



EASTERN CAPE PROVINCIAL LEGISLATURE

Retief Odendaal, MPL

Provincial Legislature
Private Bag x0051 or
Independence Ave
Bhisho, 5605

Tel: 040 608 0284
Cell: 082 374 9232
Email: retiefodendaal1@gmail.com



29 April 2020

HON MVOKO MPL

MEC PROVINCIAL FINANCE AND EXPENDITURE

EASTERN CAPE

Dear Hon Mvoko,

**RE: URGENT BUDGET AMENDMENTS TO ASSIST DEPARTMENT OF HEALTH
IN DEALING WITH THE COVID-19 PANDEMIC**

I refer to the aforementioned matter, as well as to my correspondence dated the 6th of April 2020 herein.

I wish to thank you for your proactive actions in effecting budget cuts to certain non-core service delivery related budgets, so that the funding can be redirected to the fight against the COVID-19 pandemic.

I am sure that these budget cuts are likely to be unpopular with the administration, but trust that all our provincial officials will understand that said actions are in the best interest of our province and its people.

That said, I remain concerned that the Department of Health (DOH) does not have the financial means needed to tackle the mammoth task at hand. If the accruals for the previous financial year is in the region of R2.9 billion, as was previously indicated, the Department of Health is likely to have a R3 Billion shortfall in its current budget (2020/21).

It is impossible to expect the DOH to be prepared for all eventualities, and to protect our residents against the scourge of a pandemic of this magnitude, when a tenth of its budget is missing!

I wish to reiterate my concerns regarding the financial status of the Eastern Cape DOH.

Considering the financial commitments of the department for the financial year at hand, as well as the contingent liabilities insofar as medicolegal claims are concerned, the Department of Health is factually insolvent.

Simply put, this is quite possibly one of the biggest challenges facing the province at the moment and I'm of the opinion that Provincial Treasury has no option but to endeavour to assist the department.

In this regard I wish to propose that we discuss this matter at our next virtual standing committee meeting and as such, I will be writing to Hon Lwana, Chairperson of the Provincial Finance and Expenditure Committee, to propose same.

In this regard the Democratic Alliance has previously made the following suggestions insofar as departmental budget cuts are concerned:

- 1) R350 Million in respect of Travel and Subsistence (A total of 47,5% of total budget). **This has been actioned.**
- 2) **R 50 Million in respect of Departmental Catering (A total of 43,1% of total budget);**
This has been actioned.
- 3) R350 Million in respect of Cost of Employment (A total of 0.6% of total budget);
- 4) R 25 Million in respect of Cost of Advertising (A total of 40% of total budget);
- 5) R25 Million in respect of Training and Development (A total of 9,2% of budget);
- 6) R25 Million in respect of Office Stationary (A total of 15,2% of budget);
- 7) R100 Million in respect of Cost of Communication (G&S) (A total of 31,7% of budget);
- 8) R75 Million in respect of Transfers to Provincial Entities (The respective entities would be required to identify savings within their own respective budgets. This amount constitutes 4.8% of the total budget for transfers to provincial entities for the year. Provincial entities however received an 11.8% increase in budget for the 20/21 MTEF).

Given the fact that you have already redirected budget in respect of Travel and Subsistence as well as Catering, I now request that you favourably consider some of our other proposals as well.


Naturally these are just proposals, and some of our colleagues may have further, and or better, suggestions as to how we can assist the department financially during this time.

Although the R351.65 million that you made available will no doubt assist the DOH in the interim, the overarching problem remains and continues to pose a significant risk to the province.

I trust that you will once more receive my correspondence favourable.

Should you have any queries please do not hesitate to contact me.

Sincerely,



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HON. RETIEF ODENDAAL, MPL
DEMOCRATIC ALLIANCE MEMBER OF THE EC PROVINCIAL LEGISLATURE

CC: MEC HEALTH-HON S GOMBA MPL

CHAIRPERSON PC HEALTH – HON MM DIMAZA MPL

CHAIRPERSON PC FINANCE AND PROVINCIAL EXPENDITURE- HON VG LWANA MPL

LEADER OF THE OPPOSITION – HON RS STEVENSON MPL

DA SHADOW MEC HEALTH – HON J COWLEY MPL



A People's Assembly for Good Governance
Independence Avenue, Bhisho, 5600 / Private Bag X0051, Bhisho, 5605
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