Education	Swartz	Ivan	Social Services	Padua	Wendy
Health	Goeieman	Hilary	Social Services	Pita	L
Social Services	Benjamin	M	Social Services	Sham	Ursulla
Social Services	Calitz	Debbie	Social Services	Sikiti	Zola
Social Services	Cottee	Michael	Social Services	Veza	N
Social Services	Davids	Tanya	Social Services	Weir	Carol
Social Services	Didloff	Gert	Social Services	Williams	Iris
Social Services	Follentine	Sharon	Treasury	Barkhuizen	V
Social Services	Hitchcock	Jacoba	Treasury	Liebenberg	C
Social Services	Holley	Denver	Treasury	Mkunqwana	Nandipha
Social Services	Khatieb	Couthar	Treasury	Radloff	Judy
Social Services	Kiza	Pamela	Treasury	Rhode	Morne
Social Services	Krieling	M	Treasury	Tombey	Ghalib

NPO Participants

Surname	Name	Surname	Name	Surname	Name
Ambrose	Sandra	Jamieson	Lucy	Proudlock	Paula
Bower	Carol	Leatt	Annie	Ralekwa	Steve
Briede	Megan	Loffell	Jackie	Rosa	Solange
Camay	Piroshaw	Meintjes	Helen	Sipuka	Nokuku
Dutschke	Mira	Mobelin	Deborah	Sloth-Nielson	Julia
Frank	Cheryl	Newman	Mary	Streak	Judith
Gallinetti	Jacqui	Nzimande	Thulani	Van Niekerk	Joan
Giese	Sonja	Philpott	Sue		

Annex Two: Supplementary studies

Option Studies

- OS 1 Staff to Child Ratios
- OS 2 Options regarding the penalties set out in the Children's Bill

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Litigation Risk Studies

- LRS 1 Analysis of Constitutional Litigation risks posed by the Children's Bill
- LRS 2 Analysis of regressive provisions in the Children's Bill

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Adrian Grieve

Situational Analyses

- SA 1 The functioning of the existing Children's Courts
- SA 2 Situational Analysis of Partial Care
- SA 3 Situational Analysis of Early Childhood Development
- SA 4 Situational Analysis of Child Protection Organisations
- SA 5 Situational Analysis of Early Intervention Services
- SA 6 Review of the use of Contribution Orders
- SA 7 The provision of Alternative Care in Child and Youth Care Centres
- SA 8 Situational Analysis of Shelters and Drop-in Centres
- SA 9 Situational Analysis of Child Trafficking
- SA 10 Children with Disability or Chronic Illness
- SA 11 Dealing with Unaccompanied Foreign Children in terms of the Children's Bill
- SA 12 Review of the monitoring and evaluation of current legislation relating to children

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Annex Three: HoD sign-off information

	Department name	Signed off by	Position	Date
1	National Social Development Department	Vusi Madosela	Director General	13/06/2006
2	Department of Justice and Constitutional Development	Not signed-off		
3	Eastern Cape Social Development Department	Denver Webb	Acting Head of Department	25/04/2006
4	Free State Social Development Department	GL Roberts	Acting Head of Department	21/04/2006
5	Gauteng Welfare and Population Development Department	Frank Sibeko	Head of Department	23/04/2006
6	KwaZuluNatal Social Welfare Department	Wilton Magwaza	Acting Head of Department	21/04/2006
7	Limpopo Health and Welfare Department	Moffat Mogane	Acting Head of Department	26/04/2006
8	Mpumalanga Health and Social Development Department	Dr Esthras Moloko	Head of Department	24/04/2006
9	Northern Cape Social Development Department	Yolanda Botha	Deputy Director General	25/04/2006
10	North West Social Development Department	PMH Morule	Head of Department	25/04/2006
11	Western Cape Department of Social Services and Poverty Alleviation	Virginia Petersen	Deputy Director General	04/05/2006

Annex Four: Orphan Data

- All outputs generated using the ASSA2003 lite model (version 060226) and AssumptionsProvlite provincial assumptions (version 060226).
- All national estimates are calculated as the sums of the province-specific estimates.
- Note that for WC, there are significant differences between the 'lite' and 'full' provincial models in terms of the estimated numbers of maternal orphans (the full WC model produces estimates that are about 5-10% greater than those produced by the lite WC model over the 2005-2010 period). The 'lite' estimates should be regarded as the less accurate set of estimates, but since it is not computationally feasible to calculate double orphans for each province using the full model, all outputs presented here are generated using the lite model only.
- All estimates apply as at the middle of each year (for e.g., the estimate of orphans in the '2005/06' column is the estimated number of orphans as at 01/07/2005). The exception is the 'new orphan' estimates; new orphans in the 2005/06 column, for example, is the number of newly orphaned children over the period 1/7/2005-30/6/2006.
- Maternal orphans' are children who have lost a mother OR both parents, while 'double orphans' are children who have lost both parents.

Population Data						
No. of children by age	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
0	1,064,415	1,057,670	1,050,916	1,044,539	1,038,558	1,032,647
1	1,036,408	1,034,060	1,029,518	1,024,190	1,019,144	1,014,134
2	1,023,861	1,023,015	1,021,705	1,017,963	1,013,098	1,008,373
3	1,016,497	1,017,127	1,016,834	1,015,852	1,012,417	1,007,633
4	1,014,584	1,012,009	1,013,055	1,013,026	1,012,156	1,008,830
5	1,020,537	1,010,910	1,008,532	1,009,853	1,009,991	1,009,148
6	1,025,845	1,016,716	1,007,237	1,004,998	1,006,585	1,006,867
7	1,030,579	1,021,950	1,012,791	1,003,301	1,001,106	1,002,914
8	1,035,182	1,026,879	1,017,905	1,008,484	998,823	996,499
9	978,949	1,032,405	1,023,434	1,013,893	1,004,033	994,002
10	970,930	977,442	1,030,135	1,020,457	1,010,302	999,914
11	968,647	970,561	976,488	1,028,536	1,018,250	1,007,535
12	970,004	969,027	970,524	976,001	1,027,545	1,016,779
13	973,392	970,776	969,459	970,626	975,755	1,026,901
14	978,351	974,299	971,352	969,743	970,635	975,476
15	984,313	979,271	974,861	971,623	969,775	970,459
16	987,596	983,157	978,093	973,671	970,425	968,569
17	989,235	986,295	981,802	976,705	972,263	969,005
Total	18,069,325	18,063,569	18,054,642	18,043,460	18,030,861	18,015,685

Population Data						
No. of children by province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	2,909,603	2,872,994	2,838,101	2,806,108	2,778,113	2,754,092
Free State	1,004,859	996,053	988,216	981,649	976,450	972,503
Gauteng	2,870,209	2,921,637	2,967,430	3,007,442	3,041,642	3,069,629
KwaZulu-Natal	4,001,852	3,995,368	3,987,761	3,977,879	3,965,328	3,949,790
Limpopo	2,640,906	2,633,550	2,626,943	2,621,955	2,619,000	2,617,914
Mpumalanga	1,352,991	1,351,798	1,350,576	1,349,354	1,348,136	1,346,866
Northern Cape	307,252	304,822	302,711	300,916	299,405	298,235
North West	1,395,151	1,389,718	1,384,094	1,378,598	1,373,290	1,368,325
Western Cape	1,586,502	1,597,628	1,608,810	1,619,559	1,629,497	1,638,330
Total	18,069,325	18,063,569	18,054,642	18,043,460	18,030,861	18,015,685

Population Data						
No. of maternal orphans by province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	206,814	227,205	247,590	267,212	285,504	302,170
Free State	90,377	101,246	111,626	121,035	129,179	136,006
Gauteng	233,827	272,491	309,815	344,173	374,347	400,054
KwaZulu-Natal	416,536	469,241	517,893	560,686	596,615	625,565
Limpopo	122,507	136,309	150,207	163,645	176,231	187,844
Mpumalanga	126,316	142,060	156,630	169,373	179,976	188,460
Northern Cape	16,216	17,785	19,374	20,972	22,551	24,061
North West	102,670	116,537	130,116	142,933	154,597	164,912
Western Cape	68,396	73,626	79,040	84,619	90,270	95,879
Total	1,383,658	1,556,499	1,722,291	1,874,648	2,009,270	2,124,952

Population Data						
No. of new maternal orphans by province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	40,337	42,029	43,186	43,835	44,343	45,044
Free State	19,010	19,503	19,577	19,352	19,079	18,959
Gauteng	57,011	58,758	59,143	58,439	57,722	57,843
KwaZulu-Natal	87,808	88,548	87,693	85,704	83,585	82,127
Limpopo	25,152	26,325	27,068	27,489	27,859	28,417
Mpumalanga	26,459	26,742	26,446	25,800	25,176	24,851
Northern Cape	3,216	3,390	3,570	3,731	3,863	3,967
North West	22,747	23,635	24,163	24,334	24,354	24,409
Western Cape	12,509	13,208	13,937	14,615	15,221	15,751
Total	294,248	302,139	304,782	303,298	301,202	301,368

Population Data						
No. of double orphans by province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	52,169	63,006	75,188	88,156	101,285	114,050
Free State	24,427	30,662	37,422	44,276	50,825	56,812
Gauteng	54,921	72,997	92,784	113,044	132,568	150,671
KwaZulu-Natal	130,836	165,862	202,816	239,448	273,736	304,356
Limpopo	27,252	33,955	41,548	49,652	57,866	65,905
Mpumalanga	38,328	48,249	58,553	68,526	77,598	85,462
Northern Cape	3,118	3,798	4,569	5,421	6,332	7,268
North West	25,869	33,139	41,243	49,797	58,368	66,600
Western Cape	10,185	11,983	14,085	16,508	19,231	22,207
Total	367,105	463,649	568,207	674,829	777,810	873,330

Population Data						
No. of new double orphans by province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	17,246	19,562	21,541	23,063	24,247	25,287
Free State	8,875	9,987	10,774	11,230	11,488	11,703
Gauteng	23,128	26,402	28,749	30,137	31,105	32,267
KwaZulu-Natal	47,927	53,099	56,530	58,244	58,901	59,247
Limpopo	9,832	11,294	12,506	13,432	14,175	14,883
Mpumalanga	13,703	15,030	15,783	16,041	16,055	16,075
Northern Cape	1,081	1,242	1,409	1,568	1,711	1,832
North West	9,966	11,447	12,684	13,599	14,262	14,794
Western Cape	3,233	3,729	4,283	4,864	5,447	6,017
Total	134,991	151,794	164,259	172,180	177,391	182,104