

# Government subsidies for social worker posts in NPOs

*Social welfare services in South Africa are provided partly by the Department of Social Development and to a significant degree by non-profit organisations (NPOs). The department subsidises NPOs to deliver these services. Only NPOs with national offices are typically funded by the National Department of Social Development. Most subsidies are allocated to NPOs by their provincial Departments of Social Development. The size of the subsidy is at the discretion of the province. Programme subsidies fund the delivery of a service itself. Service delivery subsidies are usually based on the number of beneficiaries the NPO delivers a service to. Post subsidies cover part of the costs of a particular category of worker.*

Shukumisa has done research on post subsidies, covering the five years between 2012/13 and 2016/17 and using data for 601 NPO posts.<sup>1</sup> The key findings discussed in this fact sheet are that subsidies differ between provinces and between NPOs within provinces; and that subsidies are not equitable in relation to the salaries of government employees. To read the full study, go to: [<http://shukumisa.org.za/care-work-2/>].

## Disparities between provinces

The tables below show the differences between provinces in median subsidies for each post category, and the differences between provinces in average annual increases to the subsidies. They also show which province paid the lowest subsidy and which paid the highest each year, and how big that difference was.

### Some highlights from the data

The lowest subsidy for social auxiliary workers was consistently less than half of the highest subsidy. The Eastern Cape had the lowest subsidy for all years except 2012/13, and Gauteng had the highest for all years except 2012/13. The greatest disparity between subsidies for this post category was in 2012/13.

For the social worker category, North West had the lowest subsidy every year besides 2013/2014 when Gauteng was lowest.

Mpumalanga had the highest subsidies from 2012/13 to 2014/15, and Western Cape for 2015/16 and 2016/17. The greatest disparity in the subsidy for the social worker category was in 2016/17.

Many NPOs that receive funding for social workers do not receive funding for social work supervisors, so there are fewer of these posts reported. Western Cape is the only province that showed regular increases in the subsidy for this category of post (an average annual 5.2% since 2013/14). In the rest of the provinces, these subsidies stagnated or decreased for at least two years. Only Limpopo, North West and Western Cape had annual increases over the rate of inflation for the period as a whole. The greatest disparity between the highest and the lowest subsidy for social work supervisors occurred in 2013/14. In the same year, the lowest subsidy (R9 583 in Limpopo) was 48% of an entry-level government social work supervisor salary (R20 111). The highest subsidy (R28 988 in Free State) was actually higher than the equivalent government position for this year—an anomaly that was not found in any other case.

<sup>1</sup> Free State uses programme funding not post funding and Limpopo provided very few records, so these two provinces can only be analysed to a limited extent.

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### Average annual increase of median subsidies for social auxiliary workers by province

	2012/13	2013/14	2014/15	2015/16	2016/17	Average annual increase	
						From 2012/13	From 2013/14
EC	R2 981	<b>R2 981</b>	<b>R2 981</b>	<b>R2 981</b>	<b>R2 981</b>	0.0%	0.0%
FS	<b>R2 237</b>		R4 677	R4 677			
GT	R6 897	<b>R7 173</b>	<b>R7 173</b>	<b>R7 603</b>	<b>R8 060</b>	4.0%	4.0%
KZN	<b>R7 459</b>	R5 403	R5 560	R5 727	R5 894	-5.7%	2.9%
MPU	R4 013	R6 317	R6 317	R6 317	R6 822	14.2%	2.6%
NC	R4 474	R4 677	R4 677	R4 677	R4 794	1.7%	0.8%
NW	R4 875	R6 250	R3 500	R3 375	R3 375	-8.8%	-18.6%
WC	R5 055	R5 054	R5 680	R6 020	R6 200	5.2%	7.1%
Minimum as % of maximum	30%	42%	42%	39%	37%		

### Average annual increase of median subsidies for social workers by province

	2012/13	2013/14	2014/15	2015/16	2016/17	Average annual increase	
						From 2012/13	From 2013/14
EC	R6 625	R10 678	R10 678	R10 678	R10 678	12.7%	0.0%
FS	R9 091		R8 889	R8 889			
GT	R8 524	<b>R8 524</b>	R8 865	R9 397	R9 961	4.0%	5.3%
KZN	R10 489	R11 118	R11 118	R11 785	R11 785	3.0%	2.0%
MPU	<b>R10 670</b>	<b>R11 500</b>	<b>R11 500</b>	R11 500	R11 902	2.8%	1.2%
NC	R9 091	R8 889	R8 889	R8 889	R9 111	0.1%	0.8%
NW	<b>R5 208</b>	R10 830	<b>R8 660</b>	<b>R5 415</b>	<b>R5 415</b>	1.0%	-20.6%
WC	R8 864	R9 396	R9 960	<b>R13 943</b>	<b>R14 362</b>	12.8%	15.2%
Minimum as % of maximum	49%	74%	75%	39%	38%		

### Average annual increase in median subsidies for social work supervisors by province

	2012/13	2013/14	2014/15	2015/16	2016/17	Average annual increase	
						From 2012/13	From 2013/14
EC	<b>R9 385</b>	R16 079	R16 079	R16 079	R16 079	14.4%	0.0%
FS	<b>R17 722</b>	<b>R28 988</b>	<b>R20 156</b>	R18 842	<b>R31 061</b>	15.1%	2.3%
GT		R11 880	R11 880	R11 880	R13 348		4.0%
KZN	R13 298	R15 751	R14 230	R15 084	R15 084	3.2%	-1.4%
LIM		<b>R9 583</b>	<b>R10 919</b>	<b>R10 919</b>	R12 063		8.0%
MPU		R20 056	R20 056	R20 056	R21 661		2.6%
NC	R11 324	R11 324	R11 324	R11 324	<b>R11 297</b>	-0.1%	-0.1%
NW		R10 744	R15 083	R15 083	R15 083		12.0%
WC	R14 073	R14 212	R15 064	<b>R21 090</b>	R21 723	11.5%	15.2%
Minimum as % of maximum	53%	33%	54%	52%	36%		

## Disparities within provinces

The disparities in the subsidies within provinces can be illustrated by the examples below.

### Lowest and highest subsidies for social auxiliary workers within some provinces

	2016/17 lowest subsidy	2016/17 highest subsidy	Lowest as % of highest
GT	R8 060	R9 961	81%
MPU	R4 230	R6 822	62%
NW	R2 000	R6 144	33%

### Lowest and highest subsidies for social workers within some provinces

	2016/17 lowest subsidy	2016/17 highest subsidy	Lowest as % of highest
<b>MPU</b>	R9 056	R14 135	64%
<b>GT</b>	R6 225	R9 961	62%
<b>KZN</b>	R5 892	R11 785	50%

### Lowest and highest subsidies for social work supervisors within some provinces

	2016/17 lowest subsidy	2016/17 highest subsidy	Lowest as % of highest
<b>KZN</b>	R14 230	R15 085	94%
<b>MPU</b>	R17 812	R21 661	82%

## Disparities between government salaries and NPO subsidies

The salaries for government employees are set nationally. They are standardised across all provinces, and are increased each year by inflation or more. There have been consistent disparities between government social worker salaries and NPO post subsidies between 2012/13 and 2016/17, and the gap has been increasing.

### NPO subsidies as percentages of government social worker salaries by post category

	2012/13 entry-level government social worker salary	Subsidy as % of government social worker salary	2016/17 entry level government social worker salary	Subsidy as % of government social worker salary
<b>Social Auxiliary worker</b>	R7 685	86%	R10 130	61%
<b>Social worker</b>	R13 356	70%	R17 605	65%
<b>Social work supervisor</b>	R20 111	66%	R26 509	57%

When provincial variations in subsidy amounts are taken into account, the proportions are as follows for the lowest and higher provincial subsidies.

### Lowest and highest NPO subsidies in 2016/17 as percentages of government salaries, by post category

	Entry-level government salary	2016/17 lowest NPO subsidy	Subsidy as % of government salary	2016/17 highest NPO subsidy	Subsidy as % of government salary
<b>Social Auxiliary worker</b>	R10 130	EC R2 981	29%	GT R8 060	80%
<b>Social worker</b>	R17 605	NW R5 415	31%	WC R14 362	82%

### NPO subsidies do not recognize experience and skill

In government, job-grading systems recognize many different levels of experience and skill and government employees are paid accordingly. This is not the case for NPO subsidies where only one rate is paid, regardless of people's experience and skill. This means that a social worker, for example, can have been working for 10 years or 6 months, and the NPO will still get the same subsidy for the post. This makes it very difficult for NPOs to attract social workers and to give salary increases that reward experience and skill in the way that the Department of Social Development can.

### NPO subsidies have not kept pace with inflation

While subsidies for all categories of social worker posts in NPOs have been increased between 2012/13 and 2016/17, in most provinces they have not kept pace with inflation. NPO social workers earn significantly less than government workers, who have consistently received salary increases above the inflation rate. Western Cape is the only province that recorded consistent

subsidy increases each year, and it recorded the highest average annual increase, at 12.8%. Gauteng NPOs recorded increases in subsidies in four of the five years under review. Eastern Cape, Free State and North West NPOs recorded very few increases to their subsidies. Northern Cape NPOs recorded the lowest average annual increases at 0.1%.

### Other inequities between government social workers and those in NPOs

Government social workers are covered by an occupation-specific dispensation, which provides for higher salary rates than for other government employees at similar levels. The intention is to attract and retain skilled professional staff in the occupation.

Government salary scales are calculated as total cost of employment, which includes a basic salary plus government contributions to benefits, including medical aid, a pension, housing allowances, and a thirteenth cheque.

## What needs to change?

There is no clear justification for the difference in subsidies between and within provinces. There is also no justification for not providing yearly pay increases at the level of inflation. NPOs provide services more cheaply than government does, and that cost-effectiveness comes at the expense of the NPO workers. To ensure equity between NPO and government social workers without cutting back on services to already underserved beneficiaries, Shukumisa suggests a phased approach.

### In the short term

- Implement a standardised subsidy for NPO workers nationally. This could be calculated at 80% of a government social work post, as is currently done in Western Cape.
- Put in place a range of subsidy amounts to NPOs so that skills and experience can be rewarded.

### In the long term

- Work towards equalizing NPO subsidies and government salaries by increasing budgets for social development. An annual increase of just 1.9% in the total allocated to national and provincial DSD would more than double welfare service spending over five years if the full additional amount was allocated to welfare services.



The care work project is a partnership between the Shukumisa Coalition, the National Coalition of Social Services, the National Shelter Movement, the Eastern Cape Welfare Forum, the KwaZulu-Natal Welfare and Social Development Services Forum, and the Vhembe Civil Society Network. The project aims to ensure the availability of quality social services and promote the recognition of care work, which is largely performed by women.

### For more information please visit:

Website: [www.shukumisa.org.za](http://www.shukumisa.org.za)

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