

To: MEC of Finance KZN, Ms Catharina Magdalena Cronje

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Cc: National Minister of Health Dr Motsoaledi, Health MEC for KZN Dr Dhlomo, Head of Department KZN DoH Dr Zungu, Head of Department KZN Provincial Treasury, Leslie Simiso Magagula

3 November 2010

RE: CIRCULAR PT (6) OF 2010/11 IMPLEMENTATION OF STRINGENT COST-CUTTING MEASURES: PUBLIC ENTITIES, Ref: 1115/8/1/R-IO/II

Dear Honourable MEC Catharina Cronje,

The Rural Health Advocacy Project (RHAP) and its strategic partners are civil society organizations actively involved in the delivery of health care and promoting the right to health care. We are writing to your office to express our deep concern in relation to the continuation of the freezing of all posts in the provincial public health system, to clarify our position against such freezes, and to suggest a way forward.

At the outset, know that we support the Provincial Treasury in its attempts to cut costs and bring down the significant debt owed by the Provincial Department of Health which has been accumulated over the years. We also understand that some sort of “stringent cost-cutting measures” need to be put in place as highlighted in the circular PT (6) of 2010/11 (such as the limitations on business travel, shared transport arrangements and in-house trainings).

However, we strongly oppose the moratorium on the filling of HR posts. Such measures are having a negative impact on the core mandate of the provincial Department of Health: the delivery of health care services, and the right of the KZN people to access quality health care. The impact of this approach is evident already – and will create significant long-term problems in rebuilding already fragile teams and implementing the proposed NHI in years to come. The provision made in the circular for the Executive Authority to approve the filling of posts in ‘exceptional circumstances’ is not a feasible solution, as explained in more detail below.

Moratorium is against the spirit of the IST reports and Health Minister’s Ten-Point Plan:

We are aware of the national and provincial findings of the investigation by the integrated support team (IST), a process commissioned in 2008 by then Minister of Health, Ms Barbara Hogan, and which looked into the causes of provincial overspending. In terms of the IST report for KZN, specific concerns and recommendations were expressed in relation to the human resource challenges and the moratorium specifically. Whilst the IST reports are not official policy, they have been endorsed by the National DG of Health and are linked to the official government strategy to improve national health outcomes and meet the Millennium Development Goals, i.e. the **Ten-Point-Plan**. Priority number 5 in this plan describes the need for **Improved Human Resources Planning, Development and Management**. It calls for provinces to ensure that they have developed and begin to implement human resource plans that are consistent with service delivery objectives.

In relation to the cost-cutting measures, the KZN IST report documents the following:

- The KZN Provincial Treasury has given clear instructions on cost containment. The ongoing moratorium on staff recruitment within the Department is creating a situation where existing HR policies and procedures are being **ignored** and impacting **negatively** on service delivery.
- Given this situation, little effort and commitment exists to **align HR plans to the existing STP**.
- The moratorium on staff recruitment is severely affecting the **capacity** of the various components at provincial and district levels to provide **quality service delivery**. Training of staff in critical areas linked to service delivery has not occurred for some time due to financial constraints.
- HR Managers seem to be in a state of **paralysis** as they cannot fully implement the stipulated policies but have to operate on the basis of instructions from the Finance component (relating to a moratorium on recruitment and severe curtailment of training activities).
- The appointment of staff at higher, middle and lower levels has almost come to a **standstill** due to a moratorium on staff recruitment that is currently in place.

Specifically on recruitment, the IST report states the following:

- The current moratorium on recruitment means that a number of critical positions cannot be filled despite a serious lack of capacity. **This in turn has a negative impact on service delivery at various levels of the Department.**
- The overly bureaucratic recruitment procedures from DPSA and the moratorium imposed by head office on staff recruitment have a number of negative effects, including:
 - Staff recruitment seems to be one of the biggest challenges facing the Department. For example, there is currently a **shortage of about 78% of Pharmacists in the whole KZN province and this shortage is acutely felt in rural areas.**
 - Potentially interested candidates are going elsewhere (due to the long application process and uncertainty in obtaining a post).
 - Delays in recruitment and overly long appointment timelines.
 - Existing staff being overwhelmed with the workload (which ultimately will lead them to leave the public service).
 - Confusion in terms of roles and responsibilities.
 - A number of managers expressed extreme frustration with the current moratorium placed on staff recruitment as it does not take cognizance of the **increased demand for service delivery.**
 - The moratorium has also resulted in **key staff leaving the Department** to other available opportunities within other sections of government and the private sector.
 - It is difficult for the KZNDOH to recruit key personnel because the private sector offers more attractive salary packages. Key personnel are also reluctant to work in rural areas because of an absence of attractive incentives, suitable accommodation and recreational facilities, amongst others.
 - **It was reported that there is a need to engage all stakeholders in developing comprehensive and innovative alternative cost containment measures and organizational design strategies.**

Despite these explicit and repeated references to the negative impact of the moratorium on recruitment, retention and service delivery overall, we note with surprise that the moratorium on the filling of posts continues to be in place.

Moratorium and National Health Insurance preparations:

In addition to undermining priority objective 5 of the official ten-point-plan, the moratorium also undermines priority objective 2, which is the introduction of the National Health Insurance. The ANC NHI Discussion Document emphasizes the staffing shortages in rural areas, and has identified the **filling of vacancies** as a **key focus area** for the government in preparing the rural areas for the NHI.

Executive Authority to approve filling of critical posts:

Although the circular states that the Executive Authority can approve the filling of critical posts, the IST reports clearly point out that this is not a feasible approach. This is confirmed by our experiences on the ground. There are already many stages which delay the recruitment process. **Recruiting a doctor can already take 6 to 9 months of correspondence, nurturing, communication and encouragement.** This further hurdle has created a situation where health workers previously interested in working in KZN, often rurally, have either gone to other provinces, moved to private sector, or gone to work in other countries where the process for getting a post is quicker, more predictable and less bureaucratic. The consequences are far reaching –including a complete collapse of already-fragile rural health workforce teams. A period of freezing of posts will have knock on effects that persist for several years after it has ended.

Solutions in support of the efforts to contain costs:

Acknowledging the reasons behind the moratorium on recruitment of health care professionals, the cutting of costs, we nevertheless recommend the following strategies:

1. Maintain the existing staff complement in already under-staffed hospitals by allowing the refilling of all vacated **scarce-skills posts - specifically doctors, pharmacists, radiographers and nurses** - without having to apply to an executive authority.
2. Allow **Community Service Officers** who are willing to stay on in underserved areas to be appointed. To be effective they should be informed of their **appointment before their community service term comes to an end.**
3. Allow the **District Manager** to authorize the above appointments to avoid the problems described in the IST reports and referred to above.

We trust that the Honorable MEC is aware of the urgency of this matter and that our concerns and proposed solutions will be duly considered. We would like to make ourselves available to you if you should want to discuss anything in this letter further.

We look forward to hearing your response.

Yours Faithfully,



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