

IN THE HIGH COURT OF SOUTH AFRICA

(GAUTENG DIVISION, PRETORIA)

CASE NUMBER: 79112/15

In the application for admission as amicus curiae
of:

THE BLACK SASH TRUST

Applicant for Admission as
Amicus Curiae

In the matter between:

CHANNEL LIFE LIMITED

First Applicant

SANLAM DEVELOPING MARKETS LIMITED

Second Applicant

and

SOUTH AFRICAN SOCIAL SECURITY AGENCY

First Respondent

MINISTER OF SOCIAL DEVELOPMENT

Second Respondent

DIRECTOR-GENERAL, SOCIAL DEVELOPMENT

Third Respondent

NOTICE OF MOTION: APPLICATION TO BE ADMITTED AS AN AMICUS
CURIAE AND TO ADDUCE EVIDENCE

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PLEASE TAKE NOTICE that the Black Sash Trust hereby makes application to the above Honourable Court for an order on the following terms:

1. Black Sash is admitted as an *amicus curiae* in the above proceedings in terms of rule 16A of the Uniform Rules of Court;
2. Black Sash is granted leave to:
 - 2.1. Submit written argument in the above matter;
 - 2.2. Submit oral argument at the hearing of the above matter;
 - 2.3. Adduce the evidence described in the founding affidavit, including the annexures thereto;
3. Costs against any party that opposes this application; and
4. Further and/or alternative relief.

TAKE FURTHER NOTICE that the founding affidavit of **LYNETTE MAART**, together with the annexures thereto, are filed together with this notice and will be used in support of this application.

TAKE FURTHER NOTICE that Black Sash has appointed the Centre for Applied Legal Studies as their legal representatives, care of the University of Pretoria Law Clinic at the address set out hereunder as the address at which it will accept notice and service of all process in these proceedings. Black Sash will also accept electronic service through its legal representatives at the following email address:
nomonde.nyembe@wits.ac.za.



TAKE FURTHER NOTICE that any party intending to oppose this application is required to give notice thereof within one (1) day of receipt of service of this application, and to deliver an answering affidavit by 20 October 2015.

Dated at **JOHANNESBURG** on **15 October 2015**.

CENTRE FOR APPLIED LEGAL STUDIES

Attorneys for Black Sash

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To:

**THE REGISTRAR OF THE ABOVE
HONOURABLE COURT**

And to:

WEBBER WENTZEL

Applicant's attorneys

Tel: +2711 530 5385

Email: Johan.Henning@webberwentzel.com

Ref: Johan Henning / 3001723

C/O JARVIS JACOBS RAUBENHEIMER INC

Woodpecker Place

177 Dyer Road

(cnr Lynnwood and Dyer)


Hillcrest, Pretoria

Tel: (012) 362 5787

Fax: 086 656 5430

Ref: H Raubenheimer

Service per email

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And to:

SOUTH AFRICAN SOCIAL SECURITY AGENCY

First Respondent

MINISTER OF SOCIAL DEVELOPMENT

Second Respondent

DIRECTOR GENERAL SOCIAL DEVELOPMENT

Third Respondent

C/O: State Attorney (Pretoria)

SALU Building

255 Thabo Sehume Street

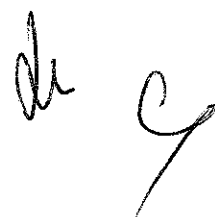
Pretoria

Ref: Mr Zulu Sunnyboy

Email: SZulu@justice.gov.za

Tel: (012) 309 1528

Service per email

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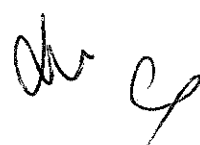
MINISTER OF SOCIAL DEVELOPMENT

Second Respondent

DIRECTOR-GENERAL, SOCIAL DEVELOPMENT

Third Respondent

**FOUNDING AFFIDAVIT: APPLICATION TO BE ADMITTED AS AN AMICUS
CURIAE AND TO ADDUCE EVIDENCE**



I, the undersigned,

LYNETTE MAART

state under oath that:

1. I am the National Director of the Black Sash Trust situated at Elta House, 3 Caledonian Street, Mowbray, Cape Town.
2. I am duly authorised by the Trustees of the Black Sash Trust ("**Black Sash**") to bring this application and to depose to this affidavit on its behalf. The resolution signed by the Chairperson of Black Sash is annexed as "**LM 1**".
3. The facts contained herein are, to the best of my knowledge, true and correct and unless otherwise stated or indicated by the context are within my personal knowledge. Where I make submissions of a legal nature, these are made on the advice of Black Sash's legal representatives.

OVERVIEW OF THIS AFFIDAVIT

4. This is an application in terms of rule 16A of the Uniform Rules of Court for the admission by Black Sash as an *amicus curiae* in the matter instituted by Channel Life Limited and Sanlam Developing Markets Limited ("**the applicants**") against the South African Social Security Agency ("**SASSA**"), the Minister of Social Development ("**Minister**") and the Director General of Social Development ("**DG**" or the "**third respondent**") under the case number 79112/15 ("**main**



application”). The first, second and third respondents are collectively referred to as the **“respondents”**.

5. The objectives of Black Sash’s intervention as *amicus curiae* are:

- 5.1. To describe and contextualises the current state of social assistance and social grant deductions and therefore demonstrate the necessity for a “clean up process” by SASSA;
- 5.2. To demonstrate the propensity for exploitative practices concerning deductions from social grants for funeral policies, in support of the necessity for a “clean up process” by SASSA;
- 5.3. To demonstrate the exploitative and harmful impact of funeral insurance deductions from child support and foster grants, as well as the a lack of proximity of need for funeral deductions from child support grants for funeral cover for children; and
- 5.4. To advance arguments that speak to the state’s constitutional obligations to realise the right to social security including social assistance as well as corporate entities’, particularly financial and insurance institutions’, negative obligations to refrain from interfering with the most vulnerable members of society’s right to social security.



6. To that end, I will deal with the following issues:

- 6.1. The aims and objectives of Black Sash;
- 6.2. The interest Black Sash takes in this application and the position it intends to adopt; and
- 6.3. The evidence and a summary of the submissions Black Sash intends to advance.

BLACK SASH'S AIMS AND OBJECTIVES

7. Black Sash is a non-party political and non-profit organisation. A copy of the Deed of Trust is annexed as “**LM 2**”.

8. Black Sash seeks to ensure that the poor, vulnerable and marginalised people who are the recipients of social grants are treated with dignity, efficiency, and with due regard to their constitutional and statutory rights. It does this through, amongst other methods:

- 8.1. Working with advice offices and Community Based Organisations (“**CBOs**”) as partners, and assists these entities to provide free assistance and advice to people who are in need. It works with approximately 400 such partners nationally;



- 8.2. Conducting information and educational services to advise people of their rights and conducting research into the laws which affect basic human rights, employment rights, the rights of the unemployed, activities informed by insight and “on the ground” experience principally (though not exclusively) from the work of the advice offices and other CBOs;
- 8.3. With our advice office and CBO partners, communicating this experience and information to lawmakers, policymakers and administrative officials within government and advocating for appropriate changes; and
- 8.4. Where necessary and having exhausted other advocacy options, litigating to ensure legality, dignity and efficiency in the provision of social security and social assistance grants where rights contained on the Bill of Rights have been infringed or where rights have been denied by officials and service providers responsible for their administration.
9. Black Sash has, for very many years, been actively engaged in social security and protection, including ensuring that applicants for social grants receive the grants and benefits to which they are entitled, fully and timeously. We seek to ensure that the procedures followed by the administration are fair and comply with the requirements of the Constitution of the Republic of South Africa, 1996 (“**the Constitution**”), the Social Assistance Act 13 of 2004 (“**SAA**”), its



predecessors, the “**Social Assistance Regulations**”,¹ the South Africa Social Security Agency Act 9 of 2004 (“**SASSA**”) and the Promotion of Administrative Justice Act 3 of 2000.

10. Black Sash operates a national office and four regional offices and is active in all nine provinces due to its partnership arrangements. Black Sash seeks to ensure the recognition, in law and in practice, of the human rights of all citizens of South Africa. Black Sash’s aim is to enable all, especially women and children, to recognise and exercise their human rights, particularly their social and economic rights; and to create a society which has effective laws and delivery systems, including comprehensive social protection for the most vulnerable.

11. In order to achieve this aim Black Sash intervened and was admitted as *amicus curiae* in 2014 in the *Allpay Consolidated Investment Holdings (Pty) Ltd and Others v Chief Executive Officer of the South African Social Security Agency and Others (No 2)* at the Constitutional Court.² In *Allpay*, Black Sash demonstrated its concern about systemic deductions from social grants that are not sanctioned by section 20(3) and 20(4) of the SAA, and by regulation 26A of the Social Assistance Regulations, which result in an increase in indebtedness, repetitive cycle of poverty for social grant recipients, greater hardship, and poverty.

¹ Regulations Relating to the Application for and Payment of Social Assistance and the Requirements or Conditions in Respect of Eligibility for Social Assistance, GN R898 in *Government Gazette* 31356 of 22 August 2008.

² 2014 (6) BCLR 641 (CC).

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BLACK SASH'S INTEREST IN THE MATTER

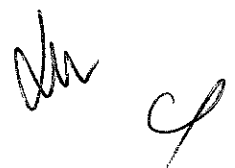
12. The outcome of this case will have implications which impact directly on the work of Black Sash, the goals and interests that it seeks to promote, and the interests of the grant beneficiaries it serves and seeks to represent.

13. Black Sash as a member of the Department of Social Development's Ministerial Task Team ("MTT") that was formed in February 2014 and other than Black Sash comprises of representatives the Association for Community Advice Offices in South Africa, other civil society partners, the Department of Social Development and SASSA. Black Sash supports the process being undertaken by SASSA to clean-up deductions from social grants that purport to comply with regulation 26A.

14. The impact of improper and unlawful deductions is felt by many marginalised people, including children, who through poverty or not knowing their rights or lack of access to legal services are generally unable to institute litigation in their own name to enforce their rights and are reliant on organisations such as Black Sash to assist them.

15. The Black Sash brings this application in terms of section 38 of the Constitution:

15.1. To serve its own interests set out above as contemplated by section 38(a);

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15.2. On behalf of and in the interests of the many beneficiaries of social grants who contest and are aggrieved deductions purportedly permitted under regulation 26A, and who are unable to act in their own name as contemplated by section 38(b) or (c); and

15.3. In the public interest as contemplated by section 38(d).

16. Black Sash's intervention will not inconvenience or cause prejudice to any of the parties. Black Sash has made every effort to align its intervention with the urgency of the main application and does not seek to delay the main application in any way.

17. Black Sash learned about the main application on Tuesday, 6 October 2015. Between Wednesday, 7 October 2015 and Friday, 9 October 2015, Black Sash was deliberating internally on whether to intervene as amicus and made the decision to do so on Friday, 9 October 2015 after obtaining legal advice. It received consent from its board to intervene on Saturday, 10 October 2015 and to prevent prejudice to the parties, on the following weekday being Monday, 12 October 2015, sent a letter to the parties requesting consent to intervene. The letter and covering email requesting consent to intervene as *amicus* are annexed as "LM 3".

18. On Tuesday, 13 October 2015 the applicant responded by letter attached to an email that it will not provide consent, this letter and covering email is annexed as "LM 4".

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19. Breton Van Vrede at Legal Services at the Department, and Dianne Dunkerley at SASSA confirmed telephonically to me that they do not oppose Black Sash's intervention. As at the commissioning of this affidavit the respondents have not yet confirmed same in writing.

20. The main application raises constitutional issues in terms of rule 16A(1)(a) of the Uniform Rules of Court. It concerns poor people's access to social assistance in the form of social grants. This is a constitutional right set out in section 27(1)(c) in terms of Constitution. I am not aware of whether a rule 16A(1)(c) notice has been posted on the notice board by the registrar of this Honourable Court and have not had sight of such notice. However, in light of the fact that the main application is urgent and also of the fact that this application and the notice thereof is submitted within the twenty (20) days timeframe set out in rule 16A(5), I submit that Black Sash is fully compliant with rule 16A.

21. I submit that in light of the above, Black Sash is entitled to be admitted as an *amicus curiae*. Black Sash plainly has an interest in the matter. It will make submissions that are different from those of the parties and are useful to the Court. The substantive requirements of rule 16A are satisfied.



SUMMARY OF THE BLACK SASH'S EVIDENCE AND SUBMISSIONS

Need for a clean-up process

22. Black Sash is acutely aware of a growing national problem of contested and unlawful deductions from social grants that rob the poor of the resources provided to them to meet their most basic needs, and which exacerbate their vulnerability and in turn drives them into vicious cycle of poverty and never-ending debts.

23. The applicants acknowledged the extent of improper deductions in their founding affidavit of the main application and stated (at paragraph 30) that *"[i]t is common knowledge that fraud amounting to billions of Rands is perpetrated in respect of social grants."*

24. For impoverished people social grants are the only means of sustenance. Any reduction in the amount of the social grant has significant negative impacts on their ability to survive and provide for the survival of their families.

25. Social grant beneficiaries do not have access to alternative resources, the improper deductions of what are seemingly small amounts have a far larger and more harmful impact than they would on someone with additional sources of income or alternative financial support. Redress for improper deductions (being deductions in contravention of law) is logistically and financially burdensome in that they place a burden on the social grant beneficiary to address and correct the deductions themselves. It also places an impediment on impoverished



social grant beneficiaries' subsistence. This is compounded by limited access of grant beneficiaries in rural areas, to unlimited airtime and funds for transport to challenge deductions that they have not authorised, and which may be in contravention of regulation 26A.

26. The need for a clean up process is demonstrated by the extent of deductions from social grants in contravention of law, and the impact of harm of such deductions.

27. Without an extensive process to ensure compliance with regulation 26(A), the harmful impacts of the improper deductions on the impoverished in our society is perpetuated.

28. Black Sash supports the decision and action of the Minister and SASSA to clean-up the social grant system and strictly enforce the provisions of the SAA and the Social Assistance Regulations.

29. Black Sash does not seek to impute the *bona fides* of the applicants, though it is aware of contested and, I submit, unlawful practices by some financial service providers that run foul of regulation 26A and therefore demonstrate the need for SASSA to implement its clean up process.

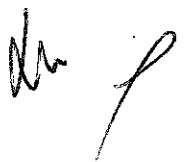
30. I refer to one particular example in this regard concerning 1Life Funeral Cover which debited deductions from grant beneficiaries' SASSA bank accounts in the following manner:



- 30.1. Colleen Ryan, the Black Sash Cape Town Regional Office manager, has assisted approximately 18 grant beneficiaries who sought assistance from the Paarl Advice Office during November 2014.
- 30.2. The grant beneficiaries all complained of an agent from Emerald Wealth Management, a 1Life broker, who informed them that they were obliged by SASSA to take out 1Life funeral cover.
- 30.3. While many beneficiaries told the broker that they already have their own funeral policies, he insisted that they present their identity documents. He and his agents completed application forms on their behalf.
- 30.4. Ms Ryan was informed by the 18 grant beneficiaries with whom she met, that all steps taken by this broker were done with extreme haste, and no-one was given an opportunity to properly consider the 1Life funeral policy. No one was advised about the content of the funeral cover they were about to purchase.
- 30.5. The broker insisted on placing the beneficiaries' fingerprints on the completed application form. Some of the beneficiaries queried why a signature was not required, without adequate response.

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- 30.6. All the beneficiaries were told to pay their first funeral cover instalment at the Post Office, and subsequent deductions were to come off their SASSA branded bank account. In all of these cases, the first instalments were deducted from the SASSA branded bank account, and misrepresentations were made to the grant beneficiaries in order encourage them to take out policies. In some instances where they already had existing funeral policies.
- 30.7. Despite beneficiary complaints lodged by the Paarl Advice Office and the Black Sash, Emerald Wealth Management remained intransigent.
- 30.8. The situation of two the affected beneficiaries, retired farm workers from Franschhoek was captured in a documentary titled *Grantgrabs*, which was screened on Special Assignment on 1 and 2 March 2015. The broker from Emerald Wealth Management and 1Life are named in the documentary. After it screened, Black Sash received a call from 1Life to discuss a remedy. Through the intervention of 1Life, the broker was dismissed after disciplinary action. Black Sash is aware that this pattern is repeated in Mosselbay and Heideveld with different sales teams. It is these kinds of actions that the clean up process seeks to prevent.
- 30.9. Grant beneficiaries were informed by Emerald Wealth Management that they can cancel their policies to stop the deductions, but they would not be refunded the deductions already made.



- 30.10. Calls from 1Life and Emerald Wealth Management had to be redirected from grant beneficiaries to Black Sash and the Paarl Advice Office to prevent intimidation of the beneficiaries.
- 30.11. Ms Ryan followed up with 1Life regarding their refund policy. On 10 April 2015, representatives from the Black Sash and Paarl Advice Office, Ms Ryan and I, met with two Johannesburg-based 1Life officials, who offered an apology to the grant beneficiaries and acknowledged that their treatment lacked dignity. All of the beneficiaries were handed cash refunds for their payments, and the 1Life officials advised that the 'rotten apple' broker would be removed from the system and that 1Life was in the process of reporting Emerald Management (Belville) to the Financial Services Board for unethical business practices.
31. A confirmatory affidavit from Colleen Ryan is annexed as "LM 5".
32. Black Sash is continuing to follow up with similar cases in Riversdale. During April 2015, the Paarl Advice Office registered a further 25 cases with 1Life. Black Sash has also registered fraudulent funeral deductions in the Mossel Bay area.
33. The above example is an illustration of one of the ways in which grant beneficiaries may, without informed consent, or providing a mandate to SASSA as required by regulation 26A, be improperly influenced into taking funeral cover.



34. In addition, it is of grave concern to Black Sash that there are nefarious institutions and brokers which prey upon grant beneficiaries, advising them that they are obliged to have a funeral policy. While the Social Assistance Regulation is explicit, in that deductions of up to 10% 'may' be made subject to the law, there is no obligation on any person to have such a policy.

35. Quite apart from the social grant system, the Ombudsman for Long-term Insurance has identified problems in respect of funeral insurance. Included in the list of problems is that:³

35.1. Policy documents do not always include the terms of the contract and at times may be densely worded and bewildering

35.2. Policy documents allow for unilateral increases in premiums;

35.3. Policies are at times marketed by telephone and other channels including retail outlets where customers may be unaware that they are purchasing policies with other goods; misleading material furnished by or on behalf of insurers or administrators;

³ "Funeral Insurance: A Perception from the Office of the Ombudsman for Long-term Insurance", Mr Justice PM Nienaber Ombudsman for Long-term Insurance, and Jennifer Preiss Deputy Ombudsman for Long-term Insurance, accessible at <http://www.ombud.co.za/useful-information/topics-cases/117-funeral-insurance/53-funeral-insurance>




35.4. Items by insurers or agents do at times missell items by of insurance or terms which viewed objectively are not in best interests of subscribers and inappropriate advice;

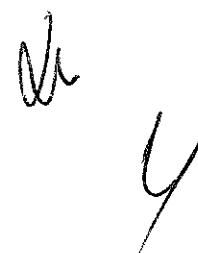
35.5. Fraud is at times perpetrated by illegal operators, and agents of legal insurers and independent intermediaries.

36. This is further indicative of the necessity of SASSA ensuring the integrity and lawfulness of funeral cover deductions from social grants.

Impact, harm, exploitative nature and proximity of deductions from child support grant

37. While Black Sash appreciates the right and autonomy of adults to enter into contracts of their choosing (within the framework permissible by law), and acknowledges that many adult grant beneficiaries choose to obtain funeral policies for themselves, it is submitted based on the reasons set out below, that such deductions against the child support grant (also known as the “CSG”) are not in the interests of the beneficiaries, as required by section 20(4) of the SAA.

38. While it is an adult, or the head of a child headed household 16 years or older, that receives the child care grant, the grant is for the benefit of the child.

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39. The *Channel Life*⁴ decision discussed by the parties to the main application, whilst dealing with the Minister's discretion in respect of funeral policy deductions, did not engage with the question of the interests of grant beneficiaries in respect of child support grants and foster care grants.

40. As alluded to in paragraph 50 of the respondents' answering affidavit, recipients of old age grants (not children) are the intended beneficiaries of the direct deduction system. Black Sash submits that given the difference in amounts of old age grants currently at R1 410 per recipient, to child care grants at R330 per recipient, coupled with life expectancy comparisons between old age and child beneficiaries, this is manifest on the face of it.

41. While legislative provision of the child support grant has existed since at least 1992 when the Social Assistance Act of 1992 was promulgated, the Department of Social Development only began providing impoverished people with the child support grant in March 1998.⁵ In 1998 children between 0 and 6 years would be entitled to the child support grant, in 2003 children under the age of 9, 2004 children under the age of 11, 2005 children under the age of 14.⁶ In 2008 the

⁴ *Channel Life v Minister of Social Development* NGP 36212/2011, 13 April 2012 (annexure "JR 2" of the main application).

⁵ Regulations Regarding Grants and Financial Awards to Welfare Organisations and to Persons in Need of Social Relief of Distress in terms of the Social Assistance Act, 1992, GN R418 *Government Gazette* 18771, 31 March 1998.

⁶ Amendment: Regulations Regarding Grants and Financial Awards to Welfare Organisations and to Persons in Need of Social Relief of Distress in terms of the Social Assistance Act, 1992, GN R460 *Government Gazette* 24630, 31 March 2003.



age of the child support grant was extended to children under the age of 15 years.⁷

42. At the time that regulation 26A was promulgated on 29 May 2009, child support grants were by that stage only applicable to children up 15 years of age. It was not until 1 January 2012 that child support grants were extended to the age of eighteen hence increasing the number of child care grant beneficiaries exponentially.

43. It is respectfully submitted that it ought to be a policy determination by the Minister in applying discretion whether or not funeral policies are permissible deductions at all, or to what maximum percentage and conditions, to investigate a cost benefit of funeral policies in respect of children.

44. It is also respectfully submitted, that should a parent seek to take out a funeral policy in respect of their child, they are at liberty to do so from any other source of income, but given the meagre amount of the child support grant, and the need of that income, deductions for funeral policies from the child support grant ought not to be permissible as a policy consideration by the Minister in the best interests of child.

45. A means test applies to those eligible for a social grant, particularly an older person's grant and the child support grant. Social assistance (or income support)

⁷ Regulations relating to the application for and payment of social assistance and the requirements or conditions in respect of eligibility for social assistance, GN R898 Government Gazette 31356, 22 August 2008.



enables grant recipients in poor households to meet basic needs. Social grants act as a safety net and are key to government's successful poverty alleviation strategy.

46. There is substantial evidence that grants, including the child support grants, are being spent on food, education and basic goods and services. A study commissioned by the Department, SASSA and UNICEF and performed by the Economic Policy Research Institute found that the child support grant not only helps to realise children's rights to social assistance, but is also associated with improved nutritional, health and education outcomes. Only the cover page and executive summary of this report are annexed as "LM 6" due to its volume. The full report will be made available at the hearing.

47. As of 1 April 2015, the child support grant is R330.⁸ This means that a deduction of 10% on R330 is R33 and reduces the grant amount to R297. In incidences where Regulation 26A is contravened by a single funeral policy exceeding the 10% maximum value or by two or three deductions the child support grant can conceivably dwindle to virtually nothing.

48. For persons dependent on the meagre social grant to support their children, all reductions are significant.



⁸ Section 4 of the Act read with GN 277 in *Government Gazette* 38647 of 30 March 2015.



49. That deductions are made for funeral insurance schemes from child support grants, which will only be paid out upon a child's death, is indicative that the scheme is not of benefit to the child. If a child does die, the child's parents or guardians will be the beneficiaries of the funeral insurance and not the child him or herself. This falls foul of section 20(4) of the SAA which provides that the deduction from a social grant must benefit the social grant beneficiary.

50. Any pay out of the money accumulated in the funeral insurance or scheme is conditional on the death of the child. This is problematic as the practical effect is that while the child is the beneficiary of the social grant, the deduction itself is not in the benefit of the child and reduces the child's social grant in the interests of people other than the child.

51. This is best illustrated by, for example, the contrast between a funeral policy and a policy that would directly benefit the child in the short or long term and which had a satisfactory level of certainty to pay out when the child turns 18 years old such as an educational policy.

52. An educational policy matures and pays out when the child reaches majority. That policy will then serve the needs of the child by financially facilitating that child's education possibly ensuring, through education, the eradication of the cycle of poverty. On the other hand a funeral policy matures and pays out only when the child dies. If the child does not die before reaching majority, and the premiums do not continue to be paid from sources other than the child support grant, all of the premiums paid during that child's minority are forfeited. If the



child does not die after having continued to pay the funeral policy premiums from sources other than the child support grant, that policy will mature and pay out only when the child, who has reached majority, dies. As stated before, in this case the policy does not benefit the child but the child's, as an adult's, family.

53. The Older Persons Act, 13 of 2006 was enacted to ensure the status, well-being, safety and security of older persons. Section 30 of the Older Persons Act makes it a criminal offence for anyone to economically abuse another. Economic abuse includes depriving an older person of economic and financial resources to which they are entitled by law. It is trite that older persons are entitled to social grants in the form of the older persons grant and war veterans' grants. The deprivation of the social grants of older person from the latter may constitute an offence in terms of the Old Persons Act. Comparably, the Domestic Violence Act, 116 of 1998 also prohibits the economic abuse of children (section 4, 17 and the definitions on domestic relationships and economic abuse).

54. In the 2013/2014 financial year, SASSA reported, in its annual report that the number of child support grant beneficiaries amounted to 11 125 946 of the total of 15,932,473 grant beneficiaries. By contrast SASSA's 2013/2014 annual report indicates that non-child support grant beneficiaries amounted to:

- 54.1. 2 969 933 old age grant beneficiaries;
- 54.2. 429 war veterans beneficiaries;
- 54.3. 1,120,419 disability beneficiaries;
- 54.4. 83 059 grant in aid beneficiaries;

54.5. 120 632 care dependency beneficiaries; and

54.6. 512 055 foster child beneficiaries.

55. Only the cover and relevant page of SASSA's 2013/2014 annual report is annexed as "LM 7" due to its volume. The full report will be made available at the hearing.

56. This demonstrates that child support grants have been increasing and make up the bulk of social grants provided by SASSA; on average of 2 out of 3 social grants are child support grants. The child support grant therefore is a lucrative market for funeral insurance providers that requires stringent oversight and protection for the most vulnerable of society.

57. National Treasury's Budget Vote and the 2012 National Budget Speech locates grants in the broader context of development and poverty reduction, where the Minister of Finance stated that:

"Social spending comprises 58% of government expenditure next year, up from 49% a decade ago. The budget provides social grants to almost a third of the population [...]. The average value of the "social wage" for a family of four in 2012/2013 is about R3940 a month. This represents a substantial investment in household living conditions, financially through a broadly progressive tax structure. Social security reform and the phasing in of national health insurance will improve the effectiveness and coherence of redistribution through the fiscus. [...] And so the quality of the poverty reduction we achieve over the decades ahead will depend on our success in broadening development to include historically disadvantaged sectors and communities, as envisaged in our New Growth Path and draft Development Plan."⁹

⁹ At page 32, accessible at www.treasury.gov.za/documents/national%20budget/2012/speech/speech.pdf

58. The cover and relevant pages are annexed as “LM 8”.

59. This agenda did not change. In 2015, Minister Nhlanhla Nene stated that:¹⁰

“Social grants play an important role in protecting the poorest households against poverty. Social assistance beneficiaries numbered 16.4 million in December 2014.

In order to accommodate the growth in numbers, the budget proposals include an additional R7.1 billion on the Social Development vote. Fellow South Africans, I am also pleased to announce adjustments to monthly social grants with effect from 1 April:

1) The old age, war veterans, disability and care dependency grants will increase by R60 to R1 410.

2) Child support grants increase to R330.

3) Foster care grants increase by R30 to R860.

In consultation with the Department of Social Development and taking into account consumer price inflation, we will review the possibility of further adjustments to grant values in October.”

60. The cover and relevant pages are annexed as “LM 9”.

61. In light of the above it is submitted that Regulation 26A deductions for funeral insurance from child support grants do not contribute to the realisation of the objectives of the state. These are not beneficial “services” for child support grant beneficiaries.

¹⁰ At page pp.10-11, accessible at www.treasury.gov.za/documents/national%20budget/2015/speech/speech.pdf

Rule of Law and Constitutional Obligations of the state

62. As indicated above, this case concerns the right to social security, and particularly the right to social assistance which has been explicitly set out in section 27(1)(c) of the Constitution. As such, the actions of the state and corporate entities in respect of social grants and the clean up process have to be viewed in light of the Constitution and constitutional imperatives.

63. As evidenced by the use of the phrase “respect, protect, promote, and fulfil” in section 7(2) of the Constitution, the State has both positive and negative obligations with respect to human rights. Both its positive and negative obligations extend beyond the provisions of the Bill of Rights towards the realisation of the provisions of the Constitution.

64. The positive obligations of the state with respect to human rights entails that the state must actively ensure the realisation of human rights by people in South Africa. As made clear by the Supreme Court of Appeal in *Van Eeden*,¹¹ the state must also prevent third parties from interfering with the rights of others and where third parties do interfere with the rights of others the state should protect the human rights of others.

65. The state has an even greater obligation to “respect, protect, promote and fulfil” the rights of the more vulnerable members of our society such as children. Sections 28(1)(c) and 28(2) of the Constitution) provide that “every child has the

¹¹ *Van Eeden v Minister of Safety and Security (Women's Legal Centre Trust, as Amicus Curiae)* 2003 (1) SA 389 (SCA) paras 14, 20 and 24.



right to basic nutrition, shelter, basic health care services and social services” and that “a child's best interests are of paramount importance in every matter concerning the child” respectively. As the uppermost guardian of children, it is the Honourable Court’s duty to ensure that the state fulfils this obligation.

66. In this particular matter, the State fulfils its positive obligation by providing social grants to people who are poor. The provision of these social grants entails:

66.1. a positive duty on the state to ensure that beneficiaries receive their social grant;

66.2. a negative duty on the state not to prevent social grant beneficiaries from receiving their grants: and

66.3. a positive duty on the state to stop third parties from interfering with beneficiaries receiving their social grants.

67. Stopping or delaying the clean-up process would result in delaying the state’s fulfilment of its obligations, both positive and negative, with respect to human rights. The state, through its duly appointed agency SASSA, has identified a gap which is interfering with the proper fulfilment of its constitutional obligations towards, particularly, social grant beneficiaries. This has significant and negative impacts on all social grants, including children’s grants. As stated above the best interests of the child are of paramount importance in any matter involving children.



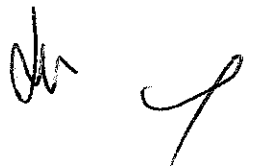
Obligations of financial institutions

68. The applicants in this case are juristic persons registered in terms of the Long Term Insurance Act (52 of 1998). Juristic persons have both rights and obligations in terms of the provisions of the Bill of Rights in the Constitution. Section 8(2) of the Constitution accepts that the Bill of Rights may be applied horizontally, in other words between two or more non-state agents, and therefore accepts that a juristic person may have positive or negative obligations in relation to a non-state agent.

69. It is significant for this application where the Constitution speaks to the juristic person not as right holder but a duty bearer. Section 8(2) provides that juristic persons have duties in respect of the Bill of Rights. It sets out the following criteria for the determination of that duty:

“A provision of the Bill of Rights binds a natural or a juristic person if, and to the extent that, it is applicable, taking into account the nature of the right and the nature of any duty imposed by the right.”

70. In determining the content of the negative duty of juristic persons, the court must, as instructed by the section 39(2) of the Constitution, consider international law. The United Nations Guiding Principles on Business and Human Rights (“UNGPs”) is the most salient instrument in international law that speaks to the duties of juristic persons with regard to internationally recognised human rights. Social security is an internationally recognised human right as it appears in Article 9 of the International Covenant on Economic, Social and Cultural Rights to which South Africa is a signatory.



71. The UNGPs provide for three pillars; pillars one and two are important for the purposes of this application. Pillar one provides that the state has a duty to protect human rights. The respondents' answering affidavit demonstrates how the state is attempting to comply with its Constitutional and International law duty to protect human rights, particularly the right to social security.

72. Pillar two provides that corporate entities (juristic persons) have the responsibility to respect human rights. According to the commentary of article 11 this entails that they "should not undermine States' abilities to meet their own human rights obligations". It is clear therefore that under international law too juristic persons have an obligation not to interfere with the state's attempt to realise the human right to social security.

73. It is settled law that the non-state agents have negative obligations in respect of the human rights of other non-state agents. The Constitutional Court said the following in *Juma Musjid*:

*"the purpose of section 8(2) of the Constitution is not to obstruct private autonomy or to impose on a private party the duties of the state in protecting the Bill of Rights. It is rather to require private parties not to interfere with or diminish the enjoyment of a right."*¹²

74. Through the clean up process the state is attempting to ensure that impoverished people (and vulnerable children) to whom social grants apply, enjoy the full amount of their social grants. SASSA is attempting to reduce the

¹² *Governing Body of the Juma Musjid Primary School and Another v Essay N.O. and Others* 2011 (8) BCLR 761 (CC), para 58.

cases where grant beneficiaries do not enjoy the full amounts of their social grants in contravention of section 20(3) of the SAA. By thwarting and not supporting SASSA in that process, the applicants are interfering with impoverished peoples' right to social security and thus acting in contravention of their constitutional and international responsibility to respect the right to social security.

Signed and dated at **CAPE TOWN** on **15 October 2015**.

LYNETTE MAART

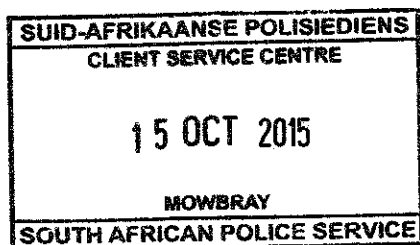
I certify that the Deponent has acknowledged that he knows and understands the content of this Affidavit, which was sworn to and signed before me at Mowbray on the 15 day of October 2015, the Regulations contained in the Government notice No. R1258 of 21 July 1972, as amended, having been complied with.

COMMISSIONER OF OATHS

Full name:

Address: (

Designation



"LH 1"

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BLACKSASH
MAKING HUMAN RIGHTS REAL

National Office: P.O. Box 1282 • Cape Town, 8000 • Address: Ella House • 3 Caledonian Road • Mowbray • 7700
Tel: 021 686 6952 • Fax: 021 686 6971 • Email: info@blacksash.org.za • Web: www.blacksash.org.za

RESOLUTION OF A MEETING OF TRUSTEES OF THE BLACK SASH TRUST HELD IN CAPE TOWN ON
10 OCTOBER 2015.

On 10 October 2015 the Trustees of the Black Sash Trust have resolved to authorise the Black Sash Trust to apply to intervene in the matter of Channel Life Limited and Sanlam Developing Markets Limited vs SASSA and others, in the High Court of South Africa (Gauteng Division, Pretoria) Case No 79112/15 as a party to the proceedings or as an amicus curiae.

The Trustees further authorised Lynette Maart to represent the Black Sash in these proceedings and to instruct attorneys to represent the Black Sash Trust in the appropriate manner. Lynette Maart is authorised to sign all affidavits on behalf of the Black Sash Trust.

SIGNED AT JOHANNESBURG, THIS 13TH DAY OF OCTOBER 2015

BONGI MKHABELA
CHAIRPERSON OF THE BLACK SASH TRUST

Trustees: Sibongile (Bongi) Mkhabela (Chairperson), Yasmin Turton (Deputy Chairperson), Maria (Mary) Burton, Jennifer De Tolly, Margaret (Dolly) Khumalo, Mary Kleinenberg, Thembi (Nyami) Molele, Mary-Jane Monfi, Diana (Di) Oliver, Yasmin-Sooka, Hilary Southall, Woineshet Bischoff

"LM 2"
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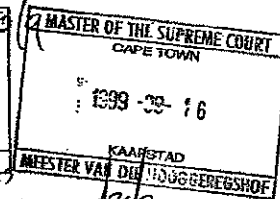
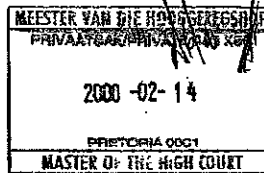
BLACK SASH TRUST

National Office

4th Floor 12 Plein Street 8001 Cape Town Tel: (021) 461-7804 Fax: (021) 461-8004 email: sashct@iafrica.com

9 September 1999

The Master of the Supreme Court
Private Bag X9018
CAPE TOWN
8000



Dear Sir

re: Amendments to Trust Deed - ref. no. I Trust 1179/85

The Black Sash Trust is in the process of registering as a Nonprofit Organisation with the Department of Welfare. In order to conform with their requirements, we have had to amend our Trust Deed. These amendments were approved at the Trust Meeting of 29 May 1999.

The details are as follows:

- To be added:
- 3.5 Minutes of the meeting will be sent to Trustees at least two weeks before the next meeting.
 - 9.1 The dates for the end of the organisation's financial year is 31 December.
- To be amended:
- 17. The second paragraph to read (the change is in bold type):
A copy of any resolution amending the Trust shall be forwarded to the Commissioner of Inland Revenue and the **Director: Non Profit Organisations** if the Trust is exempted from taxes in terms of the Income Tax Act and is in possession of an authority in terms of the **Non Profit Organisations' Act 71 of 1997**.
 - 18. The third sentence to read (the change is in bold type):
In particular, such resolution shall provide that after payment of and provision for all liabilities of the Trust and of the cost of winding up, the net remaining funds and assets of the Trust shall be donated to any other organisation/s or fund/s or trust/s of a public character having objects or purposes identical with or similar to those or any of those of the Trust which are themselves exempt from income tax and donations tax and estate duty in terms of the Income Tax Act, and registered in terms of the **Non Profit Organisation's Act 71 of 1997** such bodies to be situated within the Republic of South Africa and failing such resolution, then to such body or bodies as may be determined by the **Director: Non Profit Organisations** if this Trust is registered as a fundraising organisation in terms of the **Non Profit Organisations' Act of 1997**.

2/.....

Trustees: Mary Burton • Betty Davids • Jenny de Tolly • Sheena Duncan • Mary Kleinenberg • Lydia Kompe •
Phumela Mtshela • Di Oliver • Hilary Southall •

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We enclose an amended copy of our Trust Deed reflecting these changes.

We thank you for your assistance and co-operation and look forward to hearing from you.

Yours sincerely

HILLARY MORRIS
National Director

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AMENDED

DEED OF TRUST AND DONATION

between

THE BLACK SASH

and

SHEENA DUNCAN

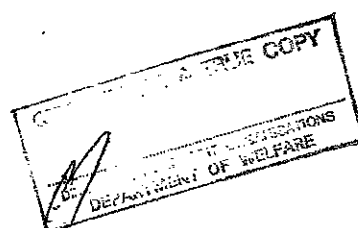
JOYCE HARRIS

AUDREY COLEMAN

ETHEL WALT

and

MARIA MACDIAMID BURTON



May 1999

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CP

AMENDEDDEED OF TRUST AND DONATION

Entered into by and between:

THE BLACK SASH

(herein represented by Sheena Duncan,
in her capacity as President and Joyce
Harris in her capacity as Vice President

hereinafter referred to as "the Donor")

and

SHEENA DUNCAN

JOYCE HARRIS

AUDREY COLEMAN

ETHEL WALT

and

MARIA MACDIAMID BURTON herein represented by Joyce Harris by
notice of a Power of Attorney signed at Cape Town on the 1st Day of June 1985.
(hereinafter referred to as the "The Trustees")

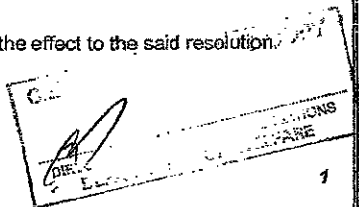
WITNESSETH:

WHEREAS the Donor conducts Advice Offices in various centres in the Republic of South Africa at which it provides a para legal service free of charge to people who require advice and assistance.

AND WHEREAS the National Conference of the Donor did on the 16th March 1985 resolve that its National Executive should proceed with the establishment of an Advice Office Trust.

AND WHEREAS this Trust Deed is necessary to give the effect to the said resolution.

Jdo.
May 1999



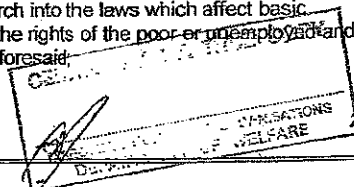
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NOW THEREFORE THESE PRESENT WITNESS:

1. 1.1 A charitable trust to be called the Advice Office Trust which was founded and established in 1985, is hereby amended and renamed "The Black Sash Trust" its aims and objects extended and is hereafter referred to as "The Trust".
- 1.2 The Donor hereby donates irrevocably to the Trustees in trust the sum of R250.00 which capital sum, together with accruals or additions thereto shall comprise the Trust Fund and shall be held in trust for the purposes and subject to the conditions hereinafter set out.
- 1.3 The business and affairs of the Trust shall be conducted in such centres in the Republic of South Africa as the Trustees may determine from time to time. Contributions will be collected in the Republic of South Africa.
- 1.4 Membership of the Trust shall consist of Trustees.
2. The objects of the Trust shall be:
 - 2.1 To administer and control the existing Black Sash Advice Offices and other projects at Johannesburg, Cape Town, Durban, Port Elizabeth, Grahamstown, Pietermaritzburg, Pretoria, East London and Knysna and to open, establish and conduct Advice Offices at such other places as the Trustees may from time to time direct;
 - 2.2 To provide free of any charge at these Advice Offices advice and assistance to person who require assistance on problems relating to or connected with the laws of the Republic of South Africa;
 - 2.3 To provide free of charge advice and assistance to persons who have their rights denied by officials such as in the areas of housing, unemployment, insurance, pensions, workmen's compensation, the obtaining of identity documents;
 - 2.4 To provide a free counselling service to persons whose problems cannot be resolved through recourse to the law or those who are in distress or need;
 - 2.5 To assist individuals in enforcing their rights in terms of the law when such rights have been denied them by officials responsible for their administration and to make payment of legal costs incurred thereby;
 - 2.6 To conduct an information and educational service through lectures, workshops and published materials to advise people on their rights under various laws and to conduct research into the laws which affect basic human rights, employment rights, the rights of the poor or unemployed and all matter related to the activities aforesaid;

J. d. d.
May 1999




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- 2.7 To provide training for religious and community workers in the areas of concern to the Trust;
 - 2.8 To institute and/or join with others in proceedings before the Constitutional Court or any other appropriate forum or commission in any proceedings where, in the opinion of the Trustees, a right contained in the Bill of Rights has been infringed, or an investigation is being conducted into an alleged infringement of any such right;
 - 2.9 Generally to do all such things as are incidental or conclusive to the attainment of the above aims and objects provided that the funds of the Trust shall be expended exclusively in the Republic of South Africa.
- 3.
- 3.1 The persons described above as "the Trustees" shall be the first Trustees.
 - 3.2 There shall not be less than five or more than 12 Trustees, all of whom shall be women and none of whom should be paid members of staff. In the event of the position of Trustee/s falling vacant the remaining Trustees shall invite the Advice Offices and Associates (being volunteers attached to the Advice Office) to nominate the successor/s. The new Trustee/s should be appointed from the persons nominated.
 - 3.3 To ensure that the minimum number of trustees are in office the trustees shall have the power at any time and from time to time to appoint any person nominated as set out in 3.2 as an additional Trustee up to the maximum number as set out above. Any acts done by the Trustees in emergency circumstances when there are less than five Trustees in office shall be valid and binding.
 - 3.4 The Trustees shall appoint one of their members as Chairperson and she shall hold office for a period of one year unless during that time she resigns as Trustee or is voted out of office by a majority of the remaining Trustees. The Chairperson can be reappointed for successive terms of office.
 - 3.5 The Trustees shall meet from time to time as they may determine but not less than twice every year. A quorum of Trustees shall be half plus one and all decisions shall be majority decisions. In the event of a deadlock, the Chairperson shall have a casting vote.
 - 3.5.1 Minutes of the meeting will be sent to Trustees at least two weeks before the next meeting.
 - 3.6 Meetings may be summoned by the Chairperson, the Secretary or any three Trustees and the meeting may be convened by letter, telegram, telex, telephone, telefax or e-mail.
 - 3.7 The office of Trustees shall be vacated
- Jda.*
May 1999
- [Signature]*
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3.7.1	If a Trustee resigns office by notice in writing addressed to the Chairperson of the Trust or the other Trustees; or
3.7.2	If a Trustee becomes of unsound mind or insolvent, or is in any other way incapable of managing her own affairs, or is or becomes under any legal disability affecting her legal capacity, or is prohibited by law from acting as Trustee, or would be prohibited by law from being a director of a company; or
3.7.3	If a Trustee does not attend three (3) consecutive meetings of the Trust without consent of the majority of the remaining Trustees or with leave from the Chairperson; or
3.7.4	If two-thirds of the Trustees vote in favour of such removal after notice has been given to such Trustee of her proposed removal and she shall be entitled to make representation in writing or orally to the Trustees before a decision is taken to remove her.
4.	The Donor shall have no power to revoke, cancel or annul the Trust or any of the provisions herein contained, but it may at any time hereafter supplement the assets of the Trust. Such assets shall thereupon be deemed to form and become part of the Trust hereby created and shall be held by the Trustees in trust for and subject to the conditions of this Deed of Trust.
5.	The Trustees shall be entitled in their complete discretion to sue the whole or such portion of the nett income accruing from the Capital of the Trust or such portion of the Trust Capital itself if the income is insufficient, for the purposes set out in paragraph 2 above, provided that at least 75% of nett income of the Trust shall be expended in achieving its objects within the period of 12 months from the end of the financial year during which it accrues.
6.	Should the services of a fund-raiser be made use of for the collection of contributions, the expenses (remuneration and/or commission included) may not exceed 40% of the total turnover of the collection.
7.	The Trustees shall deposit all money not invested in terms of paragraph 8 hereunder in a banking or building society account/s to be opened in the name of the Trust. Such account/s shall be operated by the Trustees in such manner as they shall determine.
8.	The Trustees shall be entitled and are hereby empowered to invest the assets of the Trust or such portion or portions thereof from time to time in or with any bank, building society or other financial institution as defined in section 1 of the Financial Institutions (Investment of Funds) Act, 1984 or in the acquisition of securities listed


 May 1999

CERTIFIED TO A TRUE COPY

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DIRECTOR GENERAL OF ORGANIZATIONS

DEPARTMENT OF WELFARE

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on a licensed stock exchange as defined in the Stock Exchange control Act, 1985.

9. The Trustees shall cause a proper set of books and accounts to be kept relative to the Trust, which books and accounts may be audited annually by an auditor to be appointed by the Trustees, with power to the Trustees to vary such appointment from time to time.

9.1 The date for the end of the organisation's year is 31 December.

10. In addition to the powers usually enjoyed by the Trustees and without prejudice to the said generality, the Trustees shall have and enjoy the following rights and privileges:-

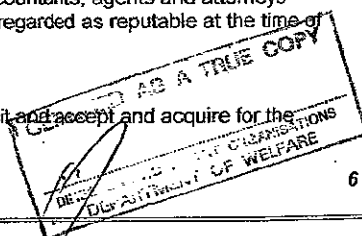
- 10.1 to call in, recover, collect and if necessary to sue in the name of the Trust for all loans or other moneys belonging to the trust at any time, whether invested by them or otherwise, and to foreclose bonds and, if necessary, to buy securities;
- 10.2 to purchase or otherwise acquire and hold securities and shares quoted on the stock exchange provided that the Trustees shall not have the power to acquire immoveable property for the purposes of recovering rental income therefrom on a systematic basis nor may they engage in any speculative or trading activities;
- 10.3 to borrow money for the purpose of the trust and at their discretion to mortgage, pledge or hypothecate any moveable, immovable or other property or rights belonging to the Trust;
- 10.4 to sign and execute all documents of any nature or kind whatsoever requisite and necessary from time to time in connection with the acquisition or the realisation of the Trust assets and/or carrying out the terms of this Deed of Trust;
- 10.5 to allow any time of payment of any debt due to the Trust as they may think fit and to compromise, compound or submit to arbitration all claims, debts or things whatsoever belonging or relative thereto;
- 10.6 to employ and pay out of the Trust any other person or persons to do any act or acts, including the day to day administration of the Trust, for reward, although they or any of them could have done such act or acts; provided that such remuneration shall be commensurate with the value of the services actually rendered;
- 10.7 to lend money to beneficiaries of the Trust on such terms as they shall determine provided that loans must bear interest at not less than the prevailing commercial rates;
- 10.8 to incur reasonable travelling and other expenses and to reimburse

May 1999

themselves for expenses reasonably incurred in the exercise of their duties including attendance at Trustees meetings, provided that the expenses so incurred are commensurate with the services for which such expenses are incurred;

- 10.9 to hire premises and to equip the same and to hire or purchase vehicles to be used in conjunction with the Trust's activities;
- 10.10 to engage staff and remunerate them for their services and to insure the staff and the assets of the Trust and to pay the premiums on such policies;
- 10.11 to contribute towards any pension, provident or medical aid fund providing benefits to the employees of the Trust;
- 10.12 to insure Trustees for accidental death or injury whilst about their duties as Trustees;
- 10.13 paid officials of the Trust may serve on the management in an advisory capacity, but will have no voting rights;
- 10.14 all property must be registered in the name of the Trust;
- 11 11.1 The Trustees shall be entitled to sue and be sued in any Court having competent jurisdiction in respect of any matter arising out of the Trust hereunder created. All costs incurred by the Trustees, as well as any other charges, expenses and disbursements incurred by them in or arising out of their administration of the Trust shall be a first charge on the Trust Fund and the income thereof.
- 11.2 The Trustees shall be entitled pursuant to Section 38 of the South African Constitution either alone or in association with other bodies to approach a competent court including the Constitutional Court where in their opinion a right contained in the Bill of Rights has been infringed or to testify before any commission which may be investigating allegations of infringements of rights;
- 11.3 To act as amicus curiae in appropriate proceedings.
- 12. The Trustees shall not personally be liable for any loss which may be suffered or sustained by the Trust, provided the security or asset in which the Trust Fund were invested was regarded as good and sufficient at the time of the investment, nor shall they be responsible for the actions of any accountants, agents and attorneys appointed by them, provided the same were regarded as reputable at the time of appointment.
- 13. The Trustees are hereby empowered to solicit and accept and acquire for the

May 1999



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purpose of the Trust hereby constituted any gifts, donations, contributions, bequests or payments from any person, deceased estate, firm or company that may be given, bequeathed or paid to them as an addition or with the intention to add to the Trust hereby constituted and whether any such addition consists of stock, shares, monies, movable or immovable property, and any addition so accepted and acquired shall be deemed to form part of the Trust and shall be administered and dealt with subject to the terms of this Deed of Trust, saving where the donor has made specific direction.

Any additions to the Trust so received by the Trustees may be retained by them in the form in which they are received and such retention shall be a sufficient compliance with the power to invest herein contained.

Any additions to the Trust may be received from any place or places whether inside or outside the Republic of South Africa provided that monies or the assets from outside the Republic of South Africa shall actually be received in the Republic of South Africa.

14. The Trustees shall be entitled to nominate one or more of them, or delegate their authority to any person or persons selected by them, whether such person be a Trustee or not, both for the purpose of management of the Trust and the execution of all documents of any nature relating to the carrying out of the purposes of the trust, including documents in connection with the investment and realisation of the Trust which realisation shall be in whatever manner they may think fit.
15. 15.1 No member of the Trust shall have a direct or indirect interest in or benefit from any contract which the Trust may conclude with any company.
15.2 The affairs of the Trust shall be conducted in such a manner that the Trustees shall not personally benefit therefrom.
16. The Trustees herein or from time to time appointed shall not be required to furnish security for the due and faithful administration of the Trust under the Trust Property Control Act, 1934 or any other law and the Master of the Supreme Court, having jurisdiction in connection therewith, is hereby directed to dispense with such security.
17. The Trustees in their discretion and by majority vote shall be entitled to amend any of the conditions of this Deed in such manner as they consider desirable or which may be necessary for the purposes of obtaining registration hereof or exemption from any taxation or to comply with the requirements of any officials for such purposes of effectively conducting the Trust or giving affect to the intention of the Donor.

A copy of any resolution amending the Trust shall be forwarded to the Commissioner of Inland Revenue and the Director: Non Profit Organisations if the

May 1999 J. de V.

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Trust is exempted from taxes in terms of the Income Tax Act and is in possession of an authority in terms of the Non Profit Organisations' Act 71 of 1997.

18. The Trust may be dissolved by resolution of two-thirds of the Trustees. Any such resolution shall provide for the payment and remuneration of a liquidator and the powers of the liquidator and any other provision for winding up. In particular, such resolution shall provide that after payment of and provision for all liabilities of the Trust and of the cost of winding up, the nett remaining funds and assets of the Trust shall be donated to any other organisation/s or fund/s or trust/s of a public character having objects or purposes identical with or similar to those or any of those of the Trust which are themselves exempt from income tax and donations tax and estate duty in terms of the Income Tax Act, and registered in terms of the Non Profit Organisations' Act 71 of 1997, such bodies to be situated within the Republic of South Africa and failing such resolution, then to such body or bodies as may be determined by the Director: Non Profit Organisations if this Trust is registered as a fund-raising organisation in terms of the Non Profit Organisations' Act 71 of 1997.
19. The Trustees hereby accept appointment to such office, subject to all the terms and conditions hereinbefore set out.

May 1999

J. Q. D.

RECEIVED 1999 MAY 19

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"LM 3"

Nomonde Nyembe

From: Nomonde Nyembe
Sent: 12 October 2015 07:53 PM
To: 'johan.henning@webberwentzel.com'; 'DianneD@sassa.gov.za';
'MphoRa@dsd.gov.za'; 'BrentonV@dsd.gov.za'
Cc: 'ThemaL@sassa.gov.za'; 'FrankE@sassa.gov.za'; Baone Twala
Subject: Channel Life Ltd and Others v South African Social Security Agency and Others
(79112/15): Black Sash//Amicus Curiae
Attachments: BS' Letter to parties re amicus Channel Life urgent 20151012 FINAL.pdf

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Dear recipients

Please find attached hereto a letter sent on behalf of Black Sash requesting consent to intervene as *amicus* in the abovementioned matter.

Kindly confirm receipt hereof and respond to the request by close of business on Tuesday, 13 October 2015.

Kind regards,

Ms Nomonde Nyembe
Attorney: Business and Human Rights
Centre For Applied Legal Studies
University of The Witwatersrand
T +27 (0) 11 717 8600
C +27 (0) 78 100 8192
Private Bag 3 | Wits 2050 | South Africa



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**Centre for Applied
Legal Studies**

DJ Du Plessis Building West Campus Wits Braamfontein
Private Bag 3 Wits University 2050 South Africa
Tel + 27 11 717-8600 Fax + 27 11 717 1702
www.law.wits.ac.za/cals

Our Ref: N Nyembe/Black Sash

12 October 2015

To: Johan Henning

Applicant's attorneys

By email: johan.henning@webberwentzel.com

To: Diane Dunkerley

First Respondent's representative

By email: DianneD@sassa.gov.za;

Cc: ThemaL@sassa.gov.za; FrankE@sassa.gov.za;

To: Mpho Ratshisusu

And to: Brenton Van Vrede


Second and Third Respondent's representatives

By email: MphoRa@dsd.gov.za; BrentonV@dsd.gov.za

Dear recipients

Channel Life Ltd and Others v South African Social Security Agency and Others (79112/15)

1. We act on behalf of Black Sash.
2. Black Sash is a non-governmental organisation established in 1955 that historically worked to eradicate the discriminatory nature and impact of Apartheid.

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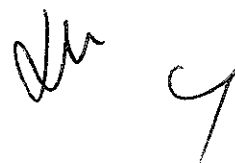
3. More recently, Black Sash has been involved in the realisation of the human rights of the most vulnerable, with an emphasis on women and children. Over the last few years, Black Sash has specifically focussed on broadening the beneficiary coverage of the South African social security system and promoting administrative justice, with a focus on the needs of poor people.
4. In furtherance of the rights of the most vulnerable members of society, Black Sash intervened and was admitted as an *amicus curiae* in the matter of *Allpay Consolidated Investment Holdings (Pty) Ltd and Others v Chief Executive Officer of the South African Social Security Agency and Others* (No 2) 2014 (6) BCLR 641 (CC)). In *Allpay*, Black Sash advanced arguments on behalf of social grant beneficiaries in respect of the impact of certain kinds of deductions from social grants which it argued were unlawful, immoral, and in some circumstances fraudulent. It also advanced argument concerning the timeframes for the award of a new tender by South African Social Security Agency ("SASSA") for the payment of social grants.
5. Black Sash continues to receive requests for assistance from its community and strategic partners concerning unsanctioned and harmful deductions from social grants.
6. Black Sash has become aware of the present matter and is of the view that it raises important issues related to human rights and dignity and the overall realisation of socio-economic rights and social security in particular. As such, it seeks to intervene as *amicus curiae* in this case in order to introduce evidence and advance legal argument concerning *inter alia*:
 - 6.1 the need for a clean-up process in the provision of funeral cover to social assistance beneficiaries in particular in respect of purportedly consensual and legitimate deductions;
 - 6.2 the impact, harm and exploitative nature of deductions from the child support grants of funeral cover in respect of children;

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- 6.3 the proximity of need of deductions related to funeral insurance in relation to child beneficiaries of social assistance;
 - 6.4 rule of law and the constitutional obligations of the state and corporate entities not to abrogate the rights of the poorest members of society who are dependent on social assistance;
 - 6.5 SASSA and Department of Social Development's rights and obligations in terms of section 27(1)(c) of the Constitution to ensure the effective realisation of the right to social assistance through their oversight role; and
 - 6.6 the negative obligations of financial and insurance institutions that interact with and seek to provide services to social grant beneficiaries, not to interfere with the realisation of the right to social assistance, and specifically the recognition of social grants as a human right.
7. Once we are in receipt of the respondents' answering affidavit we will be in the position to limit our argument accordingly. We intend filing Black Sash's application to intervene by 10h00 on Thursday, 15 October 2015.
8. As required by Rule 16A, we therefore request consent from all of the parties to Black Sash's intervention as *amicus curiae*.
9. Kindly respond by close of business on Tuesday, 13 October 2015 at the email address set out below.

Yours faithfully,

Nomonde Nyembe

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So

Attorney: Centre for Applied Legal Studies

Telephone: +2711 717 8606

Mobile: +2776 100 6156

Email: Nomonde.Nyembe@wits.ac.za

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h

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"LMG"

Nomonde Nyembe

SI

From: Kent Davis <Kent.Davis@webberwentzel.com>
Sent: 13 October 2015 11:04 AM
To: Nomonde Nyembe
Cc: Johan Henning
Subject: RE: Channel Life Ltd and Others v South African Social Security Agency and Others (79112/15): Black Sash//Amicus Curiae [WWA-WS_JHB.FID1749126]
Attachments: Letter to CALS (dated 13 October 2015)(signed).PDF

Dear Madam

Please find attached letter marked for your attention.

Kind regards

Kent Davis
Candidate Attorney

WEBBER WENTZEL

in alliance with > Linklaters

T: +27115305843 F: +27 11 530 6843 M: +27 73 158 9722

E: kent.davis@webberwentzel.com

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From: Nomonde Nyembe [<mailto:Nomonde.Nyembe@wits.ac.za>]

Sent: 12 October 2015 19:53

To: Johan Henning; DianneD@sassa.gov.za; MphoRa@dsd.gov.za; BrentonV@dsd.gov.za

Cc: ThemaL@sassa.gov.za; FrankE@sassa.gov.za; Baone Twala

Subject: Channel Life Ltd and Others v South African Social Security Agency and Others (79112/15): Black Sash//Amicus Curiae

Dear recipients

Please find attached hereto a letter sent on behalf of Black Sash requesting consent to intervene as *amicus* in the abovementioned matter.

Kindly confirm receipt hereof and respond to the request by close of business on Tuesday, 13 October 2015.

Kind regards,





M. Nomonde Nyembe
Attorney: Business and Human Rights
Centre For Applied Legal Studies
University of The Witwatersrand
T +27 (0) 11 717 8806
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Private Bag 3 | Wits 2050 | South Africa



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Attention: Nomonde Nyembe
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Braamfontein

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Your reference
N Nyembe/ Black Sash

Our reference
Johan Henning
3001723

Date
13 October 2015

Dear Madam

Channel Life Limited and Others v South African Social Security Agency and Others
(Case No.: 79112/15)

1. We act on behalf of Channel Life Limited and Sanlam Developing Markets Limited ("our clients").
2. We refer to your letter dated 12 October 2015 in which you requested our clients' consent in terms of Rule 16A of the Uniform Rules of Court permitting Black Sash ("your client") to intervene as *amicus curiae* in the above matter.
3. Having considered your request, our clients are not willing to consent to your client intervening in this matter. We therefore await your client's application to be admitted as *amicus curiae*. We will address the various statements raised by your client in an appropriate forum once our clients have been furnished with an application as contemplated in Rule 16A.
4. Kindly serve all process relating to this matter electronically on the writer hereof, as well as on our correspondent, the details of which are set out below:



9426747_1

Senior Partners: JC Els Managing Partners: SJ Huston Partners: RB Africa NG Alp OA Ampofo-Anti RL Appelbaum BA Baillie AE Bennett
DHL Booysen AR Bowley PG Bradshaw EG Brandt JE Brinx S Browne MS Burger T Cassim RS Coelho KL Collier KM Colman KE Coster K Couzyn
CR Davidow IH Davies ME Davis PM Daya JHB de Lange DW de Villiers BEC Dickinson MA Diemont PA Dingley KZ Dloti G Driver HJ du Preez
CP du Toit SK Edmundson AE Esterhuizen MJR Evans AA Felekis GA Richardt JB Forman MH Gibson H Goolam CI Gouws JP Gouws PD Gresly
A Harley VW Harrison JK Harvey MH Hathorn JS Henning KR Hibbs NA Hlatshwayo XNC Hlatshwayo S Hockey CM Hoffeld PM Holloway HF Human
AV Ismail KA Jarvis ME Jarvis CM Jonker S Jooste LA Kahn M Kennedy A Keyser MD Kota J Lamb PSG Leon PG Leyden L Marais S McCafferty
MC McIntosh M McLaren SI Meltzer SM Methula CS Meyer AJ Mills JA Milner D Milo RP Mngomezulu IA Morphet WM Movshovich M Mtshali
SP Naicker RA Nelson BP Ngoepe ZN Ntshona MB Nzimande L Odendaal GJP Olivier N Paige AMT Pardini AS Parry S Patel GR Penfold SE Phajane
MA Phillips HK Potgieter S Rajah D Ramjettan NJA Robb DC Rudman M Sader JW Scholtz KE Shepherd DMJ Simaan AJ Simpson J Simpson
N Singh MP Spalding L Stein PS Stein LJ Swaine Z Swanepoel A Thakor A Toefy PZ Vanda SE van der Meulen ED van der Vyver M van der Walt
N van Dyk A van Niekerk JE Veeran D Venter B Versfeld MG Versfeld TA Versfeld DM Visagie J Watson KL Williams K Wilson RH Wilson M Yudaken
Chief Operating Officer: SA Boyd

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Page 2

JARVIS JACOBS RAUBENHEIMER INC
Woodpecker Place
177 Dyer Road
(cnr Lynnwood and Dyer)
Hillcrest
Pretoria
Tel: (012) 362 5787
Fax: 086 6565 430
Ref: H Raubenheimer

5. We await your client's application.

Yours faithfully ✓

 **WEBBER WENTZEL**

Johan Henning
Partner

Direct tel: +27115305385

Direct fax: +27 11 530 6385

Email: johan.henning@webberwentzel.com



IN THE HIGH COURT OF SOUTH AFRICA

(GAUTENG DIVISION, PRETORIA)

CASE NUMBER: 79112/15

In the application for admission as amicus curiae

of:

THE BLACK SASH TRUST

Applicant for Admission as

Amicus Curiae

In the matter between:

CHANNEL LIFE LIMITED

First Applicant

SANLAM DEVELOPING MARKETS LIMITED

Second Applicant

and

SOUTH AFRICAN SOCIAL SECURITY AGENCY

First Respondent

MINISTER OF SOCIAL DEVELOPMENT

Second Respondent

DIRECTOR-GENERAL, SOCIAL DEVELOPMENT

Third Respondent

CONFIRMATORY AFFIDAVIT



I, the undersigned,

COLLEEN RYAN

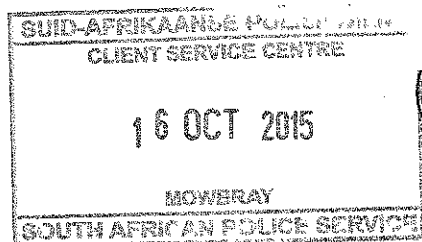
state under oath that:

1. I am an adult female and the manager of the Black Sash Cape Town Regional Office situated at Elta House, 3 Caledonian Road, Mowbray, Cape Town.
2. The facts contained herein are, unless otherwise stated or indicated by the context, within my own personal knowledge and to the best of my belief both true and correct.
3. I have read the Founding Affidavit of **LYNETTE MAART** and confirm the contents thereof in so far as they relate to me and to the Black Sash.

Signed and dated at **CAPE TOWN** on **October 2015**.

COLLEEN RYAN

I certify that the Deponent has acknowledged that he knows and understands the content of this Affidavit, which was sworn to and signed before me at Mowbray on the 16th day of October 2015, the Regulations contained in the Government notice No. R1258 of 21 July 1972, as amended, having been complied with.



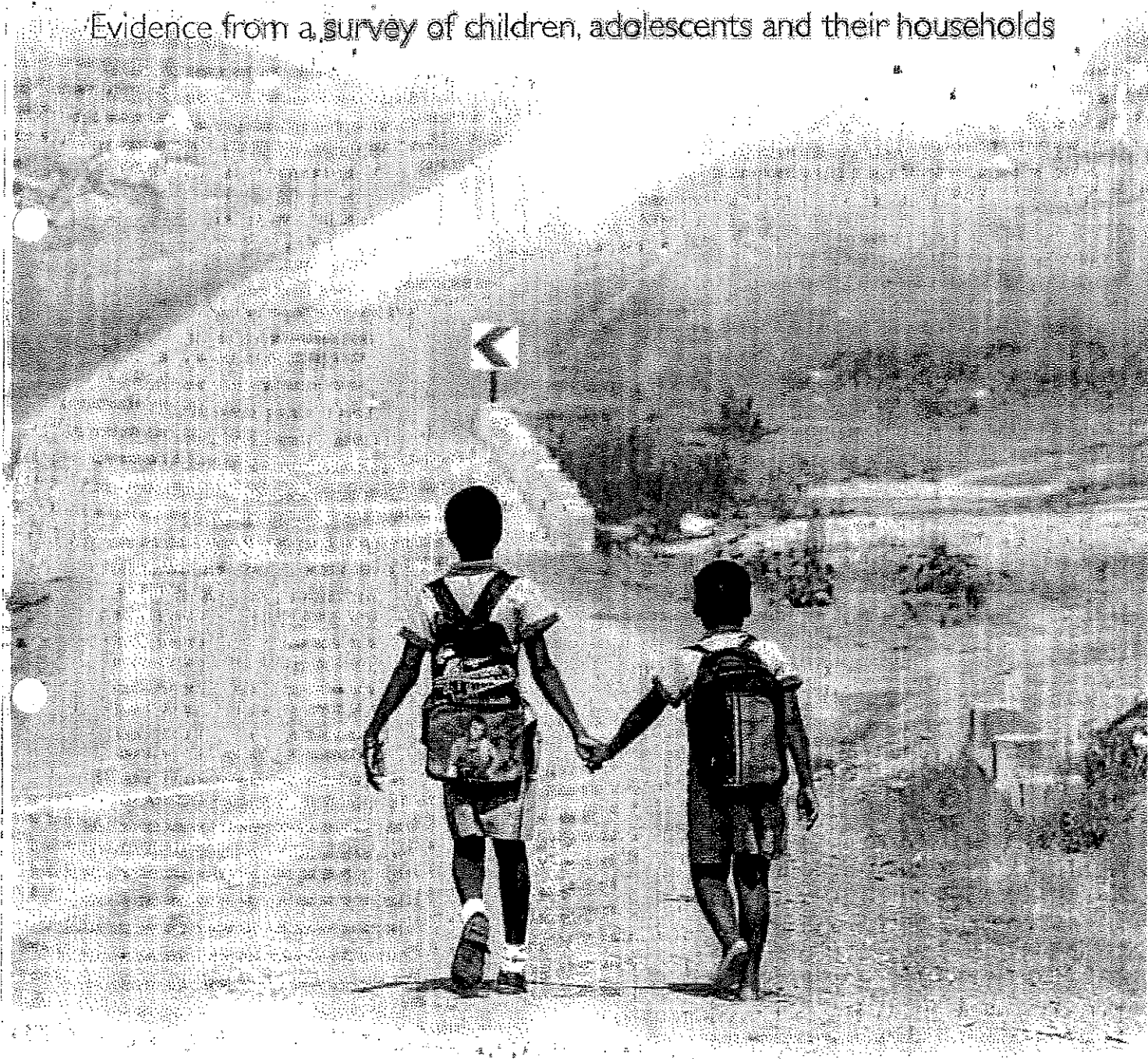
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The South African **Child Support Grant** Impact Assessment

Evidence from a survey of children, adolescents and their households



social development
Department:
Social Development
REPUBLIC OF SOUTH AFRICA



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**The South African Child Support Grant Impact Assessment:
Evidence from a survey of children, adolescents and their households
May 2012**

This study was commissioned and funded by the Department of Social Development (DSD), the South African Social Security Agency (SASSA) and the United Nations Children's Fund (UNICEF) South Africa. The study was carried out by the Economic Policy Research Institute (EPRI) in partnership with the International Food Policy Research Institute (IFPRI), as part of a larger project partnership including the Institute for Development Studies (IDS), Oxford Policy Management (OPM), Reform Development Consulting (RDC) and Take Note Trading (TNT). This research project is part of a multi-year integrated qualitative and quantitative impact assessment commissioned by the Department of Social Development, the South African Social Security Agency and UNICEF South Africa.

Acknowledgements

- ≈ *Study Team:* Dr. Carolyn Heinrich (Economic Policy Research Institute (EPRI) and University of Texas at Austin), Dr. John Hoddinott (International Food Policy Research Institute), Dr. Michael Samson (EPRI), Mr. Kenneth Mac Quene (EPRI), Ms. Ingrid van Niekerk (EPRI), Mr. Bryant Renaud (EPRI).
- ≈ Gratitude to the adult and child respondents for their inputs and contributions.
- ≈ The valuable contribution of the following is also acknowledged: Selwyn Jehoma, Thilde Stevens, Maureen Motepe, Thabani Buthelezi and Dibolelo Ababio from the Department of Social Development; Eric Musekene, Alice Odhiambo and Rudzani Takalani, from SASSA; George Laryea-Adjei from UNICEF; Nkechi Obisie-Nmehielle (IOM); Dugan Fraser (Action Plus); Benjamin Davis (FAO); Ashu Handa (University of North Carolina); Jan Vorster (University of Stellenbosch); Linda Richter, Vuyiswa Mathambo and Lucia Knight (HSRC); Patrick Chiroro (IRI).

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Obtainable free of charge from:

UNICEF, DSD and SASSA

Website: <http://www.unicef.org/southafrica>; <http://www.dsd.gov.za> and <http://www.sassa.gov.za>

Readers are also referred to the complementary research report called "Child Support Grant Evaluation 2010: Qualitative Research Report" (Stephen Devereux [IDS], Michelle Adato [IFPRI], Rachel Sabates-Wheeler [IDS], Jesse McConnell [RDC], Elisabeth Becker [IFPRI]) dated June 2011, which presents the qualitative component of the evaluation.

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The South African **Child Support Grant** Impact Assessment

Evidence from a survey
of children, adolescents
and their households

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EXECUTIVE SUMMARY

OVERVIEW AND RESEARCH QUESTIONS

The Child Support Grant (CSG) is an important instrument of social protection in South Africa, reaching over 10 million South African children each month. This report presents the findings of a research team's analysis of a specially designed survey fielded in rural and urban areas of five South African provinces, supporting the rigorous impact assessment of how access to the CSG affects key aspects of child and adolescent well-being.

The South African Child Support Grant (CSG) was first introduced in 1998. Over the past 14 years, South Africa's social grant programme has evolved into one of the most comprehensive social protection systems in the developing world. Expansions to the Child Support Grant's criteria for eligibility over this same period include an increase in the age limit from seven to eighteen years old, and adjustments to the income threshold to take inflation into account and improve equity.

RESEARCH DESIGN, QUESTIONNAIRES AND DATA

Three questionnaires were designed to gather information on children, adolescents and their households. Households with participating adolescents were given the CSG Adolescent Questionnaire and the CSG Household Questionnaire, while homes with participating young children were given the CSG Young Child Questionnaire and the CSG Household Questionnaire. In addition, adolescents completed a confidential, self-administered survey about their receipt of the CSG, school and work participation, and their engagement in risky behaviours. The sampling process took place in two stages. First, a random sample of locations, defined as the catchment areas for specific paypoints, was drawn from SASSA's administrative database. These locations were sampled from each of five provinces: Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo and Western Cape. Second, children were randomly selected from the identified paypoints in order to identify a group of 10-year-olds who enrolled in the CSG programme shortly

after birth, compared to a group enrolled later – at age four or older. Adolescents were selected around the age cut-off for eligibility in 2010, including those receiving and not receiving the CSG. The research team compared the results of the survey to other national household surveys, including the 2008 National Income Dynamics Survey (NIDS) and the 2010 General Household Survey (GHS), and found the sample largely representative of the corresponding national populations.

IMPACT EVALUATION METHODOLOGY

The methodology of this evaluation aims to measure causal programme impacts as the difference between observed outcomes for the beneficiaries and what would have been the outcomes if this group had not received the Child Support Grant or received it later versus earlier. The evaluation strategy controls for factors that might lead to an erroneous attribution of causality, including individual and household traits such as poverty status, exposure to shocks, demographic characteristics and other variables. The evaluation employs non-experimental approaches rather than a randomised experiment because there is no practical or legal scope for randomly allocating grants in South Africa, and the single cross-sectional survey together with the sample variability in terms of timing and receipt of grants appropriately supports and strengthens the evaluation approaches adopted for this study. The main method adopted for this study matches and compares households receiving the 'treatment' (such as the Child Support Grant from shortly after the child's birth) with a comparison group of households with similar observable characteristics that influence their probability of application for or receipt of the Child Support Grant. The study employs extensions of this approach to assess the impact of the duration of Child Support Grant receipt on outcomes of interest.

ACCESS TO THE CHILD SUPPORT GRANT

Receipt of the CSG varies over different age groups. Take-up rates peak for children seven to 10 years in age, while infants

have relatively low take-up rates. Furthermore, youth in newly-eligible age groups have relatively low take-up rates. This finding helps explain why adolescents are relatively less likely to receive the CSG when compared to younger children. Receipt of the CSG is correlated with multiple household re-applications as well as household knowledge of the CSG from formal sources. Generally, relatively poorer and/or less educated households are more likely to have received the CSG. In Limpopo, however, adolescents who first began receiving the CSG between age 10 and 13 years have significantly lower odds of continuing to receive a CSG at age 15 or older, an unexpected result which is a subject of future research.

THE IMPACT OF THE CHILD SUPPORT GRANT ON OUTCOMES IN EARLY LIFE

Early life receipt of the CSG (in the first two years of life) increases the likelihood that a child's growth is monitored¹ and improves height-for-age scores for children whose mothers have more than eight grades of schooling.² Since children's cognitive development depends on receiving appropriate nutrition in the first few years of life, this result provides important evidence of the Child Support Grant's role as an investment in human capabilities – a critical determinant of multi-dimensional poverty reduction. This also suggests that a mother's education complements the Child Support Grant in strengthening important impacts.

IMPACT OF THE CHILD SUPPORT GRANT ON SCHOOLING AND COGNITIVE SKILLS OF CHILDREN

Analysis of grade attainment, scores on mathematical ability tests and scores on reading and vocabulary tests provides evidence of the impact of the Child Support Grant on schooling outcomes of children who were 10 years old at the

time of the survey. Children who were enrolled in the CSG at birth completed significantly more grades of schooling than children who were enrolled at age six, and achieved higher scores on a math test.³ Impacts for girls were particularly significant, with early receipt of the CSG increasing girls' grade attainment by a quarter of a grade compared to those receiving the grant only at age 6. The impact largely resulted from early receipt of the CSG reducing delays in girls entering school by 27 per cent, with girls enrolling early obtaining higher scores on math and reading tests. For children whose mothers have less than eight grades of schooling, the impacts were even greater. Early enrolment in the CSG raises grade attainment by 10.2 per cent (0.38 grades). The CSG appears to play a compensatory role for children with less educated mothers, narrowing the schooling gap between children whose mothers have less education and those who have more. In these ways the Child Support Grant promotes human capital development, improves gender outcomes and helps to reduce the historical legacy of inequality.

THE IMPACT OF THE CHILD SUPPORT GRANT ON CHILDREN'S HEALTH

Analysis of current illness- and health-related expenditures provides evidence of the impact of the Child Support Grant on child health. Early enrolment in the CSG reduced the likelihood of illness (as measured by a 15 day period prior to the survey), with the effect particularly strong for boys. Boys enrolled at birth had a 21 per cent likelihood of being ill, compared to a 30 per cent likelihood for boys enrolled later.⁴ Children enrolled at birth whose mothers have eight or more grades of schooling have a significantly lower likelihood of being ill relative to otherwise comparable children enrolled at age 6,⁵ again suggesting that a mother's education further complements the Child Support Grant in strengthening other important impacts, and that these positive impacts are fairly persistent.⁶

1. The improvement is 7.7 percentage points, statistically significant at the 10 per cent level.
2. The improvement in the height-for-age z-score is 0.19 standard deviations, a large impact significant at the five per cent level.

3. The mean increase in grades of schooling was 0.14, and the increase in the mean math test score was 6.0 per cent.
4. This result was significant at the 10% level.
5. The improvement in this indicator was 8.5 percentage points.
6. At least from birth to age 10, the age threshold used for this part of the study.

THE IMPACT OF THE CHILD SUPPORT GRANT ON TIME ALLOCATION AND LABOUR SUPPLY OF CHILDREN

Analysis of the time allocation and labour supply of 10-year-old children provides evidence of the Child Support Grant's impact on the amount of time spent studying, doing chores or working outside the household. The study finds few 10-year-old children working for pay outside the household. The timing of CSG enrolment has no statistically significant impact on time spent studying or doing housework. However, for children in households with no electricity, early enrolment in the CSG increases the amount of time spent studying, but the magnitude of this impact is small.

VARIATION IN RECEIPT OF THE CHILD SUPPORT GRANT AMONG ADOLESCENTS

A significant pattern identified in the survey data played an important role in the evaluation of impacts of the Child Support Grant on adolescents. Adolescents who first started receiving the Child Support Grant at an early age (four years or younger), or more recently at age 14 years or older, are significantly more likely to be in households that are currently receiving the CSG for the adolescent (at the time of the survey). On the other hand, a comparatively low proportion of adolescents who first began receiving the CSG between the ages of 10 and 13 are in households currently receiving the grant for them, particularly in the province of Limpopo, which has one of the highest poverty rates in South Africa. This study finds that important predictors of successful Child Support Grant receipt by an adolescent's caregiver include (1) application for the grant by the adolescent's biological mother, (2) the mother of the adolescent being the head of the household, (3) adolescent awareness of the availability of the CSG programme, (4) lower educational attainment for the household head, (5) persistent re-application for the CSG in the face of initial rejection.

THE IMPACT OF THE CHILD SUPPORT GRANT ON SCHOOLING OUTCOMES OF ADOLESCENTS

Analysis of adolescent absences from school provides evidence of the impact of the Child Support Grant on schooling outcomes for adolescents. Receipt of the CSG by the household reduces adolescent absences from school, particularly for male adolescents, even when the household does not receive the grant specifically for the adolescent.

THE IMPACT OF THE CHILD SUPPORT GRANT ON WORK INSIDE AND OUTSIDE THE HOME

The households in the sample reported fairly similar responses about the degree to which adolescents worked inside the home. However, adolescents and their caregivers reported very different patterns of work outside the home: the household respondents indicated that only two per cent of the sampled adolescents work outside the home, while 18.5 per cent of 1,355 adolescents who answered this question indicated that they worked outside the home. Early receipt of the Child Support Grant (in the first seven years of life) reduces the likelihood that they will grow up into adolescents who will work outside the home (as reported in the adolescent survey). Additionally, there appears to be a particularly important impact in terms of reduced work outside of the home for females who received the grant in early childhood.

THE IMPACT OF THE CHILD SUPPORT GRANT ON ADOLESCENT RISKY BEHAVIOURS

Analysis of adolescent risky behaviours provides evidence of the Child Support Grant's impact in significantly reducing six main risky behaviours – sexual activity, pregnancy, alcohol use, drug use, criminal activity and gang membership. The evidence documents statistically significant associations between receipt of the Child Support Grant in adolescence and:

- (1) reduced sexual activity and a fewer number of sexual partners, particularly when the adolescent also received the grant in early childhood;
- (2) reduced pregnancy, again particularly when the adolescent also received the grant in early childhood;
- (3) reduced alcohol and drug use, particularly for females, and with the effect strengthened by early childhood receipt of the CSG.

CONCLUSIONS

The results of this study identify the positive developmental impact of the Child Support Grant in promoting nutritional, educational and health outcomes. Early receipt significantly strengthens a number of these important impacts, providing an investment in people that reduces multiple dimension indicators of poverty, promotes better gender outcomes and

reduces inequality. The study also finds that adolescents receiving the Child Support Grant are more likely to have some positive educational outcomes, are somewhat less likely to experience child labour, and are significantly less likely to engage in behaviours that put their health and well-being at serious risk. These results convey several key messages:

- (1) The Child Support Grant generates positive developmental impact that multiplies its benefits in terms of directly reducing poverty and vulnerability;
- (2) Early enrolment in the Child Support Grant programme substantially strengthens impacts. Promoting continuous access to the CSG for eligible children through adolescence would help to maximise the potential benefits of the grant.
- (3) Receipt of the grant by adolescents generates a range of positive impacts, not least of which is the reduction in risky behaviours, which in the context of high HIV prevalence, generates a particularly protective impact.

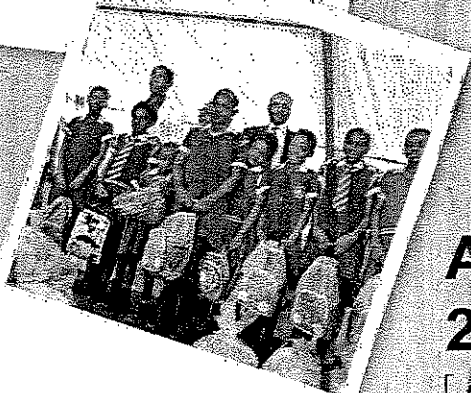




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Annual Report 2013/14

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at the right time and place. NJALO!*]

Sh. C.

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2. Situational Analysis

2.1. Service Delivery Environment

The South African Social Security Agency (SASSA) is responsible for the provision of social assistance benefits and services to poor South Africans focusing primarily on the older persons, people with disabilities and children. It is important to note that these categories of beneficiaries of the social assistance, i.e., people with disabilities, those who are elderly, children, are according to the NDP (Vision 2030) at greater risk and more vulnerable and therefore require measures which include removing obstacles to accessing social protection; and measures to provide assistance. During the period under review over 15,932,473 social grants were paid to approximately 30% of poor people in South Africa to enable them to meet their basic needs and overcome the burden of hunger and destitution. Over 11million of these benefits were for children, 2.9 million for older persons and 1.1 million for people with disabilities. The total adjusted budget for social assistance transfers for the reporting period was approximately R 111 billion. The Agency also provided social relief of distress covering approximately 337 148 people at a cost of R 549 847 373.

The growth of social grants from over 2 million in 1994 to almost 16 million in 2013/14 signifies a noteworthy achievement by this government to provide for and support those who are unable to provide for themselves. Whereas significant progress achieved through the social assistance programme is celebrated, there were gaps that were identified through research that there are approximately 2.35 million eligible children who are not receiving the child support grant. Furthermore, accessing the foster child grant also presents administrative challenges because it is linked to the judicial system. During 2013/14 financial year, progress was made in obtaining evidence on the demographics and geographic location of the eligible children who are not accessing the CSG. This process will be followed by a rigorous plan of action to target and bring the children into the safety net.

There were significant gains with respect to the efficient administration of social assistance. Between 2008/09 to 2013/14, there was an average growth of 4.06% in the number of social grants in payment, however the trend changed during this reporting period (2013/14) where there was -1.08% decrease in the growth of social grants. The decrease was the result of the very successful re-registration and biometric enrolment of beneficiaries that reduced the inclusion error substantially. Overall there was an efficiency saving of 1.2 percent of social assistance transfers (from the adjusted budget) which was transferred back to the fiscus.

Social Grants Trends

Table 1: Number of grant benefits and percentage growth over a five year period by grant type

Grant type/ Period	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Old Age	2,390,543	2,546,657	2,678,554	2,750,857	2,873,197	2,969,933
War Veteran	1,500	1,216	958	753	587	429
Disability	1,286,883	1,264,477	1,200,898	1,198,131	1,164,192	1,120,419
Grant in Aid	46,069	53,237	58,413	66,493	73,719	83,059
Care Dependency	107,065	110,731	112,185	114,993	120,268	120,632
Foster Child	474,759	510,760	512,874	536,747	532,159	512,055
Child Support	8,765,354	9,570,287	10,371,950	10,927,731	11,341,968	11,125,946
Total	13,072,173	14,057,365	14,935,832	15,595,705	16,106,110	15,932,473
Annual Growth		7.50%	6.20%	4.42%	3.27%	-1.08

Source: SOCPEN System

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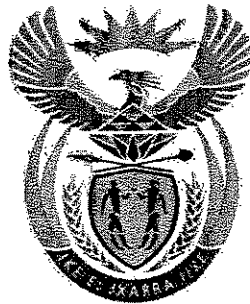
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Budget Speech

Minister of Finance

Pravin Gordhan

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2012 Budget Speech

new business start-ups as a tax incentive, which would encourage entrepreneurs and business innovation.

It is right that we should look for many ways of supporting enterprise development, in many different settings and circumstances – in urban and rural areas, in agriculture, manufacturing and service sectors. We have to move beyond debate, and find the policy levers that will make a difference to the pace and dynamics of job creation across the whole of our economy.

Addressing poverty and inequality

Reducing unemployment is the centrepiece of our approach to reducing poverty, Mister Speaker, but it is not the only measure.

Social spending comprises 58 per cent of government expenditure next year, up from 49 per cent a decade ago. The budget provides social grants to almost a third of the population, it pays for largely free services at public health facilities and no-fee schools for 60 per cent of learners, and it pays for housing, water and electricity in poor communities. The average value of the “social wage” for a family of four in 2012/13 is about R3 940 a month. This represents a substantial investment in household living conditions, financed through a broadly progressive tax structure.

Social security reform and the phasing in of national health insurance will improve the effectiveness and coherence of redistribution through the fiscus. But of course, redistribution is not a substitute for economic growth and job creation. And so the quality of the poverty reduction we achieve over the decades ahead will depend on our success in broadening development to include historically disadvantaged sectors and communities, as envisaged in our New Growth Path and draft Development Plan.

Conclusion

Mister President, we have a budget that gives effect to the challenges you have set us – to accelerate growth, expand investment, support economic development and confront poverty and inequality.

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2015

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Nhlanhla Nene

Minister of Finance

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Mr G

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R10.2 billion has been allocated over the MTEF period to manufacturing development incentives and support for growing service industries, such as business process outsourcing. Under Minister Davies' oversight, the manufacturing competitiveness enhancement programme will spend R5.4 billion and will assist 1 450 companies with financial support to upgrade facilities and skills development.

Special economic zones are allocated R3.5 billion over the medium term, mainly for infrastructure development. The work of Minister Hanekom's department in promoting tourism continues to be supported.

Over the MTEF period, Minister Zulu's new Department will spend R3.5 billion on mentoring and training support to small businesses.

The Jobs Fund will spend R4 billion in partnership with the private sector on projects that create new employment, support work-seekers and address structural constraints to more inclusive growth.

The community works programme will be extended to all municipalities and its allocations will increase by 21 per cent a year.

The Department of Environmental Affairs has an allocation of R11.8 billion to fund more than 107 000 full time equivalent jobs and 224 000 work opportunities through environmental public works programmes.

A total of R590 million has been allocated to the Green Fund over the medium term, for strategic environmental projects in partnership with the private sector.

Health and social protection

Honourable Speaker, expenditure on health and social protection will continue to grow steadily, contributing to better life expectancy and household income security.

Health spending will reach R178 billion in 2017/18. We have seen a marked reduction in child mortality over the past five years, supported by improved access to antenatal services.

Our antiretroviral treatment programme now reaches 3 million patients. The mother-to-child transmission of HIV has decreased from 20 per cent a decade ago to 2 per cent last year, and is expected to decline further over the period ahead.

In this budget, R1.5 billion is shifted from provincial budgets to the national Department of Health to enable the National Institute of Communicable Diseases to be directly funded. This will be offset by lower tariffs for services provided by the National Health Laboratory Service. Port health services have also been shifted from provinces to the national department.

The Office of Health Standards Compliance has been listed as an independent legal entity with a budget rising to R125 million in 2017/18.

Under Minister Motsoaledi's direction there has been progress over the past year in preparing for the transition to a National Health Insurance. A discussion paper on financing options will be released shortly by the National Treasury, to accompany the NHI white paper.

Honourable Speaker, I have also agreed with Ministers Dlamini and Oliphant that we will jointly publish the long-outstanding discussion paper on social security reform. Both health insurance and social security are vital concerns of all South Africans, and we look forward to public debate and engagement between stakeholders.

Social grants play an important role in protecting the poorest households against poverty. Social assistance beneficiaries numbered 16.4 million in December 2014. In order to accommodate the growth in numbers, the budget proposals include an additional R7.1 billion on the Social Development vote.

Fellow South Africans, I am also pleased to announce adjustments to monthly social grants with effect from 1 April:

- 1) The old age, war veterans, disability and care dependency grants will increase by R60 to R1 410.
- 2) Child support grants increase to R330.
- 3) Foster care grants increase by R30 to R860.

In consultation with the Department of Social Development and taking into account consumer price inflation, we will review the possibility of further adjustments to grant values in October.