Business Day

State must ensure funds for child welfare or be forced by courts, says commission

by Linda Ensor, 30 September 2013, 15:57

Acting chairperson of the Financial and Fiscal Commission Bongani Khumalo addresses a media briefing on Monday. Picture: TREVOR SAMSON

THE government needs to take proactive steps to ensure adequate funding for child welfare services, to avoid being forced to do so on more onerous terms by the judiciary, the Financial and Fiscal Commission (FFC) said on Monday.

The commission has also called for an end to the vast disparities in spending on child welfare by the different provinces.

The government is facing a number of court challenges over its delivery of child welfare services which, if successful, would require it to move to fully funding them.

Acting chairman and CEO Bongani Khumalo said at a media conference to release the FFC's report on the provision and funding of child welfare services in South Africa that judgments forcing the state to implement court decisions could seriously compromise the overall budget.

He acknowledged the resource limitations on the state and said there had to be a progressive realisation of the rights of children. While South Africa's child welfare system was better than comparable countries, "it could be better", Mr Khumalo said.

FFC commissioner Tania Ajam said it was therefore very important for the government to have a plan to move towards full funding. This was a matter of urgency, she stressed.

Government expenditure on child services in 2013-14 has been estimated at about R5.7bn. That compares with the costing estimate of R12.9bn that experts say is needed for a low-level implementation of the Children's Act.

South Africa has a child population of about 18.1-million, about 900,000 of whom are orphans.

Most of the services delivered to children on behalf of the government are undertaken by nonprofit organisations (NPOs) but their funding by the state is drying up, the FFC has found.

Their continued survival is threatened by insufficient and delayed funding by the state, which is suffering from budgetary constraints as a result of the economic slowdown.

Inefficiencies in the delivery of the services also needed to be addressed, Mr Khumalo said.

"NPOs, which provide the majority of statutory services on behalf of government, are facing severe financial problems because of the increase in demand for their services coupled with a decline in funding and delays in transfers from the government," he said.

"Unlike private-sector providers, which get paid upfront and within 30 days, NPOs only get reimbursed for service delivery quarterly in arrears, which creates cash-flow pressures."

NPOs for their part had to improve their accountability to government, Mr Khumalo said.

"There is a need for government to put in place a financing plan that moves towards full funding of minimum norms and standards for child services. It is also critical that all provinces prioritise child welfare services and adhere to stand child so that regional disparities in service provision can be reduced," he said.

The commission is also very concerned about the wide disparities in provincial spending on child welfare services. For example, the Northern Cape spent R412 per capita on child welfare services in the 2011-12 compared with R81 per capita in KwaZulu-Natal. Mr Khumalo said the differentiation related to some extent to budget prioritisation by different provinces.

He said this problem would be addressed if the Department of Social Development had national norms and standards, which provinces would have to meet.

In the same way that a battle has been fought in the education sphere for norms and standards with regard to school infrastructure, the report highlights the "critical need for updated costs national norms and standards for all child welfare services".

This would provide a basis for provincial budgeting for minimum service provision.

http://www.bdlive.co.za/national/2013/09/30/state-must-ensure-funds-for-child-welfare-or-be-forced-by-courts-says-commission