

Vote 16

Health

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R9 825 237 000	R9 952 861 000		R127 624 000
Responsible minister	Minister of Health			
Administering department	Department of Health			
Accounting officer	Director-General of Health			

Aim

The aim of the Department of Health is to promote the health of all people in South Africa through a caring and effective national health system based on the primary health care approach.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted Estimates of National Expenditure 2005

Table 16.1: Health

Programme	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
1.Administration	136 572	1 881	–	(2 806)	–	(925)	135 647
2.Strategic Health Programmes	1 772 931	39 737	–	(100)	–	39 637	1 812 568
3.Health Service Delivery	7 855 499	130 006	–	5 606	(44 000)	91 612	7 947 111
4.Human Resources	60 235	–	–	(2 700)	–	(2 700)	57 535
Total	9 825 237	171 624	–	–	(44 000)	127 624	9 952 861
Economic classification							
Current payments	699 810	24 737	–	(9 841)	–	14 896	714 706
Compensation of employees	209 119	–	–	–	–	–	209 119
Goods and services	490 691	24 737	–	(9 841)	–	14 896	505 587
Transfers and subsidies to:	9 097 514	145 006	–	2 057	(44 000)	103 063	9 200 577
Provinces and municipalities	8 666 478	93 000	–	93 612	–	186 612	8 853 090
Departmental agencies and accounts	317 639	52 006	–	(92 590)	(44 000)	(84 584)	233 055
Foreign governments and international organisations	–	–	–	1 000	–	1 000	1 000
Non-profit institutions	54 701	–	–	–	–	–	54 701
Households	58 696	–	–	35	–	35	58 731
Payments for capital assets	27 913	1 881	–	7 784	–	9 665	37 578
Buildings and other fixed structures	2 700	1 881	–	1 000	–	2 881	5 581
Machinery and equipment	17 926	–	–	6 944	–	6 944	24 870
Software and other intangible assets	7 287	–	–	(160)	–	(160)	7 127
Total	9 825 237	171 624	–	–	(44 000)	127 624	9 952 861

Details of adjustments to Estimates of National Expenditure 2005

Roll-overs – R171,624 million

Programme 1: Administration

R1,881 million has been rolled over for upgrading the Medical Bureau for Occupational Diseases (MBOD) building because the contractors came on site later than anticipated.

Programme 2: Strategic Health Programmes

Activities in the HIV and AIDS cluster were not finalised in 2004/05 and a total of R67,237 million has been rolled over as follows:

- Work was commissioned in March 2004 for the development of antiretroviral (ARV) modules for the comprehensive HIV and AIDS plan with the PAAB Medicom systems. Delays in the readiness of provinces for rollout of the plan resulted in partial implementation. R1,5 million has been rolled over for crucial equipment, networks and training.
- Condoms were ordered before the end of March 2005 but as a result of the large quantity they could not all be delivered in time. R10 million has been rolled over for the rest of the delivery.
- R11 million has been rolled over for a tender for a reliable inventory management tracking system for the comprehensive HIV and AIDS plan, due to a delay in advertising the tender.
- The tender for preparatory training on monitoring and evaluating the comprehensive HIV and AIDS plan was awarded to the Health Systems Trust in late December 2004. R2,237 million was rolled over for this project.
- The HIV and AIDS conditional grant did not flow because some provinces did not comply with the Division of Revenue Act (DORA) requirements. R15 million has been rolled over and will be transferred in 2005/06 once the relevant provinces are compliant.

Programme 3: Health Service Delivery

- Delays in the hospital revitalisation programme in KwaZulu-Natal were caused by tender challenges. R78 million has been rolled over to continue with these projects.
- Savings of R4,5 million on the transfer payment to the Compensation Commissioner have been rolled over to establish a TB reference laboratory within the National Health Laboratory Services (NHLS).
- R47,506 million for the medico-legal mortuaries did not flow during 2004/05, as the anticipated function shift from the South African Police Service (SAPS) to provincial health departments was not finalised. Cabinet has approved the shift from SAPS to the Department of Health with effect from 1 April 2006.

Virements

Table 16.2: Health (Net effect of all virements)

From	R thousand	To	R thousand
Programme			
1 Administration	2 806	3 Health Service Delivery	5 606
2 Strategic Health Programmes	100		
4 Human Resources	2 700		
Economic classification item			
Goods and services	9 841	Transfers and subsidies	2 057
		Buildings and other fixed structures	1 000
		Machinery and equipment	6 784

Details of savings

Programme 1: Administration

Savings of R2 million are due to an incorrect allocation in the ENE of an earmarked fund for health technology management in programme 2.

Further savings of R806 000 are due to lower than expected expenditure on office consumables (such as stationery, electricity and telephones) and because of delays in filling vacancies.

Programme 2: Strategic Health Programmes

Savings of R100 000 are due to an incorrect allocation in the ENE. (Savings made on contributions to the Global Fund, due to a favourable exchange rate, are not shown in table 16.2 as they are partly offset by a correction of the allocation for health technology management.)

Programme 4: Human Resources

Savings of R2,7 million are due to the impact the favourable exchange rate will have on the payment of World Health Organisation membership fees.

Utilisation of savings

Programme 3: Health Service Delivery

R5,606 million will be used for the anticipated over-expenditure on capital equipment for forensic chemistry services (Cape Town and Pretoria laboratories) and for the increase in the transfer payment to the NHLS to supplement the shortfall in their budget.

Other adjustments – (R44 million)

Shifting of funds between votes

Programme 3: Health Service Delivery

Cabinet has approved the shift of the medico-legal function from SAPS to the Department of Health to be implemented from 1 April 2006. R44 million has been transferred to the Department of Safety and Security for upgrading medico-legal mortuaries which are still on the SAPS asset register. They will be transferred to the provincial departments of health once the function shift takes place.

Gifts, donations and sponsorships

The Department of Health intends to make a donation of R1 million to establish a Southern African Development Community (SADC) regional HIV and AIDS trust fund, following Cabinet approval.

Expenditure 2004/05 and estimated expenditure 2005/06

Table 16.4: Health

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
R thousand							
1.Administration	122 174	47 050	116 029	95,0	135 647	59 319	26,1
2.Strategic Health Programmes	1 468 610	600 538	1 332 479	90,7	1 812 568	654 617	9,0
3.Health Service Delivery	7 181 180	3 538 495	6 901 139	96,1	7 947 111	3 881 156	9,7
4.Human Resources	46 436	12 033	37 566	80,9	57 535	13 324	10,7
Total	8 818 400	4 198 116	8 387 213	95,1	9 952 861	4 608 416	9,8
Current payments	721 367	211 955	603 520	83,7	714 706	278 265	31,3
Compensation of employees	190 830	86 148	190 882	100,0	209 119	102 096	18,5
Goods and services	530 537	125 753	412 547	77,8	505 587	175 647	39,7
Financial transactions in assets and liabilities	-	54	91	-	-	522	866,7
Transfers and subsidies to:	8 058 600	3 981 277	7 757 399	96,3	9 200 577	4 324 619	8,6
Provinces and municipalities	7 655 272	3 827 570	7 406 241	96,7	8 853 090	4 151 153	8,5
Departmental agencies and accounts	240 404	115 096	253 114	105,3	233 055	137 199	19,2
Foreign governments and international organisations	-	-	-	-	1 000	-	(100,0)
Non-profit institutions	45 136	5 662	43 754	96,9	54 701	12 716	124,6
Households	117 788	32 949	54 290	46,1	58 731	23 551	(28,5)
Payments for capital assets	38 433	4 884	26 294	68,4	37 578	5 532	13,3
Buildings and other fixed structures	9 600	-	7 719	80,4	5 581	772	(100,0)
Machinery and equipment	19 050	4 876	18 425	96,7	24 870	4 629	(5,1)
Software and other intangible assets	9 783	8	150	1,5	7 127	131	1537,5
Total	8 818 400	4 198 116	8 387 213	95,1	9 952 861	4 608 416	9,8

Selected expenditure trends for first half of 2005/06

Expenditure in the first six months of 2005/06 amounted to R4,608 billion, or 46,2 per cent of the adjusted appropriation of R9,952 billion for the year as a whole.

Transfers payments to provinces and other transfer payments to institutions represent 92,5 per cent of the expenditure for 2005/06. Approximately 46,9 per cent of the R9,2 billion of the adjusted appropriation for transfer payments to provinces and other transfer payments to institutions was spent in the first six months of 2005/06.

Summary of transfers and subsidies and conditional grants

Table 16.4 Summary of transfers and subsidies per programme

Table 16.5 Summary of conditional grants to provinces

Table 16.5: Summary of transfers and subsidies per programme

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1.Administration	181	-	-	235	-	235	416
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	181	-	-	-	-	-	181
Regional Services Council levies	181	-	-	-	-	-	181
Departmental agencies and accounts							
Public entities							
Current	-	-	-	210	-	210	210
HBSETA	-	-	-	210	-	210	210
Households							
Social benefits							
Current	-	-	-	25	-	25	25
H/H Employer Social benefit: Cash Res	-	-	-	25	-	25	25
2.Strategic Health Programmes	1 372 859	15 000	-	1 000	-	16 000	1 388 859
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	1 258 500	15 000	-	-	-	15 000	1 273 500
Integrated Nutrition Programme Grant	123 392	-	-	-	-	-	123 392
Comprehensive HIV and Aids Grant	1 135 108	15 000	-	-	-	15 000	1 150 108
Municipalities							
Municipal bank accounts							
Current	224	-	-	-	-	-	224
Regional Services Council levies	224	-	-	-	-	-	224
Departmental agencies and accounts							
Social security funds							
Current	5 000	-	-	-	-	-	5 000
Compensation fund	5 000	-	-	-	-	-	5 000
Foreign governments and international organisations							
Current	-	-	-	1 000	-	1 000	1 000
SADC Regional HIV and Aids Trust Fund	-	-	-	1 000	-	1 000	1 000
Non-profit institutions							
Current	53 135	-	-	-	-	-	53 135
Maternal Child and Women's Health: Non-Governmental Organisations	422	-	-	-	-	-	422
HIV/AIDS: Non-Governmental Organisations	49 745	-	-	-	-	-	49 745
Tuberculosis: Non-Governmental Organisations	2 968	-	-	-	-	-	2 968
Households							
Other transfers							
Current	56 000	-	-	-	-	-	56 000
South African AIDS Vaccine Initiative	10 000	-	-	-	-	-	10 000
Life Line	15 000	-	-	-	-	-	15 000
Love Life	23 000	-	-	-	-	-	23 000
Soul City	8 000	-	-	-	-	-	8 000

		2005/06						
		Additional appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation	
3. Health Service Delivery	7 724 425	130 006	–	822	(44 000)	86 828	7 811 253	
Provinces and municipalities								
Provinces								
Provincial revenue funds								
Current	6 379 908	–	–	93 606	–	93 606	6 473 514	
Health Professions Training and Development Grant	1 520 180	–	–	–	–	–	1 520 180	
National Tertiary Services Grant	4 709 386	–	–	–	–	–	4 709 386	
Hospital Management and Quality Improvement Grant	150 342	–	–	–	–	–	150 342	
Medico-Legal	–	–	–	93 606	–	93 606	93 606	
Capital	1 027 427	78 000	–	–	–	78 000	1 105 427	
Hospital Revitalisation Grant	1 027 427	78 000	–	–	–	78 000	1 105 427	
Municipalities								
Municipal bank accounts								
Current	189	–	–	6	–	6	195	
Regional Services Council levies	189	–	–	6	–	6	195	
Departmental agencies and accounts								
Public entities								
Current	312 639	52 006	–	(92 800)	(44 000)	(84 794)	227 845	
National Health Laboratory Services	54 910	4 500	–	806	–	5 306	60 216	
Medical Research Council	164 304	–	–	–	–	–	164 304	
National Health Laboratory Services (cancer register)	322	–	–	–	–	–	322	
Medical Scheme Council	3 003	–	–	–	–	–	3 003	
Medico Legal	90 100	47 506	–	(93 606)	(44 000)	(90 100)	–	
Non-profit institutions								
Current	1 566	–	–	–	–	–	1 566	
Health Promotion: Non-Governmental Organisations	800	–	–	–	–	–	800	
Environmental Health	78	–	–	–	–	–	78	
Mental Health: Non-Governmental Organisations	358	–	–	–	–	–	358	
South African Community Epidemiology Network on Drug Use	130	–	–	–	–	–	130	
South African Federation for Mental Health	200	–	–	–	–	–	200	
Households								
Social benefits								
Current	–	–	–	10	–	10	10	
H/H Employers Social benefit: Cash Res	–	–	–	10	–	10	10	
Other transfers								
Current	2 696	–	–	–	–	–	2 696	
Council for the Blind	449	–	–	–	–	–	449	
Health Systems Trust	2 247	–	–	–	–	–	2 247	
4. Human Resources	49	–	–	–	–	–	49	
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	49	–	–	–	–	–	49	
Regional Services Council levies	49	–	–	–	–	–	49	
Total	9 097 514	145 006	–	2 057	(44 000)	103 063	9 200 577	

Table 16.5: Summary of conditional grants to provinces ¹

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Strategic Health Programmes							
Maternal, Child and Womens Health Integrated Nutrition Programme Grant	123 392	–	–	–	–	–	123 392
HIV/AIDS Comprehensive HIV and Aids Grant	1 135 108	15 000	–	–	–	15 000	1 150 108
3. Health Service Delivery							
Hospital Services							
Hospital Revitalisation Grant	1 027 427	78 000	–	–	–	78 000	1 105 427
Health Professions Training and Development Grant	1 520 180	–	–	–	–	–	1 520 180
National Tertiary Services Grant	4 709 386	–	–	–	–	–	4 709 386
Hospital Management and Quality Improvement Grant	150 342	–	–	–	–	–	150 342
Non-Communicable Diseases Medico-Legal	–	–	–	93 606	–	93 606	93 606
Total	8 665 835	93 000	–	93 606	–	186 606	8 852 441

¹ Main appropriation detail provided in the Division of Revenue Act, 2005

