



**NCOP PUBLIC HEARINGS
ON PROVINCIAL BUDGETS
& EXPENDITURE REVIEW
2001/02-07/08**

**NORTH WEST
2005/10/18**

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NORTH WEST TEAM

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INTRODUCTION

- **The purpose of this presentation is to share with the committee the budget and expenditure trends in the North West province and the analysis related to spending and challenges.**

OVERVIEW

- **The province had a population of 3,3m in 1996.**
- **According to the 2001 census, the number has risen to 3,7m and an increase to 4.6m has been projected in 2011.**
- **However, the impact of HIV and AIDS may reduce the projected number to 4m.**
- **64.4% of the population live in rural areas.**

OVERVIEW cont.

- **Health service is one of the areas where the North West Province had to grow from a very low base.**
- **During the period 2001/02 to 2004/05 money allocated to the health function increased on average by 15,7% per annum compared to the national average of 11,4%.**
- **During 2005/06 the growth rate has declined to 11,5%.**
- **Compared to the national *per capita* average of R1 128, the province's *per capita* spending is only R842 during the current financial year.**



OVERVIEW cont.

- **Despite the above, it is critical to mention that North West Department of Health has one of the lowest per capita health budgets, lowest in the country.**
- **The province puts a lot of emphasis on DHS, spending 53,2% of total health budget, one of the highest in the country.**

PROVINCIAL PRIORITIES

- **The table below is about priority, showing how the health budget compares to resources spent in other areas. It clearly shows that health ranks third in the list of social services priorities. Whereas others have been fluctuating from 2003/04 to 2005/06, it has been constant at 17%.**
- **The provincial Treasury is currently focusing on improving the percentage of the allocation for health based on the equitable share.**

PROVINCIAL PRIORITIES

DEPT.	03/04	%	04/05	%	05/06	%
Education	4,897	37%	5,331	35%	5,833	33%
<i>Health</i>	<i>2,207</i>	<i>17%</i>	<i>2,599</i>	<i>17%</i>	<i>2,894</i>	<i>17%</i>
Social Dev.	3,456	26%	4,044	27%	4,949	28%
Other	2,804	21%	3,259	21%	3,783	22%
Total	13,364	100%	15,233	100%	17,459	100%



Provincial Priorities

- **Focus for next MTEF by the provincial Treasury is on the following areas :**
 - **critical post for health professionals,**
 - **medical equipment,**
 - **laboratory services,**

The above are based on the acknowledgment by Treasury that we rank lowest per capita expenditure in comparison with other provinces.

EXPENDITURE TRENDS ANALYSIS

ATTACHMENTS:

- **Actual expenditure for Personnel, non-personnel and capital for period 2001/02 to 2005/06 growth and proportion.**
- **EMS expenditure trends.**
- **Comparison of number of doctors per province and**
- **Doctors per uninsured person per province.**
- **Uninsured population per professional per province.**
- **Infrastructure expenditure trends.**
- **PHC expenditure trends.**

Expenditure Trends

- **The increase in budget and expenditure trends has been gradual over a three year period and the MTEF years.**
- **The main area of increase has been in personnel provision, in line with the year to year improvement of conditions of services, as well as in the national allocations for conditional grants.**
- **The following table illustrates the trends from 2001/01 financial year (including the expenditure) to the 2007/08 MTEF allocation.**

Budget & Expenditure Trends 2001/2002 to 2007/08

Year	Budget	% inc.	Expend.	% of Exp.
2001/02	1,734,817	10%	1,698,992	98%
2002/03	1,976,959	14%	2,012,396	102%
2003/04	2,359,632	19%	2,263,131	96%
2004/05	2,598,644	10%	2,592,990	97.3%
2005/06	2,825,147	13%	0	0
2006/07	3,105,867	6%	0	0
2007/08	3,353,946	5%	0	0



ANALYSIS OF EXP. TRENDS

- **Whilst the health service workload is increasing, per capita health care expend is diminishing in real terms.**
- **The department is taking measures to rationalise the public health system, increase its efficiency and improve its quality through the District Health Expenditure Reviews; resource allocation initiatives addressing equity and; quality assurance programmes.**

ANALYSIS cont.

- **Increase in public health service workload:**
- **Primary Health Care**
- **Despite growth in the spending on PHC, PHC visits declined between 2001/02 (9,0m visits) and 2003/04 (8,57m visits).**
- **Clinics and health centres have been built or upgraded mostly in rural and underserved areas.**
- **Physical access to these facilities has improved (see table on facilities), and they deliver services in an integrated manner for patient convenience and service efficiency.**

Distribution of PHC facilities

Districts.	No. of PHC facilities & mobiles	Average population
Bojanala	163	7 272
Bophirima	104	4 228
Central	109	7 000
Southern	70	8 567
Province	446	8 227



Analysis cont.

- **The widespread underspending on primary health care, especially in the most deprived districts, arises from a number of factors including:**
- **Deficiencies in infrastructure and management capacity in underprivileged areas.**
- **Difficulties of recruiting and retaining health personnel in deprived areas.**



Analysis cont.

- **Multiple financial flows for primary health care (provincial health department direct spending, provincial transfers to local government and local government funding from own revenue) and lack of coordinated financing of this key health care level.**

- **Pressures to spend on hospitals.**

Analysis :

- **District Health Services :**
- **To be effective primary health care facilities should be supported by district hospitals and incorporated in an integrated service delivery system.**
- **District health management is being strengthened, the province is working to integrate primary health care activities with those of local government, the range of primary health care services is expanding and the quality of care is improving.**

Analysis cont.

- **The case mix in hospitals has changed with inpatients now more gravely ill than previously, mainly as a result of trauma and AIDS.**
- **More patients in medical beds are HIV positive and many are being treated for AIDS or AIDS related illnesses.**
- **The greater seriousness of inpatient morbidity is placing a strain on limited hospital resources and on personnel struggling to care for the sick in constrained circumstances.**

Analysis cont.

- **Regional Hospitals in province consume 27% of the budget, down from 28,2% in 2001/02 and lower than the national average of 33%**
- **Yet there has been improvement: package of services provided and quality of care.**
- **A major programme of quality improvement in the form of COHSASA, QAP, CIC is underway.**
- **The department promotes the use of standard treatment protocols and ensures upgrading of hospital pharmacies.**

Increased disease burden.

- **The HIV and AIDS and associated tuberculosis epidemics are adding massively to the disease burden of the province.**
- **The challenge posed by HIV and AIDS is being met with a vigorous health service response.**
- **In addition to the treatment of AIDS and AIDS related illnesses through the general health services, a large integrated HIV preventive programme is being implemented in cooperation with various government departments and non-government organisations.**

Increased disease burden

- **The burden of tuberculosis has increased in the last decade on the back of the HIV and AIDS epidemic.**
- **A large tuberculosis control programme has been launched and is being integrated with that for HIV and AIDS. This is in the form of the HIV / TB collaboration which is a national priority.**
- **The main objectives of the TB and HIV programme are to improve the quality of life and increase the life expectancy of TB and HIV positive people; and to reduce the incidence of morbidity and mortality due to TB and HIV.**

Emergency Medical Services

- **NW had 2nd lowest number of patients transported per 1000 population uninsured. The reasons will be interrogated.**
- **Need to increase number of operational ambulances, and move beyond replacing and towards adding significantly to existing fleet.**
- **Too few intermediate and advanced ECP. Investment in training has been as follows:**
- **number of ECP intermediate and advanced graduating since 2002/03.**
- **More investment is required in relation to Ambulances, equipment and training.**

Infrastructure & Revitalization.

- **Between 1994 and 2004 we have closed down two hospitals.**
- **Major rehabilitation work done on 3 hospitals in terms of Hospital Revitalization & Rehabilitation.**
- **One new district hospitals recently opened in terms of revitalization programme**
- **142 CHC and clinics built since 1999 to 2004.**
- **Investment in skills, good and timeous planning is a priority for NWDoH and its implementing agencies.**

HIV and AIDS

- **In trying to track spending, an attempt is made to determine how much is spent on HIV and AIDS interventions specifically .**
- **Other important questions, for HIV and AIDS, are:**
 - **What are the implicit or non-traceable costs?**
 - **What is the province already spending as a result of the HIV and AIDS epidemic in health.**
 - **An estimated amount of R380m is based on costs related to staff, drugs and support services at facilities towards treatment & care.**

HIV and AIDS cont.

- **An analysis of District Health Services shows that for the 2004/05 financial year 88.7% of the HIV and AIDS conditional grant budget was spent and this represented 4.7% of total DHS expenditure.**
- **The province has a successful partnership with NGO's in relation to counselors, and have spent in excess of 8m during 2004/05, and will spend 6,7m during 2005/06.**
(reduction due to separate funding for admin costs & stipend).



HIV and AIDS cont

- **Performance of the CCMT improved mainly on the ARV roll out.**
- **As at 2004/05 end of year 3000 patients were on the programme.**
- **70% of posts filled and training expanded to the seven sites accredited.**
- **Challenge is still on data and financial management at decentralised sites based on the set indicators.**



Human Resources

- **NW is showing an increase in filled posts since 2001 (15 436) to 2005 (16 521), yet has the second lowest employees per 1000 population (4,9 vs National average of 5.6).**
- **The province has the lowest average salary across the country. This requires interrogation.**
- **NW has the lowest number of doctors per 100 000 uninsured.**

Human Resources

- Provincial inequalities in the distribution of personnel are particularly marked for medical specialists.
- The change in the distribution of medical specialists between 1996 and 2003 is revealing. While specialist numbers increased in other provinces, they decreased markedly in the North West and other poor provinces
- This can be attributed to the rural ness of the province and the fact that no proper accommodation and other amenities are available in these areas for professionals.

Medical staff position

Category	Relative position in the country
Doctors	Lowest
Professional nurses	Lowest
Radiographer	Second lowest
Pharmacists	Second lowest
Dental practitioners	Third lowest
Physiotherapists	Third lowest
Occupational therapists	Second lowest
Dietician	Third lowest



Medical personnel

- **There are 127 medical staff per 100 000 of the population in the North West Province, which is by far the lowest in the country. In terms of the different categories of medical staff, the situation is as follows: (The relative position was calculated on medical staff per 100 000 of the population.)**



Human Resource Interventions:

- **Partnering Wits, Medunsa and TUKS for provision of scarce professionals.**
- **Developments and implementation of family medicine and rural health strategy, including emphasis on training.**
- **Improve physical and related working conditions, accommodation included.**
- **Partnership with private General Practitioners**

Non Personnel non Capital

- **Non personnel non capital expenditure includes medicines, laboratory services, surgical consumables and other supplies.**
- **As the provision for personnel expenditure increased, non personnel non capital expenditure became under substantial pressure.**
- **However, the situation is also improving in this regard with the increase for the provision of medicines and laboratory services receiving more attention.**
- **The projected increase to 2005/06 is 28.4%.**



ABILITY TO SPEND

- **Treasury states that:**
- **There may be limited ability to spend in the province.**
- **Expenditure in real terms has grown by 8% over the past 3 years.**



ABILITY TO SPEND

- **The province would like too state that:**
- **Under expenditure has largely been conditional grants, but this should not squeeze out equitable share.**
- **The strengthening of our management structure is on course, and is expected to contribute to better financial management and associated financial outcomes.**



EQUITY

- **The question to be raised is : How equitable is the intraprovincial allocation formula.**
- **There is evident unequal distribution of resources among the districts in the province as per the findings of the District Health Expenditure Review (DHER).**



EQUITY cont.

- **Resources are limited in relation to the needs and desires of the people.**
- **This problem will be solved mainly through the processes of provincial health planning and management.**
- **A task team is working on an equity tool designed to address resource allocation intraprovincially.**



CONCLUSION

- **From the available information it is clear that the North West Department of Health is under-funded.**
- **However, the department currently has challenges related spending development funds.**

CONCLUSION cont.

- **There has been growth in funding, however, The greatest challenge for the department is funding. Some of the questions raised in the ANALYSIS need vigorous research e.g, on whether the current system of government financial allocations to the province is well suited to the needs of the health sector**

CONCLUSION cont.

- **The ongoing work on District Health Expenditure Reviews and the upcoming equity project on resource allocation will attempt to address these, i.e both allocative and operational efficiency.**
- **The provincial Treasury is committed to assist the Department in closing the gaps on per capita funding and expenditure with the next MTEF cycle.**

CATERING



ORDER

Date: 08 / 08 / 2005

FROM (Charge to):

Title & name:	OLIVIA SIEBRITZ		
Department/Ministry/ name:	COMMITTEE SECTION		
Address/Building/Floor/Room:	90 PLEIN STREET, 3 RD FLOOR, WORKSTATION 3/089		
Telephone / Ext:	3732	e-mail:	osiebritz@parliament.gov.za
Fax / Ext:	2182	Cell phone:	083 317 6590
Parliament Division name:	Committee		
Parliament Cost Centre name:	SELECT COMMITTEE ON ECONOMIC AND FOREIGN AFFAIRS		
Charge Arch account name:		Arch acc no:	
or Charge to permit name:		Permit no:	
Order placed by:	Olivia Siebritz	Tel no:	2290

DELIVER TO:

✓	Building:	Area / Venue:	Floor No:	Room No:	Please fax order to the respective Head Waitresses:
	Marks				Rita Smith Tel: 3276/8 Fax: 2520
	New Wing				Joyce Oboze Tel: 2775/6 Fax: 3836
x	Old Assembly	V454, fourth floor			Jenny Ruiters Tel: 2154/5 Fax: 3836
	90 Plein Str.				Rita Smith Tel: 3276/8 Fax: 2520

NB: - Please confirm immediately the Area / Venue, Floor No, Room No and order details with the respective Head Waitresses. "NO ORDER CAN BE ACCEPTED UNLESS THE ORDER HAS BEEN CONFIRMED"

ORDER DETAILS:

Qty / Pax:	Order/Service Description:	Order required:		Catering to supply charge	
		Date dd/mm/yy	Time hh/mm	Charge per Unit / Pax:	Value (Incl. Vat):
30	TEA	19/10/05	08:45	R5-00	R150-00
30	COFFEE	19/10/05	08:45	R5-00	R150-00
30	JUICE	19/10/05	08:45	R4-80	R144-00
30	OPEN SANDWICHES ON HEALTH BREAD	19/10/05	08:45	R3-50	R105-00
30	WATER	19/10/05	08:45	R6-00	R180-00
30	TEA	19/10/05	11:00	R5-00	R150-00
30	COFFEE	19/10/05	11:00	R5-00	R150-00
30	JUICE	19/10/05	11:00	R4-80	R144-00
30	FINGER LUNCH / VEGS & FRUIT PLATTER	19/10/05	12:50	R44-00	R1320-00
30	TEA	19/10/05	12:50	R5-00	R150-00
30	COFFEE	19/10/05	12:50	R5-00	R150-00
30	JUICE	19/10/05	12:50	R4-80	R144-00
				Total (Incl. Vat):	R2937-00

NB: ALL SMALL HOT FOOD ORDERS MUST BE PLACED BEFORE 12H00 THE DAY BEFORE THE EVENT / FUNCTION. MAJOR EVENTS / FUNCTION ORDERS TO BE PLACED

Authorised by:

_____ Title & Name:

_____ Designation:

CASHIER CHARGE TO ACC: _____

Head Waitress sign: _____

PARLIAMENT EXPENDITURE APPROVAL STAMP

Division name: COMMITTEE [80]
Cost Centre name: PC ON WATER AFFAIRS & FORESTY (808)
Line Item name: CATERING - IN HOUSE

Division - Cost Centre - Group - Item

8	0	*	8	0	8	*	1	1	*	0	3	3	0	0
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Signature: _____

Print: _____