SUBMISSION BY THE STUDIES IN POVERTY AND INEQUALITY INSTITUTE (SPII) ON THE 2020 DIVISION OF REVENUE BILL [B3-2020]- HEALTH PERSPECTIVE

To the Chairperson of the Gauteng Provincial Legislature, Finance Portfolio Committee and Hon. Joe Mpisi.

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Submitted by:

Building up knowledge to break down Poverty

SPII
STUDIES IN POVERTY AND INEQUALITY INSTITUTE

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Contents

Introduction 3
Equitable shares to Provinces and Municipalities 4
Concerning changes in relation to health 7
Conditional grants 8
  Health care funding- National Health Insurance: 9
  HIV/AIDS, TB, malaria, and community outreach grant 10
  Health Facility Revitalisation Grant 11
Recommendations 11

Introduction

Studies in Poverty and Inequality Institute (SPII), is a not for profit think tank providing, according to our **Mission**, "innovative research, capacity building, advocacy, and globally relevant models of change to the solvable problems of poverty and inequality thereby enabling the progressive realisation of socio-economic rights." This work is towards our **Vision** of creating "A prosperous and equal society in which people have free, fulfilling and meaningful lives." SPII was established fourteen years ago as a research, advocacy and capacity building service organisation for the realisation of social justice and the advancement of constitutional rights and freedoms.

The engagement of this submission clearly connects to the mandate of our 'Budgeting for Change' Project. The purpose of this project is to **contribute to building a truly participatory pro-poor health budget policy environment in South Africa**. The creation of this environment is the **final impact** to which this project aspires. In working towards this final impact, we see involving communities most immediately affected by budget choices and expenditures as vitally important. The **intermediate impact** of all **programme goals** is, in this context, to **empower people's agency and ability to contribute to advancing pro-poor health budgeting in South Africa**. For an extended period of time, SPII have been working alongside a community established through the Chiawelo Community Practice (CCP) in Soweto, formalised under the group name 'Chiawelo Budgeting for Change,' in order to support engagement with state allocations and expenditure at each of the three tiers of South Africa's intergovernmental budgeting process. We have engaged positively with local councillors through our budget training. The project has also engaged with the City of Johannesburg on the IDP, and we are pleased to have established formal acquaintance with the Gauteng Provincial Legislature. Our medium term plan envisages increasing engagement with legislative committees on health budgets and allocations, and the impact of those on access to health entitlements.

The COVID- 19 pandemic is currently exposing and exacerbating existing national and global faultlines of poverty and inequality. From within the context of South Africa as the most unequal country in the world, with exceedingly high levels of chronic unemployment, limited social protection, and an incredibly divided health system which greatly frustrates the rights of the poor to access health systems and services, we believe that the responses to COVID-19 must address poverty and inequality and lay a strong foundation for the reform of our health system through the National Health Insurance (NHI) plans. We are concerned that some of the allocation and reprioritisation decisions have the potential to increase inequality and frustrate the realisation of a strong, reformed health system in South Africa. We believe that the context of COVID-19 should be utilised as an opportunity to create the necessary change and we make observations and recommendations in relation to the allocations and reprioritisation from a health equity and access perspective.

It is exceedingly important that any response to COVID-19 does not perpetuate and worsen an already fragmented and inadequately resourced health system and, from this perspective, we are alarmed about some of the implications of the revised budget decisions. Cuts to, or reprioritisations away from, important health care provision and infrastructure services will have a disproportionate impact on, and consequences for, the poor and the marginalised in South Africa. Every measure the government takes to combat COVID-19 should be a measure to protect the fundamental human right to health, which is an essential/foundational right for the realisation of many other rights (for example, the rights of access to education, jobs, and dignity, which often cannot be properly taken up in situations of poor health and lack of access to health care systems).

This submission therefore considers allocations made by the Division of Revenue Bill from health and health systems sustainability perspectives, in order to ensure that the provisions for the right to healthcare, as set out in Section 27 of the Constitution of South Africa, are effectively and progressively realised.

We will begin by addressing the overall equitable shares to provinces and municipalities. Thereafter, we will broadly consider and comment on some changes to health provisioning which we find concerning, before moving on to consider changes to Conditional Grants, unpacking the health implications of 3 specific Conditional Grants. These engagements will be used to draw out a number of important health-related recommendations.

We thank the Committee for this opportunity to comment on the Division of Revenue Bill, associated with the Special Adjusted Budget or the Supplementary Budget 2020, delivered by Minister of Finance, Tito Mboweni on 24 June 2020, which includes a revised fiscal framework and spending plans to address and respond to the current COVID-19 pandemic.

Equitable shares to Provinces and Municipalities

Although the Equitable Share to Provinces has remained the same at R538.5 billion, the percentage share of the budget to provincial governments has been cut by 1.2%. Provinces were to initially receive 42.2% of the main budget for 2020, but the Special Adjusted Budget has changed that to 41% (Table 2.9 Division of revenue framework- Special Adjusted Budget p.17). This is concerning in the current context where Provincial Treasuries face a decline in their own revenue generations by approximately R4 billion, or 18.7%, as, for example, tax receipts from casinos and horse racing have dropped (Special Adjusted Budget p.19). Additionally, fees paid for public health services have also fallen, due to fewer patients currently accessing non-COVID-19-related health services.

According to the updated Division of Revenue Bill, the Equitable Share to Municipalities has increased from R74.7 billion to R85.7 billion – and its percentage share of budget expenditure has gone up by 0.3% (Table 2.9 Division of revenue framework- Special Adjusted Budget p.17).

While these adjustments may, at first, not seem too disheartening, they need to be considered in relation to the massive cuts made to Provinces and Municipalities in the February Budget Review, which properly contextualises our rising concern.

In the February Budget Review, the Provincial sphere of government had already experienced a R7 billion slash to its 2020/21 budget as its Equitable Share was reduced by R2.34 billion. Municipalities faced a R 5.6 billion cut to their budget in February, the majority of which came from cuts to local conditional grants, which will be detailed slightly later, when looking specifically at Conditional Grants. The important points here are that the Division of Revenue Bill is now making *further* cuts to the Provincial Equitable Share, and that the while we see a slight increase to the Municipal Equitable Share, that does not actually hold very positive implications for the progressive realisation of health entitlements, when considered alongside the massive affecting cuts of February.

We are concerned that the changes to the Division of Revenue Bill made in the Special Adjusted Budget will have detrimental implications for Provinces and Municipalities and significantly reduce their ability to deliver frontline services.

While Provincial governments have been positioned as a crucial component for the delivery of key services at the frontline of the COVID-19 response, both the February cuts and the current cuts to the Provincial Equitable Share severely jeopardise the realisation of this mandate. In addition to having reduced resources through the reductions to the Provincial Equitable Share, Provinces have been given the directive to primarily fund their COVID-19 response through reprioritisation, which they have committed R20 billion, in total, towards (COVID19 Response DoR Amendment Bill 2020 p.5). In other words, not only are there worrying cuts to available resources but, through reprioritisation, there is also likely to be disinvestment in pertinent developmental projects in order to redirect resources towards emergency measures which are often unlikely to provide long term health benefits or the increased realisation of rights.

Reprioritisations for COVID-19 expected within provincial budgets

R thousand	Equitable share	Funds reprioritised to: Health	Other sectors	Total
Eastern Cape	13.3%	1 988 374	662 791	2 651 165
Free State	5.6%	835 589	278 530	1 114 119
Gauteng	20.8%	3 126 485	1 042 162	4 168 647
KwaZulu-Natal	20.7%	3 105 174	1 035 058	4 140 231
Limpopo	11.6%	1 735 434	578 478	2 313 913
Mpumalanga	8.2%	1 228 288	409 429	1 637 718
Northern Cape	2.6%	396 847	132 282	529 130
North West	7.0%	1 045 383	348 461	1 393 844
Western Cape	10.3%	1 538 426	512 809	2 051 234
Total	**100.0%**	**15 000 000**	**5 000 000**	**20 000 000**

Gauteng Province will reprioritise R4.1 billion towards their COVID-19 response from the already reduced Equitable Share. (Table 2.10- Provincial equitable shares- Special Adjusted Budget p.18). This Province currently has the leading number of COVID-19 infections nationally, although it has not yet reached its peak of infections and, in this context, we are concerned that the revised allocations and spending directives will not see the Province well resourced enough to be enabled to appropriately respond to the pandemic.

The Municipal Equitable Share allocations, considered in conjunction with the February Budget Review, are also a cause for concern when Municipalities are responsible for delivering a number of essential frontline health services such as water and sanitation. The economic impact of COVID-19 on Municipalities is still unclear, however preliminary reports indicate metros alone reported an aggregate 30% drop in revenue in April 2020, while other Municipalities have seen a drop in revenue as high as 60% in the same month (COVID19 Response DoR Amendment Bill p.6). One cannot even begin to fathom how bad the current situation is for rural-based Municipalities, which also face heightened challenges to the provision of essential health services, through factors such as lack of access to water. As the economy plummets due to job losses and income reductions, payments of Municipal bills are also likely to substantially reduce and further decline Municipal revenues. All of this forms a stark picture of the urgent and immediate need for increased allocations and resources for improved capacity at this level, which we do not feel the current allocations properly address.

If the government is seriously committed to financially empowering provinces and municipalities to fight COVID-19, the government and parliament need to be aware of issues of budget constraints and economic downturns in the municipalities and provinces. Parliament therefore needs to ensure that the National Treasury boosts the equitable shares to provinces

and municipalities especially since there is only 10 years left until the NHI is fully implemented. By 2020, everyone living in South Africa should have access to affordable and quality healthcare through the successful establishment of NHI. The premise of the NHI is to bring healthcare closer to people through decentralising the health system and bolstering primary healthcare service delivery. Health services are rendered by Districts but managed by Provincial Departments of Health. The responsibility of the National of Department Health is to set priorities and develop laws pertaining to health.

Considering all this, provinces will therefore be the drivers of NHI but their main source of funding which is the equitable share is not being raised. Moreover, user fees from health facilities only comprise a small percentage of provincial health funding- 1% on average National Health Act Guide.

Gauteng province's 'Gauteng District Health Services Act 8 of 2000' is not even in effect as yet and it does not ensure the establishment of clinic committees (National Health Act Guide). This is just one example of pressing priorities for provincial health systems. We therefore call on the Gauteng Provincial Legislature to put this Act into effect. It is evident that COVID-19 has put further strains on the respective health systems of provinces. To recover from this it is going to take more than just reprioritisation of existing provincial budgets to successfully implement NHI.

Concerning changes in relation to health

According to the Division of Revenue Bill, one of the largest reprioritisations is R4.4 billion away from the 'School Infrastructure Grant' to fund emergency COVID-19 expenditure. This is concerning in relation to the current poor state of many of South Africa's schools, where there has been a profound failure to provide the education sector with adequate infrastructure. Current conditions at many schools are appalling and a lack of proper infrastructure not only infringes on the quality of education, but also on the health rights of learners, who often have to deal with overcrowding in classrooms, a lack availability of clean water and the use of unsafe pit latrines. In fact, a number of disturbing incidents in relation to the inadequate and hazardous infrastructure of pit latrines have occurred in South Africa, including the fatalities of pupils Viwe Jali and Michael Komape.

It is unacceptable to us that investment in school infrastructure is not being considered a vital part of the COVID-19 emergency response when learners face increased risks due to lack of proper infrastructure at this time. In the current context, we simply cannot afford to disinvest in this vital area, especially when increased investments to school infrastructure could easily dovetail into a comprehensive COVID-19 response, focused on addressing current problems while simultaneously making a long term investments in the health and future of South Africa's youth.

The Division of Revenue Bill also sees R40 million being redirected away from the conditional grant to 'HIV and AIDS (Life Skills Education)'. According to Western Cape Education Department, it is estimated that three quarters of new HIV-infections occur amongst those aged between 15 and 25 – and a national survey of teenagers found that one third of youths

between the ages of 12 and 17 have had sex. In this context, sex education and support is a vitally important health intervention and it is targeted at saving lives. We are concerned that the reduction in resources for this important work will condemn many youths through the increased realisation of preventable problems like HIV and early pregnancy. While an emergency response to COVID-19 is essential, we are concerned about that work being done at the expense of other life-saving interventions.

It is with great concern that we note the following reprioritisations: R401 million away from the 'Direct Regional Bulk Infrastructure' grant, R409 million away from the 'Indirect Regional Bulk Infrastructure' grant, and R689 million away from the 'Water Services Infrastructure' grant. Again, what we see here is a disinvestment in infrastructure which could be approached as beneficial for an adequate COVID-19 response (*and* which would have long term positive developmental impacts, including economic stimulus through the multiplier effect of infrastructure investment), in favour of investment in more temporary emergency measures like water tanks. Water is an essential and a fundamental right at all times, but especially in the context of COVID-19 and water infrastructure investments should be forming a fundamental pillar of a people-centred response. Municipalities often fail, or are unable to, deliver the necessary services to their communities and patterns of financial maladministration (including underspending) remain largely unaddressed. What is required is a strong response to, and reform of, maladministration, in conjunction with targeted spending on long-term developmental infrastructure which benefits the people. Unfortunately, these measures are severely hindered by the above reprioritisations.

Conditional grants

In the Budget Speech in February, the government affirms that it is a caring state and South Africans should see the state as their municipality. It is thus highly unfortunate that budget measures include a reduction to the Municipal Infrastructure Grant by R2.8 billion over the Medium-Term Economic Framework which the Budget Review admits will have the effect of "slowing the provision of infrastructure such as water and electricity connections to poor households" (Budget Review 2020 p.49).

We have seen massive reductions in the conditional grants transfers in the February budget this year. Total cut to conditional grants to provinces was R 4.89 billion (Table 5.3 Largest Baseline Reductions over the MTEF Period- Budget Review 2020 p.50). Health conditional grants were cut by R 446 million (Table 5.3 Largest Baseline Reductions over the MTEF Period- Budget Review 2020 p.50).

When revisions were made to the amounts allocated to provinces through conditional grants, the cuts were made to the funds that were less likely to be utilised due to the restrictions and delays caused by COVID-19. By their nature, conditional grants are demarcated to fulfil a specific purpose or project. Reprioritisations were then made easier by changing some of the conditions in the grant framework. What could be seen as a play on the degree of flexibility when provinces and municipalities submit their business and spending plans for approval to

national, could translate as a loophole for corruption and a way to muddy the waters of budget transparency.

Indirect conditional grants	4 060	202	4 262	200
Agriculture, Land Reform and Rural Development	36	–	36	–
Ilima/Letsema indirect	36	–	36	–
Basic Education	1 736	540	2 276	–
School infrastructure backlogs	1 736	540	2 276	–
Health	2 288	-338	1 949	200
National health insurance indirect	2 288	-338	1 949	200

Source: National Treasury

According to the Transfers to Provinces table above [A.1 of the Division of Revenue Amendment Bill 2020], allocations to the National Health Insurance grant indirect personal services component, have all been reallocated. This means that R80 million that was supposed to be used for contracting private health professionals to help implement the NHI, has now gone to Covid-19 response. This is concerning as it puts further delays on creating an equitable health system in South Africa.

What's even more concerning is that R38 million was reprioritised away from the NHI grant with the justification that non-personal services in this grant have a history of underspending. This is problematic because it points to a deeper mismanagement issue- underspending, understaffing and medical stockouts are all evidence of this. Instead of addressing the maladministration of the NHI grant, these reallocations are proposing a further delay of the implementation of a more equitable health care system.

Now that we have highlighted the reallocations and the accompanying concerns to the implementation of social services in the country, the next part will look at specific health programmes and what these allocations mean for the health system.

Health care funding- National Health Insurance:

The right to access adequate health care is enshrined in section 27 of the Constitution of the Republic of South Africa. And you, the State, have an obligation to advance the realisation of this right.

The rising inequality gap in this country has already proven to be a hindrance to the progressive fulfillment of socio-economic rights, now according to the Supplementary budget, we are facing more indefinite delays and postponements.

Over R22 million has been deducted from the NHI grant towards contracting health professionals during COVID-19, and R200 million has been deducted from certain infrastructure projects - which will further delay the rollout of the NHI because as it stands, our health facilities are challenged with dilapidating building conditions (Revised Programme allocations, 18.1- Supplementary Budget Review p.71). Proper infrastructure is a key component in ensuring the effective implementation of the NHI.

The government has been supporting the private health system with medical tax credits which have been costing us more than R25 billion every year. Despite previous talks to cut back on this expense, this government has been dragging its feet in showing the public health system the same backing.

The success of the NHI is capable of bringing large-scale reforms in the Health sector of this country. It is South Africa's response to the international mandate of universal health coverage. As much as we *should* be implementing an all-hands-on-deck approach to fighting COVID-19, health programs that will lead to greater equality should not be the proverbial sacrificial lamb.

HIV/AIDS, TB, malaria, and community outreach grant

COVID-19 is a serious pandemic and the gravity of its impact has reached the most vulnerable communities and may threaten the progress on HIV, TB malaria and other health related areas. We see in the Transfers to Provinces table (Table A.1 p.41) that R2.8 billion from the community outreach grant has been reallocated to the COVID-19 response. This will only put a delay on the HIV, TB, malaria and other health campaigns and prevention activities.

The HIV/AIDS component of the HIV/AIDS TB, malaria, and community outreach grant to provinces has declined by R604 million (Table B.18.2: Special Adjusted Budget p.72). The justification being that there is a slower uptake in the antiretroviral treatment programmes, and because funds have had to be reprioritized to COVID-19 lab tests, Cuban doctors, contracting with private hospitals, and personal protective equipment and thermometers (as seen in the explanatory table below).

Table B.18.2 Explanations of budget adjustments

R thousand	Downward revisions	Reallocations	2020/21 Total net change
HIV, TB, malaria and community outreach grant: HIV/AIDS component: Reductions due to slower uptake in the antiretroviral treatment programme, global supply constraints for condoms, lower demand for medical male circumcisions and efficiencies in programme management. Reprioritisation to COVID-19 lab tests, Cuban doctors, contracting with private hospitals, personal protective equipment and thermometers	-604 711	3 450 537	2 845 826
National health insurance grant: No major impact foreseen from suspension; allocations for contracting health professionals to support COVID-19 response	-22 706	22 706	–
National health insurance grant: Health facility revitalisation component: Funds for certain infrastructure projects that have been postponed will be redirected towards piloting field hospitals and other COVID-19 needs	-420 000	200 000	-220 000
Health facility revitalisation grant: Funds for certain infrastructure projects that have been postponed to be redirected towards COVID-19 infrastructure needs, including additional hospital beds	-1 065 786	1 065 786	–
National tertiary services grant: Savings from postponing certain elective procedures and fewer non-COVID-19 hospital admissions will be used for tertiary hospital services for COVID-19 patients, particularly critical care	-297 617	297 617	–
Operational expenditure: Reductions mainly from the departmental goods and services budget. These will be absorbed through efficiencies, cost-cutting measures and savings due to the restrictions on economic activity	-101 561	–	-101 561
National health insurance indirect grant: Personal services component: Contracting of private GPs postponed to next financial year	-80 000	–	-80 000
National health insurance indirect grant: Non-personal services component: No major impact foreseen given historical pattern of underspending	-38 468	–	-38 468
National Department of Health interventions: These include personal protective equipment procurement for port health services, communication campaigns and occupational health interventions	–	411 029	411 029
National Institute for Communicable Diseases: The NICD requires additional resources for COVID-19 surveillance and control activities	–	96 700	96 700
Total	**-2 630 849**	**5 544 375**	**2 913 526**

We cannot afford to slow down the spending on HIV/AIDS just because of the onset of the COVID-19 pandemic. Over 7 million people in South Africa are HIV positive and the country has one of the world's worst TB epidemics. It is an indictment to South Africa that 25% of facilities in all nine provinces reported ARV or TB medicine stock out

(Stock Outs National Survey Annexure B-IV), yet the cutting of spending on HIV/AIDS was still decided as necessary. Now is actually the time to improve funding to HIV/AIDS programmes as this will help in the fight against COVID-19. Persons living with HIV/AIDS are more vulnerable to COVID-19 as their immune systems are compromised, as such they need access to antiretrovirals.

Health Facility Revitalisation Grant

The budget for the Health Facility Revitalisation conditional grant has remained the same at a substantially low R1.065 billion. This is concerning in the context of poor health infrastructure in South Africa. Many health facilities are old and in dire need of refurbishments. Interestingly, the annual maintenance required for acute care public sector facilities is valued at R2.12 billion- which far exceeds the grant allocated to health facility revitalisation. South Africa also has 12 hospitals graded as condition 1/5 and 18 hospitals graded as condition 2/5. Moreover, around 20% or primary health care facilities require replacement at a cost of nearly R8 billion Presidential Health Summit 2018 Report.

The pattern in health facility revitalisation spending during this pandemic does not have sustainable benefits. Funds for certain infrastructure projects will now be redirected towards field hospitals and other temporary equipment that will have to be dismantled once the pandemic is over.

The budget is supposed to contribute to the country's long term development, hence this adjusted budget for health facility revitalisation should be rejected. More funding to health infrastructure is required to ensure that we not only fight pandemic but that the infrastructure will be long-lasting to benefit future populations.

Recommendations

- **Rather than implementing harmful cuts to public expenditure, targeted spending on fiscal multipliers should be prioritised as an essential and emergency-appropriate economic measure:**

In the context of COVID-19, especially with its severe negative economic impacts, we need to be investing in economically productive sectors such as infrastructure, which should not be considered as dispensable to, but rather as vital for, a comprehensive and people-centred COVID-19 response. In this context we recommend that the severe cuts to the 'Direct Regional Bulk Infrastructure' grant and the 'IIndirect Regional Bulk Infrastructure' grant are urgently addressed.

- **Equitable shares to provinces and municipalities need to be increased**:

These two spheres of government assume a great deal of responsibility for delivering vital services to the South African population. The provincial health departments are greatly responsible for realising the NHI and implementing universal health coverage. Municipalities are also tasked with redressing past inequalities by ensuring equal access to good quality basic services. It is important that provinces and municipalities are adequately equipped to perform their roles effectively.

- **The R7 billion and R5.6 billion cuts to provinces and municipalities made in the February Budget Review need to redressed:**

The current context of COVID-19 requires that we redress recent harmful cuts to public expenditure that call into question whether or not we are respecting our obligations towards the progressive realisation of socio-economic rights. This is particularly important when those cuts are to areas that could potentially be contributing towards an appropriate COVID-19 response. Budget cuts should not infringe on fundamental human rights such as access to health, shelter, and water and recents cuts (such as those to health related conditional grants and to the provincial human settlements grants) need to urgently be re-assessed.

- **The percentages share of the budget to provinces and municipalities should be raised:**

Percentage shares to provinces and municipalities have remained stagnant at around 42% to provinces and 8% to municipalities. This is not appropriate when Provincial and Municipal spending is essential for the realisation of socio-economic rights and, more specifically, from a health perspective, when these levels of government are greatly responsible for the implementation of greater access to health services and systems towards the important reforms of the NHI.

- **Reprioritisations away from the 'School Infrastructure Grant' need to be redressed:**

These reductions reflect a repeated failure to deliver on desperately needed school infrastructure and to address the conditions under which South African schools, especially those in the rural provinces, are expected to function. Although the funds are going towards emergency measures such as the delivery of water tanks, sanitation material and other safety equipment, that is problematically coming *at the expense of* addressing structural infrastructure barriers to health, in ways that have long term benefits for both the people and the economy.

- **Emergency COVID-19 spending should not place in jeopardy other life-saving health interventions and need to be considered from a health systems perspective:**

One noted example was the R40 million reduction to the 'HIV and AIDS (Life Skills Education)' conditional grant. While responding to COVID-19 as an urgent health emergency, we need to be ensuring that our responses strengthen existing health systems and positively contribute to the implementation of South Africa's reformed health care system through the NHI. This entails properly considering allocations fro a health systems perspective which we do not feel the Division of Revenu Bill currently does.

- **The reprioritisation of R689 million away from the 'Water Services Infrastructure' grant needs to be reconsidered:**

From a health perspective, it is urgent that Municipalities are enabled to address the growing need for access to adequate water services, as well as the harms of not doing so. This is particularly pressing in the current context of COVID-19 and in the context of our obligations to progressively realise socio-economic rights, including health rights.

- **Now is the time to address medical stockouts and increase antiretroviral treatment support in South Africa:**

The emergence of Covid-19 has necessitated an urgent response from the state and all departments. However, we cannot afford to slow down spending on HIV/AIDS and TB treatments, especially when South Africa has some of the worst HIV/AIDS and TB epidemics in the world. Stockouts of HIV/AIDS and TB medication are urgent to address when access to those medications is vitally important for vulnerable and immune-compromised people, who should be prioritised in a COVID-19 response.

- **We need to see more investment in our health care infrastructure that provides better social protection for the people.**

The health facility revitalisation grant has not seen any projected increases, while health infrastructure in this country continues to deteriorate, making the realisation of the access to adequate health care that much harder. The reallocations to temporary health facilities and equipment are just that- temporary.

- **Maladministration needs to be redressed:**

The new degree of flexibility associated with Provincial and Municipal planning is a loophole for corruption. There need to be measures put in place in order for conditional

spending plans to truly reflect the needs of the provinces and municipalities. Greater priority needs to be placed on strengthening administrative mechanisms. Having massive underspend is an indication of the need for increased oversight for improved efficiency.

- **Health programmes that seek to create an equitable health system should not be subjected to downward revisions during a medical crisis:**

Reductions made to the NHI grant need to be inverted- the contracting of private health professionals, facility infrastructure and medical equipment are all integral components of the implementation of the international call for universal health care. Following the latest national address from the President, the government has continuously committed to laying the foundations for the implementation of the NHI, but heavy investment on temporary, emergency responses will not have long lasting benefits for the health system. Investing in health infrastructure and medical personnel and medications is sure to yield economic multiplier effects, with better sustainability. This is an opportune time to strengthen and invest in the efficiency of our healthcare system that is not at odds with current Covid-19 responses.