

**ADDRESS BY THE MEC FOR HEALTH IN KWAZULU-NATAL
MS N.P. NKONYENI (MPL) TO THE MEETING OF THE KZN
PROVINCIAL COMMITTEE ON FINANCE AND ECONOMIC
DEVELOPMENT**

DATED 14 MARCH 2008

Honourable Chairperson

Members of the Finance and Economic Development Portfolio
Committee,

Chairperson and Members of the Health Portfolio Committee,

Acting Head of Department Dr Yoliswa Mbele,

And the officials present

I Greet you.

I would like to take this opportunity to express my gratitude for to you for affording me this opportunity to talk to you about the 2008/09 MTEF budget. However, I would like to focus on the 2007/08 financial year and let the officials present to you on the 2008/09 budget.

We need to report on progress to date in respect of the 2007/08 financial year, in relation to the implementation of Departmental programmes which were in turn informed by the policies and

priorities of Government.

You will recall that the strategic objectives which informed the compilation of the 2007/08 budget included the following:

1. Strengthening service delivery, fighting poverty and protecting vulnerable groups in society
2. Implementing a comprehensive provincial response to HIV and AIDS and priority health groups
3. Development of human capability and sustainable economic development and job creation
4. Investment in infrastructure.
5. Fighting TB including MDR and XDR TB strains.

The Department also focused on programmes aimed at addressing women and Child Health programmes. Some of the interventions implemented are as follows;

- Cervical cancer screening was available at all facilities;
- A policy on Ante-natal Care and Post Natal Care was developed to improve the management of Woman and Children's Health.

To date we have progressed very well towards the achievement of the above-mentioned objectives, resulting in targets being exceeded in certain areas of focus.

Honourable Chairperson, and honourable members, you will recall that the department was given a budget of R13.9 billion for the attainment of its constitutional mandate.

In this regard, I would like to bring to the attention of the Committee that in the pursuance of the above we were faced with calamities that were unforeseen and beyond the scope of our allocated budget and resources which resulted in the projected over-expenditure by an estimate of R685 million including under-expenditure on conditional grants of R127 million which equals to R812 million.

Members will recall that the projected over spending and the reasons therefore were reported upon during my mid-term budget speech and during the presentation to the Committee on the Second Quarter expenditure reviews.

Factors attributed to the projected over-expenditure are as follows;

- ARV's; We had a budget allocation to cater for **81 000** patients, and today I here report that currently we are over by **120 000** patients under treatment hence an over-expenditure of **R158 million** in this regard.
- Tuberculosis; The members will recall that our province has been hardly hit by the MDR and XDR TB strains more than any other in the country. In the implementation of the TB crisis management programme we had to increase Tracer Teams and associated resources such as vehicles and establish more TB designated wards therefore all this resulted to the overspending of R80 million.
- Public Sector Protracted strike; Our department was adversely affected by this action, of note, this is the only province that had two strikes in a single year, as we were forced to make use of the private sector services in the form of private hospitals and ambulances. Honourable chair we also had to hire additional security personnel as we could not close-down facilities offering essential services. It should also be remembered that we had the largest SANDF medical

corps contingent that we had to cater for. This yielded to unanticipated expenditure of **R88 million**.

- Wage Increase; Our calculations were based on a 6% annual increase which equated to R295 million, however the treasurer only provided R221.8 million and that created a deficit of **R73.2 million**.
- Occupation Specific Dispensation (OSD); This national initiative targeted at the retention of our skilled professionals within our institutes, was allocated a sum of R237,6 million, but with the inherent problem it brought with, the projected expenditure now stands at R620 million, with a deficit of R382.4million. As a result of our relationship and existing support mandatory support to 14 NGO hospitals and other facilities employing nurses we had to extend the OSD benefit to them at the cost of **R14.7million**. All this honourable members was not budgeted for.
- Ever Escalating cost of medicine; Again Honourable members are cognisant of endless efforts by the National Minister, to bring down the cost medicine to be accessible by the poor. As a department we have also been affected by the inflation increases in this sector at a cost of **R80 million**.

- Computer infrastructure upgrade; with the change of the disease profile experienced we have seen the need to upgrade our information systems particularly at PHC clinics and hence the expenditure **R12 million** in one year instead of three years in this regard.

Turning to infrastructure, the Department had about 1,000 construction projects in progress, funded from the various sources for the construction of new facilities and upgrade of existing facilities. These include hospitals, clinics, CHC's, Mortuaries, Pharmacies, EMRS Bases, TB Hospitals, VCT facilities and staff accommodation. In our opinion the so called "Cowslip transaction" should be handled treasury and Ithala.

In conclusion chairperson, comrades ladies and gentlemen, our estimates indicate that the Department is currently under funded to the tune of over R3.4bn, and therefore does not cater for

- accommodation for health workers,
- Provision of nurses' homes and colleges
- the change in disease profile,
- the scaling up of the ART programme (including the

introduction of dual therapy where we have already commenced with training of staff),

- the upgrade of municipal clinics upon the takeover thereof,
- EMRS bases,
- the provision of adequate nutritional supplements to qualifying patients,
- legal compliance in the upgrade of facilities (e.g Pharmacies and Mental Health facilities),
- the provision of adequate patient transport,
- the provision of facilities for victims of violence and trauma,
- The complete roll out of integrated health information systems and the adequate maintenance of health facilities.

Furthermore, the current allocations do not take into account the costs of addressing the infrastructure backlog currently estimated at over R5.1bn.

I thank you.