

# Salaries eat into provincial public health budgets

Public health expenditure has ballooned to R183bn over the past 20 years, but a large chunk of provincial health budgets is spent on salaries, a review shows.



© almagani [123rf.com](http://123rf.com)

Simultaneously, poor-quality primary healthcare services and a growing burden of noncommunicable diseases crippled the system, said the *South African Health Review*.

The report by public health organisation Health Systems Trust analyses health sector challenges, reform initiatives and their implications for transformation of public healthcare.

Managing editor of the *South African Health Review* Ashnie Padarath said the review had identified areas where sustained and concerted action was required. "It paints a mixed picture and shows evidence of progress in many of the programmes that are needed to ensure the successful implementation of NHI (National Health Insurance)."

In real terms, health spending increased from R68m in 1995 and is expected to reach R176.5m by 2019.

The report found that public health spending grew 8.2% a year in real terms in 2007 to 2012. Spending eventually slowed down due to the ripple effects of the 2008 recession, with growth falling to an estimated 1.8% from 2012.

"The effects of the 2008 global recession on SA's health sector were delayed until around 2012-13, largely because of the counter cyclical fiscal policy adopted by the government to protect social spending and stimulate economic growth," the report said.

Growth in expenditure of less than 2% is expected to continue until 2020 owing to a constrained fiscal environment.

With data supplied by the Treasury, the report revealed that rising personnel costs had also hit the budget, especially because growth had slowed and fiscal pressure had intensified.

Average real unit costs of personnel continue to exceed consumer price inflation as unit costs of personnel have increased on average 4.5%

The report said that during the period the expensive Occupation Specific Dispensation was phased in from 2006 until 2011-12 and personnel spending grew by R28.4bn.

Staffing numbers also grew by 80,000 in this period and expenditure increased by a further R13.3bn from 2010-11 to 2015-16.

However, limits on personnel numbers have been put in place in the provinces in order to control personnel expenditure, which is increasingly being capped and specifically and exclusively appropriated.

Subsequently, the total number of filled posts in provincial health departments decreased 0.5% a year, having peaked at about 314,636 in 2012-13.

**Source:** *Business Day*

For more, visit: <https://www.bizcommunity.com>