

Expanded Social Package Programme

24 June 2009

Statement by the Executive Mayor of Johannesburg, Clr Amos Masondo, at the media briefing on the City of Johannesburg Expanded Social Package Programme, Metropolitan Centre, mayoral Palour, Braamfontein – Johannesburg

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The City of Johannesburg has designed an Expanded Social Package Policy (Siyasizana), which will assist indigent households to move away from registering only those with account holders but focus entirely on indigent households, such as tenants, backyard dwellers and those who live in the Inner City apartments.

This Expanded Social Package system is a national pilot for Social Development's National Integrated Social Information System (NISIS), which combines data from the Unemployment Insurance Fund (UIF), the South African Social Security Administration (SASSA), the Department of Housing and the Department of Home Affairs. This will allow us to verify people's eligibility for benefits without the poor having to produce any documents to prove their own level of poverty.

The new policy replaces the former indigent subsidy system. From the 1st of July 2009 an entire new system of benefits will be rolled out targeting poor individuals and the households in which they live.

These benefits in the main provide social assistance to groups with special needs, which include:

- HIV Status
- Difficulty due to other terminal diseases
- Disability
- Advanced age
- Very low basic skill level
- Residing in a child-headed household
- Residing in a pensioner-header household
- Residing in a single parent household
- History of abuse
- History of substance dependency
- Ex-Combatant status and
- Prior incarceration/history of criminal activity.

The City's new way of measuring poverty is done through the poverty index. It is a score out of 100 points. Seventy (70) points out of the 100 are based on a person's income and

personal circumstances; the other 30 points are based on how deprived the area in which the person lives compared to other areas in Johannesburg.

The higher a person's score, the poorer the City considers that person to be. The poverty score is therefore based on individual circumstances and the circumstances present in the area in which they live.

The poverty index allows the City to give different levels of assistance to people with different levels of needs, and therefore give more assistance to those who need it most.

From the 1st of July 2009 people with different levels of need will qualify for different levels of subsidy according to the City's new measure of poverty. Any person earning less than R3 366,00 a month residing as owner or tenant on a property falling within the boundaries of Johannesburg should register.

Registration for this new system is already open at ten (10) main customer service centres, and thirty (30) offices across the City will be able to register people by October 2009. For registering, the beneficiaries need to bring a South African identity document (ID book, passport, driving licence or birth certificate) and a copy of the City account for the property on which they live. If they are Eskom customers, they also need to bring their Eskom account with them. If they have a pre-paid water or electricity meter, they must bring their meter number with them as well. (Please see the listed centres on the brochures in your packs).

If one knows their ID number, but do not have any identity documents, they can still register but they will have to produce an identity document within six months.

Please note that fingerprint will be recorded on the system at the time of registering. This is to protect beneficiaries' identity, and will be used as confirmation that the City has permission to verify information about them with other government information systems. The fingerprint replaces the written signature as identification.

Siyasizana recipients will have to re-register and re-confirm their address every six months from January 2010 onwards, but this will be a quick process available in a number of City locations. Fingerprints will be used to confirm identity.

The poverty score will be checked when a person re-registers every six months. If there is a major change, or a person no longer qualifies, they will be notified when they re-register and at that point they will be advised on how they may object to the change.

If a person was on the indigent register as of October 2008, they will automatically be transferred to the new register, but they will have to re-register on the new system before the 1st of July 2009. Anyone not re-registered after that date will have their benefits withdrawn until they register on the new system.

If one is not an account holder, they can bring a copy of the account of the property on which they live (or at the very least the account number) with them if they are tenants.

Homeless people can also register as having no formal address but they will not be eligible for benefits that go to property subsidies such as water,

electricity, rates, sanitation and refuse removal, but they will be eligible for transport subsidy.

People who live in informal settlements with no City accounts will not be eligible for benefits that go to a property subsidies such as water, electricity, rates, sanitation and refuse removal, but they will be eligible for transport and rent through the single window for social assistance and assistance in finding employment through the Job Pathways Programme.

Tenants who do not pay accounts can also benefit.

When they register, they receive a printed confirmation that they have registered for the Expanded Social Package, showing the amount by which the bill for their property will be reduced because of that. The landlord will also be notified on his or her bill that the property is registered for indigent benefits.

For those who live in apartment buildings when they register for the Expanded Social Package, they are asked to bring the building's account number. For those who live in a multi-dwelling building they are asked to provide the unit or apartment number. If your apartment has a kitchen and bathroom, or it has its own electricity meter, it counts as a separate household and you and the people that live in that unit will be given the benefits, which you would have received if you lived in a separate house.

If the apartment does not have its own kitchen/bathroom or own meter, the City will still give each apartment its own benefits provided the landlord has given us an affidavit that declares the number of apartments that are rented out in the building. The City is looking at ways to get benefits to people in these kinds of situations more effectively.

It is important that everyone over 16 years of age in the household registers, even though the number of household members registered for Siyasizana will not affect how much subsidy a household gets until the 1st of July 2009. For children under 16, adults on whom they are dependent on may register on their behalf provided they have ID numbers. Social workers can assist children who have never had ID's to register with Home Affairs.

From the 1st of July 2009, Siyasizana will have three different levels of assistance for those who qualify, depending on how high their poverty score is. The higher the score, the more in need the City considers a person to be.

These three different levels of assistance are known as Band 1, Band 2, and Band 3. The Siyasizana system will work out the poverty score and which band a person qualifies for based on:

- The information you give about yourself and those who depend on you financially.
- And how deprived the area you live in is.

The three bands work as follows:

- Band 1 - Is the lowest level of subsidy, aimed at helping those on the borderline of poverty.

- Band 2 - is the middle level of subsidy, aimed at those who earn some formal income but whose earnings fall below the survival level defined by the poverty index.
- Band 3 - is the highest level of subsidy, aimed at those with no formal income living in the most deprived circumstances.

After 1st of July 2009, each individual who qualifies will be eligible for certain benefits which also include subsidies on water, electricity, transport, rental for property owners, subsidies on rates, sanitation and refuse removal charges.

Citizens will qualify for one of three different levels of benefits, depending on how high they score on the City's poverty index.

The subsidies for water, electricity, rates, sanitation and refuse removal that a person qualifies for will be applied through the City's billing system based on the person's declared home at the time of registration. Customers with City power prepaid meters will get their electricity benefits the next time they touch in to the system at an electricity vendor. Customers with prepaid meters for water will have their pre-paid meter tokens updated at the point of registration for the moment, but in future will use vouchers they can redeem at COJ paypoints.

NB: Eskom customers will only receive electricity benefits through this system from October 1st, 2009 onwards.

The amount of subsidies a household gets will be based on the number of people that have declared the household's account as their address when they register and their individual level of poverty.

The subsidies for everyone who qualifies in the household are added together and the total is taken off the household's bill, up to a capped amount. The maximum amount of subsidy is higher for households whose members have very high scores on the City's poverty index.

Benefit levels from 1st of July 2009 will be determined using the following tables: Water (applicant does not need to be the account holder, but must live on a property in Joburg)

Band	Score on prevailing COJ Poverty Index	Allocation of additional free water per person per day (litres)	Monthly allocation cap of free water per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-litres)
Band 1	1-34	25l	10kl
Band 2	35-70	35l	12kl

Band 3	70-100	501	15kl
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Electricity (applicant does not need to be the account holder, but must live on a property in Joburg)

Band	Score on prevailing COJ Poverty Index	Allocation of additional free electricity per person per day (kilowatt hours)	Monthly allocation cap of free electricity per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-watt hours)
Band 1	1-34	10	50kw/h
Band 2	35-70	20	100kw/h
Band 3	70-100	30	150kw/h

Rates/ Sanitation/ Refuse (NOTE: these rebates only apply in cases where the indigent is the account holder):

Expanded Social Package Qualification Band	Rebate
Band 1	70% rebate on monthly cost of sanitation services to erf/dwelling
Band 2/3	100% rebate on monthly cost of sanitation services to erf/dwelling

Rental and transport subsidies will go directly to the individual (not through the City account), and details on these will be published in the second part of 2009.

A person's band is based on their poverty score: the higher a person scores out of 100, the more deprived the City considers them to be. The new systems developed for the social package work out a person's score based on the information they give when they register.

The individual part of the score counts for 70 points out of 100.

The score will be affected by:

- Monthly or annual income (includes income from grants);

- A number of official dependents;

A dependent is:

- A spouse earning less than R2 244,00 per month or R26 928,00 a year;
- A dependent child under 18;
- A child on behalf of whom you are receiving a social grant; and
- A child for whom you pay maintenance.
- Whether the person is receiving a pension or disability grant from the South African Social Security Agency (SASSA).

When calculating, one needs to first work out how many points they get based on their income.

- If an individual earn more than R3 366, 00 a month or R40 392, 00 a year, their poverty score is automatically zero. If a person earns less than this, they will get between one and 70 points based on their personal circumstances.
- People who earn less than R2 244,00 a month or R26 928,00 a year are in the survival range of the poverty index and should work out their income as follows:
- If they earn less than R2 244,00 a month or R26 928,00 a year and have no spouse, their individual income for scoring is calculated by dividing their total income by themselves plus the number of dependents.
- For example, if you are a single father with two children and no spouse earning R1 500 per month, your score on the index will be based on an income of R1 500 divided by three, equalling R500. You and your children therefore get maximum points since they have no income and are dependent on an indigent parent falling within the survival range income bracket.
- If you have a spouse and you both earn less than R2 244,00 a month or R26 928,00 a year you work out your individual income for scoring on the index by dividing your total combined income by the total number of people who depend on that income.

So if a mom and dad both earn R1 500 per month and have two children under 18, they add their incomes together and divide by four. The parents are both scored as individuals with an income of R750. The parents and the children, having no income and relying on indigent parents both earning in the survival range, receive maximum points.

- If one spouse earns higher than R2 244,00 a month or R26 928,00 a year, that spouse is scored in the vulnerability range with points added according to the number of dependents. The spouse earning in the survival range is scored on his or her income alone. The same procedure is followed for other dependents.
- People who earn between R2 244,00 a month or R26 928,00 a year and R3 366,00 a month or R40 392,00 a year are in the vulnerability range of the poverty index and do not divide their income by their number of dependents. Instead, they are given extra points towards their score based on the number of dependents they have, according to the following formula:

Number of dependents (including spouse)	Extra points allocated
1 to 2	5

2 to 5	10
5 to 8	15
8 plus	20

- If your income calculation comes to less than R593 per month or R7 116 per person per year, you get maximum points as an individual.

The City of Johannesburg poverty index September 2008 - individual income scoring:

Personal poverty index points [increments of five]	Annual income level per person	Monthly income level per person
Vulnerability range	1	R40 392, 00 - R3 366, 00
	5	R38 466, 43 - R3 205, 54
	10	R36 059, 48 - R3 004, 96
	15	R33 652, 52 - R2 804, 38
	20	R31 245, 57 - R2 603, 80
	25	R28 838, 61 - R2 403, 22
	30	R26 928, 00 - R2 244, 00
Survival range	35	R23 995, 13 - R1 999, 59
	40	R21 583, 83 - R1 798, 65
	45	R19 172, 52 - R1 597, 71
	50	R16 761, 22 - R1 396, 77
	55	R14 349, 91 - R1 195, 83

	60	R11 938, 61 - R994, 88
	65	R9 527, 30 - R793, 94
	70	R7 116, 00 - R593, 00

People will need to add 10 points to their score regardless, if they are:

- receiving an old age grant from SASSA; or
- receiving a disability grant from SASSA.

People receiving Siyasizana will be prioritised for access to employment programmes through the Job Pathways programme, which is being set up as part of the Siyasizana system. This programme will be delivered through the City's skills centres in the various regions. The system is designed to help people become economically self-reliant, and ultimately uplift themselves beyond the need of Siyasizana.

The Pathways programme will place a minimum of 2,500 people in jobs and micro-enterprises in the 2009/2010.

The purpose of this launch is to inform the citizenry about the new system in order to drive registrations and to raise the system's public profile as an innovative poverty alleviation effort by the City, in strong partnership with our provincial and national counterparts.

Thank you