

DEPARTMENT OF HEALTH
KWAZULU-NATAL
BUDGET SPEECH BY DR S.M. DHLOMO
MEC FOR HEALTH

Madam Speaker,

Honourable Premier, Dr Zweli Mkhize, *Khabazela*,

The Chairperson of the Portfolio Committee on Health, Ms Zanele Ludidi,

Honourable Members of the Legislature,

Former Minister of Health, Dr Manto Tshabalala-Msimang

Mayors, Councillors, Amakhosi

The Acting Head of the Department of Health, Dr Yolisa Mbele,

Senior Managers in the Department of Health,

Men and Women in the Health Department who have dedicated their lives to serving those in need of health care,

People of KwaZulu-Natal,

Distinguished guests,

Ladies and Gentlemen

Madam Speaker, it is my privilege to present my budget policy statement for the 2009/10 financial year of the KwaZulu-Natal Department of Health (Vote 7) to the house. 2009 is a landmark in the history of country as it represents the beginning of a renewed mandate to speed up our endeavours to building a better life for our people. It also marks an important epoch for the people of KwaZulu-Natal, who overwhelmingly gave the African National Congress a renewed mandate to lighten their path to a brighter and better future.

For the Department of Health it represents the opportunity to give credence to the maxim **“SAVE LIVES. Make Health Facilities Serve the People!”**

We watch in wonder as life expectancy and good health continue to increase in the rich parts of the world and in alarm as they fail to improve in the poorer parts. A girl child born today can expect to live for more than 80 years if she is born in the USA – but less than 45 years if she is born at Jozini.

Within our province there are drastic differences in health which are closely linked with degrees of social disadvantage. Differences of these magnitudes, within and between communities, simply should never happen. These inequities in health, avoidable health inequalities, arise because of the circumstances in which people grow, live, work, and age, and the systems put in place to deal with illnesses. The conditions in which people live and die are, in turn, shaped by political, social, and economic forces.

The 2008 World Health Report on primary health care, sets out evidence that supports an especially relevant conclusion: meeting the public's rising expectations for health is a marker of good governance and a solid route to stability and prosperity.

The challenge facing this government is to develop a coherent and integrated strategy which aims to address sustainable community initiatives. This is a course of action that our government is committed to and which recognises that health is a prerequisite for sustainable social and economic growth.

During the State of the Nation Address, the President of our country, His Excellency Honourable Jacob Zuma said:

“Fellow South Africans, we are seriously concerned about the degeneration of the quality of healthcare, aggravated by the steady increase in the burden of disease, in the past decade and a half”.

The resolution at the ANC 2007 Limpopo Conference endorsed that Health and Education as top priorities for the next 5 years and beyond.

To this end, the government has adopted a **10-POINT PLAN for Health** which is our programme for the next 5 years. The public health system is also forced to carry the ever increasing burden of diseases, obviously made worse by poverty, HIV and AIDS, and other communicable diseases. However, Madam Speaker, let me accept and acknowledge upfront that some of the following factors contributing in no small measure to the problems the health system is carrying, that have also been confirmed by my visits to 17 hospitals, 1 CHC and 2 clinics since I was tasked to be MEC for Health are:

- **lack of managerial skills within health institutions;**
- failure to cut on identified deficiencies;
- delayed response to quality improvement requirements;
- **unsatisfactory maintenance and repair services;**
- poor technological management;
- **poor supply chain management;**
- inability of individuals to take responsibility for their actions;
- **poor disciplinary procedures and corruption;**

- significant problems in clinical areas related to training and poor attitude of staff;
- **inadequate staffing levels in all areas**
- **lack of financial management in institutions**

We are going to be facing all these issues head on and we will do so without fear and favour. We owe it to our country and our people in forging ahead to achieving quality health for all.

The Millennium Development Goals (MDGs) provide an international framework for measuring progress towards sustained development and elimination of poverty. Additional benchmarks were also agreed upon in 1999 at the 21st Special Session of the United Nations General Assembly for an overall review and appraisal of the implementation of the Programme of Action of the International Conference on Population and Development for example, by 2015, the proportion of births assisted by skilled attendants should reach 90% globally and at least 60% in countries with high rates of maternal deaths.¹

We are also determined to reverse the situation and work towards the health MDG targets:

1. Halving the infant, child and maternal mortality rates by 2014
2. Ensuring effective implementation of the comprehensive plan for fighting HIV and AIDS and associated opportunistic infections
3. Increasing the availability of anti-retroviral treatment to 80% by 2014
4. Reduction of new HIV infections by 50% by 2014
5. TB cure rate of 85% by 2014
6. Reducing new levels of TB by 50% by 2014.

Honourable Madam Speaker, some of the issues I have mentioned as contributing factors to the problems the health system is facing are quite critical and will be dealt with urgently. Our Programme of Action the 10-Point Plan speaks to the MDGs. It has been designed to deal with the issues systematically, and in a sustainable manner. Our 2009/10 - 2009/14 will allocate resources for the ten priorities in line with the Programme of Action.

Madam Speaker, in accounting to this house for the proposed budget of **R17 448 526 billion**, I intend to highlight the priorities and programmes that will attest to the commitment to raising the quality of health care thus improving the lives of the people of KwaZulu-Natal. At the same time critical questions will be raised about the strategies pursued, and whether there is a need, in some cases to review our

approach. My address today has the **10-POINT PLAN** in health (the program of government) as a point of departure:

1. **Provision of strategic leadership and the creation of social impact for better health outcomes**
2. **Implementation of the National Health Insurance**
3. **Improving the quality of health services**
4. **Overhauling the health care system and improve its management**
5. **Improved Human Resource Planning, Development and Management**
6. **Revitalisation of infrastructure**
7. **Accelerated implementation of the HIV & AIDS and Sexually Transmitted Infections National Strategic Plan 2007-11 and increased focus on TB and other communicable diseases**
8. **Mass mobilisation for better health for the population**
9. **Review of drug policy**
10. **Strengthen Research and Development**

1. **PROVIDING STRATEGIC LEADERSHIP AND CREATING A SOCIAL IMPACT**

Madam Speaker, when our organisation, the African National Congress, and government rallied our people behind the clarion call of “*working together, we can do more*”, we committed ourselves to exercising leadership and mobilizing our people to attain quality health outcomes.

Better leadership and management are critical to achieving the MDGs: they are required to demonstrate better results from existing resources – and these results, in turn, make it more feasible for additional resources to be made available to health. We could call this the “virtuous circle of leadership and management strengthening”.

Some of the issues I will raise regarding strategic leadership in this speech have been identified and highlighted by His Excellency the President Jacob Zuma, supported and will be operationalised by the Minister of Health, Dr Aaron Motsoaledi, and also reiterated by the Honourable Premier of KwaZulu Natal, Dr Zweli Mkhize who has great depth of understanding and experience of underlying health issues. It was under his leadership as chair of the

National Health and Education Committee that this 10-Point Plan has been championed.

As the MEC, I am expected to provide strategic leadership to my HOD, my managers and they too, must do the same to the entire Department.

A lot has been said about the quality and calibre of our managers at hospital and clinic levels publicly and privately. Our Department has got good managers and they need to be commended and encouraged to continue to be better. We also have inefficient managers. We need to identify them and put a program to deal with the shortcomings that they have.

At present, the poor leadership and management capacity is a constraint, especially at operational levels of the public health sector. This is sobering, considering the time and money spent by this government to strengthen capacity in leadership and management. We are now saying the competencies, roles and responsibilities should be clearly defined and performance changes measured. Progress requires systematic work to determine needs and identify effective interventions; institutions to implement an overall plan for developing leadership and management capacity; and international assistance to be coherent in support of our plans.

By December this year, the Department would have developed and adopted an Annual Integrated Health Plan to ensure unified actions across the health sector in pursuit of stated goals. At the same timeline, we would have developed a social compact for better health outcomes following Consultative Health Forums to be convened to adopt a social compact. We will also outline our programme that ensures that we contribute meaningfully to and continue to benefit from work within the SADC, Africa and the global community.

2. IMPLEMENTATION OF A NATIONAL HEALTH INSURANCE (NHI)

Health systems will not automatically gravitate towards greater efficiency or greater equity in access. Unless deliberate steps are taken, steady advances in medical care will continue to benefit the privileged few. The poor will continue to be excluded from basic essential care. And the gaps in outcomes will widen. This is not a healthy situation in the broadest sense. A world that is greatly out of balance in matters of health is neither stable nor secure.

I was invited by our Minister of Health to his budget speech to NCOP three weeks ago. It was heart-warming to hear the IFP supporting NHI but it was quite disturbing that the Honourable MEC for Health in the Western Cape did not accept the NHI. It would be interesting to hear the comments of the Honourable members of this house in this matter.

The present system of healthcare financing can no longer be allowed to go on, because it is simply unsustainable. There is no way that we can perpetuate a system whereby we spend 8.5% of the GDP whereas 5% caters for 14% of the population or 7 million people, on the remaining 3.5% caters for a whopping 84% of the population or 41 million people. Nowhere in the

civilised world can you find this state of affairs. The debate on NHI will be transparent and robust and will include all South Africans.

3. OVERHAULING THE HEALTH CARE SYSTEM AND IMPROVE ITS MANAGEMENT

In this regard, Madam Speaker, our Department will finalise delegations for all managers at all levels of the public health system, with special attention on hospital CEOs to ensure decentralization of management.

We will also develop an accountability framework for the public and private sectors.

Lastly, we will endeavour to enroll CEOs on to the Hospital Management Training Programme on an annual basis. However, this requires that we evaluate all CEOs of hospitals to ensure that they meet minimum requirements for effective management of the said facilities, and institute corrective measures where indicated, including retraining and/or deployment.

The need for sound financial management exists both in the systemic factors and the fiscal realities of the Department. In the coming year the Department will strongly assert its responsibilities, define and shape the trajectory of financial management through the building of strong and efficient capacity in financial management. This approach will focus on the need for organisational strengthening and effective expenditure management.

We will draft proposals for legal reforms to unify the public health service. We shall also develop a decentralised operational model including new governance arrangements.

All health systems have room for improvement. All health systems have inefficiencies. In fact, some even have built-in incentives that encourage inefficiency. As famously stated, *"if we really want to, we can easily duplicate the huge waste and inefficiency seen in health systems that were not organised with equity and fairness as guiding values"*.

In further overhauling the health system, we will evaluate and strengthen the district health system and primary health care.

4. IMPROVED HUMAN RESOURCE PLANNING, DEVELOPMENT AND MANAGEMENT

The following are areas of focus:

- Review and refine human resources plan for health
- Review all policies, legislation, regulations, and directives that lead to the closure of nursing schools and colleges.

- Draft plans and allocate resources for the addition of new nursing schools and colleges in the 2010 academic year.
- Develop norms and standards for human resource for all levels of the health system.
- Finalise plans for the creation of auxiliary personnel, including a framework for task shifting, for all categories of health professionals.
- Expand, within our available resources, the scope and numbers of Community Health Workers.

5. IMPROVING THE QUALITY OF THE HEALTH SERVICES

The core function of the Department of Health is to **provide quality health care services** to the people of KwaZulu-Natal. Quality of care has a number of key components. It encompasses effectiveness, efficiency, access, safety, equity, appropriateness, timeliness, acceptability, patient responsiveness or patient-centeredness, satisfaction, health improvement and continuity of care – Batho Pele.

Quality of care is evidenced through compassion, empathy, respect for human dignity and a general orientation towards a human rights culture. Quality of care is also evidenced through a staff complement that has correct professional skills and professional competency – that is effective health care which meets the health care needs of the people and achieves good health outcomes. And finally, quality of care encompasses the desirable attributes of the settings in which care is provided.

I know that there are many health care workers who perform their duties with skill, dedication and compassion in challenging circumstances. For this they have to be commended. I also recognise the depth of problems that undermine quality of care. In some instances resources are a factor, and so is poor or ineffective management. But these constraints cannot excuse fraud, abuse or negligence; I would be failing in my responsibility if I did not scrutinise the conduct of all health workers with an aim of inculcating a culture that embraces and subscribes to quality of care.

The question that we need to answer, moving forward, is this: how can the citizens of KwaZulu-Natal be assured that they will receive high-quality care if they need health care in their communities?

We know we have policies in place for the delivery of quality of health care, however we now must check if these policies are implemented correctly across health care delivery and if not, why not. Secondly, we must also ensure quality across care – this is across all programmes. We should not have a situation where one programme and/or institution performs better than

others. All patients ought to be reassured that the key elements of a high-quality system are in place and the importance of continuity of care is therefore in line with the appropriate package of services at all levels of care.

We are therefore embarking on a three pronged approach within our health institutions. During the current financial year one hospital per district will be targeted for a full scale turnaround strategy from the frontline to the administrative management. Firstly, this will involve the identification and analysis of bottlenecks associated with service delivery, secondly the department will institute measures to increase the effectiveness of the management at hospitals and clinics, and to upgrade professional skills and practice. And thirdly, we will scrutinise the use of existing procedures and systems with the aim of combating fraud, patient abuse and professional negligence.

We will also refine and scale up the detailed plan on the improvement of services, including infection prevention and control plans, and direct its immediate implementation.

I need to pause here and indicate that through consultation and observation, the following hospitals have been identified as among the 11 that will be pioneered:

1. Benedictine Hospital - Zululand District
2. Hlabisa Hospital - Umkhanyakude District
3. Greys Hospital- uMgungundlovu District
4. Madadeni Hospital- Amajuba District
5. CMJ Hospital- Umzinyathi District
6. Prince Mshiyeni Hospital -eThekwini District

Of the hospitals that I have visited, I have noticed some of the areas we will be looking for:

- Caring security at the gate
- Clean hospital premises
- Caring Professionals
- Managing the queues professionally
- On time treatment and explanation.

The hospital that seems to do most of these is Greytown and they too had an unannounced visit from MEC.

6. REVITALISATION OF HEALTH INFRASTRUCTURE

Madam Speaker, I will now turn to the matter of Hospital Revitalisation. Infrastructures are; according to the World Health Organisation, "*the basic services or social capital of a country, or part of it, which make economic and social activities possible...*" In public health, they are the formal and enduring structures that support public health, having both tangible and intangible aspects and existing inside and outside the government sector. They may be directly protective of health - as in sanitation systems - or they may support other activities that protect and enhance health.

There is an urgent need to arrest the deterioration of our hospital stock in order to "*protect and enhance health*". However, there is little to be gained from the physical rehabilitation of the buildings without paying equal attention to the quality of care that I have been discussing, and also to more effective management of resources in general. Through the Hospital Revitalisation Programme we aim to address all three concerns in an integrated and coordinated fashion. Additionally, in alignment with the pronouncements of our Honourable Premier the opportunities afforded by public private partnerships will be explored and leveraged to the benefit of the citizens of our province.

We are mindful of the call by the African National Congress' 52nd Polokwane Conference resolution in this regard. We must seek new approaches and partnerships for delivery of health care by engaging all health care providers. Private Public Partnerships (PPPs) help ensure that health care delivery is in line with Standards for Quality Care. This benefits all - the health providers, the patient, and ultimately, the public health of the entire population.

Madame Speaker, allow me to report that a Health Infrastructure Plan that incorporates PPPs and that is also modelled on the 2010 infrastructure delivery programme is currently being developed. We also want to urgently implement refurbishment and preventative maintenance of all health facilities. We also need to strengthen capacity to deliver and maintain health infrastructure for primary and secondary health facilities. I know that we already have a Health Technology Plan and Strategy, but we require funds to go ahead and implement it.

7. ACCELERATED IMPLEMENTATION OF THE HIV AND AIDS AND SEXUALLY TRANSMITTED INFECTIONS NATIONAL STRATEGIC PLAN 2007-11 AND INCREASED FOCUS ON TB AND OTHER COMMUNICABLE DISEASES

The President's State of the Nation Address states:

"We must work together in the implementation of the Comprehensive Plan for the Treatment, Management and Care of HIV and AIDS so as to reduce the rate of new HIV infections by 50% in the year 2011. We want to reach 80% of those in need of ARV treatment by 2011".

This year, on the 9th of June, the Human Sciences Research Council, together with its partners, the Medical Research Council, Centre for AIDS Development, Research and Evaluation and the National Institute of Communicable Diseases published a report on HIV based on interviews and testing of a random sample of the population in South Africa during 2008. The survey included people of all races, age groups, rural and urban and all provinces. The researchers concluded that

- The epidemic is stabilising at 11% between 2002 and 2008;
- HIV prevalence at national level decreased by nearly half among children aged 2-14 years, between 2002 and 2008;
- HIV prevalence decreased slightly among youth aged 15-24 from 2005 to 2008;
- Encouragingly there was a substantial decrease in new HIV infections in 2008, in comparison to 2002 and 2005, especially for the single age groups 15, 16, 17, 18, and 19;
- What was most encouraging was the change in behaviour among South Africans. More South Africans for all age groups protected themselves against HIV infections by using condoms. More than 95% know where to access condoms and use has increased;
- Furthermore, half of South Africans now know their HIV status, which means that the message on "know your status campaign" is being heeded;
- The researchers also reported that there has been an increase in exposure to one or more HIV/AIDS communication programmes from 2005 to 2008 with 90.2% of youth aged 15-24 years being reached, followed by adults 83.6% of 25-49 years and 62.2% of adults 50 years and older;

- However, despite these successes, there is still some unevenness in infections as well as behaviour change.
 - HIV prevalence is still highest in KwaZulu-Natal (15.8%) and Mpumalanga (15.4%).
 - It is also still highest among young women, aged 25-29 years, where a third of the women are HIV positive.

We take note of the recommendations made by the researchers, especially that we need to introduce targeted interventions in some provinces with high HIV prevalence.

We will work in 2009/10 to ensure that 80% of HIV-exposed infants receive ARVs for PMTCT (based on dual therapy). This figure will increase to 95% over the two years of the MTEF 2010/11 and 2011/12. The proportion of pregnant women who are tested for HIV will be increased from 80% in 2009/10 to 95% in 2010/11 and 2011/12.

To strengthen the prevention of mother-to-child transmission of HIV, 80% of pregnant women who are eligible will be placed on ARV Prophylaxis based on dual therapy in 2009/10.

This figure will increase to 95% in the outer 2 years of the MTEF period. 30% of eligible pregnant women will be placed on HAART in 2009/10. This service will be expanded to cover 50% of pregnant women in 2010/11 and 75% in 2011/12. South Africans and men in particular, will be encouraged to do voluntary counselling and testing (VCT). In line with the result of the research by the Human Science Research Council (HSRC) and others, we would focus on these among other challenges

- Infant mortality rate
- Under 5 years mortality rate
- Maternal mortality rate
- Tuberculosis
- HIV and AIDS

HIV and Tuberculosis continue to be major challenges of our time. The TB Crisis Management Plan has focused on four districts, namely eThekweni, UMgungundlovu, Uthungulu and Umzinyathi, due to their high TB caseload and the existence of MDR and XDR TB within these Districts. During the last year the department also registered meaningful advances in relation to TB treatment and care.

- TB case findings have been strengthened with 565/577 (98%) of PHC clinics implementing the TB Suspect Register;
- Case retention of patients has been improved through the Patient Tracking System from 52% of TB reporting stations to 85.5%;
- The TB '*Point of Service Counselling Programme*' on disease information and treatment adherence has increased from 20% to 50%
- The '*TB Free DOTS Project*' is being expanded from UMgungundlovu District to eThekweni, Uthungulu and Umzinyathi
- The new smear positive PTB cure rate is 54% compared to 45.2% in 2005, and the TB treatment interruption 7.2% compared to 9.2% in 2007/08.

Learning from previous lessons, we will spare no effort to mobilise all sectors in our communities to increase awareness about TB. We must work harder at getting the message across that this disease is treatable and curable and that treatment is free. We must also strengthen support for the frontline health workers who help people suffering from it – who play a vital role in supervising TB treatment in the community. An integrated programme involving inter-departmental collaboration to create a Volunteer Corps of 4000 youth has been announced by the honourable Premier to spearhead such initiatives.

In the State of the Province Address our Honourable Premier, Dr Zweli Mkhize, uKhabazela, had this to say about Health: "We have directed that the MEC for Health leads military-style interventions to reverse the rising tide of tuberculosis, treating ALL people known to have TB, ensuring strict adherence to treatment in an integrated approach". To this end, we have formed an inter-departmental task team of officials who will lead an integrated plan at community level working with communities to reverse the rate of infection of the twin epidemics of TB and HIV.

TB can be cured even in the presence of HIV infection, but without strong management the combination has a devastating effect on patients. We have data down to the local ward level, indicating multiple deprivations of poverty, hunger and under-development which exacerbate the progression of TB to become multiple drug and extremely resistant forms. The campaign will be launched in Nkandla (Qhudeni), Msinga (Ngome) and Inanda in eThekweni in July.

The campaign requires mobilization of grassroots cadres, community health workers, extension officers, community volunteers as well as local community leadership, supported by various government departments. That campaign will be launched in conjunction with the **FOOD SECURITY CAMPAIGN**.

For the success of this campaign, grassroots community mobilisation is essential to link food security, basic services and other forms of rural development. This campaign will also be adapted for peri-urban settlements where extremely high levels of poverty co-exist with high levels of affluence.

For the success of the campaign, primary health care has to be strengthened, especially health promotion and education, prevention and availability of medication. We invite communities and civil society at large to participate in these programmes to ensure their success”.

8. MASS MOBILISATION FOR BETTER HEALTH FOR THE POPULATION

These would be areas of focus:

- Intensifying health promotion programmes
- Strengthening programs focusing on disabled person.
- Intensifying implementation of program to attain the Millennium Development Goals.
- Strengthening programs focusing on Maternal, Child and Women’s Health.
- Focusing on non-communicable disease, trauma’s, patient’s right and quality plus provide accountability.
- Embarking on the campaign called **SIYAFUNDA SAKHA ISIZWE ESINEMPILO**

As part of mobilisation for a better health for the population, we shall embark on a **PHILA MA Project**.

With the assistance of former Minister of Health Dr Manto Tshabalala-Msimang, officials from KZN Department of Health and eThekweni municipality attended 3rd Stop Cervical Cancer Conference in Cape Town, 19-21 July 2009. Cervical cancer is the commonest cause cancer deaths among women in Africa. Cervical cancer is preventable by vaccination and curable by early screening.

With the pandemic of HIV in the Sub-Saharan countries, new cases of cervical cancer have emerged and have extended to young women, as young as 30 years old.

On the 11th of August 2009 Department of Health in partnership with eThekweni municipality will launch a PHILA MA project at Amaoti. We would like to say after few years, women in KZN may die but cervical cancer is not going to be the cause of their death.

We will be inviting PEPFAR and other international agencies for support. This Project linked with PMTCT program can actually identify women who participate both in VCT and Cervical Cancer Screening.

9. REVIEW OF DRUG POLICY

The National Department of Health will be reviewing the Drug Policy and our Department will welcome this review and will ensure that we actively participate in this review process so that the Department can also find mutually beneficial solutions in the supply of drugs and the management thereof.

This will include decision around establishing state-owned pharmaceutical company. This may be another area of Public Private Partnerships.

10. STRENGTHEN RESEARCH AND DEVELOPMENT

- Research to accurately quantify Infant Mortality Rate
- Research into the impact of social determinants of health and nutrition
- The National Department has embarked on an initiative that will support research studies to promote indigenous knowledge system and the use of appropriate traditional medicines. Our Department will actively participate in this initiative.

The Department will improve our own systems for research in the Province and will ensure that we allow for research that will enhance the delivery of health care both through conventional and traditional medicines. In all of this we will strive to ensure that the rights of our citizens are respected at all times.

- Telemedicine and Information Technology

With the constant pressure to increase the quality of patient care and the desire to provide services, while at the same time controlling costs, healthcare providers are leveraging the power of telemedicine to link patients, specialists and clinicians, thus extending the reach of healthcare.

The KwaZulu-Natal Department of Health has long been proactive in they development and establishment of telemedicine in South Africa. There are on average 85 hours a month of video-conference postgraduate teaching taking place from the Nelson R Mandela School of Medicine during the academic term. Teaching occurs in Radiology, General Surgery, Obstetrics and Gynaecology, Paediatrics, Paediatric Surgery, Genetic counselling and HIV Management.

The Department will increase the bandwidth and connectivity in the rural areas and will develop an ongoing training programme for doctors and support staff in the correct use and maintenance of the telemedicine units.

BACKGROUND TO THE BUDGET ALLOCATIONS

Budget Provision

This allocation reflects a nominal increase of R1, 664 billion or 10.5% when compared with the adjusted budget for 2008/09. However, when one considers the increases forced by improvements in the conditions of service, the under provision for the Occupational Specific Dispensation for nurses, the medical inflation rate of approximately 14%, the increase of R396, 655 million in the conditional grant allocation, as well as the increase in the number of patients receiving ARV and TB therapy the growth in real terms is negative.

Further, the budget of R17 770 billion was reduced by R322 million to R17 448 billion as part of the 7.5 % savings effected across the Province.

Revenue

The source of funding for Vote 7: Health comprises conditional grants amounting to R3 031 billion and an allocation to the equitable share of R14 417 billion representing increases of R396 7 million or 15% and R1, 374 billion or 13% respectively.

The Department is expected to increase its own revenue from R142 million to R154 million in 2009/10. The anticipated increase relates mainly to fees for board and lodgings in respect of personnel utilizing the Department's boarding facilities (R27 million) and to Patient Fees (R81 million). Owing to the economic recession and the increase in unemployment it is anticipated that there will be an increase in the number of non-paying patients.

Payments

Before discussing the appropriation to the individual programmes, it should be noted that in order to curb costs and to provide additional funding for service delivery the Department made a decision to limit the filling of posts to critical posts only. These pivotal posts include medical- related personnel and a limited number of essential administration posts.

Programme 1: Administration - R302 million

This programme, for which R302 million is requested, provides for the overall strategic leadership and co-ordination of the Department. The increase of 4, 5% on the adjusted allocation of 2008/09 is considerably less than inflation and is requested mainly to provide for improvement in conditions of service. A decision was taken to

only fill pivotal posts at head office and to allow for a reduction through natural attrition. The spending on this programme is still within the target of a maximum of 2% of the total allocation.

Programme 2: District Health Services – R8 253 billion

This programme provides for primary health care services and district hospital services. An amount of R8 253 billion is being requested for this programme. This represents an increase on the 2008/09 adjustments estimate of 12%, which relates mainly to the additional funding provided in the HIV and AIDS conditional grant, the OSD for nurses, a provision for vaccines directed at preventing infant mortality and morbidity and improvement in the conditions of service. A total amount of R1 455 billion has been dedicated to the HIV and AIDS sub-programme, which is an increase of 8.75% on the previous year's adjustments estimate budget allocation. This includes R881 million from the Conditional Grant and countering funding from the Province of R574 million. This funding excludes the costs incurred by the hospitals for the treatment of concomitant diseases, which accompany HIV and AIDS.

R86 million has been allocated for up-scaling of the immunization programme as part of measures to combat infant and child mortality.

Programme 3: Emergency Medical Services – R738 million

This programme renders pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport. An amount of R738 million is being requested for Emergency Medical Services, which represents an increase of 15%. This increase relates primarily to the preparation for the 2010 World Cup, including the provision of additional emergency vehicles, the training of additional personnel as well as improvements in the conditions of service, which will also improve the overall capacity of the Emergency Medical Services this amount includes an additional R50 million has been allocated for the expansion of EMRS in the preparation for the 2010 FIFA World Cup.

Programme 4: Provincial Hospital Services – R4 450 billion

This programme provides for the hospitalisation of patients requiring specialist medical care, long-term care, psychiatric care and those suffering from tuberculosis, including XDR and MDR tuberculosis. An amount of R4 450 billion has been requested for this programme, which represents an 8.94% increase on the 2008/09 adjusted budget allocation. This increase is required to provide for the XDR and MDR TB crisis for which R40 million from the Province and R119 million from National have been earmarked for intervention programmes to fight MDR/XDR TB, improvement in the conditions of service, carry through costs of the OSD for nurses as well as for the higher than expected inflationary rates on foodstuffs, medical supplies and medical services.

Programme 5: Central Hospital Services – R1 646 billion

The main purpose of this programme is to provide for tertiary health services and to create a training platform for the training of health workers. The amount of R1 646 billion requested represents a 10.10% increase on the 2008/09 adjusted budget. Of the total amount provided, R983 948 million has been allocated as a conditional grant, some of which will be used to improve oncology services within the province under modernization of tertiary services programme. The additional funding is required for the improvement in conditions of service, the carry through costs of the OSD for nurses and inflation in excess of 14% on medical supplies and services.

Programme 6: Health Sciences and Training – R654 million

This programme is directed at the training and development opportunities for actual and potential employees of the Department. The amount of R654 million which represents an increase of 10.29% will be used to provide training for all categories of medical, emergency and administration personnel within the Department. Funds are also required for the cost of living adjustment and the intake of an increased number of medical interns.

Programme 7: Health Care Support Services – R28 million

The main aim of this programme is to manage the provision of pharmaceuticals and medical sundries to the hospitals, Community Health Centres, clinics and local authorities. The amount of R28 million is requested to maintain the current levels of stock and to address medical inflation.

Programme 8: Health Facilities Management – R1 377 billion

The main purpose of this programme is the management of all the physical facilities of the Department. The requested amount of R1 377 billion of which R839 million is dedicated to three conditional grants represents a 7.4% increase on the 2008/09 adjustments estimates. The requested funds will be used mainly for the revitalization of existing facilities, provision of additional clinics and Community Health Centre's and ongoing maintenance and repair of the department's health facilities.

Owing to the dire financial straits of the Department, it has had no alternative other than to reduce the amount of funding provided for the improvement and provision of new physical facilities thereby increasing the backlog. This will undoubtedly affect the provision of health facilities within the Province of KwaZulu-Natal.

ANNOUNCEMENTS

1. The Department of Health is proud to announce that as of 1 August 2009, the post of Head of Department will be filled. A very capable leader has come in to take charge of the Department. The record of this leader in health system of this country is excellent.

2. PHILA MA Project will be launched on 11 August 2009.

3. On the 14th August 2009 all CEO's, Medical managers, Finance managers, System managers, Nursing service managers, and HR managers will meet with the MEC in a workshop to update the 10-POINT PLAN in order for all of us to understand and work out the way to implement it.

I request all leaders together with senior management at the HQ to cancel all engagements that will interfere with this workshop.

CONCLUSION

There is a time for contemplation and a time for action. Now is the time for action. As a province we have grappled with the challenges facing healthcare. Together we decided on the steps needed to overcome the challenges facing us and committed ourselves to these actions. Ahead of us is a period of renewal, asking for fresh approaches and a willingness to reconsider whenever we find something in conflict with better healthcare. Ultimately, the aim is to do what we do better, steadily raising our standards of performance. Our people deserve more and better – and it is our task to give them the best. Lastly, the 10-POINT PLAN forms our roadmap of priorities for the current financial year.

I am indebted to my family, my wife for all her sacrifices and support. I want to thank my Department led by the Acting Head of Department, Dr Y.L. Mbele, her staff and the Senior Management team for their technical expertise, *ngithi ningadinwa nangomuso*. Indeed, working co-operatively together, we can do more.

I now formally wish to table Vote 7 with a budget of **R 17 448 526 billion** before the legislature.

I Thank You