

Vote 15

Health

| 2007/08 | | | | |
|----------------------------------|-----------------------------|------------------------|----------|----------|
| R thousand | Main appropriation | Adjusted appropriation | Decrease | Increase |
| Amount to be appropriated | 12 655 132 | 13 091 136 | – | 436 004 |
| <i>of which:</i> | | | | |
| Current payments | 860 193 | 860 267 | – | 74 |
| Transfers and subsidies | 11 760 745 | 12 186 334 | – | 425 589 |
| Payments for capital assets | 34 194 | 44 535 | – | 10 341 |
| Executive authority | Minister of Health | | | |
| Accounting officer | Director-General for 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.

Adjusted Estimates of National Expenditure 2007

Table 15.1: Adjusted estimates

| 2007/08 | | | | | | | |
|--------------------------------------|--------------------------|----------------|----------------------------|--------------|-------------------|--------------------------------|------------------------|
| Programme | Additional appropriation | | | | | | Adjusted appropriation |
| R thousand | Main appropriation | Roll-overs | Unforeseeable /unavoidable | Virement | Other adjustments | Total additional appropriation | |
| 1. Administration | 205 467 | 4 734 | – | – | – | 4 734 | 210 201 |
| 2. Strategic Health Programmes | 3 216 723 | 146 259 | 50 000 | 854 | – | 197 113 | 3 413 836 |
| 3. Health Service Delivery | 9 160 592 | 234 011 | – | 1 646 | – | 235 657 | 9 396 249 |
| 4. Human Resources | 72 350 | – | – | (2 500) | 1 000 | (1 500) | 70 850 |
| Total | 12 655 132 | 385 004 | 50 000 | – | 1 000 | 436 004 | 13 091 136 |
| Economic classification | | | | | | | |
| Current payments | 860 193 | – | – | (926) | 1 000 | 74 | 860 267 |
| Compensation of employees | 251 826 | – | – | – | – | – | 251 826 |
| Goods and services | 608 367 | – | – | (926) | 1 000 | 74 | 608 441 |
| Transfers and subsidies | 11 760 745 | 375 571 | 50 000 | 18 | – | 425 589 | 12 186 334 |
| Provinces and municipalities | 11 320 982 | 365 696 | 50 000 | – | – | 415 696 | 11 736 678 |
| Departmental agencies and accounts | 289 476 | 9 875 | – | – | – | 9 875 | 299 351 |
| Universities and technikons | 1 000 | – | – | – | – | – | 1 000 |
| Non-profit institutions | 149 287 | – | – | – | – | – | 149 287 |
| Households | – | – | – | 18 | – | 18 | 18 |
| Payments for capital assets | 34 194 | 9 433 | – | 908 | – | 10 341 | 44 535 |
| Buildings and other fixed structures | – | 4 734 | – | – | – | 4 734 | 4 734 |
| Machinery and equipment | 34 194 | 4 699 | – | 908 | – | 5 607 | 39 801 |
| Total | 12 655 132 | 385 004 | 50 000 | – | 1 000 | 436 004 | 13 091 136 |

Details of adjustments to Estimates of National Expenditure 2007

Roll-overs – R385.004 million

Programme 1: Administration

R4.734 million was rolled over for upgrading the Johannesburg Chemistry Laboratory's electrical infrastructure.

Programme 2: Strategic Health Programmes

R4.699 million was rolled over for specialised laboratory equipment for the forensic laboratories.

R9.875 million was rolled over to make the transfer payment to the National Health Laboratory Service, which could not be done before the end of 2006/07.

R121.037 million was rolled over for the forensic pathology services conditional grant and for the upgrading and construction of capital projects, and R10.648 million for the HIV and AIDS conditional grant.

Programme 3: Health Service Delivery

R234.011 million was rolled over for the hospital revitalisation conditional grant to continue work on projects that are on site.

Unforeseeable and unavoidable expenditure – R50 million

Programme 2: Strategic Health Programmes

R50 million has been allocated to the Western Cape for the higher than projected take-up in the HIV and AIDS treatment programme.

Virements

Table 15.2: Details on virements per programme and economic classification

| Programme / Economic classification | R thousand | | Motivation |
|--|------------|-------|--|
| | From | To | |
| 1. Administration | (20) | 20 | |
| Current payments | (20) | – | |
| Goods and services | (20) | – | Savings due to reprioritisation were shifted to machinery and equipment. |
| Payments for capital assets | – | 20 | |
| Machinery and equipment | – | 20 | Funds shifted from goods and services will be used for computer equipment. |
| 2. Strategic Health Programmes | – | 854 | |
| Current payments | – | 385 | |
| Goods and services | – | 385 | R385 000 was shifted from goods and services in programme 4 for the GAP analysis on the district health package and the audit on medical equipment in hospitals. |
| Transfers and Subsidies | – | 17 | |
| Households | – | 17 | Funds shifted from goods and services in programme 4 will be used for leave gratuities. |
| Payments for capital assets | – | 452 | |
| Machinery and equipment | – | 452 | Funds shifted from goods and services in programme 4 will mainly be used to buy computer equipment and furniture. |
| 3. Health Service Delivery | – | 1 646 | |
| Current payments | – | 1 470 | |
| Goods and services | – | 1 470 | R1.47 million was shifted from goods and services in programme 4 to augment the payment for membership fees for the South African Red Cross Society. |
| Payments for capital assets | – | 176 | |
| Machinery and equipment | – | 176 | Funds shifted from goods and services in programme 4 will be mainly used to buy computer equipment. |

Table 15.2: Details on virements per programme and economic classification (continued)

| Programme / Economic classification | R thousand | | Motivation |
|--|----------------|--------------|--|
| | From | To | |
| 4. Human Resources | (2 761) | 261 | |
| Current payments | (2 761) | - | |
| Goods and services | (2 761) | - | Savings of R2.5 million arose as a result of the favourable exchange rate on the department's membership fees for the World Health Organisation. R854 000 has been shifted to goods and services in programme 1 and R1.646 million to goods and services in programme 3. |
| Transfers and Subsidies | - | 1 | |
| Households | - | 1 | Funds shifted from goods and services will be used to pay leave gratuities. |
| Payments for capital assets | - | 260 | |
| Machinery and equipment | - | 260 | Funds shifted from goods and services will be mainly used to buy computer equipment and furniture. |
| Total for Vote | (2 781) | 2 781 | |

Other adjustments – R1 million

Shifting of funds between votes

Programme 4: Human Resources

R1 million has been transferred from the Department of Social Development for printing learning material for community care givers in ancillary health care.

Expenditure 2006/07 and preliminary expenditure 2007/08

Table 15.3: Expenditure trends

| Programme | 2006/07 Expenditure outcome | | | | 2007/08 Preliminary expenditure | | |
|---|--------------------------------|---------------------|---------------------|---|------------------------------------|---------------------|----------------------------------|
| | Adjusted appropriation | Apr 2006 - Sep 2006 | Apr 2006 - Mar 2007 | Apr 06 - Mar 07 % of adjusted appropriation | Adjusted appropriation | Apr 2007 - Sep 2007 | % change 06/07 - 07/08 Apr - Sep |
| R thousand | | | | | | | |
| 1. Administration | 180 333 | 86 909 | 172 841 | 95.8 | 210 201 | 99 352 | 14.3 |
| 2. Strategic Health Programmes | 2 155 584 | 941 025 | 2 080 533 | 96.5 | 3 413 836 | 1 500 677 | 59.5 |
| 3. Health Service Delivery | 9 025 173 | 4 446 892 | 8 994 706 | 99.7 | 9 396 249 | 4 568 258 | 2.7 |
| 4. Human Resources | 92 903 | 17 039 | 89 968 | 96.8 | 70 850 | 18 926 | 11.1 |
| Total | 11 453 993 | 5 491 865 | 11 338 048 | 99.0 | 13 091 136 | 6 187 213 | 12.7 |
| Current payments | 739 620 | 263 561 | 658 562 | 89.0 | 860 267 | 294 704 | 11.8 |
| Compensation of employees | 240 030 | 110 729 | 231 729 | 96.5 | 251 826 | 125 550 | 13.4 |
| Goods and services | 499 590 | 149 439 | 423 310 | 84.7 | 608 441 | 169 154 | 13.2 |
| Financial transactions in assets and liabilities | - | 3 393 | 3 523 | - | - | - | (100.0) |
| Transfers and subsidies | 10 631 544 | 5 219 300 | 10 610 188 | 99.8 | 12 186 334 | 5 885 534 | 12.8 |
| Provinces and municipalities | 10 206 719 | 5 016 843 | 10 206 711 | 100.0 | 11 736 678 | 5 660 188 | 12.8 |
| Departmental agencies and accounts | 295 560 | 167 166 | 282 711 | 95.7 | 299 351 | 168 729 | 0.9 |
| Universities and technikons | 1 250 | - | - | - | 1 000 | - | (100.0) |
| Foreign governments and international organisations | 1 000 | - | - | - | - | - | (100.0) |
| Non-profit institutions | 126 303 | 34 902 | 120 067 | 95.1 | 149 287 | 56 321 | 61.4 |
| Households | 712 | 389 | 699 | 98.2 | 18 | 296 | (23.9) |
| Payments for capital assets | 82 829 | 9 004 | 69 298 | 83.7 | 44 535 | 6 975 | (22.5) |
| Buildings and other fixed structures | 5 000 | - | 265 | 5.3 | 4 734 | - | (100.0) |
| Machinery and equipment | 32 877 | 8 811 | 24 126 | 73.4 | 39 801 | 6 655 | (24.5) |
| Software and other intangible assets | 44 952 | 193 | 44 907 | 99.9 | - | 320 | 65.8 |
| Total | 11 453 993 | 5 491 865 | 11 338 048 | 99.0 | 13 091 136 | 6 187 213 | 12.7 |

Selected expenditure trends for the first half of 2007/08

Expenditure in the first six months of 2007/08 was R6.187 billion, or 47.3 per cent of the adjusted appropriation of R13.091 billion for the year as a whole. Expenditure in the first six months of 2007/08 increased by 12.7 per cent compared to the same period of 2006/07.

The main increases compared to 2006/07 are related to higher spending on the HIV and Aids and forensic pathology conditional grants in programme 2.

Expenditure in 2006/07 was 99 per cent of the adjusted appropriation for that year.

Changes to transfers and subsidies and conditional grants

Table 15.4: Summary of changes to transfers and subsidies per programme

| R thousand | 2007/08 | | | | | | Adjusted appropriation |
|---|--------------------|--------------------------|----------------------------|-----------|-------------------|--------------------------------|------------------------|
| | Main appropriation | Additional appropriation | | | | Total additional appropriation | |
| | | Roll-overs | Unforeseeable /unavoidable | Virement | Other adjustments | | |
| 2. Strategic Health Programmes | 2 708 060 | 141 560 | 50 000 | 17 | - | 191 577 | 2 899 637 |
| Provinces and municipalities | | | | | | | |
| Provinces | | | | | | | |
| Provincial revenue funds | | | | | | | |
| Current | 2 319 403 | 10 648 | 50 000 | - | - | 60 648 | 2 380 051 |
| Comprehensive HIV and Aids Grant | 1 945 575 | 10 648 | 50 000 | - | - | 60 648 | 2 006 223 |
| Capital | 177 555 | 121 037 | - | - | - | 121 037 | 298 592 |
| Forensic Pathology Services | 177 555 | 121 037 | - | - | - | 121 037 | 298 592 |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 62 163 | 9 875 | - | - | - | 9 875 | 72 038 |
| National Health Laboratory Services | 62 163 | 9 875 | - | - | - | 9 875 | 72 038 |
| Households | | | | | | | |
| Other transfers | | | | | | | |
| Current | - | - | - | 17 | - | 17 | 17 |
| Leave Gratuity | - | - | - | 17 | - | 17 | 17 |
| 3. Health Service Delivery | 9 052 433 | 234 011 | - | - | - | 234 011 | 9 286 444 |
| Provinces and municipalities | | | | | | | |
| Provinces | | | | | | | |
| Provincial revenue funds | | | | | | | |
| Capital | 1 906 629 | 234 011 | - | - | - | 234 011 | 2 140 640 |
| Hospital Revitalisation Grant | 1 906 629 | 234 011 | - | - | - | 234 011 | 2 140 640 |
| 4. Human Resources | - | - | - | 1 | - | 1 | 1 |
| Households | | | | | | | |
| Other transfers | | | | | | | |
| Current | - | - | - | 1 | - | 1 | 1 |
| Leave gratuity | - | - | - | 1 | - | 1 | 1 |

Table 15.5: Summary of changes to conditional grants: Provinces¹

| R thousand | 2007/08 | | | | | | Adjusted appropriation |
|---------------------------------------|--------------------|--------------------------|----------------------------|----------|-------------------|--------------------------------|------------------------|
| | Main appropriation | Additional appropriation | | | | Total additional appropriation | |
| | | Roll-overs | Unforeseeable /unavoidable | Virement | Other adjustments | | |
| 2. Strategic Health Programmes | | | | | | | |
| Comprehensive HIV and Aids Grant | 1 945 575 | 10 648 | 50 000 | - | - | 60 648 | 2 006 223 |
| Forensic Pathology Services Grant | 551 383 | 121 037 | - | - | - | 121 037 | 672 420 |
| 3. Health Service Delivery | | | | | | | |
| Hospital Revitalisation Grant | 1 906 629 | 234 011 | - | - | - | 234 011 | 2 140 640 |

¹ Main appropriation detail provided in the Division of Revenue Act, 2007.