

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1176 [NW1315E]
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1176. Dr H C Volmink (DA) to ask the Minister of Finance:

Has the National Treasury undertaken any benchmarking (a) studies and/or (b) exercises in relation to health service delivery (i) performance and (ii) expenditure in each province in the (aa) 2011-12, (bb) 2012-13, (cc) 2013-14, (dd) 2014-15 and (ee) 2015-16 financial years; if not, (aaa) why not and (bbb) will the specified (aaaa) studies and/or (bbbb) exercises be undertaken in the future; if so, how did the health service delivery (aaaaa) performance and (bbbbb) expenditure of each province compare to national health priorities during the specified financial years?

NW1315E

Response:

(a)(b)(i) (ii) (aa) (bb) (cc) (dd) (ee)

Yes. The National Treasury conducts benchmark exercises as part of the budget process on an annual basis and has undertaken these exercises for each of the years specified. The benchmark exercises were introduced by the National Treasury in 2002 with a focus on analysing provincial budgets and expenditure to identify risk areas and bring these risks to the attention of provincial treasuries and to explore possible solutions with them.

(aaa) (bbb) (aaaa) (bbbb)

Amongst others, the benchmark exercises:

- Interrogate the assumptions behind draft programme allocations and alignment of budgets to national and provincial health policy priorities.
- Assess how the sector is implementing cost saving measures and assess departmental budgets in view of a constrained fiscal envelope.
- Assess areas of risk in provincial budgets and provide feedback on areas where changes might be required.

Because the benchmark exercises cover an extremely wide range of areas it is not possible to provide a simplified answer whether provincial budgets do or do not comply with national priorities. In general there is a reasonable degree of compliance but the benchmark exercises help to find risks and deviations and point these out to provinces to address. The non-negotiable budget items announced by the Minister of Health in 2012 have assisted the National Department of Health and the National Treasury in advocating for appropriate budget allocations for prioritised spending areas that are critical to service delivery.

As an example, the table below shows spending on medical supplies per capita uninsured person by province, which is a national priority. Limpopo's budget was only R42 per uninsured person for 2016/17 compared to a national average of R152 per capita per year for medical supplies. Limpopo was then advised to address this risk in their budget.

Table 1. Budget for medical supplies (Rand per capita provincial uninsured population)

Rand	2016/17	2017/18	2018/19
Eastern Cape	108	119	126
Free State	184	196	203
Gauteng	209	222	231
Kw aZulu-Natal	161	184	198
Limpopo	42	50	58
Mpumalanga	96	112	120
Northern Cape	130	135	142
North West	74	108	100
Western Cape	275	292	311
National average	152	168	177

It is important to emphasise that the benchmarking exercise mainly focuses on budgets and expenditure. As such, the National Department of Health and the Department of Performance and Monitoring evaluation will be better placed to respond to detailed performance benchmarking questions.

At times the National Treasury has conducted the health sector benchmark exercise in partnership with the National Department of Health and in several years whole day benchmarking meetings were held with all nine provincial Departments of Health and provincial Treasuries.

(aaaaa)

The National Treasury also publishes, approximately every second year, a comprehensive review of provincial budgets and expenditure, known as the Provincial Budgets and Expenditure Review. The last review was published in December 2014 and covered details of health sector spending for financial years from 2010/11 to 2016/17. These reviews contain numerous comparative indicators in the health chapter which is available on the National Treasury's website at <http://www.treasury.gov.za/publications/igfr/2015/default.aspx>.

(bbbbb)

The review also reflects that substantial portion of the provincial expenditure is in line with the national health priorities.