

Vote 15

Health

| | |
|----------------------------|----------------------------|
| To be appropriated by Vote | R6 611 369 000 |
| Statutory appropriations | – |
| Responsible Minister | Minister for 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.

Key objectives and programmes

The activities of the national Department of Health are guided by the White Paper on the Transformation of the Health System, which identified the promotion of equity and accessibility in service delivery, and the extension of the availability of appropriate services as key objectives of transformation. The *National Expenditure Survey 2000* highlighted substantial progress in providing access to primary health care; in planning of the district health system for primary care delivery; and in developing key inputs such as personnel and legislative development in support of primary care and access, including the regulation of medical schemes and tobacco control measures.

As the provision of health services is a concurrent national and provincial function, the primary responsibilities of the national Department are the generation of policy and support for, and monitoring of, the provinces where the bulk of health services are actually delivered. These activities are organised into three programmes:

- *Administration* provides for the overall management of the Department and includes the offices of the Minister and Director-General. Corporate services provide centralised administrative support.
- *Strategic health programmes* entail the coordination of strategic health programmes, including policy on critical areas such as HIV/Aids and nutrition, as well as the management of programmes such as the Government Aids Action Plan and the Integrated Nutrition Programme, which includes school feeding.
- *External and priority service delivery health programmes* support the delivery of health services, primarily in the other spheres of government. Subprogrammes deal with inputs into the production of health services, particularly human resource; and support services such as laboratories and blood transfusion, environmental health (non-personal health services) and disease prevention.

Strategic overview and key policy developments: 1997/98 – 2003/04

The national Department of Health can boast significant attainments in implementing the transformation of the health sector between 1994 and 1999. In 1999, the Minister of Health published a reviewed strategic framework to guide work over the next five years. Relevant aspects identified in this ten-point plan are:

- Reorganisation of support services
- Improvements in the quality of care
- Revitalisation of public hospitals
- Further implementation of the district health system and primary care
- A decrease in the incidence of HIV/Aids, sexually transmitted diseases and tuberculosis
- Resource mobilisation and allocation
- Human resource development

Last year, substantial developments took place in several of these areas:

- A unified National Health Laboratory Service has been established to provide laboratory services to the public health sector. Cabinet has approved the transfer of medicolegal services from police to the health departments.
- The National Planning Framework, provincial health plans and costing of services have progressed substantially, enabling a longer term focused rehabilitation and revitalisation programme in the Department.
- Government has taken several steps to address the HIV/Aids pandemic. Examples, discussed in more detail under *Strategic health programmes*, are the release of the HIV/Aids Strategic Plan, the implementation of the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids, and the extension of the pilot programme to provide anti-retroviral drugs and breast-milk substitutes to HIV-positive pregnant and lactating mothers.
- Significant developments in human resource development included the submission to Cabinet of a draft human resource plan for the sector and the negotiated abolition of rank and leg promotions. Community service has been extended to dentists and pharmacists.

The Department of Health is also represented on the Committee to Investigate a Comprehensive Social Security System appointed by the Minister of Social Development in 2000. The Committee is considering the social security aspects of health care provision and financing, and specifically the issues related to national social health insurance.

Expenditure estimates

Table 15.1: Health

| Programme | Expenditure outcome | | | | | Medium-term expenditure estimate | | |
|--------------------------------|---------------------|--------------------|-----------------------------------|--------------------------------------|---------------------|----------------------------------|------------------|------------------|
| | Audited 1997/98 | Audited 1998/99 | Preliminary outcome 1999/00 | Adjusted appropriation 2000/01 | Revised Estimate | 2001/02 | 2002/03 | 2003/04 |
| R thousand | | | | | | | | |
| Administration | 50 068 | 67 351 | 70 688 | 79 825 | 79 825 | 87 667 | 82 420 | 79 168 |
| Strategic health programmes | 234 693 | 553 294 | 962 596 | 1 108 643 | 1 051 942 | 1 043 050 | 1 035 138 | 1 064 528 |
| Health service delivery | 228 301 | 4 498 581 | 4 825 537 | 5 587 992 | 5 418 868 | 5 480 652 | 5 650 378 | 5 944 138 |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 776 460 | 6 550 635 | 6 611 369 | 6 767 936 | 7 087 834 |
| Change to 2000 Budget Estimate | | | | 435 507 | 209 682 | 168 579 | 191 991 | |

| Economic classification | | | | | | | | |
|--------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current | 400 235 | 4 899 045 | 5 452 554 | 5 885 421 | 5 786 002 | 5 928 554 | 6 159 819 | 6 440 619 |
| Personnel | 111 029 | 124 465 | 131 920 | 144 097 | 144 097 | 152 000 | 159 000 | 166 000 |
| Transfer payments | 103 834 | 4 476 516 | 4 911 339 | 5 375 733 | 5 328 477 | 5 522 936 | 5 736 834 | 5 991 179 |
| Other current | 185 372 | 298 064 | 409 295 | 365 591 | 313 428 | 253 618 | 263 985 | 283 440 |
| Capital | 112 827 | 220 181 | 406 267 | 891 039 | 764 633 | 682 815 | 608 117 | 647 215 |
| Transfer payments | 87 932 | 211 106 | 383 556 | 866 191 | 745 323 | 653 800 | 590 000 | 633 400 |
| Acquisition of capital assets | 24 895 | 9 075 | 22 711 | 24 848 | 19 310 | 29 015 | 18 117 | 13 815 |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 776 460 | 6 550 635 | 6 611 369 | 6 767 936 | 7 087 834 |

| Standard items of expenditure | | | | | | | | |
|--------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | 111 029 | 124 465 | 131 920 | 144 097 | 144 097 | 152 000 | 159 000 | 166 000 |
| Administrative | 36 500 | 43 885 | 45 394 | 59 821 | 59 821 | 78 207 | 81 133 | 85 571 |
| Inventories | 53 421 | 34 446 | 93 461 | 91 542 | 91 542 | 100 203 | 108 808 | 121 763 |
| Equipment | 30 752 | 12 390 | 29 094 | 17 868 | 13 330 | 18 395 | 19 555 | 21 466 |
| Land and buildings | 632 | 2 581 | 177 | 11 315 | 11 315 | 16 200 | 5 279 | - |
| Professional and special services | 87 229 | 211 982 | 261 854 | 207 523 | 155 360 | 69 628 | 67 327 | 68 455 |
| Transfer payments | 191 766 | 4 687 622 | 5 294 895 | 6 241 924 | 6 072 800 | 6 176 736 | 6 326 834 | 6 624 579 |
| Miscellaneous | 1 733 | 1 855 | 2 026 | 2 370 | 2 370 | - | - | - |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 776 460 | 6 550 635 | 6 611 369 | 6 767 936 | 7 087 834 |

Expenditure trends

The budget of the Department of Health was adjusted sharply upwards in 1998/99 as funding for central hospitals, the additional cost of training students and the Primary School Nutrition Programme was channelled to the provinces as conditional grants through the national budget for the first time. The increase in that financial year therefore did not represent new functions. Some additional funds were, however, made available for conditional grants to the provinces for hospital rehabilitation and the redistribution of tertiary services.

In the two years prior to 2000/01, expenditure grew at an average rate of 13,1 per cent a year, largely as a result of the introduction of new activities such as the Government Aids Action Plan and the steady expansion of the conditional grants. Over the medium term, growth in expenditure is expected to slow to 2,7 per cent a year. This low growth is partly due to the completion of some construction projects (Inkosi Albert Luthuli Central Hospital in Durban and the Nelson Mandela Hospital in Umtata), as well as slow growth in the other conditional grants.

Current transfers dominate the budget, totalling 81,3 per cent of expenditure in 2000/01 and reflect the large proportion of conditional grants on the departmental budget. The quantum of these grants grew quickly after introduction but growth rates decline to under 3 per cent a year on average over the medium term as policies and approaches are re-evaluated. Capital transfers decline owing to the completion of the projects referred to above. Increases in expenditure over the medium term include additional allocations for:

- A global adjustment to be allocated to specific programmes by the Department (R11 million and R15 million in 2001/02 and 2002/03 respectively)
- A new conditional grant to assist Gauteng province with the completion of the Pretoria Academic Hospital (R50 million and R70 million in 2001/02 and 2002/03 respectively)
- Medicolegal services (R10 million and R25 million in 2001/02 and 2002/03 respectively)
- Poverty relief for nutrition and household food security projects (R10 million and R12 million in 2001/02 and 2002/03 respectively)
- Allocations for the Integrated Plan for Youth Infected and Affected by HIV/Aids (R42,9 million with outside years not yet allocated)

- Inflation adjustment (R7,5 million and R7,4 million in 2001/02 and 2002/03 respectively)

The negative real growth in the national health budget over the next three years must be seen in the context of the completion of a few large infrastructure projects and the location of the bulk of health delivery on provincial budgets. It does, however, set a challenge in terms of optimal use of resources by the Department. The Department established a Public-Private Partnership Task Team to provide clear guidelines and policies on public-private partnerships and ensure consistent application in all provinces. This will bring the advantage of private sector efficiencies, leading in turn to better use of resources and ultimately to greater value for money.

Departmental receipts

The national Department of Health generates revenue (which is deposited into the National Revenue Fund) from the registration of medicines the sale of vaccines and charges on pathological examinations. Table 15.2 outlines the composition and value of received and projected revenues. The current revised estimate for 2000/01 (R8,1 million) is substantially below the amount of R11,5 million that was included in the budget for that year. This results from a decrease in the number of pathological examinations requested and low levels of vaccine sales. The decline in revenues in 1998/99 and 1999/00 was also due to a decline in vaccine sales. A significant increase in the activities of the Medicines Registration Unit during 2000 is expected to boost revenues in future. The Department projects modest annual increases in revenue between 2001/02 and 2003/04.

Table 15.2: Departmental receipts

| Revenue items | Revenue generated | | | Revised estimate | | Projected | |
|-----------------------------|-------------------|---------------|---------------|------------------|---------------|---------------|---------------|
| | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
| R thousand | | | | | | | |
| Interest and dividends | 353 | 85 | 76 | 66 | 81 | 85 | 90 |
| Sale of products | 1 620 | 1 765 | 494 | 213 | 524 | 555 | 588 |
| State property rights | 67 | 68 | 57 | 67 | 61 | 65 | 69 |
| Money prescribed by law | 4 896 | 4 520 | 4 195 | 4 934 | 4 447 | 4 713 | 4 996 |
| Money not prescribed by law | 4 458 | 3 824 | 4 168 | 2 442 | 4 418 | 4 424 | 4 689 |
| Miscellaneous income | 4 270 | 1 300 | 1 325 | 264 | 1 405 | 1 489 | 1 578 |
| Other revenue | 103 | 155 | 129 | 72 | 137 | 145 | 154 |
| Total | 15 767 | 11 717 | 10 444 | 8 058 | 11 073 | 11 476 | 12 164 |

Programme 1: Administration

The programme conducts the overall management of the Department. Subprogrammes and activities include policy formulation by the office of the Minister and Director-General, and the provision of centralised support services (including legal, financial and human resource services) to the Department.

Table 15.3: Administration

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------|---------------------|---------------|---------------------|------------------------|----------------------------------|---------------|---------------|
| | Audited | Audited | Preliminary outcome | | 2001/02 | 2002/03 | 2003/04 |
| R thousand | 1997/98 | 1998/99 | 1999/00 | 2000/01 | | | |
| Minister ¹ | 474 | 503 | 577 | 532 | 605 | 639 | 670 |
| Management | 5 917 | 11 249 | 8 408 | 5 139 | 5 234 | 5 729 | 6 028 |
| Corporate services | 43 677 | 55 599 | 61 703 | 74 154 | 81 828 | 76 052 | 72 470 |
| Total | 50 068 | 67 351 | 70 688 | 79 825 | 87 667 | 82 420 | 79 168 |
| Change to 2000 Budget Estimate | | | | 2 575 | 5 427 | 7 238 | |

¹ Payable as from 1 April 2000: salary: R456 778, car allowance: R114 195

| Economic classification | | | | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Current | 47 691 | 63 536 | 68 076 | 67 169 | 69 011 | 74 782 | 76 412 |
| Personnel | 25 331 | 28 534 | 30 565 | 34 117 | 38 001 | 39 804 | 41 608 |
| Transfer payments | - | - | - | - | - | - | - |
| Other | 22 360 | 35 002 | 37 511 | 33 052 | 31 010 | 34 978 | 34 804 |
| Capital | 2 377 | 3 815 | 2 612 | 12 656 | 18 656 | 7 638 | 2 756 |
| Transfer payments | 191 | - | 384 | - | - | - | - |
| Acquisition of capital assets | 2 186 | 3 815 | 2 228 | 12 656 | 18 656 | 7 638 | 2 756 |
| Total | 50 068 | 67 351 | 70 688 | 79 825 | 87 667 | 82 420 | 79 168 |

| Standard items of expenditure | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personnel | 25 331 | 28 534 | 30 565 | 34 117 | 38 001 | 39 804 | 41 608 |
| Administrative | 7 825 | 10 530 | 10 889 | 13 886 | 16 101 | 17 691 | 18 834 |
| Inventories | 1 476 | 2 012 | 1 702 | 1 799 | 2 485 | 2 820 | 2 901 |
| Equipment | 3 030 | 3 320 | 5 222 | 2 671 | 5 046 | 5 719 | 6 523 |
| Land and buildings | 632 | 2 581 | 177 | 11 315 | 16 200 | 5 279 | - |
| Professional and special services | 11 079 | 19 934 | 21 315 | 15 468 | 9 834 | 11 107 | 9 302 |
| Transfers | 191 | - | 384 | - | - | - | - |
| Miscellaneous | | | | | | | |
| Civil Pensions Stabilisation Fund | 504 | 440 | 434 | 569 | - | - | - |
| Total | 50 068 | 67 351 | 70 688 | 79 825 | 87 667 | 82 420 | 79 168 |

Expenditure trends

Administration expenditure fluctuates over the seven-year period, with an average annual growth of 7,9 per cent. Expenditure growth increases strongly to 2000/01 and then declines over the medium term. Capital expenditure, specifically spending on land and buildings, declines from R16,2 million in 2000/01 to zero in 2003/04 as a result of the state laboratories and the National Centre for Occupational Health becoming parastatals (public entities) in 2003/04. The Compensation Fund will form part of the Department of Labour in 2003/04.

Expenditure on personnel continues to grow, albeit at 6,9 per cent a year over the medium term, as against an annual average of 10,5 per cent over the preceding four years when critical posts were being filled.

Programme 2: Strategic health programmes

The aim of *Strategic health programmes* is to develop, implement, manage, coordinate and regulate strategic health programmes. The programme accommodates a large number of subprogrammes dealing with key policy areas in the health sector.

- District health systems are involved in the demarcation of district boundaries, the design of packages of service, the development of resource allocation guidelines, and the integration of resources between local and provincial government.
- International health liaison is tasked with liaising with the international health community, managing participation in international organisations, coordinating regional health cooperation with members states of SADC, and identifying resources to support the development of health services in South Africa.
- Health monitoring and evaluation deal with the development, implementation and maintenance of a national information system. It also has the responsibility for the National Telemedicine System, and for research and research coordination. It provides financial assistance to:
 - The Medical Research Council to promote medical research
 - The Health Systems Trust for research on health management systems

- The South African Institute for Medical Research for studying human diseases and for the National Cancer Register
- Maternal, child and women’s health formulates and maintains policy guidelines, as well as norms and standards for maternal, child and youth health services, including genetic health services. It develops guidelines for the prevention and management of congenital/genetic conditions, diseases and injuries, including those related to pregnancy. Other objectives are the prevention of child morbidity and mortality from vaccine-preventable diseases through an effective immunisation programme and the surveillance of target diseases. The subprogramme also subsidises the South African Vaccines Producers for the production of human vaccines and antiserum. In future, the Vaccines Producers will form part of a strategic equity partnership with the private sector and the direct subsidy will fall away, probably to be replaced by a preferred supplier arrangement. The subprogramme also takes responsibility for the Integrated Nutrition Programme, which includes responsibility for the food fortification programme, school feeding (Primary School Nutrition Programme) and income-generating projects financed from the poverty relief allocation.
- Medicine regulatory affairs ensures that medicine reaching patients are safe, effective and meet approved standards and specifications. It provides clear standards of compliance to the pharmaceutical industry, and addresses critical public health problems that arise from regulated products. The subprogramme also has the responsibility to enforce laws and regulations.
- Mental health and substance abuse administer mental health legislation, prepare guidelines and manuals on certain aspects of care for mental health patients, and monitor care and treatment in psychiatric hospitals.
- The HIV/Aids and tuberculosis subprogramme develops policy on HIV/Aids and supports research and coordination of disease surveillance. It also manages the Government Aids Action Plan, which in 2001/02 will receive R111,4 million. A primary task in this regard is funding projects and research. The subprogramme also manages and coordinates the implementation of the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids.
- Pharmaceutical policy and planning subprogramme regulates certain health matters and coordinates the procurement of pharmaceutical supplies so as to make essential drugs available, accessible and affordable to the public. It also ensures rational drug use by consumers and health workers. The subprogramme administers legislation on food safety and related matters, and allows the Department to serve as the National Contact Point for the Joint Food and Agriculture Organisation/World Health Organisation Codex Alimentarius Commission.
- Medical schemes developed the new regulatory environment for medical schemes and designed the new regulator, the Council for Medical Schemes. In the past, the subprogramme accommodated the registrar for medical schemes, which is now included in the Council for Medical Schemes (a separate public entity to be financed primarily through a levy on members of medical schemes).

Table 15.4: Strategic health programmes

| Subprogramme | Expenditure outcome | | | Adjusted appropriation 2000/01 | Medium-term expenditure estimate | | |
|--|---------------------|--------------------|-----------------------------------|-----------------------------------|----------------------------------|------------------|------------------|
| | Audited 1997/98 | Audited 1998/99 | Preliminary outcome 1999/00 | | 2001/02 | 2002/03 | 2003/04 |
| R thousand | | | | | | | |
| District health systems | 2 278 | 9 502 | 5 846 | 4 154 | 1 947 | 2 039 | 2 130 |
| International health liaison | 18 326 | 25 302 | 20 705 | 29 979 | 34 561 | 36 145 | 37 689 |
| SADC | – | 623 | 1 281 | 1 741 | 1 987 | 2 056 | 2 129 |
| Health monitoring and evaluation ¹ | 95 893 | 93 365 | 99 484 | 129 430 | 142 640 | 162 829 | 170 109 |
| Maternal, child and women's health | 19 881 | 297 418 | 732 195 | 693 777 | 614 177 | 618 073 | 622 173 |
| Medicines regulatory affairs | 12 265 | 11 755 | 11 509 | 13 673 | 18 503 | 18 931 | 20 665 |
| Mental health and substance abuse ² | 1 804 | 2 584 | 4 563 | 5 956 | 4 700 | 2 108 | 4 121 |
| HIV/Aids and tuberculosis ³ | 72 906 | 101 541 | 74 480 | 207 975 | 212 227 | 180 002 | 191 996 |
| Pharmaceutical policy and planning | 11 340 | 9 633 | 10 220 | 12 819 | 9 723 | 10 282 | 10 843 |
| Medical schemes | – | 1 571 | 2 313 | 9 139 | 2 585 | 2 673 | 2 673 |
| Total | 234 693 | 553 294 | 962 596 | 1 108 643 | 1 043 050 | 1 035 138 | 1 064 528 |
| Change to 2000 Budget Estimate | | | | (4 843 015) | (5 020 990) | (5 154 705) | |

¹ Includes an amount specifically and exclusively appropriated as contribution to the Medical Research Council: R127 221 000 and South African Institute for Medical Research/ National Health Laboratory Service: R287 000

² Includes an amount specifically and exclusively appropriated as contribution to the Federation for Mental Health: R101 000

³ Includes an amount specifically and exclusively appropriated as contribution to the National Tuberculosis Association: R25 000

Economic classification

| | | | | | | | |
|-------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Current | 223 688 | 551 809 | 953 095 | 1 104 321 | 1 040 608 | 1 033 195 | 1 062 606 |
| Personnel | 30 380 | 35 063 | 39 565 | 43 339 | 46 964 | 48 910 | 51 039 |
| Transfer payments | 89 423 | 381 475 | 806 189 | 789 678 | 811 572 | 801 965 | 812 188 |
| Other | 103 885 | 135 271 | 107 341 | 271 304 | 182 072 | 182 320 | 199 379 |
| Capital | 11 005 | 1 485 | 9 501 | 4 322 | 2 442 | 1 943 | 1 922 |
| Transfer payments | – | – | – | – | – | – | – |
| Acquisition of capital assets | 11 005 | 1 485 | 9 501 | 4 322 | 2 442 | 1 943 | 1 922 |
| Total | 234 693 | 553 294 | 962 596 | 1 108 643 | 1 043 050 | 1 035 138 | 1 064 528 |

Standard items of expenditure

| | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Personnel | 30 380 | 35 063 | 39 565 | 43 339 | 46 964 | 48 910 | 51 039 |
| Administrative | 19 832 | 26 648 | 26 277 | 36 385 | 49 847 | 50 688 | 53 389 |
| Inventories | 22 788 | 20 903 | 31 430 | 78 900 | 83 143 | 88 055 | 100 336 |
| Equipment | 13 588 | 2 856 | 10 906 | 6 198 | 3 714 | 3 189 | 3 304 |
| Land and buildings | – | – | – | – | – | – | – |
| Professional and special services | 58 271 | 85 867 | 47 615 | 153 345 | 47 810 | 42 331 | 44 272 |
| Transfers | 89 423 | 381 475 | 806 189 | 789 678 | 811 572 | 801 965 | 812 188 |
| Miscellaneous | | | | | | | |
| Civil Pensions Stabilisation Fund | 411 | 482 | 614 | 798 | – | – | – |
| Total | 234 693 | 553 294 | 962 596 | 1 108 643 | 1 043 050 | 1 035 138 | 1 064 528 |

Policy developments

HIV/Aids remains the most serious challenge facing the country and the health services. A number of policy developments occurred last year:

- The HIV/Aids and Sexually Transmitted Diseases Strategic Plan for South Africa 2000 to 2005 was launched in June 2000. This is a strategic framework for all sectors of South Africa, within which interventions against the disease can be planned. Two primary goals are identified, namely reducing the number of new HIV infections, especially among young people, and reducing the impact of HIV/Aids on individuals, families and communities. In addition to setting out guiding principles, the plan identifies four priority areas: prevention; treatment, care

and support; research, monitoring and evaluation; and human and legal rights. A number of outcomes are identified in each of these areas.

- South Africa successfully hosted the 13th International Aids Conference. The Conference focused attention on the disease and discussed critical issues such as the availability of anti-retroviral drugs, particularly for pregnant mothers, and equitable access to such drugs.
- Guidelines have been issued on obstetric care for those who are HIV-positive and on treatments for opportunistic interventions.
- The national Department of Health reported a marked increase in the demand for condoms and has effected improvements in logistics to ensure more effective distribution and tracking of distribution.
- The South African National Aids Council and its task teams have been established, as have provincial Aids Councils.
- In December 2000, it was announced that, as a result of an agreement between Government and the pharmaceutical company Pfizer, the pharmaceutical Diflucan would be available free of charge to HIV/Aids patients suffering from cryptococcal meningitis or oesophageal candidiasis. These serious illnesses are associated with a significant proportion of Aids sufferers and no alternative treatment is available for cryptococcal meningitis.
- The Minister of Health announced that a programme providing Niverapine and milk powder to HIV-positive pregnant and lactating women would be extended to two pilot sites per province. Initial piloting is required in order to establish clear operational requirements.

In relation to other subprogrammes, the year saw the passing of the Council for Medical Schemes Act, 2000, which came into operation on 1 February 2001. The Act provides for the levy financing of the Council for Medical Schemes.

A new Mental Health Bill was also submitted to Parliament. The primary aims of the new legislation are to bring the framework for mental health care in line with the prescripts of the Constitution, particularly with regard to the Bill of Rights, and to shift the focus of care to a preventative one.

Expenditure trends

In the four years up to 2000/01, expenditure on *Strategic health programmes* grew strongly because of the placement of the Primary School Nutrition Programme (for which funds previously flowed directly to provinces) on the national budget. Several other subprogrammes also grew strongly – HIV/Aids and tuberculosis grew by an average of 41,8 per cent a year, because of the phasing in of the Government Aids Action Plan.

Over the next three years, expenditure on the programme declines, as the single largest single item, the Integrated Nutrition Programme Grant, remains constant in nominal terms. Other subprogrammes show real declines. The replacement of the internal Registrar of Medical Schemes with the levy-funded Council for Medical Schemes also accounts for a decrease in expenditure. The estimated expenditure on the integrated HIV/Aids Plan on 2002/03 and 2003/04, although approved by Government, has not been divided between the different national departments for the outer years. Final distribution of this amount (R300 million in 2002/03) will lead to an increase in spending on this programme.

Growth in expenditure on Medicines regulatory affairs reflects a strong increase in the applications for the registration of medicines and resulting cost pressures in that section of the Department.

Outputs and service delivery trends

Table 15.5: Strategic health programmes: Key outputs and indicators

| Subprogramme | Outputs | Service delivery indicators |
|------------------------------------|--|--|
| District health system | Costed package of comprehensive primary health care | Finalisation of package of services by scheduled date Proportion of facilities offering the minimum recommended package |
| | National and provincial health bills | Enactment of the National Health Bill Number of provinces that have enacted a provincial health bill |
| | District health system implementation support | Proportion of facilities with functioning community participation structures Proportion of the population with appropriate access to health facilities |
| | Ratification and implementation of the SADC Health Protocol | Equitable expenditure on primary health care Ratification by target date |
| | Mechanisms for consultations with cluster managers on health issues | Number of projects implemented following ratification Proportion of cluster involved in international health issues |
| | Expanded bilateral and multilateral relations in southern Africa, Africa and the rest of the world | Number of collaborating partners supporting projects Number of South African doctors trained through the Cuban program by 2004 |
| | Successful meetings, conferences, visits and database on visitors | Number of visits and reports |
| Health monitoring and evaluation | Develop national data sources to measure progress towards national health objectives | Number of health indicators available to assess progress |
| | Develop health systems research at the national, provincial and district levels, and establish coordinating committee | Completion of national research policy document Number of research projects completed at different levels Establishment of committee of a functional Essential National Health Research coordinating committee |
| Maternal, child and women's health | Improved maternal health | Maternal mortality reduced by 50 per cent |
| | "Baby-friendly" health facilities | Proportion of "baby friendly" facilities (target 25 per cent) |
| | Assisted deliveries | Proportion of deliveries with trained birth attendants (target 90 per cent) |
| | Improved infant and child health | Improved infant and under-five child mortality rates, disaggregated by different causes and groups (target to reduce rate by 30 per cent and reduce between-group disparities) Improved birth weights |
| Pharmaceutical policy and planning | Increases immunisation coverage against diphtheria, pertussis, tetanus, measles, poliomyelitis, hepatitis and tuberculosis to at least 80 per cent in all districts and 90 per cent nationally | Proportion of children below one year of age fully immunised against diphtheria, pertussis, tetanus, polio, hepatitis, tuberculosis and measles |
| | Essential drugs lists and standard treatment guidelines for all levels of health service delivery | Completion of essential drug list for primary health care Proportion of primary health care facilities with essential drugs |
| | Improved nutrition, reduced micro-nutrient deficiency disorders | Vitamin A deficiency rate Iron deficiency rate in children and women Iodine deficiency rate |
| HIV/Aids and tuberculosis | Reduce diseases of lifestyle related to overnutrition | Proportion of people who are obese |
| | Reduce incidence of sexually transmitted diseases and HIV/Aids | Prevalence of sexually transmitted diseases HIV prevalence |
| | Aids prevention programmes | Proportion of primary health care facilities where condoms are freely available Coverage of schools by life skills programme |
| | Voluntary and confidential HIV counselling and testing | Percentage facilities where voluntary HIV testing and counselling is available and accessible |

This year saw the launch of the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids. The plan, which grows from R75 million to over R300 million in 2003/04, funds the roll-out of life skills and HIV/Aids training in schools, improved access to voluntary counselling and testing, and the piloting of models of home-based care. The plan is implemented by provincial health, education and welfare departments with guidance from the three national departments.

With regard to the district health system, recent local government demarcations may affect the interim health districts. Other matters, such as the definition of municipal health services, appropriate financing mechanisms for local authorities delivering primary care, and salary differentials between local and provincial staff, have not been resolved. A number of provinces have advanced far in the determination of policy frameworks for the delivery of district and primary care.

By June 2000, 20 telemedicine pilots in six provinces were operational. This initiative sets up television and voice links between major health centres and underserved ones in order to make high-level expertise available to all centres in an economical way.

Programme 3: Health service delivery

The aim of the programme is to support, manage and coordinate health service delivery in supplying a caring and effective health service in South Africa.

- Disease prevention and control establishes guidelines on prevention, management and treatment of a range of chronic diseases, disability, diseases of older persons and malaria. Until 2000, it also included the National Institute of Virology, which researched viral infections and provided related training. The Institute has since been merged with the National Health Laboratory Service. Also included are responsibilities for the transfer of medicolegal mortuaries from the Department of Safety and Security, the rationalisation of blood transfusion services, and the establishment of the National Health Laboratory Service.
- Hospital services deal with policy on the provision and management of hospital services, health technology, radiation control and emergency medical services. The subprogramme also has responsibility for the conditional grants related to hospital services. These include the central hospital grant, the training grant, the hospital rehabilitation grant, the various grants for hospital construction, and the grant for redistribution of tertiary services. This subprogramme constitutes over 97 per cent of the estimated expenditure over the medium term on account of the conditional grants.
- Human resources take responsibility for policies, norms and standards on the development of human resources in the health sector. It includes capacity building initiatives nationally and provincially, ensuring equitable allocation of interns and community service doctors, maintaining a national human resource plan, and maintaining sound relations with the health professions.
- Non-personal health services address environmental health, including monitoring, public awareness, guidelines, and facilitation of water and sanitation provision in rural communities. It also is responsible for health promotion and the Medical Bureau for Occupational Diseases.
- Health and welfare bargaining negotiations provide the resources and expertise for bargaining with worker representatives in the national Health and Welfare Bargaining Council. The Council is the forum where the conditions of employment of workers in the health and welfare sectors are negotiated.

Table 15.6: Health service delivery

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---------------------|------------------|---------------------|------------------------|----------------------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | 2001/02 | 2002/03 | 2003/04 |
| R thousand | 1997/98 | 1998/99 | 1999/00 | 2000/01 | | | |
| Disease prevention and control ¹ | 77 624 | 49 757 | 100 152 | 52 651 | 60 193 | 78 656 | 95 962 |
| Hospital services | 96 221 | 4 395 872 | 4 664 518 | 5 464 220 | 5 353 535 | 5 501 883 | 5 775 013 |
| Human resources | 5 082 | 8 607 | 11 304 | 11 612 | 6 239 | 6 441 | 6 703 |
| Non-personal health services | 49 374 | 44 345 | 49 563 | 57 044 | 58 122 | 60 740 | 63 682 |
| Health and welfare bargaining negotiations | - | - | - | 2 465 | 2 563 | 2 658 | 2 778 |
| Total | 228 301 | 4 498 581 | 4 825 537 | 5 587 992 | 5 480 652 | 5 650 378 | 5 944 138 |
| Change to 2000 Budget Estimate | | | | 5 275 947 | 5 184 142 | 5 339 458 | |

¹ Includes an amount specifically and exclusively appropriated as contribution to the National Council for the Blind: R1 500 000

Economic classification

| | | | | | | | |
|-------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current | 128 856 | 4 283 700 | 4 431 383 | 4 713 931 | 4 818 935 | 5 051 842 | 5 301 601 |
| Personnel | 55 318 | 60 868 | 61 790 | 66 641 | 67 035 | 70 286 | 73 353 |
| Transfer payments | 14 411 | 4 095 041 | 4 105 150 | 4 586 055 | 4 711 364 | 4 934 869 | 5 178 991 |
| Other | 59 127 | 127 791 | 264 443 | 61 235 | 40 536 | 46 687 | 49 257 |
| Capital | 99 445 | 214 881 | 394 154 | 874 061 | 661 717 | 598 536 | 642 537 |
| Transfer payments | 87 741 | 211 106 | 383 172 | 866 191 | 653 800 | 590 000 | 633 400 |
| Acquisition of capital assets | 11 704 | 3 775 | 10 982 | 7 870 | 7 917 | 8 536 | 9 137 |
| Total | 228 301 | 4 498 581 | 4 825 537 | 5 587 992 | 5 480 652 | 5 650 378 | 5 944 138 |

Standard items of expenditure

| | | | | | | | |
|-----------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | 55 318 | 60 868 | 61 790 | 66 641 | 67 035 | 70 286 | 73 353 |
| Administrative | 8 843 | 6 707 | 8 228 | 9 550 | 12 259 | 12 754 | 13 348 |
| Inventories | 29 157 | 11 531 | 60 329 | 10 843 | 14 575 | 17 933 | 18 526 |
| Equipment | 14 134 | 6 214 | 12 966 | 8 999 | 9 635 | 10 647 | 11 639 |
| Land and buildings | - | - | - | - | - | - | - |
| Professional and special services | 17 879 | 106 181 | 192 924 | 38 710 | 11 984 | 13 889 | 14 881 |
| Transfers | 102 152 | 4 306 147 | 4 488 322 | 5 452 246 | 5 365 164 | 5 524 869 | 5 812 391 |
| Miscellaneous | | | | | | | |
| Civil Pensions Stabilisation Fund | 818 | 933 | 978 | 1 003 | - | - | - |
| Total | 228 301 | 4 498 581 | 4 825 537 | 5 587 992 | 5 480 652 | 5 650 378 | 5 944 138 |

Policy developments

Plans to amalgamate all government laboratory services into a single National Health Laboratory Service came to fruition in 2000 with the passing of the National Health Laboratory Service Act of 2000. The Act established the National Health Laboratory Service as a single public entity and abolished the South African Institute for Medical Research, the National Institute for Virology and various other national and provincial laboratories. The motivation for unification was the fragmentation of service provision with resulting poor planning and inefficiencies. The new structure will enable more effective access to a key health support service. The Service will be the preferred provider for the public health sector.

The South African Vaccine Producers and State Vaccine Institute play a crucial role in the control and prevention of communicable diseases, by producing human vaccines and antiserum against diseases affecting the developing world. The recapitalisation and effective operation of the South African Vaccine Producers and State Vaccine Institute through a strategic equity partnership with the private sector will be completed in this financial year. These institutions have been under substantial financial and competitive pressures in recent times and the partnership will achieve the objectives of empowerment and risk transfer to the private sector.

In 2000, Cabinet approved the transfer of the medicolegal services from the Department of Safety and Security to provincial health departments. This will assist in attracting appropriate staff and will address criticism from the Truth and Reconciliation Committee that the police service should

not be the custodian of forensic evidence, which it uses in securing prosecutions. Financial matters and financing mechanisms must still be finalised.

A submission on a comprehensive human resource plan for the health sector has been made to Cabinet. It raised issues of representation of all groups in training and health services; the need to curtail overproduction in some areas of the health system; the need for increased emphasis on mid-level and multi-skilled health workers; and curriculum reform, especially with regard to primary health care services. While a human resource strategy is being developed, the system of community service for medical doctors remain in place. This system aims to improve services in rural areas, and was extended to dentists in July 2000 and to pharmacists in January 2001 (in terms of the Pharmacy Amendment Act of 2000). For 2001, 1 241 doctors have applied for community services. Approximately 25 per cent of applications are normally placed in rural areas.

Amendments were also made to the Chiropractors, Homeopaths and Allied Health Service Professions Act of 1982 in order to establish the Allied Health Professions Council of South Africa and make certain adjustments to the regulation of the profession.

The successful negotiation of an end to near-automatic rank and leg promotions in the health sector will restrict wage growth in the health sector. An alternative wage progression system will have to be negotiated for the sector during this year.

The outbreak of cholera in KwaZulu-Natal towards the end of 2000 underlines the interrelationship between health care services provision, broader environmental factors and provision of basic infrastructure services. While the health services in KwaZulu-Natal have been praised for the way the disease was managed, the outbreak relates primarily to inadequate water and sanitation services. This calls for closer operation between health authorities and departments providing basic infrastructure.

Expenditure trends

The rapid early growth of expenditure was due to the channelling of central hospital funding via the national health department from 1998/99 and the introduction of other conditional grants. This was followed by slower growth after the overall allocation to grants stabilised. Hospital services expenditure grows at only 1,8 per cent a year over the medium term. Table 15.11 provides detailed information on the different conditional grants flowing through the health department. The programme grows at an average of 2,1 per cent a year over the medium term – a decline in expenditure in real terms.

A slow increase in conditional grants relates partly to the completion of certain capital projects. Another factor, however, is the uncertainty about policy direction and the capacity of provincial departments to implement the grants. While the spending record on grants (such as the redistribution grant and the rehabilitation grant) has improved dramatically at the national level, questions about their impact in the provinces remain.

Outputs and service delivery trends

Table 15.7: Health service delivery: Key outputs and indicators

| Subprogramme | Outputs | Service delivery indicators |
|--------------------------------|---|--|
| Disease prevention and control | Improved quality of care for people with disabilities Ensure the early diagnosis and effective treatment of hypertension, diabetes, asthma and obesity | Number of subdistricts per province implementing the guidelines on: hypertension, diabetes type 2, asthma (adults and children) and obesity Mortality rates due to stroke, heart disease, hypertension, diabetes and asthma |

| Subprogramme | Outputs | Service delivery indicators |
|------------------------------|---|---|
| Non-personal health services | Access to environmental health services | Percentage of population with access to adequate and safe drinking water and sanitation Percentage of population residing in dwelling Access to sanitation facilities |
| | Reduce occupation-related mortality, morbidity and disability | Fatal work-related injuries per 10 000 full-time employees per year in the construction, coal and mining sectors Number of occupational respiratory diseases (by subtype) reported |
| Hospital services | Improve access to health facilities Reliable and efficient emergency services | Proportion of the population with appropriate access to health facilities Proportion of primary health care facilities with access to a 24-hour dispensing centre and communication system Proportion of emergency health service staff who have basic ambulance assistant qualifications |
| | National essential technology policy and guidelines | Policy and guidelines published |
| | System of quality control and regulation | Implementation of system on schedule |
| Human resources | Train district health managers on primary health care approach Increase the number of health personnel in primary health care facilities and the number trained in public health, epidemiology and research. | Percentage of district health managers trained in primary health care Number of primary health care personnel per 10 000 population in public primary health care facilities |

Hospital sector reform is required to address concerns about quality of service and the urgent need for rehabilitation and maintenance of hospital and health facilities. Substantial progress has been made in 2000 on a National Health Planning Framework. This will establish the parameters within which provincial hospital plans can be developed and conditional grants redesigned.

The Department also explored the possibility of funding the Hospital Reconstruction and Rehabilitation Grant through a World Bank project loan. The benefits of such a loan are the provision of technical assistance by the World Bank and the ability to leverage additional concessionary funding from the private sector and other sources. The existing grant amounts to R500 million in 2001/02, increasing slowly to R543 million in 2003/04.

Proposals for the restructuring of the Central Hospitals and the Health Professional Training Grant have been made to the Health MinMEC meeting and will be factored into the forthcoming budget process. This may lead to some adjustments to grant amounts and the structure of grants in the outer years.

Substantial progress has been reported with the Grant for Redistribution of Tertiary Service. The establishment of an oncology unit in Potchefstroom, the expansion of specialities, and the introduction of an Intensive Care Unit at Witbank will reduce pressure on the Gauteng health services and provide more convenient services for patients. Teaching in hospitals has also been decentralised to provinces to some extent, leading to a better distribution of skills and resources.

Strict tobacco control measures came into effect in January 2001, representing one of the major policy successes of the Department of Health.

Public entities reporting to the Minister responsible for Health

Medical Research Council

The Council provides scientific research on clinical issues, and is supported by the Department in setting research priorities. A critical task is research into a vaccine against the HIV strain that affects sub-Saharan Africa. The allocation to the Council increases from R108,7 million to R127,2 million in 2001/02. Over the medium term, the allocation grows by 10,2 per cent.

National Health Laboratory Service

The Service was established in 2000 and amalgamated the various national and provincial health laboratories, as well as the South African Institute for Medical Research, the National Institute for Virology and the National Centre for Occupational Health. The objectives of the Service are to provide cost-effective and efficient laboratory services to public health care providers, support health research and provide training for health science education. The legislation mandates the Service to be the preferred provider for the public health sector. The Service may be funded from income earned from fees for services, as well as money appropriated by Parliament.

South African Vaccine Producers and State Vaccine Institute

The South African Vaccine Producers and State Vaccine Institute play a crucial role in the control and prevention of communicable diseases, by producing human vaccines and antiserum against diseases affecting the developing world. These institutions have struggled to stay competitive in a rapidly developing market. Allocations have been reduced in recent years in line with the intention of forming a strategic equity partnership that includes recapitalisation by the private sector. The partnership may well require preferred supplier status.

Annexure: Vote 15: Health

Table 15.8: Summary of expenditure trends and estimates per programme

Table 15.9: Summary of expenditure trends and estimates per economic classification

Table 15.10: Summary of expenditure trends and estimates per standard item

Table 15.11: Summary of transfers and subsidies per programme

Table 15.12: Summary of personnel numbers and costs

Table 15.13: Summary of expenditure on training

Table 15.14: Summary of grants to provinces

Table 15.15: Summary of expenditure on training

Table 15.8: Summary of expenditure trends and estimates per programme

| | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|--------------------------------|---------------------|------------------|---------------------|--------------------|---------------------------|-------------------|------------------------|------------------|----------------------------------|----------------|------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | Rollovers from 1999/00 | Other adjustments | Adjusted appropriation | | Current | Capital | Total | 2002/03 | 2003/04 |
| | 1997/98 | 1998/99 | 1999/00 | 2000/01 | | 2001/02 | | | | | | | |
| R thousand | | | | | | | | | | | | | |
| Administration | 50 068 | 67 351 | 70 688 | 65 948 | 12 270 | 1 607 | 79 825 | 79 825 | 69 011 | 18 656 | 87 667 | 82 420 | 79 168 |
| Strategic health programmes | 234 693 | 553 294 | 962 596 | 1 010 010 | 115 573 | (16 940) | 1 108 643 | 1 051 942 | 1 040 608 | 2 442 | 1 043 050 | 1 035 138 | 1 064 528 |
| Health service delivery | 228 301 | 4 498 581 | 4 825 537 | 5 253 693 | 324 781 | 9 518 | 5 587 992 | 5 418 868 | 4 818 935 | 661 717 | 5 480 652 | 5 650 378 | 5 944 138 |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 329 651 | 452 624 | (5 815) | 6 776 460 | 6 550 635 | 5 928 554 | 682 815 | 6 611 369 | 6 767 936 | 7 087 834 |
| Change to 2000 Budget Estimate | | | | | | | 435 507 | 209 682 | | | 168 579 | 191 991 | |

Table 15.9: Summary of expenditure trends and estimates per economic classification

| R thousand | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|---|---------------------|------------------|---------------------|--------------------|---------------------------|-------------------|------------------------|------------------|----------------------------------|----------------|------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | Rollovers from 1999/00 | Other adjustments | Adjusted appropriation | Current | Capital | Total | 2002/03 | 2003/04 | |
| | 1997/98 | 1998/99 | 1999/00 | | 2000/01 | 2001/02 | | | | | | | |
| Current | 400 235 | 4 899 045 | 5 452 554 | 5 641 837 | 249 399 | (5 815) | 5 885 421 | 5 786 002 | 5 928 554 | - | 5 928 554 | 6 159 819 | 6 440 619 |
| Personnel | 111 029 | 124 465 | 131 920 | 139 000 | - | 5 097 | 144 097 | 144 097 | 152 000 | - | 152 000 | 159 000 | 166 000 |
| Salaries and wages | 111 029 | 124 465 | 131 920 | 139 000 | - | 5 097 | 144 097 | 144 097 | 152 000 | - | 152 000 | 159 000 | 166 000 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer payments | 103 834 | 4 476 516 | 4 911 339 | 5 242 825 | 153 458 | (20 550) | 5 375 733 | 5 328 477 | 5 522 936 | - | 5 522 936 | 5 736 834 | 5 991 179 |
| Other levels of Government | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign countries and international credit institutions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other current transfers | 103 834 | 4 476 516 | 4 911 339 | 5 242 825 | 153 458 | (20 550) | 5 375 733 | 5 328 477 | 5 522 936 | - | 5 522 936 | 5 736 834 | 5 991 179 |
| Other current expenditure | 185 372 | 298 064 | 409 295 | 260 012 | 95 941 | 9 638 | 365 591 | 313 428 | 253 618 | - | 253 618 | 263 985 | 283 440 |
| Capital | 112 827 | 220 181 | 406 267 | 687 814 | 203 225 | - | 891 039 | 764 633 | - | 682 815 | 682 815 | 608 117 | 647 215 |
| Capital transfers | 87 932 | 211 106 | 383 556 | 673 000 | 193 191 | - | 866 191 | 745 323 | - | 653 800 | 653 800 | 590 000 | 633 400 |
| Movable capital | 24 263 | 6 494 | 22 534 | 12 916 | 617 | - | 13 533 | 7 995 | - | 12 815 | 12 815 | 12 838 | 13 815 |
| Motor vehicles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Computers | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other office equipment | 24 263 | 6 494 | 22 534 | 12 916 | 617 | - | 13 533 | 7 995 | - | 12 815 | 12 815 | 12 838 | 13 815 |
| Fixed capital | 632 | 2 581 | 177 | 1 898 | 9 417 | - | 11 315 | 11 315 | - | 16 200 | 16 200 | 5 279 | - |
| Land | - | - | - | - | - | - | - | - | - | 16 200 | 16 200 | 5 279 | - |
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 632 | 2 581 | 177 | 1 898 | 9 417 | - | 11 315 | 11 315 | - | - | - | - | - |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 329 651 | 452 624 | (5 815) | 6 776 460 | 6 550 635 | 5 928 554 | 682 815 | 6 611 369 | 6 767 936 | 7 087 834 |

Table 15.10: Summary of expenditure trends and estimates per standard item

| | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|-----------------------------------|---------------------|------------------|---------------------|--------------------|---------------------------|---------------------------|------------------------|------------------|----------------------------------|----------------|------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | Rollovers for 1999/00 | Other adjustments 2000/01 | Adjusted appropriation | | Current | Capital | Total | 2002/03 | 2003/04 |
| | 1997/98 | 1998/99 | 1999/00 | | | | | | | | | | |
| R thousand | | | | | | | | | | | | | |
| Personnel | 111 029 | 124 465 | 131 920 | 139 000 | - | 5 097 | 144 097 | 144 097 | 152 000 | - | 152 000 | 159 000 | 166 000 |
| Administrative expenditure | 36 500 | 43 885 | 45 394 | 57 773 | - | 2 048 | 59 821 | 59 821 | 78 207 | - | 78 207 | 81 133 | 85 571 |
| Inventories | 53 421 | 34 446 | 93 461 | 39 011 | 50 451 | 2 080 | 91 542 | 91 542 | 100 203 | - | 100 203 | 108 808 | 121 763 |
| Equipment | 30 752 | 12 390 | 29 094 | 16 848 | 705 | 315 | 17 868 | 13 330 | 5 580 | 12 815 | 18 395 | 19 555 | 21 466 |
| Land and buildings | 632 | 2 581 | 177 | 1 898 | 9 417 | - | 11 315 | 11 315 | - | 16 200 | 16 200 | 5 279 | - |
| Professional and special services | 87 229 | 211 982 | 261 854 | 156 926 | 45 402 | 5 195 | 207 523 | 155 360 | 69 628 | - | 69 628 | 67 327 | 68 455 |
| Transfer payments | 191 766 | 4 687 622 | 5 294 895 | 5 915 825 | 346 649 | (20 550) | 6 241 924 | 6 072 800 | 5 522 936 | 653 800 | 6 176 736 | 6 326 834 | 6 624 579 |
| Miscellaneous | 1 733 | 1 855 | 2 026 | 2 370 | - | - | 2 370 | 2 370 | - | - | - | - | - |
| Total | 513 062 | 5 119 226 | 5 858 821 | 6 329 651 | 452 624 | (5 815) | 6 776 460 | 6 550 635 | 5 928 554 | 682 815 | 6 611 369 | 6 767 936 | 7 087 834 |

Table 15.11: Summary of transfers and subsidies per programme

| | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium term expenditure estimate | | | | |
|---|---------------------|----------------|---------------------|--------------------|---------------------------|---------------------------|------------------------|------------------|----------------------------------|----------|----------------|----------------|----------------|
| | Audited | Audited | Preliminary outcome | | Rollovers from 1999/00 | Other adjustments 2000/01 | Adjusted appropriation | | Current | Capital | Total | 2002/03 | 2003/04 |
| | 1997/98 | 1998/99 | 1999/00 | 2001/02 | | | | | | | | | |
| R thousand | | | | | | | | | | | | | |
| Administration | 191 | - | 384 | - | - | - | - | - | - | - | - | - | - |
| Policy analysis | 191 | - | 384 | - | - | - | - | - | - | - | - | - | - |
| Strategic health programmes | 89 423 | 381 475 | 806 189 | 766 325 | 43 903 | (20 550) | 789 678 | 789 678 | 811 572 | - | 811 572 | 801 965 | 812 188 |
| Health monitoring and evaluation | | | | | | | | | | | | | |
| Medical Research Council | 70 587 | 78 472 | 79 566 | 108 211 | - | 450 | 108 661 | 108 661 | 127 221 | - | 127 221 | 145 498 | 152 270 |
| Health Systems Trust | 1 500 | 2 000 | 1 500 | 2 000 | - | - | 2 000 | 2 000 | 2 000 | - | 2 000 | 2 000 | 2 000 |
| South African Institute for Medical Research | 21 | 287 | 287 | 287 | - | - | 287 | 287 | 287 | - | 287 | 287 | 287 |
| District Health Systems | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial assistance to non-Government organisations | 240 | 50 | - | - | - | - | - | - | - | - | - | - | - |
| HIV/Aids and tuberculosis | | | | | | | | | | | | | |
| South African National Tuberculosis Association | 25 | 25 | 25 | 25 | - | - | 25 | 25 | 25 | - | 25 | 25 | 25 |
| HIV/Aids (NGOs) | 16 879 | 14 722 | 2 070 | 5 000 | - | - | 5 000 | 5 000 | 14 990 | - | 14 990 | 15 500 | 13 053 |
| Government Aids Action Plan (NGOs) | - | 580 | 4 813 | 18 150 | - | - | 18 150 | 18 150 | 18 220 | - | 18 220 | 23 000 | 24 000 |
| HIV/Aids and tuberculosis – South African National Aids Council | - | - | - | - | - | - | - | - | 10 000 | - | 10 000 | 10 000 | 10 000 |
| HIV/Aids and tuberculosis (conditional grant) | - | - | - | 16 819 | - | - | 16 819 | 16 819 | 34 100 | - | 34 100 | - | - |
| Maternal, child and women's health | | | | | | | | | | | | | |
| Primary School Nutrition | - | 284 839 | 714 707 | 582 411 | - | - | 582 411 | 582 411 | 582 411 | - | 582 411 | 582 411 | 582 411 |
| Poverty relief | - | - | - | 28 000 | 22 413 | (21 000) | 29 413 | 29 413 | 10 000 | - | 10 000 | 12 000 | 15 000 |
| South African Vaccine Producers | - | - | 2 439 | 4 000 | 15 000 | - | 19 000 | 19 000 | 4 052 | - | 4 052 | 4 069 | 4 259 |
| Maternal child and women's health (NGOs) | - | - | 60 | 270 | - | - | 270 | 270 | 310 | - | 310 | 310 | 350 |
| Medical schemes | - | - | - | - | 6 490 | - | 6 490 | 6 490 | 2 585 | - | 2 585 | 2 673 | 2 673 |
| Mental health and substance abuse | | | | | | | | | | | | | |
| Financial aid to NGOs | - | 300 | 522 | 1 051 | - | - | 1 051 | 1 051 | 899 | - | 899 | - | 483 |
| Federation for Mental Health | 171 | 200 | 200 | 101 | - | - | 101 | 101 | 101 | - | 101 | - | 101 |

| | | | | | | | | | | | | | | |
|--------------------------------|----------------|------------------|------------------|------------------|----------------|-----------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|-------|
| Medicine Control Council | - | - | - | - | - | - | - | - | - | 4 371 | - | 4 371 | 4 192 | 5 276 |
| Health service delivery | 102 152 | 4 306 147 | 4 488 322 | 5 149 500 | 302 746 | - | 5 452 246 | 5 284 122 | 4 711 364 | 653 000 | 5 365 164 | 5 524 869 | 5 812 391 | |
| Hospital services | | | | | | | | | | | | | | |
| Clinic building programme | 87 741 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Hospital rehabilitation | - | 1 725 | - | 400 000 | 23 139 | - | 423 139 | 375 883 | - | 500 000 | 500 000 | 520 000 | 543 400 | |
| Durban Academic Hospital | - | 200 000 | 188 776 | 273 000 | 58 200 | - | 331 200 | 210 332 | - | 103 800 | 103 800 | - | - | |
| Umtata Hospital | - | 11 106 | 40 941 | - | 111 852 | - | 111 852 | 111 852 | - | - | - | - | - | |
| Central Hospitals | - | 3 021 000 | 3 075 000 | 3 112 000 | - | - | 3 112 000 | 3 112 000 | 3 270 920 | - | 3 270 920 | 3 418 757 | 3 579 495 | |
| Health professionals training | - | 1 060 000 | 1 118 000 | 1 174 000 | - | - | 1 174 000 | 1 174 000 | 1 234 090 | - | 1 234 090 | 1 290 694 | 1 350 560 | |
| Specialised health services | - | 389 | 55 055 | 176 000 | 109 555 | - | 285 555 | 285 555 | 182 160 | - | 182 160 | 189 000 | 197 505 | |
| Pretoria Academic Hospital | - | - | - | - | - | - | - | - | - | 50 000 | 50 000 | 70 000 | 90 000 | |
| Disease prevention and control | | | | | | | | | | | | | | |
| Council for the Blind | 616 | 250 | 250 | 350 | - | - | 350 | 350 | 1 500 | - | 1 500 | 400 | 400 | |
| Communicable disease | - | - | - | 150 | - | - | 150 | 150 | 260 | - | 260 | 394 | 407 | |
| Medical legal | - | - | - | - | - | - | - | - | 10 000 | - | 10 000 | 25 000 | 40 000 | |
| Non-personal health services | | | | | | | | | | | | | | |
| Compensation Fund | 12 500 | 10 200 | 9 000 | 13 000 | - | - | 13 000 | 13 000 | 11 434 | - | 11 434 | 9 624 | 9 624 | |
| Environmental health (NGOs) | - | 10 | - | - | - | - | - | - | - | - | - | - | - | |
| Health promotion (NGOs) | 1 295 | 1 467 | 1 300 | 1 000 | - | - | 1 000 | 1 000 | 1 000 | - | 1 000 | 1 000 | 1 000 | |
| Total | 191 766 | 4 687 622 | 5 294 895 | 5 915 825 | 346 649 | (20 550) | 6 241 924 | 6 073 800 | 5 522 936 | 653 800 | 6 176 736 | 6 326 834 | 6 624 579 | |

Table 15.12: Summary of personnel numbers and costs¹

| Personnel numbers | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Administration | 383 | 390 | 399 | 390 | 390 |
| Strategic health programmes | 227 | 242 | 247 | 262 | 262 |
| Health service delivery | 889 | 844 | 898 | 867 | 867 |
| Total | 1 499 | 1 476 | 1 544 | 1 519 | 1 519 |
| Total personnel cost (R thousand) | 111 029 | 124 465 | 131 920 | 144 097 | 152 000 |
| Unit cost (R thousand) | 74,1 | 84,3 | 85,4 | 94,9 | 100,1 |

¹ Full-time equivalent

Table 15.13: Summary of expenditure on training

| R thousand | Preliminary outcome | | Revised estimate | Medium-term expenditure estimate | | |
|-----------------------------|---------------------|--|------------------|----------------------------------|--------------|--------------|
| | 1999/00 | | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
| Administration | 151 | | 470 | 630 | 679 | 718 |
| Strategic health programmes | 106 | | 390 | 513 | 543 | 567 |
| Health service delivery | 147 | | 894 | 670 | 704 | 735 |
| Total | 404 | | 1 754 | 1 813 | 1 926 | 2 020 |

Table 15.14: Summary of conditional grants to provinces

| Programme | Expenditure outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|---------------------------------------|---------------------|---------|---------------------|------------------------|------------------|----------------------------------|---------|---------|
| | Audited | Audited | Preliminary outcome | | | 2001/02 | 2002/03 | 2003/04 |
| R thousand | 1997/98 | 1998/99 | 1999/00 | 2000/01 | | | | |
| Strategic health programmes | | | | | | | | |
| Maternal, child and women's health | | | | | | | | |
| Integrated Nutrition Programme | - | 284 147 | 712 923 | 582 411 | 582 411 | 582 411 | 582 411 | 582 411 |
| Eastern Cape | - | 68 023 | 156 162 | 131 838 | 131 838 | 131 838 | 131 838 | 131 838 |
| Free State | - | 4 765 | 53 744 | 39 394 | 39 394 | 39 394 | 39 394 | 39 394 |
| Gauteng | - | 20 931 | 74 458 | 54 673 | 54 673 | 54 673 | 54 673 | 54 673 |
| KwaZulu-Natal | - | 77 865 | 161 519 | 132 471 | 132 471 | 132 471 | 132 471 | 132 471 |
| Mpumalanga | - | 30 415 | 41 020 | 39 728 | 39 728 | 39 728 | 39 728 | 39 728 |
| Northern Cape | - | 6 834 | 10 879 | 10 096 | 10 096 | 10 096 | 10 096 | 10 096 |
| Northern Province | - | 44 062 | 122 719 | 106 032 | 106 032 | 106 032 | 106 032 | 106 032 |
| North West | - | 11 579 | 58 688 | 39 390 | 39 390 | 39 390 | 39 390 | 39 390 |
| Western Cape | - | 19 673 | 33 734 | 28 789 | 28 789 | 28 789 | 28 789 | 28 789 |
| HIV/Aids and Tuberculosis | | | | | | | | |
| HIV/Aids | - | - | - | 16 819 | 16 819 | 34 100 | - | - |
| Eastern Cape | - | - | - | 2 213 | 2 213 | 3 850 | - | - |
| Free State | - | - | - | 1 460 | 1 460 | 3 850 | - | - |
| Gauteng | - | - | - | 2 486 | 2 486 | 3 500 | - | - |
| KwaZulu-Natal | - | - | - | 1 500 | 1 500 | 4 500 | - | - |
| Mpumalanga | - | - | - | 1 822 | 1 822 | 3 350 | - | - |
| Northern Cape | - | - | - | 1 239 | 1 239 | 3 850 | - | - |
| Northern Province | - | - | - | 1 903 | 1 903 | 3 850 | - | - |

| | | | | | | | | |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| North West | - | - | - | 2 006 | 2 006 | 3 850 | - | - |
| Western Cape | - | - | - | 2 190 | 2 190 | 3 500 | - | - |
| Health service delivery | | | | | | | | |
| Facilities Planning and Hospital Management | | | | | | | | |
| Hospital reconstruction and rehabilitation programme | - | - | 153 455 | 423 139 | 423 139 | 500 000 | 520 000 | 543 400 |
| Eastern Cape | - | - | 26 181 | 84 000 | 84 000 | 69 000 | 81 000 | 84 645 |
| Free State | - | - | 17 342 | 32 261 | 32 261 | 16 000 | 17 000 | 17 765 |
| Gauteng | - | - | 18 040 | 55 000 | 55 000 | 102 000 | 105 000 | 109 725 |
| KwaZulu-Natal | - | - | 19 473 | 70 526 | 70 526 | 87 000 | 90 000 | 94 050 |
| Mpumalanga | - | - | 17 820 | 35 000 | 35 000 | 43 000 | 45 000 | 47 025 |
| Northern Cape | - | - | 4 175 | 8 500 | 8 500 | 10 000 | 10 000 | 10 450 |
| Northern Province | - | - | 36 256 | 69 490 | 69 490 | 88 000 | 92 000 | 96 140 |
| North West | - | - | 3 417 | 40 000 | 40 000 | 56 000 | 50 000 | 52 250 |
| Western Cape | - | - | 10 751 | 28 362 | 28 362 | 29 000 | 30 000 | 31 350 |
| Hospital construction | - | 211 106 | 229 717 | 443 052 | 443 052 | 153 800 | 70 000 | 90 000 |
| Eastern Cape | - | 11 106 | 40 941 | 111 852 | 111 852 | - | - | - |
| Free State | - | - | - | - | - | - | - | - |
| Gauteng | - | - | - | - | - | 50 000 | 70 000 | 90 000 |
| KwaZulu-Natal | - | 200 000 | 188 776 | 331 200 | 331 200 | 103 800 | - | - |
| Mpumalanga | - | - | - | - | - | - | - | - |
| Northern Cape | - | - | - | - | - | - | - | - |
| Northern Province | - | - | - | - | - | - | - | - |
| North West | - | - | - | - | - | - | - | - |
| Western Cape | - | - | - | - | - | - | - | - |
| Central hospitals | - | 3 021 000 | 3 075 000 | 3 112 000 | 3 112 000 | 3 270 920 | 3 418 757 | 3 579 496 |
| Eastern Cape | - | - | - | 13 000 | 13 000 | 13 201 | 14 287 | 15 336 |
| Free State | - | 231 559 | 235 699 | 237 538 | 237 538 | 249 813 | 261 254 | 274 009 |
| Gauteng | - | 1 455 294 | 1 481 308 | 1 492 868 | 1 492 868 | 1 568 945 | 1 639 983 | 1 717 667 |
| KwaZulu-Natal | - | 396 410 | 403 495 | 406 645 | 406 645 | 427 525 | 446 990 | 468 269 |
| Mpumalanga | - | - | - | - | - | - | - | - |
| Northern Cape | - | - | - | - | - | - | - | - |
| Northern Province | - | - | - | - | - | - | - | - |
| North West | - | - | - | - | - | - | - | - |
| Western Cape | - | 937 737 | 954 498 | 961 949 | 961 949 | 1 011 436 | 1 056 243 | 1 104 215 |
| Health professionals training | - | 1 060 000 | 1 118 000 | 1 174 000 | 1 174 000 | 1 234 090 | 1 290 694 | 1 350 560 |

| | | | | | | | | |
|------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Eastern Cape | - | 47 700 | 50 310 | 52 830 | 52 830 | 55 864 | 58 204 | 61 343 |
| Free State | - | 76 320 | 80 496 | 84 528 | 84 528 | 88 367 | 92 922 | 97 126 |
| Gauteng | - | 454 740 | 479 622 | 503 646 | 503 646 | 529 187 | 553 445 | 578 664 |
| KwaZulu-Natal | - | 132 500 | 139 750 | 146 750 | 146 750 | 154 388 | 161 337 | 169 715 |
| Mpumalanga | - | 21 200 | 22 360 | 23 480 | 23 480 | 24 377 | 25 528 | 26 582 |
| Northern Cape | - | 21 200 | 22 360 | 23 480 | 23 480 | 24 377 | 25 528 | 26 582 |
| Northern Province | - | 21 200 | 22 360 | 23 480 | 23 480 | 24 377 | 25 528 | 26 582 |
| North West | - | 21 200 | 22 360 | 23 480 | 23 480 | 24 377 | 25 528 | 26 582 |
| Western Cape | - | 263 940 | 278 382 | 292 326 | 292 326 | 308 776 | 322 674 | 337 384 |
| Specialised health services | - | 3 489 | 57 466 | 285 555 | 285 555 | 182 160 | 189 000 | 197 505 |
| Eastern Cape | - | - | 13 338 | 67 438 | 67 438 | 49 172 | 57 000 | 60 848 |
| Free State | - | - | - | - | - | - | - | - |
| Gauteng | - | - | - | - | - | - | - | - |
| KwaZulu-Natal | - | - | - | - | - | - | - | - |
| Mpumalanga | - | - | 18 752 | 63 311 | 63 311 | 37 588 | 32 000 | 32 918 |
| Northern Cape | - | - | 12 456 | 26 626 | 26 626 | 16 700 | 16 000 | 15 960 |
| Northern Province | - | - | 11 811 | 73 461 | 73 461 | 44 500 | 51 000 | 52 868 |
| North West | - | 3 489 | 1 109 | 54 719 | 54 719 | 34 200 | 33 000 | 34 911 |
| Western Cape | - | - | - | - | - | - | - | - |
| North West | - | - | - | - | - | - | - | - |
| Western Cape | - | - | - | - | - | - | - | - |
| Total | - | 4 579 742 | 5 346 561 | 6 036 976 | 6 036 976 | 5 957 481 | 6 070 862 | 6 343 372 |