Vote 16

Health

	2006/07			
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**11 269 996**	**11 453 993**	-	183 997
of which:				
Current payments	808 864	778 896	(29 968)	-
Transfers and subsidies	10 433 090	10 631 194	-	198 104
Payments for capital assets	28 042	43 903	-	15 861
Executive authority	Minister 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 healthcare approach.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 16.1: Health

Programme	2006/07						
		Additional appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
1. Administration	188 067	-	-	(74)	-	(74)	187 993
2. Strategic Health Programmes	2 105 211	49 000	-	(641)	-	48 359	2 153 570
3. Health Service Delivery	8 907 558	98 497	-	4 772	36 500	139 769	9 047 327
4. Human Resources	69 160	-	-	(4 057)	-	(4 057)	65 103
Total	**11 269 996**	**147 497**	**-**	**-**	**36 500**	**183 997**	**11 453 993**
Economic classification							
Current payments	**808 864**	**-**	**-**	**(29 968)**	**-**	**(29 968)**	**778 896**
Compensation of employees	240 030	-	-	-	-	-	240 030
Goods and services	568 834	-	-	(29 968)	-	(29 968)	538 866
Transfers and subsidies	**10 433 090**	**142 276**	**-**	**19 328**	**36 500**	**198 104**	**10 631 194**
Provinces and municipalities	10 034 005	136 676	-	(462)	36 500	172 714	10 206 719
Departmental agencies and accounts	289 860	5 600	-	-	-	5 600	295 460
Universities and technikons	-	-	-	1 250	-	1 250	1 250
Non-profit institutions	109 225	-	-	17 078	-	17 078	126 303
Households	-	-	-	462	-	462	462

Table 16.1: Health (continued)

R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
	2006/07						
		Additional appropriation					
Payments for capital assets	**28 042**	**5 221**	**-**	**10 640**	**-**	**15 861**	**43 903**
Buildings and other fixed structures	5 000	-	-	-	-	-	5 000
Machinery and equipment	23 042	5 221	-	4 766	-	9 987	33 029
Software and other intangible assets	-	-	-	5 874	-	5 874	5 874
Total	**11 269 996**	**147 497**	**-**	**-**	**36 500**	**183 997**	**11 453 993**

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R147,497 million

Programme 2: Strategic Health Programmes

R49 million has been rolled over to increase the HIV and AIDS conditional grant, given faster rollout in the Western Cape and Gauteng.

Programme 3: Health Service Delivery

R5,221 million has been rolled over for specialised forensic chemistry laboratory equipment, ordered but not delivered in 2005/06. R5,6 million has been rolled over for the World Health Organisation (WHO) study on ageing and adult health. This international study, co-funded by the WHO, will be administered by the Human Sciences Research Council. R87,676 million was rolled over for the hospital revitalisation conditional grant because of rapid progress and higher tender awards in Gauteng.

Virements

Table 16.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand From	R thousand To	Motivation
1. Administration	**(360)**	**286**	
Current payments	**(214)**	**-**	
Goods and services	(214)	-	Savings will be shifted for over-expenditure on capital equipment in this programme.
Transfers and subsidies	**(146)**	**72**	
Provinces and municipalities	(146)	-	Savings arose because the RSC levy was phased out after June 2006.
Households	-	72	Funds shifted from transfers to provinces and municipalities (in this programme) will be used for leave gratuities.
Payments for capital assets	**-**	**214**	
Machinery and equipment	-	214	Funds shifted from goods and services (in this programme) will be used for capital equipment.
2. Strategic Health Programmes	**(20 354)**	**19 713**	
Current payments	**(20 213)**	**-**	
Goods and services	(20 213)	-	The following savings were identified following a reprioritisation exercise: R8,978 million from the allocation for the Comprehensive Plan for HIV and AIDS and R8,1 million from the allocation for condoms; R600 000 from Communicable Diseases; and R1 million from the Government AIDS Action Plan (GAAP), R1,250 million from goods and services within the Comprehensive Plan and R285 000 from elsewhere.

Table 16.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand From	R thousand To	Motivation
Transfers and subsidies	**(141)**	**19 498**	
Provinces and municipalities	(141)	-	Savings arose because RSC levies were phased out after June 2006.
Universities and technikons	-	1 250	Funds shifted from goods and services (in this programme) will be used for transfers to the University of Cape Town and the Medical University of Southern Africa for pharmacovigilance activities which are part of the Comprehensive HIV and AIDS plan.
Foreign governments and international organisations	-	1 000	Funds shifted from goods and services (in this programme) will be used for a donation to Palestine.
Non-profit institutions	-	17 078	R17,078 million shifted from goods and services in this programme (including R8,978 million for the Comprehensive HIV and AIDS plan) and R5 million shifted from the South African AIDS Vaccine Initiative in this economic classification item will be used to increase transfers to Soul City (R6,078 million), LoveLife (R12 million), and LifeLine (R4 million).
Households	-	170	Funds shifted from transfers to provinces and municipalities (in this programme and programme 4) will be used for leave gratuities.
Payments for capital assets	**-**	**215**	
Machinery and equipment	-	215	Funds shifted from goods and services (in this programme) will be used for capital equipment.
3. Health Service Delivery	**(145)**	**4 917**	
Current payments	**-**	**409**	
Goods and services	-	409	R600 000, shifted from programme 2, will be used for the forensic chemistry laboratories. R250 000, shifted from programme 4, will be used for breathalyzers. Savings of R441 000 were shifted to capital equipment.
Transfers and subsidies	**(145)**	**220**	
Provinces and municipalities	(145)	-	Savings arose because the RSC levies were phased out after June 2006.
Households	-	220	Funds shifted from transfers to provinces and municipalities (in this programme and in programme 1) will be used for leave gratuities.
Payments for capital assets	**-**	**4 288**	
Machinery and equipment	-	3 914	Funds shifted from goods and services (R137 000 in this programme and R3,777 million in programme 4) will be used for capital equipment for forensic chemistry laboratories.
Software and other intangible assets	-	374	Funds shifted from goods and services (in this programme) will be used for capital equipment.
4. Human Resources	**(9 980)**	**5 923**	
Current payments	**(9 950)**	**-**	
Goods and services	(9 950)	-	Savings of R9,527 million were realised on international membership fees partly due to changes in the exchange rate. A further R423 000 was identified as a saving to be used for capital expenditure in this programme.
Transfers and subsidies	**(30)**	**-**	
Provinces and municipalities	(30)	-	Savings arose because RSC levies were phased out from June 2006.
Payments for capital assets	**-**	**5 923**	
Machinery and equipment	-	423	Funds shifted from goods and services (in this programme) will be used for capital equipment.
Software and other intangible assets	-	5 500	Funds shifted from goods and services (in programme 4) will be used for software for human resources.
Total for vote	**(30 839)**	**30 839**	

Other adjustments – R36,5 million

Shifting of funds between votes

Programme 3: Health Service Delivery

R36,5 million will be transferred from the South African Police Services for forensic pathology mortuary repairs, following the function shift of forensic pathology services to provincial departments of health. Funds will be transferred via the new conditional grant.

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 16.3: Health

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
1. Administration	167 541	75 297	161 782	96,6	187 993	86 909	15,4
2. Strategic Health Programmes	1 686 744	592 276	1 626 185	96,4	2 153 570	940 877	58,9
3. Health Service Delivery	8 128 892	3 962 980	8 117 922	99,9	9 047 327	4 447 040	12,2
4. Human Resources	56 222	13 327	32 023	57,0	65 103	17 039	27,9
Total	**10 039 399**	**4 643 880**	**9 937 912**	**99,0**	**11 453 993**	**5 491 865**	**18,3**
Current payments	**772 721**	**332 919**	**682 936**	**88,4**	**778 896**	**263 532**	**(20,8)**
Compensation of employees	274 518	133 573	274 487	100,0	240 030	110 729	(17,1)
Goods and services	498 203	198 824	407 671	81,8	538 866	149 410	(24,9)
Financial transactions in assets and liabilities	-	522	778	-	-	3 393	550,0
Transfers and subsidies	**9 202 680**	**4 297 981**	**9 199 637**	**100,0**	**10 631 194**	**5 219 301**	**21,4**
Provinces and municipalities	8 799 845	4 123 394	8 799 841	100,0	10 206 719	5 016 844	21,7
Departmental agencies and accounts	249 855	137 200	249 854	100,0	295 460	167 166	21,8
Universities and technikons	4 000	-	4 000	100,0	1 250	-	(100,0)
Foreign governments and international organisations	1 000	1 000	1 000	100,0	1 000	-	(100,0)
Public corporations and private enterprises	-	26	-	-	-	-	-
Non-profit institutions	146 397	35 301	143 421	98,0	126 303	34 902	(1,1)
Households	1 583	1 060	1 521	96,1	462	389	(63,3)
Payments for capital assets	**63 998**	**12 980**	**55 339**	**86,5**	**43 903**	**9 032**	**(30,4)**
Buildings and other fixed structures	6 193	773	6 193	100,0	5 000	-	(100,0)
Machinery and equipment	48 495	12 076	40 006	82,5	33 029	8 839	(26,8)
Software and other intangible assets	9 310	131	9 140	98,2	5 874	193	47,3
Total	**10 039 399**	**4 643 880**	**9 937 912**	**99,0**	**11 453 993**	**5 491 865**	**18,3**

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R5,492 billion, or 47,9 per cent of the adjusted appropriation of R11,454 billion for the year as a whole.

Expenditure in the first six months of 2006/07 has increased in comparison to 2005/06, mainly due to the increase in conditional grants, including the more rapid transfer of the HIV and Aids conditional grant.

Transfer payments to provinces and other institutions represent 95 per cent of expenditure for the first half of 2006/07. Approximately 49 per cent of the R10,631 billion of the adjusted appropriation for transfer payments was spent in the first six months of 2006/07.

Summary of changes to transfers and subsidies, and conditional grants

Table 16.4: Summary of changes to transfers and subsidies per programme

	2006/07						
		Additional appropriation					
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
1. Administration	**437**	**-**	**-**	**(74)**	**-**	**(74)**	**363**
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**196**	**-**	**-**	**(146)**	**-**	**(146)**	**50**
Regional Services Council levies	196	-	-	(146)	-	(146)	50
Households							
Social benefits							
Current	**-**	**-**	**-**	**72**	**-**	**72**	**72**
Employer social benefits	-	-	-	72	-	72	72
2. Strategic Health Programmes	**1 674 329**	**49 000**	**-**	**19 357**	**-**	**68 357**	**1 742 686**
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	**1 567 214**	**49 000**	**-**	**-**	**-**	**49 000**	**1 616 214**
Comprehensive HIV and AIDS grant	1 567 214	49 000	-	-	-	49 000	1 616 214
Municipalities							
Municipal bank accounts							
Current	**209**	**-**	**-**	**(141)**	**-**	**(141)**	**68**
Regional Services Council levies	209	-	-	(141)	-	(141)	68
Universities and technikons							
Current	**-**	**-**	**-**	**1 250**	**-**	**1 250**	**1 250**
Medunsa	-	-	-	750	-	750	750
University of Cape Town	-	-	-	500	-	500	500
Foreign governments and international organisations							
Current	**-**	**-**	**-**	**1 000**	**-**	**1 000**	**1 000**
Palestinian authority	-	-	-	1 000	-	1 000	1 000
Non-profit institutions							
Current	**104 806**	**-**	**-**	**17 078**	**-**	**17 078**	**121 884**
South African AIDS Vaccine Initiative	5 000	-	-	(5 000)	-	(5 000)	-
Life Line	10 000	-	-	4 000	-	4 000	14 000
LoveLife	23 000	-	-	12 000	-	12 000	35 000
Soul City	10 000	-	-	6 078	-	6 078	16 078
Households							
Social benefits							
Current	**-**	**-**	**-**	**170**	**-**	**170**	**170**
Leave gratuity	-	-	-	170	-	170	170

Table 16.4: Summary of changes to transfers and subsidies per programme (continued)

	2006/07						
		Additional appropriation					
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
3. Health Service Delivery	**8 758 279**	**93 276**	**-**	**75**	**36 500**	**129 851**	**8 888 130**
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	**1 638 350**	**87 676**	**-**	**-**	**36 500**	**124 176**	**1 762 526**
Hospital revitalisation grant	1 439 647	87 676	-	-	-	87 676	1 527 323
Forensic pathology services	198 703	-	-	-	36 500	36 500	235 203
Municipalities							
Municipal bank accounts							
Current	**189**	**-**	**-**	**(145)**	**-**	**(145)**	**44**
Regional Services Council levies	189	-	-	(145)	-	(145)	44
Departmental agencies and accounts							
Entities							
Current	**287 519**	**5 600**	**-**	**-**	**-**	**5 600**	**293 119**
Human Science Research Council	-	5 600	-	-	-	5 600	5 600
Non-profit institutions							
Current	**4 419**	**-**	**-**	**-**	**-**	**-**	**4 419**
Mental Health: Non-governmental organisations	280	-	-	(62)	-	(62)	218
South African Community Epidemiology Network on Drug Use	138	-	-	62	-	62	200
Households							
Social benefits							
Current	**-**	**-**	**-**	**220**	**-**	**220**	**220**
Employer social benefits	-	-	-	220	-	220	220
4. Human Resources	**45**	**-**	**-**	**(30)**	**-**	**(30)**	**15**
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**45**	**-**	**-**	**(30)**	**-**	**(30)**	**15**
Regional Services Council levies	45	-	-	(30)	-	(30)	15
Total	**10 433 090**	**142 276**	**-**	**19 328**	**36 500**	**198 104**	**10 631 194**

Table 16.5: Summary of changes to conditional grants: Provinces[1]

	2006/07						
		Additional appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
2. Strategic Health Programmes							
Comprehensive HIV and AIDS grant	**1 567 214**	**49 000**	**–**	**–**	**–**	49 000	1 616 214

Table 16.5: Summary of changes to conditional grants: Provinces[1] (continued)

	2006/07						
		Additional appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
3. Health Service Delivery							
Hospital revitalisation grant	**1 439 647**	**87 676**	**-**	**-**	**-**	87 676	1 527 323
Forensic pathology services	**525 176**	**-**	**-**	**-**	**36 500**	36 500	561 676
Total	**10 033 366**	**136 676**	**-**	**-**	**36 500**	**173 176**	**10 206 542**

1 Main appropriation detail provided in the Division of Revenue Act, 2006