

Public health to receive funding injection next year

BY [TAMAR KAHN](#), 25 OCTOBER 2012, 15:38 | [1 COMMENT](#)

THE Treasury is planning to increase the amount of money available to the public-health sector in next year's budget, despite the tight fiscal environment.

The medium-term budget policy statement shaved R1.3bn off the total noninterest government expenditure allocated to the current fiscal year, bringing it down to R878.7bn, and left the projected budget for the next two years unchanged at R953bn and R1.03-trillion, respectively.

Many sectors have been forced to make savings, but provincial health departments were spared as the effect on service delivery would have been too great, said the Treasury's chief director for health and social development, Dr Mark Blecher.

In depth



[Read the full statement](#)

- **PDF:** [Medium-term budget policy statement](#)

The statement said funding for HIV/AIDS programmes would be increased in next year's budget to compensate for the withdrawal of support from the US President's Emergency Plan for AIDS Relief (Pepfar), and additional funds would be provided to improve the detection of tuberculosis with more Gene-Xpert machines.

Dr Blecher said the government's plans to increase the allocation for HIV/AIDS programmes in next year's budget would enable provincial health departments to take over the funding of nongovernmental organisations (NGOs) now supported by Pepfar. This is critically important for NGOs that provide treatment to HIV patients in parts of the country where communities have no ready access to government clinics.

The national Department of Health is one of the few departments to get more money in the mid-year adjustment budget, with an additional R500m allocated to its R27.56bn budget for the 2012-13 fiscal year. Of this, R366m is earmarked for provincial capital projects that are funded with conditional grants channelled via the national department: R200m is set aside for infrastructure spending in KwaZulu-Natal and another R166m has been allocated to the Free State.

Nevertheless, the Department of Health is expected to make better use of its money, along with the rest of the government.

"Given the constrained fiscal environment, the health sector has to seek greater efficiency and improve financial management, with particular emphasis on critical inputs such as medicines and medical supplies," said the statement.

Growth in the number of health personnel is expected to slow, after increasing by 50,000 over the past four years to 313,000, said Dr Blecher. The growth in personnel included 3,000 doctors, 18,000 nurses and 2,000 pharmacists and pharmacy assistants, he said.

Finance Minister Pravin Gordhan said the Treasury's work on a discussion document on financing options for National Health Insurance was at an advanced stage, but declined to provide details of its proposals.

"Lots of excellent work has been done. There will be some internal government consultations (and) as soon as we get over this process I hope to publish some documents for public comment," he said at a press briefing.

The Treasury had previously said it was considering a payroll tax, higher value-added tax, or a surcharge on income tax.