

# Health chief to cut budget by R763m

Pillay introduces 'stringent measures'

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THE Eastern Cape Health Department plans to slash R763-million off its budget - including R565.8-million from staff payments - in order to reduce its projected overspending in the current financial year from R1.5-billion to R907-million.

The proposed cuts come against the background of an attempt to get the department's finances under control and prevent the situation that has occurred over the past two years where it has had to declare a moratorium on paying suppliers two months before the end of the financial year.

The department also started the current financial year with "accruals" of R1.3-billion - financial obligations that have been carried through from previous financial years.

At the same time, in terms of department superintendent-general Dr Siva Pillay's turn-around strategy, several initiatives are being taken "to clean up its administration from any fraud and corruption".

That includes a proposal that when a particular department blacklists a supplier, all the shareholders and the company will be blacklisted across the province by all departments.

As far as the cost of employees to the department is concerned, Pillay plans to reduce the projected overspending from R612.7-million to just R46.9-million through targeted cuts of R565.8-billion.

In addition, Pillay wants to cut a total of R193.3-million of the capital budget and that for goods and services.

Among the cuts in the staff budget is the non-renewal of some contract staff while the provincialisation of municipal health services is also to be deferred.

In terms of goods and services, Pillay proposes to:

â Slash the budget for consultants by R35-million to R61.1-million with the consul-

ants' fees for the public-private-partnership for a medical depot postponed;

â Reduce the travel budget by R12.5-million to R52-million;

â Cut the advertising budget by R4-million to R6-million and reduce catering by R1-million to R6.4-million;

â Halt spending on non-critical new equipment, postponing it to the next financial year, and

â Introduce "stringent measures" to halt wastage and bring the expenditure in line on printing and stationery.

As Pillay continues to get tough on corruption, he is demanding that all officials across the province be requested to declare any interests they may have in any venture doing business with government.

**This exercise will also expose suppliers that are not declaring income to SARS**

He wants this information placed on a central database that can be made available to all departments.

Pillay is also proposing that the South African Revenue Services (SARS) be provided with a list of all contracts awarded across the province to ensure it collects all taxes due by suppliers of the Eastern Cape province.

This exercise will also expose suppliers that are not declaring their income to SARS.

In addition, Pillay wants SARS to be given the names of all senior managers and officials involved in the supply chain management system to check if any of them is doing business with government and not declaring the interest accordingly.

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