

Creation of social security agency to promote equal access mooted

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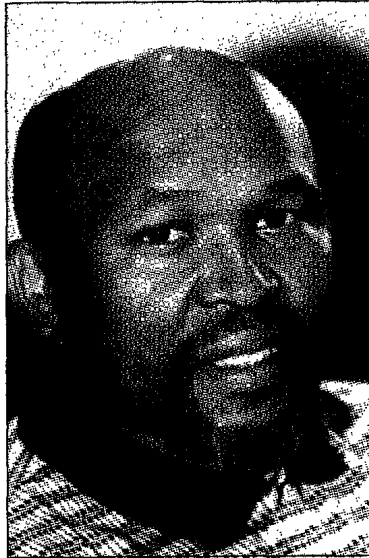
CAPE TOWN — The Financial and Fiscal Commission has recommended the creation of a national social security agency to be responsible for the payment of old-age and child-support grants and other forms of social security.

This is one of the proposals made in its annual submission on the division of revenue for 2003-04 tabled in Parliament on Tuesday.

The creation of a social agency is understood to be one of the recommendations of the Taylor committee, tasked with preparing a comprehensive social security programme which is expected to be tabled soon.

The commission's report said one of the advantages of the agency, which would take over the function from the social development department, was that it would ensure more equal access to social security and would provide economies of scale and increased effectiveness. It would allow for improved management and greater responsiveness to complaints and customer needs.

Recommendations were made to ensure that the restructuring of



Murphy Morobe

electricity distribution did not negatively affect the funding of local authorities. One of the proposals made was that all municipalities be entitled to impose a levy on electricity charges, not only those currently responsible for the service, to ensure equity in the system and the stability of local government finances.

With regard to HIV/AIDS,

commission chairman Murphy Morobe said it had endorsed its earlier policy that funding should be by way of a conditional grant to provinces rather than incorporated into the equitable share funding formula. This would allow for greater targeting of expenditure and keep the formula free of irregular expenditure patterns.

Instead, the commission suggests that the HIV/AIDS epidemic be dealt with as a multisectoral priority across the education, health, and welfare functions, and not addressed separately by the various provincial health departments.

"HIV/AIDS continues to impose a heavy human and financial toll in SA and other developing nations. HIV/AIDS will greatly increase the demand for social services such as health care and poverty relief," the report noted.

The commission proposed that central funding mechanisms be introduced for the funding of disasters "so as to ensure that budget frameworks and the delivery of constitutionally mandated basic services are not compromised". Local municipalities should be responsible for the management of local disasters unless they lacked capacity.