



NEHAWU

National Education Health & Allied Workers' Union

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MEDIA STATEMENT-FOR IMMEDIATE RELEASE

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NEHAWU calls on Department of Social Development to insource grant payments

The National Education Health & Allied Workers' Union [NEHAWU] calls on both the Department of Social Development and the South African Social Security Agency (SASSA) to stop outsourcing the payment of grants.

The department and Sassa are currently entertaining bids from banks to continue with the payment of grants after the contract of the current incumbent company, Net1 lapses.

The department and the agency had enough time to put measures and infrastructure in place as part of preparing for the complete take-over the payments from Net1 before the end of the current contract in April 2017. The Minister of Social Development, Bathabile Dlamini was evasive and gave ambiguous answers when grilled in Parliament in relation to the state of readiness of both her department and the agency in taking over the payments.

It is disingenuous by the Department to claim lack of readiness to insource the payments as they should have been aware long ago that the contract would lapse come April 2017. As NEHAWU, we hold a strong view that outsourcing breeds corruption, the tender system has proved beyond reasonable doubt that it is inherently corrupt. Our government can no longer rely on the private sector to dispense services to the public.

When these private companies fail in fulfilling their contractual obligation, the finger is pointer at our government for the lack of proper and quality service delivery. Tomorrow [January 25, 2017] SASSA officials will be appearing

before Parliament's portfolio committee on social development to give a status update.

We call on the committee to decline the outsourcing of the payment system to local banks and compel the agency to start planning how it will take over the payments systems. The committee must also compel Sassa to urgently deal with the following issues:

- staffing problems
- fraud
- failure to curb illegal and unauthorised deductions from social grants by private companies preying on grant recipients,
- Findings of wasted expenditure by the auditor-general.

As NEHAWU we strongly believe that the status quo cannot remain and that government must begin to build its own capacity to undertake projects instead of outsourcing them to private companies. In our view, it is time for the leadership of government to have confidence in its human resource and the state towards building a sustainable and capable state with capacity to respond to societal imperatives and needs of the people it serve.

Issued by NEHAWU Secretariat

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