

Big cuts dominate provincial budget

Kathlene Pillay

MASSIVE budget cuts across the board of the day when KwaZulu-Natal Finance MEC Belinda Scott presented her provincial budget for the 2018/2019 financial year.

Infrastructure was the hardest hit, with the Department of Human Settlements suffering the biggest cut.

The Human Settlements Development Grant sees a R578.3million chunk taken from it, resulting in housing units, sites and housing opportunities reducing.

Speaking at a press briefing after her budget speech, Scott said infrastructure cuts were "not just a KZN thing, but are being experienced by all provinces".

Having taken away with one hand, Scott said Human Settlements would receive a R200million injection in their second adjustments next week. This was the result of under-spending in other provinces.

"This is a tough year and my deepest sympathies go to the education and health departments. At health, about 63% of the budget goes to salaries, while at education, about 83% of their budget is for salaries," Scott said.

The Education Infrastructure Grant was cut by R57.9m as a result of the fiscal consolidation budget costs, which means some projects will have to be rescheduled or implemented at a slower rate.

Despite the cuts, the departments of education and health will still receive the lion's share of the provincial budget, with education receiving 41.6% of the budget at R50.9billion, and R42.3bn for health.

Scott said education's budget was aimed at focusing on improving curriculum delivery, particularly through delivering high quality learner teacher support material.

Health receives 34.6% of the budget to continue the delivery of primary health care servic-

es to the approximately 88.1% uninsured population of KZN.

The main cost drivers for the department were paying salaries, the high rate of inflation on medicines and medical supplies and services, and payments to the National Health Laboratories Services for tests performed.

Scott said the increased demands for healthcare, as well as catering and fuel costs, added to the main cost drivers.

She also said that the Treasury has since purchased biometric scanners and would be closing in on ghost employees who are still receiving salaries in both departments.

The provincial Department of Transport was the third-biggest recipient of funding, with R10bn.

The bulk of the budget over the next three years was for construction and the upgrade of roads, and the maintenance of the provincial road network.

Reduction

Other budget cuts for conditional grants include the provincial road maintenance grant, with a R106.3m reduction, and the Public Transport Operations grant sees a R15.4m reduction.

But Scott is adamant that despite the massive cuts, service delivery will continue in the province. She outlined a series of interventions to control spending in departments, which include deploying officials from provincial treasury to assist battling departments and public entities.

"Despite the budget cuts, our commitment to the people of KZN is that we will protect the government's key priority programmes as far as possible so that we do not lose sight of our vision of ensuring a better life for all," she said.

Scott said that the decline in contingency reserves from more than a billion to a mere R174m was a clear illustration that there was a need for departments to spend funds wisely.

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