Province of the
EASTERN CAPE
HEALTH

DEPARTMENT OF HEALTH

POLICY & BUDGET SPEECH 2013/14

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Ikamva eliqaqambileyo!

Honourable Speaker of the House
Honourable Premier of the Eastern Cape
Members of the Executive Council
Members of the Provincial Legislature
Traditional Leaders of the Eastern Cape
Honourable Mayors and Speakers
Acting Superintendent-General and Health Staff
Esteemed members of the Community
Members of the Religious fraternity
Members of the Media
Honoured guests

POLITICAL OVERVIEW

The 10th April 2013 marks the 20th anniversary of the assassination of Comrade Chris Hani, one of our foremost revolutionary heroes, who was both leader of the South African Communist Party and Chief of Staff of Umkhonto we Sizwe. As we pay our tribute to heroes like Chris Hani who made the ultimate sacrifice for our liberation, it is important for us to reflect upon how far we have travelled as a country and as a people over the past two decades. As the ruling African National Congress, we have done much to ensure peace and reconciliation; restore dignity and human rights to all South Africans; stabilize and reintegrate our economy into the global economy; and improve the quality of life of our poorest and most vulnerable citizens.

But we must not rest on our laurels and get into a comfort zone. To quote another heroic leader whose passing we are currently mourning – Hugo Chavez - "the revolution is not over until we have transformed the socio-economic conditions that continue to concentrate all the riches of the world - the gold, the silver, the minerals, the water, the good lands, the oil, and all the other riches – in the hands of a privileged elite." To address this socio-economic inequality, Chavez called upon all progressive forces to develop what he termed "a new moral architecture," in which the human condition is prioritized over profit.

As the ruling ANC, we inherited a health system in which the colour of your skin and the size of your bank account determined the quality of health care you received. I am convinced we have made steady progress in transforming this system - in building "a new moral architecture" in health care - centred around the Freedom Charter's vision of 'a state run preventative health scheme, where medical care is provided to all.'

We have pronounced "A long and healthy life for all South Africans," as one of the five priorities for this term of Government. The ANC's Mangaung Resolutions, Government's National Development Plan, the Department of Health's Ten Point Plan, and the National Service Delivery Agreement, all affirm our policy intent of providing affordable, accessible and quality health care.

To achieve this policy intent, we have prioritized combatting HIV/AIDS and TB; decreasing maternal and child mortality rates; revitalizing primary health care; building and upgrading public health facilities (especially in the remote rural areas); phasing in the National Health Insurance; and developing a new cadre of health professionals.

We have also prioritized the turnaround of the department to strengthen health systems effectiveness. In this regards we have prioritized the fight against fraud and corruption; strengthening financial management, supply chain management and human resource management.

Honourable Speaker, in delivering this Budget and Policy Speech, I will outline what has been achieved thus far, current challenges we are grappling with and what we plan to do in 2013/14 across all the strategic priority areas of the department.

1. COMBATTING HIV&AIDS AND TB

Achievements in TB and HIV&AIDS Programme for 2012/13 Financial Year

Community based management for MDR-TB Patients: The Partnership between the department and Italian Cooperation has contributed massively in the implementation of the policy framework on Deinstitutionalization and Decentralization of MDR-TB, and greatly improved the access and quality services for the patients in the eastern part of the province in particular. The program was implemented in the following 5 Districts of the Province:

Alfred Nzo District (Khutsong TB Hospital); in Amathole District (Nkqubela TB Hospital and (Bhisho Hospital as a satellite); in Nelson Mandela Metro (Orsmond TB Hospital and Leticia Bam as a satellite); in O R Tambo District (Sir

Henry Elliot, Zitulele Hospital and Holly Cross Hospital); and lastly in Cacadu District (Marjorie Parrish TB Hospital and P Z Meyer hospital as a satellite).

In the past Honourable Members we had MDR and XDR patients being attended to in Amathole and Nelson Mandela Bay Metro TB hospitals, and now these services have been rolled out throughout the province including the previously deprived eastern part of province communities.

The department has rolled out 29 Gen-Xpert machines in the Province in a number of health institutions with a view to improve the turnaround times in the testing of TB.

Collaboration with other Health Care Providers: The Eastern Cape Department of Health is the only province that is currently implementing the ***Public Private Mix DOTS*** with the Independent Practitioners (Private doctors) in the Nelson Mandela Metro. This strategy has contributed to the improvement of the TB Treatment outcomes for the Nelson Mandela Metro. The cure rate for the Nelson Mandela Metro has moved from 35% in 2007 to 71.2% in 2011. Lessons learnt have been shared with other provinces.

The department has continued to increase the number of HIV positive patients that have been put on ART. Between April and September 2012, 24144 new clients were enrolled on the ART programme totaling programme ***213 144 (83%)*** of eligible patients enrolled on this.

On the prevention of Mother To Child Transmission, the department of health working with the Eastern Cape Provincial AIDS Council, other Sectors and various NGO's has decreased transmission of HIV from mothers to babies (PCR positivity rate) from 4, 4% in 2011 to 3,4% by end of second quarter 2012.

Plans for 2013/14 Financial Year

The budget allocation for the HIV&AIDS Conditional grant for 2013/14 financial year is R1, 2 27 396 billion and R 396, 562m for TB hospitals.

HIV Counselling and Testing: The department has set aside a budget within the HIV&AIDS Conditional grant to recruit additional 500 Lay Counsellors as part of strengthening HCT Campaign.

Anti Retroviral Treatment: The department will ensure that 75 000 new eligible patients are initiated for ART within the 2013/14 financial year. The department will ensure that all the TB, MDR and XDR-TB patients co-infected with HIV are promptly initiated on ART.

Tuberculosis (TB): The completed 40 bedded unit at Jose Pearson Hospital will be officially opened in June 2013. The other 64 mechanically ventilated units that were built at Nkqubela MDR & XDR-TB hospital to admit MDR-TB patients will be officially opened in July 2013. These newly built units will assist in the improvement of Infection Prevention and Control in these two hospitals which will ultimately improve MDR & XDR-TB outcomes for the province.

As part of strengthening diagnosis and treatment of TB patients the department will procure a digital X-ray machine for Khutsong TB hospital at R5, 7m in 2013/14 financial year. Medical wards will also be built in the same hospital.

In 2013/14, Pharmacy and Out Patients unit as well as fencing will be constructed at Jose Pearson MDR & XDR-TB hospital. Construction of the 64 bedded MDR-TB units will be completed within the 2013/14 financial year. Jose Pearson and Khutsong TB hospital will install CCTV Cameras to improve safety and security of the employees and the patients within these hospitals.

2. STRENGTHENING MATERNAL AND CHILD HEALTH SERVICES

In the past, the department had experienced high number of deaths of children at birth and under-fives. The department also experienced deaths of mothers during birth. That is an unacceptable situation because no woman should die giving birth.

In this regard, we have made tremendous progress and I am glad to report that the Department achieved positive maternal deaths decline over the past three years with Maternal Mortality Ratio declining from ***202 to168 per 100 000 in 2009 and 2011*** respectively (actual deaths have decreased from 269 in 2009 to 210 in 2011).

The department has established fully functional ***halfway houses*** for pregnant women awaiting delivery in the following areas:

- Mount Fletcher
- Mount Ayliff
- Zithulele
- Barkly East

The ***PMTCT programme*** has contributed to the decrease in transmission of HIV from mothers to babies, and this has been shown through decline in PCR positivity rate from >10% in 2009 to 4.4% in 2011 and 3.4% by end 2012.

Plan for 2013/14 Financial Year

The department will focus on the rolling out of the following strategies to accelerate achieving MDG targets. The deployment of ***Obstetric Ambulances*** will be rolled out to ensure every Midwifery Obstetric Unit and District Hospital provides quality Emergency Obstetric Services.

Starting with OR Tambo district, the department will drive a concerted effort to recruit clinical specialists for the ***District Specialist Teams*** in the province.

The department will be implementing Ten recommendations of the ***Confidential Committee on Enquiry to Maternal Deaths (CCEMD)*** to every maternal delivery unit to ensure safe motherhood and better health outcomes. The department will continue to provide training to improve family planning, Essential Steps in the Management of Obstetric Emergencies (ESMOE) and Basic Ante-natal Care (BANC). The target is that every clinician providing maternity services would have been trained on ESMOE, and every health facility will provide BANC to every eligible client.

Working with our partners and community, the department will roll out Halfway houses and the target for 2013/14 will be ***Sipetu; Nessie Knight; Tafalofefe and Holly Cross.***

The department will add ***2 Birthing Units*** (these are maternity units that allow delivery and same day discharge of patients to ease burden on beds in these institutions) at ***Mthatha and Cecilia Makiwane Hospital*** to the existing Frere and Dora Nginza Units.

3. REVITALISING PRIMARY HEALTH CARE

The bedrock of any functioning healthcare systems rests on a good, efficient and well-oiled Primary Health Care approach where healthcare is brought to the doorstep of the communities. The department has made significant impact in this area.

Achievements

- 7 vehicles allocated to the O.R. Tambo District to reinforce the Re-engineering of Primary Health Care.
- The health services are gradually being brought to the households across the Province using the Ward Based Primary Health Care Teams.
- The RPHC teams have team leaders including Health Promoters and Environmental Health Practitioners.
- Over 290 RPHC teams have been established in Eastern Cape to provide health services at the level of the households.
- 8 doctors employed at Madwaleni Hospital after a difficult recruitment process due to the remoteness of the area. 4 Africa Health Placement doctors, 1 Post Community Service doctors, 3 Comserve doctors and 2 Clinical Associates.
- 11 District Clinical Specialist Team members have been employed by the department to do up-skilling of other health professionals to prevent avoidable complications and deaths.
- NGO's have partnered with ECDOH to improve health outcomes. An example is Operation Smile, which is an International non-profit organisation of medical volunteers performing free reconstruction surgery to adults and children with facial deformities especially cleft lips and palates, was supported with the necessary resources to ensure that they help the communities of the Province. This resulted in 43 clients being assisted, of which 33 were operated on and their cleft lips and palates were reconstructed.

- To ensure safety and security of patients and staff, comprehensive electronic security system e.g. 24 hour surveillance cameras, biometrics, intruder detection and burglar proofing have been installed at the following hospitals Zitulele, All Saints and Empilisweni in preparation for installation of such cameras.

Other institutions are the following:

District	Town	Hospital
Amathole	Peddie	Nompumelelo
Buffalo City	East London	Lilitha College Exam Centre
Chris Hani	Cofimvaba	Cofimvaba
	Cradock	Cradock
Joe Gqabi	Sterkspruit	Empilisweni
	Mqanduli	Zitulele
OR Tambo	Libode	St Barnabas
	Mqanduli	Zitulele
Nelson Mandela Bay	Port Elizabeth	PE Provincial, Dora Nginza

Plans for 2013/14 Financial Year

The department will establish the ***Buffalo City Metro Health District***.

In addition to the already employed 11 ***District Clinical Specialists,*** the department will head hunt 21 Clinical Specialists to re-enforce the ***RPHC Teams*** to ensure efficient service delivery in the health facility and at households.

There will be the expansion of ***RPHC*** in the 5 sub-district, viz: ***KSD, Intsika Yethu, Sub-district B, Mbashe and Ngcobo*** the greater concentration will include Makana, Senqu, UMzimvubu and Nyandeni. The ***RPHC Ward Based Teams*** will be increased in numbers at O.R. Tambo through the engagement of the NGO's for placement and recruitment of Community Care Givers

The ***private practitioners*** will be contracted with the support from National Department of Health to cover the medical services at dedicated clinics as community based partners.

A monitoring and personnal incumbent will be employed to ensure that the Ward Based indicators and improved services are captured into the DHIS as a data source.

Down referral of medications will be implemented by Ward Based Teams at Household levels.

The department will implement the KZN model where these teams are closely working with sister social services departments to enrich their contribution at community level.

4. STRENGTHENING EMERGENCY MEDICAL SERVICES

We have experienced significant challenges in this area, including labour relations instability and violent wildcat strikes. We will not hesitate to bring the full might of the law against those engaged in criminal activities, and will not let self-interested individuals undermine the progress we are making in strengthening EMS.

We have made progress in a number of areas as listed below:

Achievements of EMS Services in 2012/13 Financial Year

In terms of the National Norms our province needs 700 ambulances (affected by vastness of the province) and the department has accelerated the beefing up of its fleet to ***350 ambulances (50% of the norm) from a mere 89 ambulances in May 2010***. The target is to get at least 60% of the norm in 2013/14.

We have increased our ***Advanced Life Support (paramedics) personnel from 18 to 35*** in the current Financial Year through the utilization of opportunity of partnership with Durban University of Technology. These are the most important cadres in the industry with advanced resuscitation skills on par with if not surpassing medically trained staff. Our intention is to increase this to 61 cadres by the end of this Term of Government (2014).

The number of ***Obstetric Emergency Ambulances*** has been increased from the original ***36 to 63*** to ensure coverage of the entire province. This will assist in better access to EMS and will enhance better maternal services results – a critical program in the Millenium Development Goals.

In 2012/13 the department achieved the ***deployment of ambulances to strategically located facilities*** to improve response times and better access to ambulances by local communities.

Honourable Speaker, I had to intervene in an administrative matter on appeal by volunteers in the Chris Hani EMS. My response to the call was based on the fact that the volunteers were members of the community and they saw no recourse except the office of the MEC.

The matter I had deemed morally bankrupt and unjust hence I decided to step in. To backtrack and relate to this those what happened in that District will be beneficial as it demonstrate how officials sometimes can sabotage programmes and political interventions and portray the political head as ineffective and a liar. The Queenstown EMS Metro has been reliant on volunteers to maintain its service.

In 2010, the department recruited 288 contract employees to man the 36 Maternal Obstetric Unit (MOU) Ambulances that were introduced as a pilot project to curb maternal and baby deaths in the province associated with the management of Obstetric Emergencies.

During this recruitment process a number of volunteers were overlooked and they subsequently lodged a grievance with the Office of the MEC citing amongst others the engagement of candidates whose driving skills were suspect that the volunteers had to step in for those employees who were receiving stipends whereas the volunteers did not receive anything.

This was deemed grossly unfair and irregular and the OMEC intervened to rectify the situation. A list of 50 identified volunteers was lifted and submitted to the EMS Directorate for the volunteers on that list to be prioritized on the next intake of Emergency Care Practitioners (ECP) for the MOU programme.

In 2012 the Department expanded the MOU programme to cover the entire province which necessitated the recruitment of 216 additional ECP's.

However, on account of the fiscal constrains Provincial Treasury approved the recruitment of 126 ECP's. The department then prioritized Chris Hani, Cacadu and Joe Gqabi Districts with an allocation of 50 slots for Chris Hani, 38 slots for Cacadu and 38 slots for Joe Gqabi respectively.

There was unfortunately a poor handling of this recruitment process again where the interview panels and EMS District Managers flouted the mandate in this regard. Internal processes have kicked in to deal with the affected officials.

The investigation of the matter has revealed the following: In the list of 50 volunteers, there were actually 49 names effectively as one name was duplicated. Of these, 10 (including the name that was overlooked) did not apply at all. Of the Thirty Nine (39) that applied, one (1) was found to be without a Matric Certificate and therefore failed to meet the basic requirements and fell off. Thirty two (32) have passed the interview and driving test and have been recommended. Four (4) failed dismally in the interview or driving test or both. Two (2) have since found employment somewhere else.

In view of the situation above the following recommendations are advanced going forward: The Thirty Two (32) who have been recommended should be engaged immediately so as not to delay this process any further. In the light of the fact that not all the 126 slots approved and for which budget has been availed have been filled, Provincial Treasury be re-approached for permission to re-advertise to bridge the gap. The officials responsible for the hiccups be dealt with and further that they be precluded in future from participation in these processes. The volunteers who did not apply be afforded an opportunity to participate in this next round going through the same process as dictated by the prescripts and departmental recruitment policy.

Plans for the 2013/14 Financial Year

Although we have not achieved the target of needed ambulances as demonstrated above we were able to build a sizeable fleet. Our next focus will be the strengthening of management and we have started recruitment of the ***EMS Senior Manager*** with the appointment targeted for May 2013. We also want to instil the ***culture of professionalism and accountability*** throughout the service.

We will be building the technical skills through training of more staff in ***Advanced Life Support using theDurban University of Technology,*** and accelerating upward movement of our ***BAA*** through skilling.

5. PHASING IN THE NATIONAL HEALTH INSURANCE

The OR Tambo District was chosen as the pilot district for the roll out of the National Health Insurance. Although I am not quite happy with the pace of development in the area, we have made progress in so far as putting things in place to ensure a successful and seamless roll-out. We have maintained this cautious approach to ensure we do not put a step wrong in the implementation process. Progress made so far relates to the following:

Progress and Achievements of NHI in 2012/13 Financial Year

The NDOH put in place Facility Improvement Teams (FIT) that assisted the pilot district to assess infrastructure, systems, resources, medicine supply in the health institutions.

Infrastructure - An assessment on 66 clinics has been conducted and already 13 of these clinics have had renovations done, air conditioners fitted and fencing restored. CCTV cameras were installed in two hospitals.

Connectivity - has been installed in 14 clinics in Qaukeni, 7 clinics at Nyandeni , and the following 7 hospitals – Dr Malizo Mpehle, Bambisana, Holly Cross, Isilimela, St Barnabas, St Lucys and Zitulele Hospitals.

Logis - has been installed in the district, and medical equipment to the value of R7.1 million was purchased.

There are 24 GPs who have already shown interest on contracting with the department to service clinics in the O.R. Tambo district.

Plans for the 2013/14 Financial Year

The Project Manager has been appointed and deployed in OR Tambo to co-ordinate NHI.

The department will intensify the following programmes:

- Appointment of District Specialist teams.
- Ward based PHC teams to be increased.
- School Health Programme to be rolled out working closely with the Education department.
- Through infrastructure delivery, facilities to be improved including purchase of critical medical equipment and supplies for health institutions.
- Challenges relating to Pharmaceutical Services to be addressed through strengthening systems in Mthatha Pharmaceutical Depot and appointment of pharmacists.

6. UPGRADING HEALTH INFRASTRUCTURE

The Infrastructure Unit of the department saw significant improvement in terms of expenditure from 89% in 2011/12 financial year to R1,175 billion amounting to 97% expenditure. That represents significant growth in terms of expenditure and is demonstrative of our commitment to making sure that our health institutions give hope to our people and that we also stimulate the local economy.

The infrastructure Programme is also one of the main drivers of economic growth and also drives employment that benefits locals in areas where infrastructure build happens. Most of the hospitals that exist especially in the eastern part of the province are dilapidated and need revitalisation. We have done a lot in this area and it is one area that I am delighted about because of the progress the department has made.

Achievements of Infrastructure Program in 2012/13 Financial Year

Livingstone Oncology Services Unit has been completed at a cost of R70 million, whereas the Frere Oncology completion is expected before the end of the 2nd quarter in 2013 financial year.

Three hundred (300) Student Units in ***Cecilia Makiwane*** are now occupied and functional. The cost to the department was approximately R110 million.

General maintenance work in Hospitals such as ***Cala, Elliot***, ***Cloete Joubert*** is on-going.

To this end ***200 clinics*** covering the entire Province are in the renovation and repairs programme. Of these, 64 are in the O.R. Tambo Region. This programme is costing the department around R160 million.

On the ***skills capacitation:*** The Infrastructure Unit at Head office has been beefed up with more technical people added. Critical positions in planning, delivery and medical equipment management have now been filled. From the project side of things ***53 young unemployed people*** have been employed in two construction sites (namely, Frere and Cecilia Makiwane).

Nursing Colleges Satellite: In the current financial year, extensive work is being undertaken in 5 institutions. These are Andre Vosloo, Port Elizabeth, East London, All Saints and Queenstown.

Mega Projects, namely ***Cecilia Makiwane*** and ***St Patricks*** are still on track and will be ready for completion within the 2013/14 period at a total cost of R1.4 billion.

Multi-million Rand Development of ***Madwaleni Hospital*** has started with the construction of the Gateway Clinic that will cost the department R28.5 million.

6 Hospitals have received X-Ray equipment. Amongst these, are Madwaleni and Mount Ayliff.

Plans for the 2013/14 Financial Year

In line with my pronouncement in the previous policy speech, planning and design of the following facilities have now been completed. The department together with the Implementation Agents is now putting tender documents preparing to invite suitable contractors:

St Elizabeth Hospital – focus is the construction of the main hospital complex and finishing of the Resource Centre. This is a 4 year programme and is estimated to cost the department R740 million.

Mjanyane Hospital – this involves upgrade of a district hospital at an estimated cost of R250 million. In terms of the Gazette this will be a 100 bed district hospital providing all the required services packages in the area of Engcobo.

Khutsong Hospital - TB hospital in Matatiele. In terms of the brief and a master plan this will be a 120 bed hospital. In view of the fact that this facility is currently in use, construction will be done in a phased approach. Over the next three years an amount of R181 million has been set aside for this project.

Nessie Knight - It is estimated that this will cost the department R300 million. Similar with Khutsong, this hospital will be done in a phased approach. For the next coming three financial years, the department has put aside an amount of R195 million for this project.

Sipetu Hospital - this 100 bed district hospital is up for total upgrade at a cost of R320 million. For the next coming three financial years an amount of R166 million has been set aside for this project.

Madwaleni Hospital - with the completion of the Gateway clinic, the department is planning to start construction of the main hospital complex. In the period 2014/15 and 15/16, the department is planning to spend R220 million.

Komani Hospital upgrade - upgrade of the clinic areas is set to be completed during the course of 2013. The department is now implementing phase two which involves upgrading the infrastructure support areas such as laundry, kitchen, mortuary, etc.

Frontier Casualty/ OPD and Paediatrics Unit - the department is in the process of replacing a contractor that was liquidated for this project. A replacement contractor is scheduled to occupy site during the course of April 2013. This project is estimated to cost the department R281 million over the next three financial years.

Replacement of Mud Clinic Structures - 5 mud clinics in the area of O.R. Tambo will now be replaced by brick and mortar structures. These clinics are (a) Cwele, (b) Centuli, (c) Tyelebana (d) Tabase and (e) Pilani.

Relocation of Elizabeth Donkin Hospital to Dora Nginza Hospital - the department has finalized the detailed designs of this relocation. This project is being implemented over a 4 phased approach.

General infrastructure maintenance - this programme is a backbone of infrastructure management in the department. The maintenance backlog in the health space is estimated to run to billions of rands. A budget of R744 million has been set aside to respond to this project.

Honourable Speaker, the National Department of Health will take over a percentage of infrastructure delivery over the MTEF. As a result of this decision, R1,2 billion of the infrastructure budget will be held at National Level. The provincial department has started negotiations with National Department of Health to prioritise projects to be funded through the R1,2 billion. These discussions will be finalised on the 3rd April 2013.

7. ROLLING OUT INFORMATION AND COMMUNICATIONS TECHNOLOGY INFRASTRUCTURE

One of the challenges facing the Eastern Cape Department of Health is the roll-out of Information and Communications Technology. The challenges exist due to the spatial development of the Eastern which happens to be mostly rural. There is also the skills shortage which is an inhibiting factor.

The Plans going forward are as follows:

- The connectivity in the major procurement sites (14 HUBS) is of utmost importance. This will improve the procurement process and transversal systems (Finance and HR), which will be completed in the second quarter 2013/2014.
- Improving clinic connectivity to better computing capacity for systems i.e. Patient Registration – 3 tier system. OR Tambo has been prioritized due to NHI. Sixty sites will be completed by the end of financial year 2012/2013. The target is to stabilize the entire O.R. Tambo by the end of 2013/2014 financial year. This project is focusing on data, voice and video connectivity.
- An automated referral register has been developed to better understand and manage the referral patterns. The project will go live in April 2013.
- The strategic projects to improve the Pharmaceutical environment is to create the Demander codes for all institutions to allow direct ordering of stock from the Depot, all O.R. Tambo's Demander Codes will be activated in the first quarter of 2013/2014. This will increase the accountability of the institutions. After the stock has been received by the institutions, it must be managed. The implementation of the RX Solution is further rolled out to O.R. Tambo District to ensure stock management and dispensing capability to curb problems i.e. stock outs.

The following will be operational in the first quarter of 2013/2014:
- 9 District Hospitals
- 2 LSA
- Mthatha Hospital Complex

8. ROLLING OUT ASSISTIVE DEVICES

The department is intensifying its support to people with disability and has issued 3036 Prostheses, 10036 Orthoses, 1052 Hearing Aids, 1681 Wheel Chairs and 12585 Walking Aids in this Financial Year.

9. FIGHTING FRAUD AND CORRUPTION

The department of health has continued to maintain a zero tolerant stance towards incidents of fraud and corruption. The department has as such been very active in investigating all allegations of fraud and corruption received.

The investigations conducted have in the main been complex and in some instances involve syndicate activities. Notwithstanding the complex nature of these investigations we have reaped huge successes from our efforts.

These have come about in the following manner:
- 32 matters identified in the course of forensic investigations have been reported to the police and criminal cases have been opened. Two of these matters involve high profile individuals ***(Senior Managers)*** who have since been dismissed.
- A further 15 matters involving suppliers who have defrauded the department are in the process of being registered with the police.
  These suppliers have either:
  - Made claims for services not rendered; or
  - Have made inflated claims to the detriment of the Department;
- 10 employees have been dismissed following disciplinary action taken following recommendations of the departments' forensic reports.
- A further ***12 disciplinary hearings*** are currently taking place to implement the recommendations of forensic reports.

- Actual recoveries amounting to ***R 120,480,057.52*** have been realised.
  The savings and recoveries emanating from forensic investigations to date amount to: Total actual recoveries: R 55, 481,078.83
  Total of payments stopped R 51, 627,314.81
  Amounts identified for further recovery R 13, 371,663.88
  Total **R 120,480,057.52**

These have been realised as follows:

- setting off recoveries against other amounts owing to these suppliers.
- cancellation of contracts with implicated service providers thereby saving the department huge sums of money which would have been incurred in an irregular manner.
- 100% success rate on all matters referred for disciplinary processes.

Projected savings have been calculated using the generally applicable SIU formula which agreed with the Auditor General and amount to R 264,515,123.98.

The department is taking all possible steps to ensure prompt investigation of reported matters to enhance quick follow up and apprehension of perpetrators.

The department is being supported by National Treasury who provide investigative capacity on some of these investigations where significant sums of money have been siphoned from state coffers. Other value adding relationships have been established with the HAWKS, SIU, SARS, AFU and ACCT.

To further enforce our zero tolerance stance to incidents of fraud and corruption, the department has implemented an in-house fraud reporting hotline with the toll free number: **0800 00 67 93**. This number will be marketed widely starting with its placement on our employee payslips in March 2013.

10. BUILDING HUMAN RESOURCE CAPABILITY FOR A TRANSFORMED HEALTH SYSTEM

The need for an appropriately skilled clinical workforce cannot be overstated. To develop our skills base going forward, we are busy with the following:

In 2012/13, our Lilitha Training College had an enrolment of 1652 in Post Basic Diplomas, 4 year Diplomas, Enrolled Nurses, Enrolled Nursing Auxiliary, Bridging Course and One Year Midwifery. For the 2013/14 year the department has an intake of 2136 students.

Lilitha College opened 4 satellite campuses in April 2012 in Fort Beaufort Provincial Hospital, Elizabeth Donkin, Cecilia Makiwane Hospital satellite and Cala Hospital with plans in this year to open further campuses once the accreditation process is finalized in Midlands Hospital, Andre Vosloo Hospital, Settlers Hospital, Dora Nginza Hospital, Bhisho Hospital and Holy Cross Hospital.

Through our bursary programme we have placed in the South African institutions 1259 students in the Health Sciences, ranging from MBCHB, BCur, Clinical Associates, Pharmacists, Psychologists, Paramedics, Dentists and other Allied Health Professionals.

The Cuban Programme also has 152 students from the Eastern Cape who won completion will be deployed as medical doctors in the rural hospitals within the province.

11. IMPROVING HUMAN RESOURCE MANAGEMENT

Honourable Members, let us tell you what we are doing to turn around human resources within the department:

The recommendation to the Premier for a permanent Head of Department has been done. The Deputy Director-General post for Clinical has been re-advertised and the Chief Financial Officer post is at the short-listing phase. The Chief Executive posts for hospitals have been advertised and appointments will be finalized in April 2013. The De-complexing process is rolling out and Chief Executive Officers for Mthatha General, Frere, Cecilia Makiwane and Livingstone have been appointed. The latter is being done to ensure that there is stability at Top Management of Health and in institutions.

The National Department of Health will take over the running of the Nelson Mandela Academic Hospital in April 2013 as all Central Hospitals throughout the country will be the responsibility of the National Department.

In the previous year the department appointed 483 doctors, 24 dentists, 21 Specialists, 775 Professional Nurses, 991 Assistant Nurses and 339 Community Health Workers from April 2012 to March 2013. In total 2771 clinical personnel were appointed.

In the current year, the department will replace the funded posts at institutions, districts and Head Office.

The department is involved in Systems and Business Processes improvement with the finalisation of the organogram nearing finality.

The Human Resources Management function is in the process of being turned around to ensure that the unit meets the needs of our internal clients.

12. TIGHTENING FINANCIAL MANAGEMENT

Over the past 3 years the department implemented interventions that were designed to improve the financial outcome of the department. This entailed improving accounting practices and control environment, introducing Generally Recognised Accounting Practices (GRAP) best practices, ensuring integrity of financial data and implementing systems and controls. The result was the turnaround of the audit opinion from disclaimer to qualified opinion, which needs to be enhanced in the 2013/14 financial year. The challenge that still faces the department in the area of financial management is the lack of skilled, proficient and competent personnel. The appointment and retention of skilled financial management personnel is a prerequisite for the improved financial management in the department. The department will collaborate with the PCMT to ensure that critical financial management posts are filled in the coming financial year.

13. STRENGTHENING SUPPLY CHAIN MANAGEMENT

The department is participating as a pilot site for the implementation of MAWG, formed by the Minister of Finance, to review the state procurement system and develop broad level mechanisms to optimise its functioning. The department has prioritised the implementation of the SCM Reform Project. The objective of the project is to provide a set of priorities and proposals with appropriate action plans to deliver a rapid improvement in the departments' procurement system. It is anticipated that this intervention will lead to an improved functioning of the department which will in turn enhance the capacity of the department to provide better quality health service.

The three main objectives of this project are: to make SCM activities visible and controllable by management, to strengthen SCM capabilities and to provide sufficient human resources for the SCM function. The main aspects of the project cover the following:

- Strengthening of procurement capabilities and resourcing of the function;
- LOGIS Implementation;
- ICT Infrastructure upgrade;
- Provisioning of office accommodation;
- Document management; and
- Strengthening of asset management capabilities and resourcing of the function.

The department will ensure the rigorous implementation of the project not only to enhance audit outcomes but also significantly improve the service delivery performance of the department.

R71.720 million in 2013/14, R12.470 million in 2014/15 and R8.361 million in 2015/16 has been allocated to the department for the following priorities;

- R49.519 million for the ICT infrastructure to implement the full roll out of Logis
- R1.649 million for actual Logis implementation
- R15.951 million for document management
- R4.286 for the Multi Agency Working Group (MAWG) intervention projects
- R315 thousand for change management projects

The department is implementing Non-Negotiables in terms of the budgetting in institutions and they are supposed to budget for the following: a) Pharmaceutical and drug dispensary; b) Laundry Services; c) Blood and blood products; d) Vaccines; e) Medicines; f) Infection Control; g) Catering / patient food; h) Children vaccines; i) Drug stock-outs.

14. BUDGET

Programme Summary

PROGRAMMES	2013/14	2014/15	2015/16
	Medium-term estimates		
Administration	635,329	644,384	675,598
District Health Services	8,240,676	8,688,127	9,244,159
Emergency Medical Services	792,695	818,435	896,340
Provincial Hospitals Services	4,272,604	4,521,376	4,733,588
Central Hospital Services	743,621	786,007	822,163
Health Sciences and Training	744,878	770,280	790,066
Health Care Support Services	109,518	113,294	125,750
Health Facilities Management	1,045,007	799,225	850,076
Total	**16,584,328**	**17,141,128**	**18,137,739**

Summary of Economic Classification

ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16
	Medium-term estimates		
Current payments	15,401,787	16,270,153	17,240,551
Compensation of employees	10,956,019	11,358,728	12,181,557
Goods and services	4,445,768	4,911,425	5,058,994
Transfers and subsidies	284,879	258,619	248,751
Provinces and municipalities	19,542	10,099	-
Departmental agencies and accounts	53,982	87,555	60,322
Higher education institutions	46,759	52,149	44,608
Households	164,596	108,816	143,822
Payments for capital assets	897,662	612,356	648,437
Buildings and other fixed structures	588,420	383,620	407,194
Machinery and equipment	302,090	227,988	241,243
Payments for financial assets	-	-	-
Total economic classification	**16,584,328**	**17,141,128**	**18,137,739**

Summary of Departmental Conditional Grants by Grant

R' 000	Medium-term estimates			% change from 2012/13
	2013/14	2014/15	2015/16	
Comprensive HIV/AIDS	1 273 296	1 485 116	1 683 639	18.22
Health Professions Training and Development	188 560	199 874	209 068	24.03
Hospital Revitallisation Grant	336 719	53 251	73 573	(4.56)
National Teritiary Services Grant	743 621	786 007	822 163	9.10
Health Infrastructure Grant	216 816	230 244	251 587	(13.98)
Social Sector Expanded Public Works Programme	41 565	-	-	262.29
Nursing Colleges	9 257	9 435	11 946	(7.84)
National Health Insurance	4 900	7 000	7 400	(38.20)
Expanded Public Works Programme Incentive Grant for Provinces Health	3 000	-	-	
Total	**2 817 734**	**2 770 927**	**3 059 376**	**10.68**

15. CONCLUSION

In conclusion, it is evident that we are making progress in all the priority areas of the department. We have reduced the burden of disease on the poor, and, as highlighted by the Honourable Premier in her State of the Province Address, have made steady gains in the fight against HIV and AIDS and TB. Life expectancy is steadily increasing, and child and maternal mortality rates are declining. Our emphasis on preventative health care is working, which will be further boosted through our strengthening of primary health care and district health services. We have also made significant progress in building consensus on our service delivery model, and establishing a social compact with communities and health stakeholders. We have also made progress in turning around the department, with gains in financial management, audit outcome, eradicating fraud and corruption, and human resource management. These gains provide the momentum for further success. As I have outlined, we have ambitious plans for 2013/14, and we will not be derailed. We have a mandate to create a "new moral architecture" for health care, and we will not rest until the poorest and most vulnerable have access to quality health care.

Honourable Premier, I must take this opportunity to thank you for seconding the Acting Superintendent- General Mr Mahlubandile Qwase to the department. He has ably steered the ship on the path we have set. I would also like to thank MEC Masualle for his role in ensuring my department and Provincial Treasury work together to improve financial management and ensure we do more within our financial envelope.

I THANK YOU

Mr Sicelo Gqobana
MEC for Health