

# Vote 14

## Health

### Budget summary

R million	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	236.6	230.8	0.3	5.5	260.1	280.9
Strategic Health Programmes	4 692.3	407.6	4 269.3	15.4	5 587.2	5 980.5
Health Planning and Monitoring	357.1	96.2	258.2	2.8	382.9	398.2
Health Human Resources Management and Development	1 786.2	25.7	1 759.8	0.7	1 894.2	2 007.8
Health Services	9 898.9	91.5	9 804.3	3.1	11 388.9	12 081.7
International Relations, Health Trade and Health Product Regulation	87.0	86.1	–	0.9	100.8	113.7
<b>Total expenditure estimates</b>	<b>17 058.1</b>	<b>937.9</b>	<b>16 091.8</b>	<b>28.3</b>	<b>19 614.0</b>	<b>20 862.8</b>
Executive authority	Minister of Health					
Accounting officer	Director-General of Health					
Website address	www.doh.gov.za					

### Aim

*The aim of the Department of Health is to promote the health of all people in South Africa through an accessible, caring and high quality health system based on the primary health care approach.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide overall management of the department and centralised support services.

#### Programme 2: Strategic Health Programmes

**Purpose:** Coordinate, manage and fund strategic national health programmes, including developing policies, systems and norms and standards.

#### Programme 3: Health Planning and Monitoring

**Purpose:** Plan and monitor health services and coordinate health research programmes

#### Programme 4: Health Human Resources Management and Development

**Purpose:** Plan and coordinate human resources for health.

#### Programme 5: Health Services

**Purpose:** Support health services in provinces, including hospitals, emergency medical services and occupational health.

## **Programme 6: International Relations, Health Trade and Health Product Regulation**

**Purpose:** Coordinate bilateral and multilateral international health relations, including donor support, regulated procurement of medicines and pharmaceutical supplies, and regulation and oversight of trade in health products.

### **Strategic overview: 2005/06 – 2011/12**

The Department of Health provides overall leadership and coordination for health services in South Africa. It functions in terms of the National Health Act (2003) and other relevant legislation.

#### **Recent progress and developments**

Over the past year, several important sectoral reviews have been conducted and a number of policy making processes have been initiated. The outcomes of the 52<sup>nd</sup> conference of the African National Congress at Polokwane in December 2008 have given renewed emphasis to health sector priorities, a new health minister has been appointed and a national health insurance working group established. Reviews have been conducted by the Presidency culminating in the Towards a Fifteen Year Review: Synthesis Report, an extensive health sector review has been coordinated by the Development Bank of South Africa, and the Department of Health has commissioned an external evaluation of development and performance in the health sector between 1994 and 2008.

Areas of recent progress include filling 37 059 posts in the health service over the past three years. HIV and AIDS programmes are accelerating, with over 200 000 new patients starting treatment over the past 12 months. Primary care services have been strengthened. At 90 per cent, immunisation coverage is high and measles control has improved to such an extent that it might actually have been eliminated. The majority of pregnant women attend antenatal clinics and deliver their babies in health facilities. Malaria cases and deaths have been reduced through improved control programmes. The number of cases of serious malnutrition has declined. Anti-tobacco policies, an important aspect of chronic disease prevention, have been pursued with vigour. Infrastructural improvement is ongoing through the hospital revitalisation programme. Medicine prices have been noticeably reduced.

#### **Current challenges**

Despite these successes, critical challenges have been identified. The rate of mortality in young adults has deteriorated, driven especially by the HIV and AIDS epidemic and tuberculosis. HIV and AIDS prevalence has levelled off at high rates and prevention programmes need to be accelerated. High rates of immune suppression have been associated with an escalation of tuberculosis and the emergence of the multi-drug resistant and extensively drug resistant strains. Despite high levels of antenatal clinic coverage, maternal and child health outcomes such as infant and child mortality rates are sub-optimal. Swifter progress in meeting the health components of the millennium development goals, with a particular focus on infants and children under five years, is required. Despite the recent progress in filling posts, there are still shortages of health personnel because of the burden of disease. The quality of health services is sometimes not optimal. Aspects of the functioning of the inter-governmental health system are not functioning optimally and require improvements in the areas of management, performance monitoring and accountability.

#### **Addressing the challenges over the medium term**

Various measures are being introduced to address these challenges. Three new child vaccines are being introduced to reduce cases of diarrhoea and pneumonia, which are significant causes of child morbidity. In relation to HIV and AIDS, particular attention needs to be given to the improved implementation of the new dual therapy programme for the prevention of mother-to-child transmission, to ensure that every mother is screened and managed appropriately to prevent HIV infections in babies. New quality assurance systems are being put in place, including the national office of standards compliance to monitor both the quality of care and compliance with norms and standards for health facilities. Doctors, dentists, pharmacists and emergency medical personnel will receive improved remuneration. The new South African Health Products Regulatory Authority is being established. Mechanisms to address inequities in health sector financing, such as mandatory

health insurance, are being researched. The national department's oversight capacity over provincial health services will be strengthened and methods to improve coordination and address weaknesses of fiscal federalism (such as the differential implementation of priorities across provinces) are being designed.

The health reform strategy aims to improve the performance, efficiency and value for money of the health system. The provision of human resources will continue to be strengthened. A national primary health care audit will be undertaken. Implementation of programmes to combat both communicable and non-communicable diseases will be strengthened. The health reform strategy will be nationally driven and have an initial focus on 18 priority districts, but will be extended to other districts over time. All the Department of Health's 6 budget programmes and 32 subprogrammes will be expected to implement interventions to facilitate the implementation of the reform process. Quality improvements will be targeted through developing and implementing health facility improvement plans and strengthening management skills, capacity and accountability.

## Selected performance and operations indicators

**Table 14.1 Health**

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Percentage of national immunisation coverage	Strategic Health Programmes	82%	84%	86.8%	86%	90%	90%	90%
Number of health districts with more than 90% full immunisation coverage	Health Services	12/52 (23%)	19/52 (37%)	37/52 (70%)	41/52 (80%)	47/52 (90%)	52/52 (100%)	52/52 (100%)
Percentage of primary health care facilities saturated with integrated management of childhood illnesses health workers (saturated = 60 % of health workers who manage children have been trained in IMCI)	Health Human Resources Management and Development	64%	60%	71%	71%	70%	75%	80%
Tuberculosis cure rate	Strategic Health Programmes	50.8%	57.7%	60%	60%	65%	70%	70%
Tuberculosis treatment defaulter rate	Strategic Health Programmes	10.3%	10.4%	7%	7%	6%	6%	5%
Percentage of multi-drug resistant tuberculosis cases among new tuberculosis patients	Strategic Health Programmes	–	1%	<1%	<1%	<1%	<1%	<1%
Percentage of extensively drug resistant extensively drug resistant cases among all multi-drug resistant tuberculosis patients	Strategic Health Programmes	–	5%	4.5%	4%	3%	2%	1%
Number of malaria cases each year	Strategic Health Programmes	12 337	4 916	4 184	3 981	3 582	3 223	2 900
Rate of malaria case fatality	Strategic Health Programmes	0.8%	0.8%	0.8%	0.5%	0.4%	0.4%	0.2%

## Expenditure estimates

**Table 14.2 Health**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million								
1. Administration	163.2	175.6	213.6	246.7	246.7	236.6	260.1	280.9
2. Strategic Health Programmes	1 915.3	2 658.8	3 096.3	4 189.9	4 169.9	4 692.3	5 587.2	5 980.5
3. Health Planning and Monitoring	259.9	301.3	309.1	334.1	321.1	357.1	382.9	398.2
4. Health Human Resources Management and Development	1 531.2	1 576.0	1 613.6	1 712.8	1 707.8	1 786.2	1 894.2	2 007.8
5. Health Services	6 024.7	6 566.7	7 465.8	9 287.3	9 025.3	9 898.9	11 388.9	12 081.7
6. International Relations, Health Trade and Health Product Regulation	43.0	59.7	64.3	80.3	80.3	87.0	100.8	113.7
<b>Total</b>	<b>9 937.1</b>	<b>11 338.0</b>	<b>12 762.7</b>	<b>15 851.2</b>	<b>15 551.2</b>	<b>17 058.1</b>	<b>19 614.0</b>	<b>20 862.8</b>
Change to 2008 Budget estimate				750.3	450.3	439.1	699.5	816.4

Table 14.2 Health (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Economic classification</b>								
<b>Current payments</b>	<b>600.3</b>	<b>658.6</b>	<b>729.0</b>	<b>943.7</b>	<b>915.7</b>	<b>937.9</b>	<b>1 027.1</b>	<b>1 082.2</b>
Compensation of employees	209.1	231.7	258.6	287.7	287.7	299.9	323.0	342.2
Goods and services	390.4	423.3	470.3	656.0	628.0	638.0	704.1	740.0
of which:								
Administrative fees	0.3	0.2	0.2	2.5	2.5	2.5	2.9	3.2
Advertising	92.5	45.4	30.6	113.9	113.9	96.7	103.8	108.5
Assets less than R5 000	2.9	3.3	2.7	10.8	10.8	11.1	12.8	13.6
Audit costs: External	5.0	6.3	6.1	8.8	8.8	9.2	10.2	11.0
Bursaries (employees)	0.9	0.5	0.5	0.8	0.8	0.8	0.9	0.9
Catering: Departmental activities	0.1	3.4	2.8	5.5	5.5	5.4	6.3	6.7
Communication	14.9	15.8	14.1	14.9	14.9	15.5	17.4	18.5
Computer services	13.8	2.9	12.4	8.7	8.7	9.2	10.3	11.0
Consultants and professional services:	28.0	21.4	118.2	43.9	29.9	40.7	46.0	46.1
Business and advisory services								
Consultants and professional services:	5.1	1.2	1.0	0.2	0.2	0.2	0.2	0.2
Laboratory service								
Consultants and professional services:	4.8	3.6	5.8	9.9	9.9	10.4	11.5	12.5
Legal costs								
Contractors	4.1	10.4	4.8	13.9	13.9	13.8	15.3	16.0
Agency and support / outsourced services	–	–	–	10.8	10.8	11.1	12.4	12.4
Entertainment	2.9	0.1	0.2	1.1	1.1	1.1	1.3	1.4
Inventory: Fuel, oil and gas	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.6
Inventory: Materials and supplies	0.9	0.5	0.8	0.6	0.6	0.6	0.7	0.7
Inventory: Medical supplies	72.1	133.8	81.0	140.2	140.2	134.5	143.7	150.7
Inventory: Other consumables	0.3	0.5	0.4	4.3	4.3	4.3	4.8	4.9
Inventory: Stationery and printing	12.3	18.9	17.0	33.2	33.2	33.4	37.0	38.4
Lease payments	35.2	36.3	42.3	48.5	48.5	50.6	56.3	61.4
Owned and leasehold property expenditure	0.7	1.4	0.7	–	–	–	–	–
Transport provided: Departmental activities	0.1	0.2	0.2	–	–	–	–	–
Travel and subsistence	62.9	72.5	89.9	110.6	110.6	113.3	128.1	134.3
Training and development	4.0	4.9	3.2	5.0	5.0	5.3	5.8	6.4
Operating expenditure	17.0	26.3	20.0	48.5	34.5	49.1	55.3	59.5
Venues and facilities	9.6	13.5	15.3	19.0	19.0	18.7	20.5	21.2
Financial transactions in assets and liabilities	0.8	3.5	0.1	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>9 307.6</b>	<b>10 610.2</b>	<b>12 011.7</b>	<b>14 859.5</b>	<b>14 587.5</b>	<b>16 091.8</b>	<b>18 556.2</b>	<b>19 747.5</b>
Provinces and municipalities	8 908.0	10 206.7	11 552.7	14 362.8	14 090.8	15 578.4	18 012.8	19 171.8
Departmental agencies and accounts	249.9	282.7	301.9	312.9	312.9	329.6	348.6	369.1
Universities and technikons	4.0	–	0.4	1.0	1.0	1.0	1.1	1.1
Foreign governments and international organisations	1.0	–	–	–	–	–	–	–
Non-profit institutions	143.4	120.1	156.0	182.5	182.5	182.9	193.8	205.5
Households	1.4	0.7	0.7	0.3	0.3	–	–	–
<b>Payments for capital assets</b>	<b>29.1</b>	<b>69.3</b>	<b>22.0</b>	<b>47.9</b>	<b>47.9</b>	<b>28.3</b>	<b>30.7</b>	<b>33.0</b>
Buildings and other fixed structures	6.2	0.3	–	–	–	–	–	–
Machinery and equipment	13.8	24.1	21.7	47.9	47.9	28.3	30.7	33.0
Software and other intangible assets	9.1	44.9	0.3	–	–	–	–	–
<b>Total</b>	<b>9 937.1</b>	<b>11 338.0</b>	<b>12 762.7</b>	<b>15 851.2</b>	<b>15 551.2</b>	<b>17 058.1</b>	<b>19 614.0</b>	<b>20 862.8</b>

## Expenditure trends

Over the MTEF period, the department receives additional allocations of R240 million, R398 million and R475 million:

- HIV and AIDS conditional grant (R200 million, R325 million and R407 million) to roll out the new dual therapy for prevention of mother to child transmission and expand antiretroviral treatment coverage
- the health disaster response (cholera) grant (R50 million)
- national prevalence survey of tuberculosis and strengthening programme management (R9 million, R18 million and R12 million)
- establishing the new South African Health Products Regulatory Authority (R7 million, R14.5 million and R23 million)
- establishing an office of standards compliance, including an ombudsman and complaints function (R5 million, R7.5 million and R10 million)
- conducting a primary health care facilities audit (R5 million, R10 million and R4 million).

Additions to the national tertiary services grant and the hospital revitalisation grant are to address higher than anticipated cost increases.

Departmental spending has grown at an average annual rate of 16.8 per cent, from R9.9 billion in 2005/06 to R15.9 billion in 2008/09. The budget grows by 7.6 per cent in 2009/10 to R17.1 billion and by an average annual rate of 9.6 per cent over the MTEF period to reach R20.9 billion by 2011/12. This amounts to real growth of R5.3 billion over six years. Between 2005/06 and 2011/12 the major areas of growth are in the *HIV and AIDS and STIs* subprogramme (in the *Strategic Health Programmes* programme), which has grown by R2.7 billion in real terms and the *Hospitals and Health Facilities Management* subprogramme (in the *Health Services* programme and which contains the hospital revitalisation grant), which has grown by R2.8 billion in real terms.

### Savings and reprioritisation

Savings amounting to R122.6 million have been identified over the MTEF period. These include specifically savings of R38.2 million (2009/10), R42.9 million (2010/11) and R41.5 million (2011/12) that have been identified particularly in areas of historical under-expenditure such as in goods and services and transfers and subsidies.

Most infrastructure spending occurs through the hospital revitalisation grant, which supports the construction of new hospitals and the upgrading of existing hospitals in provinces. This grant has increased from R1.1 billion in 2005/06 to R4.2 billion by 2011/12.

In 2007/08, a total of 20 business cases for hospital revitalisation were prepared by provincial departments of health and approved by the national Department of Health. All business cases for tertiary hospitals are approved by both the modernisation of tertiary services and hospital revitalisation teams to ensure alignment between the two processes. Hospital business cases also had to be consistent with the provincial service transformation plans. During the reporting period, 33 hospitals were under construction and 11 were in the planning phase, as part of the hospital revitalisation project. Three hospitals were nearing completion: Dilokong and Nkhensani in Limpopo, and Barkley West in Northern Cape.

In 2008/09, the Department of Health received 15 business cases from provinces. Provincial departments were assisted to review these business cases. In 2008/09, the national department received and is evaluating business cases for, among others, five tertiary hospitals: New Nelspruit, New Limpopo Academic, King Edward VIII, Kimberly and Rustenburg hospitals. The aim is that, once fully revitalised, the five hospitals will provide tertiary 1 services, and serve as provincial referral hospitals. Hospital revitalisation projects are shown in the additional tables.

### Departmental receipts

The largest source of departmental revenue is from fees for the registration of medicines by the Medicines Control Council. The process of reforming and establishing the council as a juristic person has not yet been finalised, which is why its revenue is included in the Department of Health's revenue projection over the MTEF period.

**Table 14.3 Departmental receipts**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Departmental receipts</b>	<b>59 924</b>	<b>33 303</b>	<b>41 193</b>	<b>5 630</b>	<b>29 511</b>	<b>29 525</b>	<b>35 112</b>	<b>29 558</b>
Sales of goods and services produced by department	58 351	32 146	39 447	4 646	28 527	28 534	34 106	28 548
Sales of scrap, waste, arms and other used current goods	5	41	67	71	71	80	84	88
Interest, dividends and rent on land	98	212	297	246	246	246	252	252
Financial transactions in assets and liabilities	1 470	904	1 382	667	667	665	670	670
<b>Total</b>	<b>59 924</b>	<b>33 303</b>	<b>41 193</b>	<b>5 630</b>	<b>29 511</b>	<b>29 525</b>	<b>35 112</b>	<b>29 558</b>

## Programme 1: Administration

### Expenditure estimates

**Table 14.4 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Minister <sup>1</sup>	0.8	0.9	1.0	1.0	1.7	1.8	1.9
Deputy Minister <sup>1</sup>	0.7	0.7	0.3	0.8	1.4	1.5	1.6
Management	14.4	16.4	19.7	24.8	25.9	27.8	29.5
Corporate Services	115.1	123.8	154.5	178.4	161.1	177.4	193.2
Property Management	32.1	33.8	38.2	41.6	46.5	51.6	54.7
<b>Total</b>	<b>163.2</b>	<b>175.6</b>	<b>213.6</b>	<b>246.7</b>	<b>236.6</b>	<b>260.1</b>	<b>280.9</b>
Change to 2008 Budget estimate				31.0	9.0	15.4	21.8

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

#### Economic classification

	152.0	171.3	206.2	220.3	230.8	253.0	272.9
<b>Current payments</b>							
Compensation of employees	61.5	67.9	75.6	84.3	88.7	95.5	101.2
Goods and services	90.4	103.4	130.6	136.0	142.1	157.5	171.7
of which:							
Administrative fees	0.2	0.1	0.1	0.4	0.4	0.4	0.5
Advertising	4.9	8.7	11.3	5.9	6.2	6.8	7.5
Assets less than R5 000	1.2	0.9	0.7	3.0	3.1	3.4	3.7
Audit costs: External	4.8	5.8	5.4	8.1	8.5	9.4	10.3
Bursaries (employees)	0.7	0.5	0.5	0.8	0.8	0.9	0.9
Catering: Departmental activities	–	1.4	1.0	1.2	1.2	1.4	1.5
Communication	9.2	9.8	9.4	9.5	10.0	11.1	12.1
Computer services	2.3	2.4	8.0	6.0	6.3	7.0	7.6
Consultants and professional services: Business and advisory services	2.1	2.8	6.8	3.9	4.1	4.5	5.0
Consultants and professional services: Legal costs	4.4	3.6	5.8	9.6	10.0	11.1	12.1
Contractors	1.1	1.8	1.5	0.7	0.8	0.9	0.9
Agency and support / outsourced services	–	–	–	1.3	1.3	1.5	1.6
Entertainment	0.6	0.0	0.1	0.4	0.4	0.5	0.5
Inventory: Materials and supplies	0.6	0.3	0.6	0.3	0.3	0.3	0.3
Inventory: Other consumables	0.1	0.3	0.2	0.7	0.7	0.8	0.9
Inventory: Stationery and printing	4.2	6.6	5.5	5.7	5.9	6.5	7.1
Lease payments	33.6	34.2	39.2	43.0	44.9	49.8	54.3
Owned and leasehold property expenditure	0.0	1.0	0.2	–	–	–	–
Transport provided: Departmental activities	0.1	0.1	0.0	–	–	–	–
Travel and subsistence	16.9	18.5	29.1	23.9	25.0	27.7	30.2
Training and development	0.7	0.7	0.9	5.0	5.3	5.8	6.4
Operating expenditure	1.5	1.7	2.0	3.8	4.0	4.4	4.8
Venues and facilities	1.1	2.0	2.3	2.7	2.8	3.1	3.4
Financial transactions in assets and liabilities	0.0	0.1	0.0	–	–	–	–



Table 14.4 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Transfers and subsidies</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Provinces and municipalities	0.2	0.1	–	–	–	–	–
Departmental agencies and accounts	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Households	0.2	0.1	0.2	–	–	–	–
<b>Payments for capital assets</b>	<b>10.6</b>	<b>3.9</b>	<b>7.0</b>	<b>26.1</b>	<b>5.5</b>	<b>6.8</b>	<b>7.7</b>
Buildings and other fixed structures	6.2	0.3	–	–	–	–	–
Machinery and equipment	2.9	2.7	7.0	26.1	5.5	6.8	7.7
Software and other intangible assets	1.5	0.9	0.0	–	–	–	–
<b>Total</b>	<b>163.2</b>	<b>175.6</b>	<b>213.6</b>	<b>246.7</b>	<b>236.6</b>	<b>260.1</b>	<b>280.9</b>

## Expenditure trends

Expenditure in the *Administration* programme increased by an average annual 14.8 per cent between 2005/06 and 2008/09 and is set to grow by an average annual 4.4 per cent over the MTEF period. Increases are mainly due to more spending in goods and services. The 15.7 per cent average annual increase in 2008/09 in the *Corporate Services* subprogramme is due to the R21.8 million rollover for upgrading and commissioning the Civitas building.

## Programme 2: Strategic Health Programmes

- *Maternal, Child and Women's Health and Nutrition* formulates and monitors policies, guidelines, and norms and standards for maternal, child and youth, and women's health and nutrition.
- *HIV and AIDS and STIs* develops policy and administers the national HIV and AIDS and sexually transmitted infections (programmes, including coordinating the implementation of the comprehensive HIV and AIDS plan and the related conditional grant. The programme also manages strategic partnerships and provides secretariat support to the South African National AIDS Council.
- *Communicable Diseases* is responsible for developing policies and supporting provinces to ensure the control of infectious diseases. It is also responsible for several occupational health functions, and cooperates with the Medical Bureau for Occupational Diseases and the Compensation Commission for Occupational Diseases.
- *Non-Communicable Diseases* establishes guidelines on chronic diseases, disability, older people, oral health and mental health. It is also responsible for developing a national forensic pathology service, rationalising blood transfusion services, and overseeing the National Health Laboratory Service, including the National Institute of Communicable Diseases and the National Centre for Occupational Diseases.
- *TB Control and Management* develops interventions to curb the spread of tuberculosis, supports and oversees the implementation of the tuberculosis crisis management plan, and monitors and improves national tuberculosis performance indicators.

## Objectives and measures

- Reduce infant, child and youth morbidity and mortality by:
  - improving immunisation coverage from 84 per cent in 2006/07 to 90 per cent in 2011/12
  - implementing dual therapy to prevent mother to child transmission of HIV, increasing the number of pregnant women who are tested for HIV from 80 per cent in 2009/10 to 95 per cent in 2010/11, and increasing the percentage of HIV positive mothers and their infants who receive dual therapy from 80 per cent in 2009/10 to 95 per cent in 2011/12
  - ensuring that all districts achieve more than 90 per cent full immunisation coverage by 2010/11
  - ensuring that primary health care staff are trained to implement the Reach Every District strategy.

- Reduce maternal mortality by ensuring that 100 per cent of institutions implement recommendations from the Saving Mothers Saving Babies report by March 2012. (The recommendations include: making clinical protocols widely available, improving information available to mothers, staffing and equipping to appropriate normative levels, and improving anaesthetic, blood and contraceptive availability.)
- Reduce HIV prevalence among antenatal attendees from 28 per cent in 2007 to 15 per cent in 2011 (as per the target of the national strategic plan for HIV and AIDS for 2007 to 2011) by scaling up prevention programmes.
- Increase the national tuberculosis cure rate from 60 per cent in 2008 to 70 per cent in 2010 by improving interventions for tuberculosis control and management.
- Improve access to essential medicines by:
  - maintaining zero stock out levels of drugs annually on the essential drugs list, TB drugs and ARV medicines
  - ensuring that 100 per cent of applications that meet requirements are licensed to dispense medicines in terms of section 22C of the Medicines and Related Substances Act (1965).
- Ensure compliance with relevant legislation by inspecting 30 per cent of licensed prescribers per year.
- Reduce alcohol abuse by ensuring that all nine provinces implement the strategy to reduce harmful use of alcohol by March 2012 by:
  - screening patients for alcohol abuse at 100 per cent of primary health care facilities
  - introducing the mandatory labelling of alcohol beverages with health messages.

### **Service delivery and spending focus**

Voluntary counselling and testing, and prevention of mother to child transmission services were provided in more than 95 per cent of health facilities. Steady progress was also made with the distribution of condoms, with 1.9 million female condoms being distributed. However, only 169 million male condoms were distributed by September 2008 against the 2008/09 target of 450 million male condoms, as a batch of defective condoms had to be recalled during the year.

By the end of November 2008, 630 775 patients had been initiated on antiretroviral therapy, of which 574 496 were adults, and 56 279 children. The 2007 antenatal care survey reflected a 1 per cent reduction in HIV prevalence between 2006 and 2007, and a 2 per cent reduction between 2005 and 2007. 259 operational high transmission sites had been established by September 2008, exceeding the 2008/09 target of 253 sites.

Strategies to improve HIV prevention will be implemented to achieve the target of 50 per cent reduction in new HIV infections by 2011. A new dual therapy policy for the prevention of mother to child transmission was introduced in February 2008. In 2009/10, the implementation of this policy will be accelerated to further reduce the proportion of infants born HIV positive.

The tuberculosis cure rate of 60 per cent has increased from 57.7 per cent in 2006/07. Tuberculosis tracer teams are being appointed and placed in districts across South Africa to help reduce the defaulter rate, resulting in a decrease in the defaulter rate from 10.4 per cent in 2006/07 to 7.9 per cent in September 2008. Most tuberculosis patients who presented to the health facilities in 2008 were tested for HIV. Provincial health workers are continuously being trained on tuberculosis control. One of the challenges is the lack of reliable data on community prevalence of tuberculosis and multi-drug resistant and extensively drug resistant strains. A national prevalence survey of tuberculosis will be conducted in 2009/10.

A 36 per cent reduction in the number of malaria cases was observed in the first half of 2008, compared to 2007. 553 malaria cases were reported during this period, compared to 886 in 2007/08. Furthermore, 3 malaria deaths were reported by September 2008, compared to 13 by September 2007/08, which reflects a 66 per cent decrease. This was consistent with the 2008/09 target of a 10 per cent reduction in malaria cases and deaths annually. The department continues to collaborate with neighbouring countries on malaria control. A trans-Limpopo malaria initiative meeting was held in Zimbabwe in August 2008 to draft a proposal for malaria control across the two countries.



National immunisation coverage of 86 per cent was achieved in 2008/09, against a target of 90 per cent. Three new vaccines will be progressively implemented in 2009/10, with the aim of reducing child mortality. The new vaccines target the most common forms of pneumonia (pneumococcal) and diarrhoea (rotavirus).

The department will also implement key initiatives to reduce morbidity and mortality, as outlined in the national strategic plan for maternal, neonatal, child and women's health and nutrition for South Africa 2008 to 2013. The initial focus of this strategy will be on 18 of the most deprived districts countrywide.

## Expenditure estimates

**Table 14.5 Strategic Health Programmes**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Maternal, Child and Women's Health and Nutrition	16.4	19.3	20.0	25.0	26.5	28.1	29.8
HIV and Aids and STIs	1 511.8	1 953.3	2 385.1	3 410.8	3 962.2	4 820.7	5 174.4
Communicable Diseases	4.6	5.8	5.3	8.4	60.9	12.4	14.0
Non-Communicable Diseases	373.5	669.2	676.7	732.8	620.7	693.8	735.4
TB Control and Management	8.9	11.2	9.2	12.9	21.9	32.1	26.9
<b>Total</b>	<b>1 915.3</b>	<b>2 658.8</b>	<b>3 096.3</b>	<b>4 189.9</b>	<b>4 692.3</b>	<b>5 587.2</b>	<b>5 980.5</b>
Change to 2008 Budget estimate				476.9	229.1	311.9	390.6

### Economic classification

	286.4	291.7	300.5	434.5	407.6	435.9	457.6
<b>Current payments</b>							
Compensation of employees	51.9	55.9	63.2	68.9	70.6	76.1	80.5
Goods and services	233.9	235.7	237.3	365.6	337.0	359.8	377.1
<i>of which:</i>							
Administrative fees	0.0	0.0	0.0	0.7	0.7	0.7	0.7
Advertising	81.2	30.1	11.2	100.4	82.7	87.9	92.1
Assets less than R5 000	0.7	0.6	0.7	1.6	1.5	1.6	1.7
Catering: Departmental activities	–	1.0	0.7	1.5	1.4	1.5	1.6
Communication	3.1	3.1	2.0	1.4	1.3	1.4	1.5
Computer services	8.5	0.0	1.4	0.5	0.5	0.5	0.6
Consultants and professional services: Business and advisory services	16.7	6.8	93.1	10.3	9.9	10.6	11.1
Consultants and professional services: Laboratory service	3.8	0.5	0.1	0.1	0.1	0.1	0.1
Contractors	1.9	6.5	2.8	9.1	8.7	9.3	9.8
Agency and support / outsourced services	–	–	–	4.6	4.4	4.7	4.9
Entertainment	1.0	0.0	0.0	0.2	0.2	0.2	0.2
Inventory: Fuel, oil and gas	–	–	0.0	0.5	0.4	0.5	0.5
Inventory: Medical supplies	71.9	133.5	80.8	140.1	134.4	143.6	150.6
Inventory: Other consumables	0.2	0.2	0.1	2.6	2.5	2.7	2.8
Inventory: Stationery and printing	3.4	6.6	6.0	17.1	16.4	17.6	18.4
Lease payments	0.4	0.4	0.4	2.0	1.9	2.1	2.2
Owned and leasehold property expenditure	0.7	0.5	0.5	–	–	–	–
Travel and subsistence	18.1	21.3	24.8	35.4	34.0	36.3	38.1
Training and development	2.2	1.2	0.8	–	–	–	–
Operating expenditure	13.9	16.8	2.6	26.2	25.1	26.9	28.2
Venues and facilities	6.0	6.4	9.0	11.0	10.5	11.2	11.8
Financial transactions in assets and liabilities	0.5	0.2	–	–	–	–	–

Table 14.5 Strategic Health Programmes (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Transfers and subsidies</b>	<b>1 613.5</b>	<b>2 350.3</b>	<b>2 783.7</b>	<b>3 740.8</b>	<b>4 269.3</b>	<b>5 135.0</b>	<b>5 505.6</b>
Provinces and municipalities	1 422.2	2 177.9	2 558.0	3 490.1	4 017.8	4 868.7	5 223.3
Departmental agencies and accounts	60.2	54.9	72.1	70.6	71.4	75.5	79.9
Universities and technikons	4.0	–	0.4	1.0	1.0	1.1	1.1
Foreign governments and international organisations	1.0	–	–	–	–	–	–
Non-profit institutions	125.7	117.3	153.1	178.9	179.0	189.8	201.2
Households	0.3	0.2	0.2	0.2	–	–	–
<b>Payments for capital assets</b>	<b>15.4</b>	<b>16.8</b>	<b>12.1</b>	<b>14.7</b>	<b>15.4</b>	<b>16.3</b>	<b>17.3</b>
Machinery and equipment	7.9	15.5	11.9	14.7	15.4	16.3	17.3
Software and other intangible assets	7.6	1.3	0.2	–	–	–	–
<b>Total</b>	<b>1 915.3</b>	<b>2 658.8</b>	<b>3 096.3</b>	<b>4 189.9</b>	<b>4 692.3</b>	<b>5 587.2</b>	<b>5 980.5</b>

## Details of selected transfers and subsidies

<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Current</b>	<b>1 422.0</b>	<b>1 942.7</b>	<b>2 259.5</b>	<b>3 287.0</b>	<b>4 017.8</b>	<b>4 868.7</b>	<b>5 223.3</b>
Comprehensive HIV and Aids grant	1 150.1	1 616.2	2 006.2	2 885.4	3 476.2	4 311.8	4 633.0
Forensic pathology services grant	271.9	326.5	253.2	401.6	491.7	557.0	590.4
Disaster management: Cholera	–	–	–	–	50.0	–	–
<b>Capital</b>	<b>–</b>	<b>235.2</b>	<b>298.6</b>	<b>203.1</b>	<b>–</b>	<b>–</b>	<b>–</b>
Forensic pathology services grant	–	235.2	298.6	203.1	–	–	–
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>60.2</b>	<b>54.9</b>	<b>72.1</b>	<b>70.6</b>	<b>71.4</b>	<b>75.5</b>	<b>79.9</b>
Human Sciences Research Council	–	5.6	3.0	0.4	–	–	–
National Health Laboratory Services	60.2	49.3	69.1	70.2	71.4	75.5	79.9
<b>Universities and technikons</b>							
<b>Current</b>	<b>4.0</b>	<b>–</b>	<b>0.4</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>
Medical University of Southern Africa	2.0	–	0.4	0.5	0.5	0.5	0.6
University of Cape Town	2.0	–	–	0.5	0.5	0.5	0.6
<b>Non-profit institutions</b>							
<b>Current</b>	<b>125.0</b>	<b>115.9</b>	<b>152.0</b>	<b>177.1</b>	<b>177.2</b>	<b>187.8</b>	<b>199.1</b>
Council for the Blind	0.4	0.5	0.5	0.5	0.6	0.6	0.6
HIV and AIDS: Non-governmental organisations	49.6	52.3	53.6	60.1	61.4	65.1	69.0
Life Line	13.0	14.0	15.0	11.0	11.6	12.2	13.0
loveLife	37.0	35.0	40.0	76.0	73.0	77.4	82.0
Soul City	12.0	11.1	17.0	14.0	16.0	17.0	18.0
South African Aids Vaccine Initiative	10.0	–	23.0	12.0	11.0	11.7	12.4
Tuberculosis: Non-governmental organisations	3.0	3.1	2.9	3.5	3.7	3.9	4.1

## Expenditure trends

The average annual growth over the MTEF period of 12.6 per cent is mainly due to the strong growth in the *HIV and AIDS and STIs* subprogramme, which has grown from R1.5 billion in 2005/06 to R4.6 billion in 2011/12. For the 2009 Budget, particular attention has gone to rolling out treatment coverage and implementing the improved dual therapy prevention of mother to child transmission programme. Increases in the *TB Control and Management* subprogramme are for conducting a national prevalence survey. The 621.2 per cent average annual increase in the *Communicable Diseases* subprogramme in 2009/10 is for the new health disaster response (cholera) grant, which has been introduced to contain the cholera outbreak in Limpopo. The forensic pathology grant makes up the largest part of the *Non-Communicable Diseases* subprogramme.

## Public entity

### National Health Laboratory Service

#### Strategic overview: 2005/06 – 2011/12

The National Health Laboratory Service is the largest diagnostic pathology service in South Africa, with a network of approximately 268 pathology laboratories employing over 6 500 people, serving mainly the public sector. The entity was established in 2001 in terms of the National Health Laboratory Service Act (2000) to form a single national public health laboratory service, incorporating the previous South African Institute for Medical Research and various national and provincial laboratories.

Research conducted by the service covers a wide range of activities across all pathology disciplines. Laboratory services provided include microbiology, virology, chemical pathology, haematology, parasitology and immunology. It is also responsible for undergraduate and postgraduate pathology training in the medical curricula of eight universities.

The National Health Laboratory Service has three specialised institutes:

- The National Institute of Communicable Diseases was established in January 2002, replacing the previous National Institute for Virology, and microbiology, parasitology and entomology laboratories from the former South African Institute of Medical Research, to create a comprehensive public health communicable diseases institution.
- The National Institute for Occupational Health supports the development and provision of occupational health services in South Africa.
- The National Cancer Registry provides epidemiological information for cancer surveillance and assists in building national awareness of cancer.

The National Health Laboratory Service has demonstrated the ability to increase service delivery and provide diagnostic services, teaching and research opportunities for South Africa. The increase in demand for its services will require innovation, the adoption of improved test methods and investments in technology to ensure that the organisation delivers on its mandate and is not constrained by the current shortage of skills.

In October 2006, the service incorporated the laboratories in KwaZulu-Natal, the last of the provinces to be incorporated in terms of the act. The effect of this incorporation was that the operations, assets and liabilities of the laboratories in KwaZulu-Natal were transferred to the service. This inclusion of 53 laboratories added a further 17 per cent to service capacity, increasing the provision of services managed by 35 per cent during 2006/07.

#### Selected performance and operations indicators

**Table 14.6 National Health Laboratory Services**

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of operating sites with viral load laboratories each year	8	8	20	25	30	35	40
Number of viral load tests each year	160 417	373 694	564 000	650 000	800 000	1 000 000	1 200 000
Number of operating sites with CD4 laboratories each year	24	24	47	51	55	60	65
Number of test requests received for CD4 tests each year	704 131	1 566 276	2 000 000	2 000 000	3 000 000	3 500 000	4 000 000
Number of tuberculosis sputum tests each year	2 419 877	2 777 659	2 982 841	3 769 527	4 146 480	4 561 127	5 017 240
Number of tuberculosis cultures each year	501 523	630 899	722 229	934 793	1 028 272	1 131 099	1 244 210

#### Service delivery and spending focus

Key areas of focus include providing cost effective and efficient health laboratory services, supporting health research, and providing health science education. Achievements in these areas include: the National Health

Laboratory Service price list being on average 46 per cent lower than the national reference price list; the appointment of 182 scientists and 32 additional intern medical scientists; and the signing of an umbrella agreement with 9 medical universities and universities of technology to prepare for the conclusion of the bilateral agreements.

A new laboratory information system is currently being implemented in KwaZulu-Natal at an approximate cost of R200 million. If all criteria are met, the system will be rolled out to all National Health Laboratory Service laboratories over the MTEF period. The spending focus over the MTEF period will be primarily on laboratory consumables, laboratory equipment, building renovations and labour costs.

A major challenge remains attracting and retaining skilled and experienced professionals, such as pathologists, technologists and IT professionals.

## Expenditure Estimates

**Table 14.7 National Health Laboratory Service: Financial information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>1 351.3</b>	<b>1 788.0</b>	<b>2 275.9</b>	<b>2 544.8</b>	<b>2 755.7</b>	<b>2 775.9</b>	<b>2 970.3</b>
Sale of goods and services other than capital assets <i>of which:</i>	1 323.5	1 745.6	2 232.3	2 438.8	2 625.5	2 631.9	2 816.2
<i>Sales by market establishments</i>	1 323.5	1 745.6	2 232.3	2 438.8	2 625.5	2 631.9	2 816.2
<i>Other non-tax revenue</i>	27.8	42.4	43.6	106.0	130.1	144.0	154.1
<b>Transfers received</b>	<b>74.3</b>	<b>93.3</b>	<b>104.9</b>	<b>70.6</b>	<b>71.8</b>	<b>75.9</b>	<b>80.4</b>
<b>Total revenue</b>	<b>1 425.6</b>	<b>1 881.3</b>	<b>2 380.9</b>	<b>2 615.4</b>	<b>2 827.5</b>	<b>2 851.8</b>	<b>3 050.6</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>1 253.7</b>	<b>1 696.7</b>	<b>2 134.0</b>	<b>2 370.4</b>	<b>2 623.0</b>	<b>2 717.8</b>	<b>2 911.9</b>
Compensation of employees	298.1	337.9	350.5	390.8	451.6	496.7	531.5
Goods and services	937.9	1 327.6	1 737.9	1 947.8	2 134.2	2 177.7	2 329.3
Depreciation	15.7	30.5	44.9	31.1	36.4	42.5	50.2
Interest, dividends and rent on land	2.0	0.7	0.7	0.7	0.8	0.8	0.9
<b>Transfers and subsidies</b>	<b>1.5</b>	<b>1.4</b>	<b>1.7</b>	<b>1.8</b>	<b>2.3</b>	<b>2.5</b>	<b>2.7</b>
<b>Total expenses</b>	<b>1 255.2</b>	<b>1 698.0</b>	<b>2 135.7</b>	<b>2 372.2</b>	<b>2 625.3</b>	<b>2 720.3</b>	<b>2 914.6</b>
<b>Surplus / (Deficit)</b>	<b>170.4</b>	<b>183.2</b>	<b>245.2</b>	<b>243.2</b>	<b>202.2</b>	<b>131.5</b>	<b>136.0</b>
<b>Statement of financial position</b>							
Carrying value of assets	225.0	356.3	433.8	472.9	703.8	882.3	1 013.8
<i>of which: Acquisition of assets</i>	56.6	165.4	126.5	75.5	273.0	227.0	188.3
Inventory	18.9	29.6	51.7	81.7	78.7	78.7	78.7
Receivables and prepayments	324.5	586.8	856.6	956.6	956.6	956.6	956.6
Cash and cash equivalents	288.5	296.9	256.2	406.5	469.0	514.9	562.1
<b>Total assets</b>	<b>857.0</b>	<b>1 269.7</b>	<b>1 598.2</b>	<b>1 917.7</b>	<b>2 208.1</b>	<b>2 432.5</b>	<b>2 611.2</b>
Accumulated surplus/deficit	152.6	339.6	589.6	887.9	1 131.2	1 306.8	1 489.9
Capital and reserves	147.0	181.8	178.0	174.2	170.3	166.5	162.7
Post-retirement benefits	256.3	346.1	356.9	356.9	376.9	401.8	376.9
Trade and other payables	228.9	330.0	399.2	424.2	434.2	444.2	454.2
Liabilities not classified elsewhere	72.1	72.1	74.4	74.5	95.4	113.1	127.5
<b>Total equity and liabilities</b>	<b>857.0</b>	<b>1 269.7</b>	<b>1 598.2</b>	<b>1 917.7</b>	<b>2 208.1</b>	<b>2 432.5</b>	<b>2 611.2</b>

## Expenditure trends

Total revenue grew from R1.4 billion in 2005/06 to R2.6 billion in 2008/09 at an average annual rate of 22.3 per cent. Total revenue over the MTEF period increases from R2.6 billion in 2008/09 to R3 billion in 2011/12, at an average annual rate of 5.4 per cent. Over the MTEF period, the National Health Laboratory

Service receives an annual transfer of approximately R76 million from the national Department of Health. Most revenue, however, is derived from pathology services to provinces at an average of R2.7 billion annually over the medium term.

The largest expenditure item is goods and services, which increased from R938 million in 2005/06 to R1.9 billion in 2008/09 at an average annual rate of 27.4 per cent, due to the steep increase in test volumes associated with HIV and AIDS and tuberculosis. Compensation of employees is expected to increase from R390.8 million in 2008/09 to R531.5 million at an average annual rate of 10.8 per cent in 2011/12.

Due to the historically limited accessibility to health services in the rural areas and the increasing health burden posed by HIV and tuberculosis, it is anticipated that the demand for laboratory services will continue to grow. To meet the demand, the National Health Laboratory Service will adopt new technology platforms, automating many of the processes and investigating new assays to improve on current diagnostic methods.

In an environment of scarce skills, the National Health Laboratory Service is continuously exploring new systems and improved technologies to deal with increased demand, while ensuring better turnaround times and improved quality. Significant investments have been made for improving specimen collection and expediting patient results to clinicians.

### Programme 3: Health Planning and Monitoring

- *Health Information, Research and Evaluation* develops and maintains a national health information system, and commissions and coordinates research. It provides disease surveillance and epidemiological analyses and technical and epidemiological leadership during disease outbreaks; conducts training on epidemic prone disease prevention, preparedness and control; and monitors and evaluates health programmes. It provides funding to the Medical Research Council and oversees its activities.
- *Financial Planning and Health Economics* undertakes health economics research and develops policy for medical schemes, social health insurance and public private partnerships. It oversees and provides funding to the Council for Medical Schemes.
- *Pharmaceutical Policy and Planning* monitors the procurement and supply of drugs, and ensures that there are no stock-outs of essential drugs, especially paediatric, tuberculosis and antiretroviral medicines in accredited sites.
- *Office of Standards Compliance* deals with quality assurance, licensing and the certificates of need required in terms of the National Health Act (2003). It also regulates and conducts inspections for radiation control.

### Objectives and measures

- Improve information on population health and health services by completing data analysis and publication of the 2008 South African health and demographic survey.
- Monitor HIV and syphilis prevalence by conducting the 2009 and 2010 national HIV survey and the syphilis survey in 2010.
- Improve the quality of health services by:
  - developing and refining quality standards for the health sector and monitoring compliance with these in health facilities annually
  - strengthening the office of standards compliance and appointing an ombudsman to address complaints about health services by March 2010.
- Improve effectiveness and equity in health financing by developing policy proposals and the legislative framework to facilitate the creation of national health insurance by 2011/12.

### Service delivery and spending focus

A national health facility improvement plan has been developed for each of the 27 hospitals, based on the results of appraisals conducted by health teams from June to August 2008, and coordinated by the new national office

of standards compliance. Individual hospital performance was measured against an improved set of national core standards, structured around the seven areas of: patient safety; clinical care; governance and management; patient experience of care; access to care; infrastructure and environment; and public health. These areas cover the essential requirements of a quality assurance programme for health facilities.

Progress is already evident in all 27 hospitals, with management teams developing and implementing measures to resolve areas of inadequate performance identified by the audits. The process of supportive facilitation at national, provincial and local levels was started in July 2008 and initially covered 19 hospitals. By the end of September 2008, improvement plans had been developed for 25 hospitals, and support extended to them. The methods employed are aimed at assisting facilities to focus on achieving results to address specific problems as they arise, thereby building their capacity to improve quality in the long term.

Interventions are planned to strengthen the quality of care in 2009/10. The office of standards compliance is being established in terms of the National Health Act (2003) and an ombudsman will be created to investigate and resolve complaints lodged in terms of this legislation.

Data comprehensiveness and reliability have improved steadily. Health information is being used across all provinces for developing and managing various health plans and monitoring their implementation. However, the use of information varies across the 52 districts.

Key challenges faced by the health system include inadequate infrastructure and personnel for strengthening health information systems at the primary health care level. A national audit of primary health care facilities will be conducted in 2009/10, with a view to generating comprehensive and reliable information about primary health care services and infrastructure. The audit will be used to inform future developments of primary health care services.

The department also initiated discussions with the Department of Home Affairs aimed at streamlining birth and death information systems.

The department is researching the development of mandatory insurance systems, such as the national health insurance. The department is proposing that the national health insurance be funded from two sources of revenue, namely general tax revenue and an earmarked mandatory contribution. In keeping with Cabinet advice received in July and August 2008, the next steps in the development of the national health insurance will include developing costed options. Consensus will be sought with key stakeholders on matters relating to the basic benefits package (essential health care package), the structure of the National Health Fund and the role of private funders and providers.

The 2009 national health reference price list was published in the Government Gazette in October 2008, and stakeholders were given one month to respond. Comments will be assessed and incorporated into the preparation of the final schedule.

## Expenditure estimates

**Table 14.8 Health Planning and Monitoring**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Health Information Research and Evaluation	210.8	233.4	251.4	260.8	277.5	293.6	311.2
Financial Planning and Health Economics	12.7	27.6	16.0	27.4	30.5	34.8	27.2
Pharmaceutical Policy and Planning	12.4	11.9	14.4	15.7	14.6	15.6	16.6
Office of Standards Compliance	23.9	28.4	27.3	30.3	34.5	38.9	43.2
<b>Total</b>	<b>259.9</b>	<b>301.3</b>	<b>309.1</b>	<b>334.1</b>	<b>357.1</b>	<b>382.9</b>	<b>398.2</b>
Change to 2008 Budget estimate				7.6	13.7	18.6	12.2



Table 14.8 Health Planning and Monitoring (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Economic classification</b>							
<b>Current payments</b>	<b>56.3</b>	<b>68.7</b>	<b>78.3</b>	<b>89.1</b>	<b>96.2</b>	<b>106.7</b>	<b>105.7</b>
Compensation of employees	33.4	38.5	43.2	52.0	52.3	56.2	59.7
Goods and services	22.9	30.2	35.0	37.1	43.9	50.5	46.0
of which:							
Advertising	1.2	1.3	1.3	1.4	1.6	1.7	1.6
Assets less than R5 000	0.1	0.6	0.5	1.5	1.8	2.0	1.9
Catering: Departmental activities	–	0.2	0.2	0.4	0.5	0.6	0.6
Communication	0.6	0.8	0.8	1.1	1.3	1.5	1.4
Computer services	2.9	0.4	2.8	1.2	1.4	1.7	1.5
Consultants and professional services: Business and advisory services	5.5	8.7	13.0	4.7	5.5	6.4	5.8
Contractors	0.3	1.6	0.1	0.1	0.1	0.2	0.1
Agency and support / outsourced services	–	–	–	1.9	2.3	2.6	2.4
Inventory: Stationery and printing	1.9	3.4	2.5	4.4	5.2	5.9	5.4
Lease payments	0.3	0.3	0.3	0.5	0.6	0.7	0.7
Travel and subsistence	8.9	10.2	10.2	16.1	19.0	21.8	19.9
Training and development	0.3	1.3	0.7	–	–	–	–
Operating expenditure	0.2	0.9	1.2	1.6	1.9	2.2	2.0
Venues and facilities	0.3	0.4	1.1	1.7	2.0	2.4	2.1
Financial transactions in assets and liabilities	0.0	0.0	0.0	–	–	–	–
<b>Transfers and subsidies</b>	<b>201.8</b>	<b>230.0</b>	<b>229.6</b>	<b>242.3</b>	<b>258.2</b>	<b>273.1</b>	<b>289.2</b>
Provinces and municipalities	0.1	0.0	–	–	–	–	–
Departmental agencies and accounts	184.4	227.5	226.9	239.7	255.4	270.1	286.1
Non-profit institutions	17.2	2.4	2.5	2.6	2.8	2.9	3.1
Households	0.1	0.1	0.2	–	–	–	–
<b>Payments for capital assets</b>	<b>1.7</b>	<b>2.6</b>	<b>1.2</b>	<b>2.8</b>	<b>2.8</b>	<b>3.1</b>	<b>3.3</b>
Machinery and equipment	1.6	2.6	1.2	2.8	2.8	3.1	3.3
Software and other intangible assets	0.1	0.0	0.0	–	–	–	–
<b>Total</b>	<b>259.9</b>	<b>301.3</b>	<b>309.1</b>	<b>334.1</b>	<b>357.1</b>	<b>382.9</b>	<b>398.2</b>

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>184.4</b>	<b>227.5</b>	<b>226.9</b>	<b>239.7</b>	<b>255.4</b>	<b>270.1</b>	<b>286.1</b>
Council for Medical Schemes	4.8	15.0	3.3	6.2	3.9	4.1	4.3
Medical Research Council	179.3	212.1	223.3	233.1	251.1	265.6	281.3
National Health Laboratory Services (cancer register)	0.3	0.3	0.4	0.4	0.4	0.4	0.4
<b>Non-profit institutions</b>							
<b>Current</b>	<b>17.2</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>2.9</b>	<b>3.1</b>
Health Systems Trust	17.2	2.4	2.5	2.6	2.8	2.9	3.1

## Expenditure trends

The programme grows at an average annual rate of 6 per cent over the MTEF period from R334.1 million in 2008/09 to R398.2 million in 2011/12. The average annual increase of 12.6 per cent over the medium term for the *Office of Standards Compliance* subprogramme is to set up the new office and establish a national programme of auditing health institutions for compliance with quality standards. Increases in the *Financial Planning and Health Economics* subprogramme are for conducting research into mandatory insurance systems.

## Public entity

### South African Medical Research Council

#### Strategic overview: 2005/06 – 2011/12

The mandate of the South African Medical Research Council is legislated in terms of the South African Medical Research Council Act (1991). The objectives of the council are to promote the improvement of the health and the quality of life of the population of South Africa through research, development and technology transfer, and to carry out other functions that may be assigned to the council in terms of the act.

The eight corporate support directorates and 45 research units are implementing the strategic plan for 2005–2010 by operationalising the strategic plan's nine objectives, outlined in the business plan for 2009 to 2011. For each strategic objective, the business plan details the actions, key performance indicators, targets and budgets for each strategic objective. These are: a research strategy and business plan, a financial model strategy and plan, opportunity and risk management, capacity development, transformation and development, innovation management and technology transfer, informatics and knowledge management, translating research, and stakeholder management.

#### Selected performance and operations indicators

**Table 14.9 South African Medical Research Council**

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of peer reviewed publications	518	564	653	670	680	680	690
Number of new patents	2	1	4	3	2	2	3
Number of PhD students	51	62	57	55	73	75	75
Number of policy briefs	4	2	8	8	9	9	10
Number of research projects	558	571	694	700	710	720	730

#### Service delivery and spending focus

In March 2008, the Medical Research Council compiled a technical report on dual therapy for the prevention of mother to child transmission of HIV. The report was used to develop a new treatment protocol which could potentially save an additional 40 000 babies from being born HIV positive each year. The first clinical trial of an HIV vaccine developed in South Africa is set to start in the United States of America and South Africa in early 2009.

The council received R400 million from the Centres for Disease Control and Prevention from the United States for operational research on HIV and tuberculosis from 2008 to 2013, the largest grant ever awarded to the Medical Research Council.

The council completed the second youth risk behaviour survey and the third global youth tobacco survey in late 2008. The youth risk behaviour survey is a vital tool to measure the behavioural change in sexual practices and key risks related to HIV infection.

The Medical Research Council's priorities over the medium term include: increasing the council's budget; reducing the salary gap between council employees and the private sector; recruiting and retaining senior black African scientists; improving the morale and motivation of unit directors through flexible remuneration and other measures; and implementing the council's research strategy by consolidating the three national collaborative research programmes, covering cancer and heart disease, African traditional medicines, and drug discovery.

## Expenditure estimates

Table 14.10 SA Medical Research Council: Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>194.8</b>	<b>279.1</b>	<b>291.9</b>	<b>290.7</b>	<b>288.9</b>	<b>298.9</b>	<b>308.7</b>
Sale of goods and services other than capital assets	176.5	239.3	264.3	270.0	275.0	285.0	295.0
of which:							
Sales by market establishments	176.5	239.3	264.3	270.0	275.0	285.0	295.0
Other non-tax revenue	18.2	39.8	27.6	20.7	13.9	13.9	13.7
<b>Transfers received</b>	<b>150.9</b>	<b>175.7</b>	<b>221.3</b>	<b>233.1</b>	<b>251.1</b>	<b>265.6</b>	<b>281.3</b>
<b>Total revenue</b>	<b>345.7</b>	<b>454.8</b>	<b>513.2</b>	<b>523.8</b>	<b>540.0</b>	<b>564.5</b>	<b>590.0</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>356.3</b>	<b>424.8</b>	<b>484.7</b>	<b>507.9</b>	<b>537.8</b>	<b>564.2</b>	<b>591.3</b>
Compensation of employees	174.7	205.3	213.5	227.5	255.9	272.5	290.3
Goods and services	171.5	208.1	259.1	270.7	272.2	281.9	291.3
Depreciation	9.4	9.7	12.0	9.7	9.7	9.7	9.7
Interest, dividends and rent on land	0.6	1.7	0.1	–	0.0	0.0	0.0
<b>Total expenses</b>	<b>356.3</b>	<b>424.8</b>	<b>484.7</b>	<b>507.9</b>	<b>537.8</b>	<b>564.2</b>	<b>591.3</b>
<b>Surplus / (Deficit)</b>	<b>(10.6)</b>	<b>30.1</b>	<b>28.5</b>	<b>15.9</b>	<b>2.2</b>	<b>0.3</b>	<b>(1.3)</b>
<b>Statement of financial position</b>							
Carrying value of assets	85.8	89.9	89.6	93.8	98.7	103.5	108.4
of which: Acquisition of assets	19.9	16.6	11.5	13.5	13.6	13.6	13.6
Investments	32.0	2.6	2.7	2.7	2.8	2.8	2.8
Inventory	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Receivables and prepayments	37.7	49.5	41.2	43.0	45.0	45.0	45.0
Cash and cash equivalents	272.4	301.7	333.7	327.9	321.3	317.4	311.4
<b>Total assets</b>	<b>428.4</b>	<b>444.2</b>	<b>467.5</b>	<b>467.8</b>	<b>468.2</b>	<b>469.2</b>	<b>468.0</b>
Accumulated surplus/deficit	42.1	62.3	90.9	106.8	109.0	109.3	108.1
Capital and reserves	–	1.4	1.4	–	–	–	–
Borrowings	0.0	0.0	–	–	–	–	–
Post-retirement benefits	45.2	22.3	3.9	4.0	4.2	4.4	4.4
Trade and other payables	53.6	53.1	64.6	60.0	60.0	60.0	60.0
Provisions	9.9	12.2	17.8	16.0	14.0	14.5	14.5
Managed funds	1.4	0.9	1.0	1.0	1.0	1.0	1.0
Liabilities not classified elsewhere	276.2	291.9	287.9	280.0	280.0	280.0	280.0
<b>Total equity and liabilities</b>	<b>428.4</b>	<b>444.2</b>	<b>467.5</b>	<b>467.8</b>	<b>468.2</b>	<b>469.2</b>	<b>468.0</b>

## Expenditure trends

Revenue over the MTEF period is projected to be R1.7 billion, of which R798.1 million is a transfer from the Department of Health. Total revenue increases at an average annual rate of 4 per cent over the MTEF period. An additional R35 million was received from other government institutions to conduct research on their behalf in 2008/09. The main expenditure item is compensation of employees, which constitutes 50 per cent total expenditure in 2011/12.

The largest expenditure on a single project area is on HIV vaccine and prevention, where R112.5 million is expected to be spent in 2008/09, increasing to R127.1 million in 2011/12, representing an average annual increase of 4.2 per cent over the medium term. Other major project areas that receive funding include tuberculosis epidemiology (R35.5 million in 2008/09) and diabetes (R21.9 million in 2008/09).

## Programme 4: Human Resources Management and Development

- *Human Resources Policy, Research and Planning* is responsible for medium to long term human resources planning in the national health system. Its functions include implementing the national human resources for health plan, facilitating capacity development for sustainable health workforce planning, and developing and implementing information systems for planning and monitoring purposes.
- *Sector Labour Relations and Planning* provides the resources and expertise for bargaining in the national Public Health and Social Development Sectoral Bargaining Council.
- *Human Resources Development and Management* is responsible for developing human resources policies, and norms and standards, and for the efficient management of the employees of the national Department of Health.

### Objectives and measures

- Improve the human resource capacity in the health sector by:
  - providing support to human resource planning in provinces by assisting provinces to produce human resource plans. Presently, human resource plans have been developed for 5 provinces. The remaining 4 provinces will be supported to develop in 2009/10, and the existing plan will be refined and updated
  - developing and implementing human resources information systems in all 9 provinces and 15 districts by 2009/10.
- Improve the remuneration framework for doctors, dentists, pharmacists and emergency medical services personnel by finalising the implementation of the occupation specific dispensation for medical doctors and related categories in time for the matter to enter the Public Service Coordinating Bargaining Council in early 2009.

### Service delivery and spending focus

The implementation of the occupation specific dispensation for nurses continued in 2008. The key priority for 2009/10 is the implementation of the next phase of the dispensation for doctors, dentists, pharmacists and emergency medical services personnel.

The department introduced new categories of mid-level workers. Mid-level workers such as pharmacy assistants and physiotherapy assistants are categorised as sub-professionals, able to provide a limited set of services, thus allowing the professional to focus on more complex tasks. In January 2008, 23 students were enrolled at the Walter Sisulu University for the clinical associates programme. The new emergency care technical qualification was also approved by the South African Qualification Authority. 4 565 professionals from 10 health professions started their internship and community service in January 2007. In January 2008, the department introduced the two-year medical internship policy to improve medical training.

In 2008, 115 Cuban doctors, who are still serving health facilities in terms of government-to-government agreements, received a three-year extension of their treaty permits and Health Professions Council of South Africa registration. 36 Tunisian doctors were also appointed and deployed to five provinces.

The department aims to improve its electronic information system on human resources. Planned activities for 2009/10 include: the development of strategic human resources reports; the tracking of training related information; and I-recruitment, which entails placing advertisements on the department's website in addition to the conventional print media.

## Expenditure estimates

**Table 14.11 Human Resources Management and Development**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Human Resources Policy, Research and Planning	4.5	3.3	3.9	9.3	9.1	7.9	8.4
Sector Labour Relations and Planning	0.9	1.9	2.0	4.4	5.1	5.4	5.7
Human Resources Development and Management	1 525.8	1 570.7	1 607.7	1 699.1	1 772.1	1 880.8	1 993.7
<b>Total</b>	<b>1 531.2</b>	<b>1 576.0</b>	<b>1 613.6</b>	<b>1 712.8</b>	<b>1 786.2</b>	<b>1 894.2</b>	<b>2 007.8</b>
Change to 2008 Budget estimate				(1.4)	(0.3)	(0.9)	(0.9)

### Economic classification

<b>Current payments</b>	<b>10.8</b>	<b>13.5</b>	<b>17.2</b>	<b>32.9</b>	<b>25.7</b>	<b>28.2</b>	<b>29.9</b>
Compensation of employees	5.8	8.9	11.9	11.5	14.3	15.4	16.3
Goods and services	5.0	4.6	5.3	21.4	11.4	12.9	13.6
<i>of which:</i>							
Advertising	0.1	0.2	0.2	1.0	0.5	0.6	0.6
Assets less than R5 000	0.1	0.3	0.1	0.7	0.4	0.4	0.5
Catering: Departmental activities	–	0.2	0.2	0.5	0.3	0.3	0.3
Consultants and professional services: Business and advisory services	0.9	0.8	0.2	10.6	5.6	6.3	6.7
Inventory: Stationery and printing	0.5	0.5	1.4	1.1	0.6	0.7	0.7
Travel and subsistence	2.1	1.6	2.0	4.8	2.6	2.9	3.1
Training and development	0.2	0.3	0.2	–	–	–	–
Venues and facilities	0.4	0.1	0.2	1.1	0.6	0.7	0.7
Financial transactions in assets and liabilities	–	0.0	0.0	–	–	–	–
<b>Transfers and subsidies</b>	<b>1 520.2</b>	<b>1 520.2</b>	<b>1 596.2</b>	<b>1 679.1</b>	<b>1 759.8</b>	<b>1 865.4</b>	<b>1 977.3</b>
Provinces and municipalities	1 520.2	1 520.2	1 596.2	1 679.1	1 759.8	1 865.4	1 977.3
Households	0.0	0.0	0.0	–	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>42.3</b>	<b>0.2</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.6</b>
Machinery and equipment	0.1	0.5	0.2	0.8	0.7	0.5	0.6
Software and other intangible assets	–	41.8	–	–	–	–	–
<b>Total</b>	<b>1 531.2</b>	<b>1 576.0</b>	<b>1 613.6</b>	<b>1 712.8</b>	<b>1 786.2</b>	<b>1 894.2</b>	<b>2 007.8</b>

### Details of selected transfers and subsidies

<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Current</b>	<b>1 520.2</b>	<b>1 520.2</b>	<b>1 596.2</b>	<b>1 679.1</b>	<b>1 759.8</b>	<b>1 865.4</b>	<b>1 977.3</b>
Health professions training and development grant	1 520.2	1 520.2	1 596.2	1 679.1	1 759.8	1 865.4	1 977.3

## Expenditure trends

The programme grows at an average annual rate of 5.4 per cent over the MTEF period. The increase in this programme is relatively low, partly because the health professions training and development conditional grant is targeted for reform and a new grant to support health science clinical training was initiated under the Department of Education in 2008/09.

## Programme 5: Health Services

- *District Health Services* promotes and coordinates the district health system and monitors primary healthcare and activities related to the integrated sustainable rural development programme and the urban

renewal programme. It also deals with policy and monitoring for health promotion and environmental health.

- *Environmental Health Promotion and Nutrition* provides technical support and monitors the delivery of municipal health services by local government, provides port health services, and supports poison information centres.
- *Occupational Health* promotes occupational health and safety in public health institutions, and ensures the training of occupational health practitioners in risk assessment.
- *Hospital and Health Facilities Management* deals with national policy on hospital and emergency medical services. It is also responsible for the conditional grant for the revitalisation of hospitals.

## Objectives and measures

- Guide the next steps in primary health care development by auditing primary health care services and infrastructure in all 9 provinces by March 2009. (The national primary health care audit did not take place in 2008 as donor funding did not materialise, and is now funded in the 2009 Budget).
- Improve district health services monitoring by using the district health information system and other monitoring tools for the delivery of primary health care in all provinces.
- Strengthen emergency medical services in time for the 2010 FIFA World Cup by implementing the national emergency medical services information system, the emergency care regulations, and disaster management plans in all provinces.

## Service delivery and spending focus

Access to primary health care services increased from 101.6 million people in 2006/07 to 101.8 million in 2007/08. A national primary health care supervision rate of 70 per cent was attained in 2007/08. Although lower than the 2007/08 target of 100 per cent, it reflected a significant improvement from the 48 per cent reported in 2006/07.

A functional referral system was established in 100 per cent of districts. Planning processes at district level were also strengthened, with 90 per cent of health districts having produced district health plans in line with national guidelines.

Formal partnerships were established between 17 health districts and non-profit organisations. According to the Health and Welfare Sector Education and Training Authority, about 50 per cent of non-profit organisation care workers were provided with accredited training.

Key challenges included delays in conducting the primary health care service and infrastructure audit due to funding constraints. The audit remains a key priority for 2009/10. Governance and community participation in health service delivery also proved to be a challenge in 2007/08 and 2008/09. Only 30 per cent of the primary health care facilities conducted 1 documented committee meeting every second month, which was lower than the 40 per cent achieved in 2006/07. The full service package was only provided by 70 per cent of the subdistricts in 2007/08, against the target of 95 per cent. To counter these challenges, certain measures have been included in the department's strategy for the next planning cycle.

Significant progress has been achieved in strengthening emergency medical services. A comprehensive five-year emergency medical service plan has been produced and emergency centre regulations and the disaster management policy are nearing completion. These guidelines will be particularly useful during the 2010 FIFA World Cup.

In 2007/08, the department initiated 36 food garden projects in Eastern Cape, KwaZulu-Natal and Western Cape to contribute to improved nutrition and food security. 1 800 schools were awarded health promoting schools' status, and all of these developed educational anti-tobacco and policy programmes.



## Expenditure estimates

**Table 14.12 Health Services**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
District Health Services	8.0	9.0	7.9	18.4	27.6	35.4	30.0
Environmental Health Promotion and Nutrition	15.0	18.2	18.7	19.8	19.0	20.0	22.1
Occupational Health	26.2	20.3	24.9	29.6	30.5	32.5	34.4
Hospitals and Health Facilities Management	5 975.5	6 519.2	7 414.4	9 219.5	9 821.7	11 301.1	11 995.2
<b>Total</b>	<b>6 024.7</b>	<b>6 566.7</b>	<b>7 465.8</b>	<b>9 287.3</b>	<b>9 898.9</b>	<b>11 388.9</b>	<b>12 081.7</b>
Change to 2008 Budget estimate				234.9	182.8	341.3	371.6

### Economic classification

<b>Current payments</b>	<b>52.8</b>	<b>55.0</b>	<b>63.2</b>	<b>87.3</b>	<b>91.5</b>	<b>103.3</b>	<b>103.2</b>
Compensation of employees	28.6	29.9	32.2	37.4	37.7	40.6	43.0
Goods and services	24.0	21.8	30.9	49.9	53.8	62.7	60.2
<i>of which:</i>							
Advertising	4.9	4.7	6.4	4.3	4.6	5.4	5.1
Assets less than R5 000	0.5	0.4	0.3	1.4	1.5	1.7	1.6
Audit costs: External	0.3	0.5	0.7	0.6	0.7	0.8	0.7
Catering: Departmental activities	–	0.3	0.3	0.7	0.8	0.9	0.9
Communication	1.5	1.4	1.3	1.5	1.6	1.9	1.8
Consultants and professional services: Business and advisory services	2.6	1.9	4.9	14.0	15.1	17.5	16.8
Consultants and professional services: Laboratory service	1.3	0.7	0.9	–	–	–	–
Contractors	0.1	0.2	0.2	2.4	2.5	3.0	2.8
Agency and support / outsourced services	–	–	–	2.7	3.0	3.5	3.3
Entertainment	0.7	0.0	0.0	0.1	0.1	0.1	0.1
Inventory: Other consumables	0.0	0.0	0.0	0.8	0.9	1.0	1.0
Inventory: Stationery and printing	1.3	0.7	0.7	2.5	2.7	3.2	3.0
Lease payments	0.2	0.2	0.2	0.4	0.4	0.5	0.5
Travel and subsistence	7.6	7.3	8.3	11.7	12.6	14.7	14.1
Training and development	0.4	1.0	0.3	–	–	–	–
Operating expenditure	0.9	1.2	3.9	3.9	4.3	5.0	4.8
Venues and facilities	1.4	1.0	2.0	2.1	2.3	2.7	2.5
Financial transactions in assets and liabilities	0.2	3.2	0.0	–	–	–	–
<b>Transfers and subsidies</b>	<b>5 971.2</b>	<b>6 509.3</b>	<b>7 401.6</b>	<b>9 197.1</b>	<b>9 804.3</b>	<b>11 282.4</b>	<b>11 975.1</b>
Provinces and municipalities	5 965.2	6 508.5	7 398.5	9 193.6	9 800.7	11 278.7	11 971.2
Departmental agencies and accounts	5.0	0.1	2.6	2.4	2.5	2.6	2.8
Non-profit institutions	0.4	0.4	0.5	1.0	1.1	1.1	1.2
Households	0.5	0.3	0.0	0.1	–	–	–
<b>Payments for capital assets</b>	<b>0.7</b>	<b>2.4</b>	<b>1.0</b>	<b>2.9</b>	<b>3.1</b>	<b>3.2</b>	<b>3.4</b>
Machinery and equipment	0.7	1.5	1.0	2.9	3.1	3.2	3.4
Software and other intangible assets	–	1.0	0.0	–	–	–	–
<b>Total</b>	<b>6 024.7</b>	<b>6 566.7</b>	<b>7 465.8</b>	<b>9 287.3</b>	<b>9 898.9</b>	<b>11 388.9</b>	<b>12 081.7</b>

Table 14.12 Health Services (continued)

R million	Audited outcome			Adjusted <sup>a</sup> appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Details of selected transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Current</b>	<b>4 859.7</b>	<b>4 981.1</b>	<b>5 321.2</b>	<b>6 134.1</b>	<b>6 614.4</b>	<b>7 398.0</b>	<b>7 798.9</b>
Hospital management and quality improvement grant	150.3	–	–	–	–	–	–
National tertiary services grant	4 709.4	4 981.1	5 321.2	6 134.1	6 614.4	7 398.0	7 798.9
<b>Capital</b>	<b>1 105.4</b>	<b>1 527.3</b>	<b>2 077.3</b>	<b>3 059.5</b>	<b>3 186.3</b>	<b>3 880.7</b>	<b>4 172.3</b>
Hospital revitalisation grant	1 105.4	1 527.3	2 077.3	3 059.5	3 186.3	3 880.7	4 172.3
<b>Departmental agencies and accounts</b>							
<b>Social security funds</b>							
<b>Current</b>	<b>5.0</b>	<b>–</b>	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>
Compensation Commissioner	5.0	–	2.6	2.4	2.5	2.6	2.8
<b>Non-profit institutions</b>							
<b>Current</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>
Health promotion: Non-governmental organisation	0.4	0.4	0.5	0.9	1.0	1.0	1.1

## Expenditure trends

The budget grows from R9.3 billion in 2008/09 to R12.1 billion in 2011/12 at an average annual rate of 9.2 per cent. The *Hospitals and Health Facilities Management* subprogramme comprises on average 57 per cent of the total budget and includes the national tertiary services and hospital revitalisation conditional grants. It reflects a real increase of 3.9 per cent over the medium term. The 50.2 per cent increase in the *District Health Services* subprogramme in 2009/10 is mainly to undertake a national survey of primary health care institutions.

## Programme 6: International Relations, Health Trade and Health Product Regulation

- *Multilateral Relations* develops and implements bilateral and multilateral agreements to strengthen the national health system, concludes agreements on the recruitment of health workers from other countries, and mobilises international resources to support the implementation of priority health programmes. It further provides technical capacity to South Africa in fields such as health technology management and surveillance systems.
- *Food Control and Non-Medical Health Product Regulation* ensures food safety by developing and implementing food control policies, norms and standards, and regulations.
- *Pharmaceutical and Related Product Regulation and Management* regulates trade in medicines and pharmaceutical products to ensure access to safe and affordable medicines.

## Objectives and measures

- Support the reconstruction of the health systems in the Democratic Republic of the Congo, Sudan, Zimbabwe and Burundi by developing agreements and implementation plans with these countries by March 2010.
- Strengthen the South African health sector by coordinating the recruitment of health professionals from India, Uruguay, Cuba and Tunisia by March 2010.
- Accelerate the registration and re-registration of medicines by completing the configuration of software for specialist processes by March 2010.

- Improve patient safety and adherence by developing a pharmaco-vigilance plan for monitoring extremely drug resistant tuberculosis drugs by 2010. (This project is funded only in the 2009 Budget and was not implemented in 2008.)
- Improve regulation of medicines and health products by establishing the South African Health Products Regulatory Authority by March 2010. The regulatory authority will replace the Medicines Control Council and cover a broader range of products (veterinary, agricultural and medical equipment).

## Service delivery and spending focus

South Africa co-hosted the African Union continental workshop on maternal, neonatal and child mortality reviews in April 2008. In November 2008, the department also hosted the third session of the conference of the parties to the World Health Organisation framework on tobacco control convention. South Africa assumed the role of chair of the Southern Africa Development Community (SADC) health ministers in August 2008.

The department continued to provide support to the post-conflict reconstruction process in countries such as the Democratic Republic of the Congo. The department also developed cooperation agreements on health matters with Burundi and Sudan.

The Medicines Amendment Bill, aimed at establishing the new South African Health Products Regulatory Authority, was passed in 2008 and is currently awaiting the president's signature. The authority will be responsible for improving the efficiency of medicines regulatory processes. The Medicines Control Council currently relies heavily on external reviewers at universities and research institutions. This has resulted in inordinately long delays for the registration of medicines, depriving citizens of quicker access to new technologies and more affordable generic medicines. Complementary medicines are not well regulated, posing a serious risk to public health. The department intends to regulate medical devices, in vitro medical diagnostic products, food with medicinal claims, and African traditional medicines under the new authority. Toxicological matters related to animal medicine residues will also be addressed. In line with international best practice, a web based regulatory system for complementary medicines is being planned.

During 2009/10, additional funding will be used to migrate regulatory processes from the current paper based system to an electronic system. A pilot project funded by the European Union is currently under way, but software licences and training of personnel are not covered.

The department conducted a benchmarking exercise comparing prices of medicines and pharmaceutical products in South Africa with countries such as Australia, Canada, New Zealand and Spain, which have similar regulatory frameworks for medicines. The pricing committee's recommendations were gazetted in August 2008, allowing stakeholders 30 days to respond. The implementing of these recommendations has the potential to reduce medicine prices by 30 per cent, resulting in a net saving of about R3 billion, but the recommendations have not been well received by the pharmaceutical industry. A process to resolve these differences is under way.

## Expenditure estimates

**Table 14.13 International Relations, Health Trade and Health Product Regulation**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Multilateral Relations	18.8	31.4	36.7	44.6	43.6	46.6	49.7
Food Control and Non-medical Health Product Regulation	3.7	3.5	4.3	7.4	6.5	6.6	7.0
Pharmaceutical and Related Product Regulation and Management	20.4	24.8	23.3	28.4	36.9	47.6	57.0
<b>Total</b>	<b>43.0</b>	<b>59.7</b>	<b>64.3</b>	<b>80.3</b>	<b>87.0</b>	<b>100.8</b>	<b>113.7</b>
Change to 2008 Budget estimate				1.4	4.7	13.1	21.1

**Table 14.13 International Relations, Health Trade and Health Product Regulation (continued)**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Economic classification</b>							
<b>Current payments</b>	<b>42.1</b>	<b>58.4</b>	<b>63.8</b>	<b>79.6</b>	<b>86.1</b>	<b>100.0</b>	<b>112.9</b>
Compensation of employees	28.0	30.7	32.6	33.6	36.3	39.1	41.5
Goods and services	14.2	27.6	31.2	46.0	49.8	60.9	71.5
of which:							
Administrative fees	0.0	0.0	0.0	1.0	1.0	1.3	1.5
Advertising	0.1	0.3	0.3	1.0	1.1	1.3	1.6
Assets less than R5 000	0.2	0.6	0.3	2.7	2.9	3.5	4.2
Catering: Departmental activities	0.1	0.3	0.3	1.2	1.2	1.5	1.8
Communication	0.5	0.5	0.4	1.0	1.1	1.4	1.6
Computer services	0.2	–	0.0	0.5	0.6	0.7	0.8
Consultants and professional services: Business and advisory services	0.1	0.3	0.1	0.4	0.5	0.6	0.7
Contractors	0.6	0.3	0.1	1.4	1.5	1.8	2.2
Inventory: Stationery and printing	1.1	1.1	1.0	2.4	2.6	3.2	3.7
Lease payments	0.5	1.0	2.0	2.3	2.5	3.1	3.6
Travel and subsistence	9.2	13.5	15.5	18.7	20.2	24.7	28.9
Operating expenditure	0.5	5.4	10.1	12.6	13.6	16.6	19.5
Venues and facilities	0.2	3.7	0.7	0.4	0.4	0.5	0.6
Financial transactions in assets and liabilities	0.0	0.0	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	0.1	0.0	–	–	–	–	–
Households	0.3	0.1	0.1	–	–	–	–
<b>Payments for capital assets</b>	<b>0.5</b>	<b>1.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>
Machinery and equipment	0.5	1.3	0.4	0.7	0.9	0.8	0.8
Software and other intangible assets	–	–	0.0	–	–	–	–
<b>Total</b>	<b>43.0</b>	<b>59.7</b>	<b>64.3</b>	<b>80.3</b>	<b>87.0</b>	<b>100.8</b>	<b>113.7</b>

## Expenditure trends

Expenditure for the programme is set to grow from R80.3 million in 2008/09 to R113.7 million in 2011/12, at an average annual rate of 12.3 per cent. The largest expenditure is in the *Multilateral Relations* subprogramme. However, this spending fluctuates because of its dependence on exchange rates. The bulk of the funds are used to pay membership fees to international agencies such as the World Health Organisation, and for the activities of health attachés, which accounts for 25 per cent of the expenditure for the subprogramme in 2008/09.

## Additional tables

**Table 14.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R million	2007/08		2007/08	2008/09			2008/09
1. Administration	210.3	210.2	213.6	215.6	31.0	246.7	246.7
2. Strategic Health Programmes	3 125.1	3 413.8	3 096.3	3 713.1	476.9	4 189.9	4 169.9
3. Health Planning and Monitoring	313.7	9 396.2	309.1	326.5	7.6	334.1	321.1
4. Health Human Resources Management and Development	1 617.1	70.9	1 613.6	1 714.2	(1.4)	1 712.8	1 707.8
5. Health Services	7 316.2	–	7 465.8	9 052.5	234.9	9 287.3	9 025.3
6. International Relations, Health Trade and Health Product Regulation	72.7	–	64.3	78.9	1.4	80.3	80.3
<b>Total</b>	<b>12 655.1</b>	<b>13 091.1</b>	<b>12 762.7</b>	<b>15 100.8</b>	<b>750.3</b>	<b>15 851.2</b>	<b>15 551.2</b>

  

Economic classification							
<b>Current payments</b>	<b>860.2</b>	<b>860.3</b>	<b>729.0</b>	<b>919.3</b>	<b>24.5</b>	<b>943.7</b>	<b>915.7</b>
Compensation of employees	251.8	251.8	258.6	278.4	9.3	287.7	287.7
Goods and services	608.4	608.4	470.3	640.9	15.2	656.0	628.0
Financial transactions in assets and liabilities	–	–	0.1	–	–	–	–
<b>Transfers and subsidies</b>	<b>11 760.7</b>	<b>12 186.3</b>	<b>12 011.7</b>	<b>14 155.5</b>	<b>704.0</b>	<b>14 859.5</b>	<b>14 587.5</b>
Provinces and municipalities	11 321.0	11 736.7	11 552.7	13 686.6	676.2	14 362.8	14 090.8
Departmental agencies and accounts	289.5	299.4	301.9	302.2	10.8	312.9	312.9
Universities and technikons	1.0	1.0	0.4	1.0	–	1.0	1.0
Non-profit institutions	149.3	149.3	156.0	165.8	16.8	182.5	182.5
Households	–	0.0	0.7	–	0.3	0.3	0.3
<b>Payments for capital assets</b>	<b>34.2</b>	<b>44.5</b>	<b>22.0</b>	<b>26.1</b>	<b>21.9</b>	<b>47.9</b>	<b>47.9</b>
Buildings and other fixed structures	–	4.7	–	–	–	–	–
Machinery and equipment	34.2	39.8	21.7	26.1	21.9	47.9	47.9
Software and intangible assets	–	–	0.3	–	–	–	–
<b>Total</b>	<b>12 655.1</b>	<b>13 091.1</b>	<b>12 762.7</b>	<b>15 100.8</b>	<b>750.3</b>	<b>15 851.2</b>	<b>15 551.2</b>

**Table 14.B Summary of personnel numbers and compensation of employees**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Permanent and full time contract employees</b>							
Compensation (R million)	208.7	230.1	256.0	284.4	296.3	319.3	338.5
Unit cost (R million)	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Personnel numbers (head count)	1 233	1 233	1 205	1 313	1 313	1 313	1 313
<b>Interns</b>							
Compensation of interns (R million)	0.4	1.6	2.6	3.3	3.6	3.6	3.6
Unit cost (R million)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of interns	28	76	90	115	127	127	127
<b>Total for department</b>							
<b>Compensation (R million)</b>	<b>209.1</b>	<b>231.7</b>	<b>258.6</b>	<b>287.7</b>	<b>299.9</b>	<b>323.0</b>	<b>342.2</b>
<b>Unit cost (R million)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>Personnel numbers (head count)</b>	<b>1 261</b>	<b>1 309</b>	<b>1 295</b>	<b>1 428</b>	<b>1 440</b>	<b>1 440</b>	<b>1 440</b>

**Table 14.C Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R million)	209.1	231.7	258.6	287.7	299.9	323.0	342.2
Training expenditure (R million)	5.6	5.5	9.5	6.3	6.6	7.1	7.7
Training as percentage of compensation	2.7%	2.4%	3.7%	2.2%	2.2%	2.2%	2.3%
Total number trained in department (head count)	1 152	539	625	261			
of which:							
Employees receiving bursaries (head count)	54	101	115	217			
Learnerships trained (head count)	–	2	–	–			
Internships trained (head count)	26	44	28	81			

**Table 14.D Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Conditional grants to provinces</b>							
<b>2. Strategic Health Programmes</b>							
Comprehensive HIV and AIDS grant	1 150.1	1 616.2	2 006.2	2 885.4	3 476.2	4 311.8	4 633.0
Forensic pathology services grant	271.9	561.7	551.8	604.7	491.7	557.0	590.4
Health disaster response (cholera) grant:	–	–	–	–	50.0	–	–
<b>5. Health Services</b>							
Hospital revitalisation grant	1 105.4	1 527.3	2 077.3	3 059.5	3 186.3	3 880.7	4 172.3
National tertiary services grant	4 709.4	4 981.1	5 321.2	6 134.1	6 614.4	7 398.0	7 798.9
Hospital management and quality improvement grant	150.3	–	–	–	–	–	–
<b>4. Health Human Resources Management and Development</b>							
Health professions training and development grant	1 520.2	1 520.2	1 596.2	1 679.1	1 759.8	1 865.4	1 977.3
<b>Total</b>	<b>8 907.3</b>	<b>10 206.5</b>	<b>11 552.7</b>	<b>14 362.8</b>	<b>15 578.4</b>	<b>18 012.8</b>	<b>19 171.8</b>

1. Detail provided in the Division of Revenue Act (2009)

**Table 14.E Summary of departmental public private partnership projects**

Project description: National fleet project		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R million			2008/09	2009/10	2010/11	2011/12
<b>Projects signed in terms of Treasury Regulation 16</b>		<b>5.2</b>	<b>13.1</b>	<b>13.9</b>	<b>14.7</b>	<b>9.7</b>
PPP unitary charge <sup>1</sup>		5.2	13.1	13.9	14.7	9.7
<b>Total</b>		<b>5.2</b>	<b>13.1</b>	<b>13.9</b>	<b>14.7</b>	<b>9.7</b>

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport.

**Disclosure notes for projects signed in terms of Treasury Regulation 16**

Project name	Tender: DOT/34/2005/GMT: National Fleet PPP Project
Brief description	To deliver a fleet solution to the Department of Transport and user Departments.
Date PPP agreement was signed	14 November 2006 (Department of Transport)
Duration of PPP agreement	5 years, (13 November 2011)



Table 14.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand												
<b>Foreign</b>												
<b>In cash</b>												
France	Human resource management	Health Human Resources Management and Development	–	Universities and technikons	Funding of developmental work to be implemented by the universities of the Witwatersrand and KwaZulu-Natal.	760	40	–	900	–	–	–
CDC- Corporation funds	HIV and AIDS	Strategic Health Programmes	–	Goods and services	Achieving primary prevention of HIV and AIDS infections through confidential counselling and testing programmes and building programmes to reduce mother to child transmission	1 023	610	60	106	–	–	–
CDC- Corporation funds	HIV and AIDS	Strategic Health Programmes	–	Non-profit institutions	Increased number of youth serving non-governmental organisations promoting HIV and AIDS prevention	1 423	3 833	–	31	–	–	–
CDC- Corporation funds	HIV and AIDS	Strategic Health Programmes	–	Households	Strengthening the capacity to collect and use surveillance data and manage the national HIV and AIDS programme by expanding surveillance programmes	500	–	–	7	–	–	–
CDC- Corporation funds	Maternal, child and women's health	Strategic Health Programmes	–	Goods and services	Achieving primary prevention of HIV and AIDS infections through expanding confidential counselling and testing programmes, and building programmes to reduce mother to child transmission	55	–	–	1 935	–	–	–
Global Fund	HIV and AIDS	Strategic Health Programmes	–	Households	Strengthening national and provincial capacity for the prevention, treatment and support related to HIV and AIDS, and tuberculosis	37 935	–	–	–	–	–	–
Belgium	HIV and AIDS	Strategic Health Programmes	–	Compensation of employees	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	1 670	1 980	1 728	49	–	–	–

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand												
Belgium	HIV and AIDS	Strategic Health Programmes	–	Goods and services	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	458	595	901	2 703	–	–	–
Belgium	HIV and AIDS	Strategic Health Programmes	–	Provinces and municipalities	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	477	2	–	–	–	–	–
Belgium	HIV and AIDS	Strategic Health Programmes	–	Machinery and equipment	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	11	–	–	–	–	–	–
European Union	HIV and AIDS	Strategic Health Programmes	–	Goods and services	Funds were channelled to non-governmental organisations to carry out implementation of programmes	2	–	–	–	–	–	–
European Union	Pharmaceutical and related product management	International Relations, Health Trade and Health Product Regulation	–	Compensation of employees	Improve capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	–	–	–	2 888	–	–	–
European Union	Pharmaceutical and related product management	International Relations, Health Trade and Health Product Regulation	–	Goods and services	Improve capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	–	–	–	2 976	–	–	–

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
						2005/06	2006/07		2009/10	2010/11	2011/12
R thousand											
European Union	Pharmaceutical and related product management	International relations, Health trade and health product regulation	–	Machinery and equipment	Improve capacity and effectiveness of the South African Health Products Regulatory Authority through procuring 40 computers and a printer/copier/scanner to implement the electronic data management system	–	–	1 906	–	–	–
Global Fund round six	HIV and AIDS	Strategic Health Programmes	–	Compensation of employees	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response, also strengthening capacity	–	–	896	–	–	–
European Union	Health economics	Health Planning and Monitoring	–	Goods and services	Built capacity in health economics and provided incidence benefit analysis, an expenditure tracking matrix and a national health reference price list	3	1 272	–	–	–	–
European Union	Primary health care district health and development	Health Services	–	Compensation of employees	Improve the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increase tuberculosis cure rates by reducing tuberculosis defaulter rates	804	1 152	23 145	–	–	–
European Union	Primary health care district health and development	Health Services	–	Goods and services	Provide access to primary health care services through funding non-governmental organisations	5 648	11 086	15 855	–	–	–
European Union	Primary health care district health and development	Health Services	–	Provinces and municipalities	Improved the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increasing tuberculosis cure rates by reducing tuberculosis defaulter rates	2	1	–	–	–	–

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand												
European Union	Primary health care district health and development	Health Services	-	Households	Improved the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increasing tuberculosis cure rates by reducing tuberculosis default rates.	7	90	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	Machinery and equipment	Implement cost centre management and provide IT capacity in selected hospitals.	208	89	107	315	-	-	-
European Union	Hospital services	Health Services	-	Goods and services	Implement cost centre management and provide IT capacity in selected hospitals.	282	791	1 277	6 713	-	-	-
France	Human resource management	Health Human Resources Management and Development Programmes	-	Goods and services	Strengthen hospital management training in South Africa	539	-	15	840	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	142	363	228	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Goods and services	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	4 103	6 075	15 369	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Non-profit institutions	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	1 023	2 479	2 421	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Machinery and equipment	Strengthened national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	7	-	-	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
						2005/06	2006/07		2009/10	2010/11	2011/12
R thousand											
Global Fund round six	HIV and AIDS	Strategic Health Programmes	–	Goods and services	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response and strengthen capacity.	–	–	98	–	–	–
Global Fund round six	HIV and AIDS	Strategic Health Programmes	–	Machinery and equipment	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response and strengthen capacity	–	–	465	–	–	–
European Union	Medicines regulatory affairs	International Relations, Health Trade and Health Product Regulation	–	Machinery and equipment	Improved capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	–	131	256	–	–	–
European Union	Primary health care district health and development	Health Services	–	Non-profit institutions	Provided access to primary health care services through funding of non-governmental organisations	–	17	–	–	–	–
European Union	Primary health care district health and development	Health Services	–	Software and other intangible assets	Implemented cost centre management and provided IT capacity in selected hospitals.	–	15	–	–	–	–
European Union	Health economics	Health Planning and Monitoring	–	Goods and services	Build capacity in health economics and provide incidence benefit analysis, an expenditure tracking matrix and a national health reference price list	–	–	4 082	–	–	–
European Union	Human resource management	Health Human Resources Management and Development	–	Compensation of employees	Improve capacity in health care management by training of hospital managers, awards for service excellence, establishing a service placement call centre	–	266	481	1 178	–	–

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate			
						2005/06	2006/07	2007/08		2008/09	2009/10	2010/11	2011/12
R thousand													
European Union	Human resource management	Health Human Resources Management and Development	–	Goods and services	Improve capacity in health care management by training hospital managers, giving awards for service excellence, establishing a service placement call centre	–	2 520	4 247	8 289	–	–	–	–
European Union	Human resource management	Health Human Resources Management and Development	–	Households	Improved capacity in health care management by training hospital managers, giving awards for service excellence, establishing a service placement call centre	–	228	–	–	–	–	–	–
European Union	Human resource management	Health human resources management and development	–	Machinery and equipment	Improve capacity in health care management by training hospital managers, giving awards for service excellence, establishing a service placement call centre	–	51	343	459	–	–	–	–
Global Fund round six	HIV and AIDS	Strategic Health Programmes	–	Non-profit institutions	HIV and AIDS services by communities within nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitive programmes.	–	–	44 356	44 986	–	–	–	–
Canada	HIV and AIDS	Strategic Health Programmes	–	Goods and services	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity.	–	–	182	1 158	–	–	–	–



Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand													
Canada	HIV and AIDS	Strategic Health Programmes	-	Machinery and equipment	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	21	18	-	-	-	-
Belgium	Management	Administration	-	Goods and services	Strengthen capacity building programmes by implementing training and development programmes	-	-	776	6 882	-	-	-	-
Belgium	Management	Administration	-	Machinery and equipment	Strengthened capacity building programmes by implementing training and development programmes	-	-	333	-	-	-	-	-
Belgium	Corporate services	Administration	-	Goods and services	Strengthen capacity building programmes by implementing training and development programmes	-	-	403	627	-	-	-	-
European Union	Corporate services	Administration	-	Compensation of employees	Improve management of finance and supply chain by appointing and training of financial and supply chain managers seconded to provinces	-	-	2 633	6 372	-	-	-	-
European Union	Corporate services	Administration	-	Goods and services	Improve financial management and logistics of European Union funded programmes by contracting service providers	-	239	1 562	6 716	-	-	-	-
European Union	Corporate services	Administration	-	Machinery and equipment	Improve financial management and logistics of European Union funded programmes by supplying equipment to the programme management unit	-	11	77	27	-	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
European Union	Medicines regulatory affairs	International Relations, Health Trade and Health Product Regulation	–	Compensation of employees	Improved capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	–	–	521	–	–	–	–	–
						57	545	1 267	–	–	–	–	–
European Union	Medicines regulatory affairs	International Relations, Health Trade and Health Product Regulation	–	Goods and services	Improve capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	–	–	82	–	–	–	–	–
						–	–	–	–	–	–	–	–
European Union	Health economics	Health Planning and Monitoring	–	Compensation of employees	Build capacity in health economics and provide incidence benefit analysis, an expenditure tracking matrix and a national health reference price list	–	–	60	–	–	–	–	–
						–	–	16	–	–	–	–	–
European Union	Hospital services	Health Services	–	Compensation of employees	Implement cost centre management and provide IT capacity in selected hospitals	–	–	3 803	7 649	–	–	–	–
						–	–	287	316	–	–	–	–
European Union	Hospital services	Health Services	–	Software and other intangible assets	Implemented cost centre management and provide IT capacity in selected hospitals	–	–	116	–	–	–	–	–
						–	–	–	–	–	–	–	–

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
						2005/06	2006/07		2009/10	2010/11	2011/12
R thousand											
Canada	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	1 508	-	-	-
CDC- Corporation funds	Maternal, child and women's health	Strategic Health Programmes	-	Machinery and equipment	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	120	-	-	-
CDC- Corporation funds	Health information evaluation and research	Health Planning and Monitoring	-	Compensation of employees	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	261	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand													
CDC-Corporation funds	Health information evaluation and research	Health Planning and Monitoring	-	Goods and services	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to governmental funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental and community based organisations with quality gender sensitivity	-	-	-	833	-	-	-	-
Denmark	District health services	Health Services	-	Goods and services	The development objective of the urban environmental management programme is sustainable and poverty-orientated environmental management of urban areas within South Africa	-	-	-	5 800	-	-	-	-
<b>Total</b>			-			<b>51 324</b>	<b>30 865</b>	<b>98 565</b>	<b>176 981</b>	-	-	-	-

Table 14.G Summary of expenditure on infrastructure

Type of infrastructure		Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate				
					2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	
R million	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)											
		–	downscale to 859 beds	–	1 114.8	45.9	44.7	50.0	62.8	109.2	116.0	148.2
		–	620 bed revitalisation	–	1 096.4	–	–	–	5.0	6.5	30.0	65.0
		–	–	–	10 577.9	–	–	–	2.0	55.6	362.3	531.9
Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)												
	King George V	– downscale to 960 beds	–	874.6	132.7	129.0	260.0	133.3	151.0	77.1	10.0	
	Psychiatric west end	– upgrade to 310 beds	–	843.1	30.0	98.8	150.0	167.4	37.0	–	–	
	Kuruman	– 422 beds	–	818.0	–	–	–	–	1.0	34.7	98.0	
	Chris Hani	– revitalise and downscale to 1500 beds	–	812.6	–	118.4	195.0	171.7	51.0	–	–	
	Dora Nginza	– 800 beds	–	796.8	–	–	–	–	1.0	–	–	
	Zola	– downscale to 250 beds	–	773.3	28.0	38.5	110.0	70.0	150.0	150.7	–	
	Botumelo	– downscale to 246 beds	–	762.1	25.7	39.9	50.0	96.3	101.3	80.0	60.7	
	Pelonomi	– downscale to 346 beds	–	745.5	30.5	7.9	18.1	58.5	65.8	90.0	111.6	
	Upington	– upgrade to 231 beds	–	678.8	20.0	–	15.0	6.0	140.0	145.0	100.0	
	Germiston	– upgrade to 149 beds	–	636.6	–	21.2	42.0	60.0	160.0	201.5	–	
	Bophelong	– 365 beds	–	627.3	–	–	–	–	3.0	55.0	88.0	
	Valkenburg	– 420 beds	–	618.9	11.0	5.2	5.0	11.3	–	–	–	
	Mt Ayliff Psychiatric	– 355 beds	–	613.8	–	–	–	–	1.5	–	–	
	National Hospital	– 250 beds	–	606.6	–	–	–	–	4.0	50.0	60.0	
	Hlabisa	– new 308 bed	–	597.9	–	52.0	12.5	30.8	110.0	117.0	121.0	
	Brits	– upgrade to 175 beds	–	585.5	15.0	6.2	17.0	55.0	100.0	130.0	123.1	
	Khayelitsha	– new 230 beds	–	546.1	–	–	–	59.0	98.0	110.0	100.0	
	Mitchell's Plain	– 230 beds	–	509.3	–	–	–	33.3	90.0	105.0	100.0	
	Ditlabeng	– 155 beds	–	495.2	–	–	–	–	2.0	4.0	40.0	
	Dr John Dube	– new 250 beds	–	492.0	–	0.2	9.9	–	–	–	–	
	Free State psychiatric complex	– 444 beds	–	468.6	–	–	–	8.4	–	–	–	
	Vryburg	– upgrade to 120 beds	–	460.9	30.0	81.5	75.7	129.5	78.0	–	–	
	Rob Ferreira	– downscale 212 beds	–	456.3	21.9	20.8	32.1	104.4	115.0	75.3	–	
	Moses Kotane	– downscale	–	455.4	50.0	93.0	89.3	62.1	75.0	–	–	
	Brooklyn Crest	– 420 beds	–	452.0	–	–	–	–	5.0	50.0	120.0	

Table 14.G Summary of expenditure on infrastructure (continued)

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
MP Prov Psychiatric	–	–	–	450.0	–	–	–	–	9.0	95.4	140.0
Paarl	–	upgrade to 326 beds	–	427.9	49.0	45.6	81.6	118.4	101.0	17.0	–
Mamelodi	–	upgrade to 250 beds	–	335.9	51.9	89.7	100.0	36.0	11.0	–	–
De Aar	–	upgrade to 190 beds	–	331.6	17.0	37.9	8.0	6.0	100.0	85.3	80.0
Ermelo	–	upgrade to 735 beds	–	306.8	28.0	13.9	34.8	–	79.0	67.2	85.0
St Elizabeth's	–	upgrade to 410 beds	–	301.1	19.0	13.9	85.0	107.6	55.3	48.0	10.0
Worcester	–	upgrade to 315 beds	–	294.5	37.2	31.8	73.9	51.0	20.4	–	–
St Lucy's	–	downscale to 154 beds	–	278.6	26.0	67.5	94.1	68.6	27.0	10.0	–
Themba	–	downscale to 212 beds	–	272.5	12.8	9.8	23.9	59.7	105.0	33.0	–
Frontier	–	upgrade to 400 beds	–	229.3	35.5	29.2	61.0	62.9	45.3	63.0	5.2
Lady Brand	–	60 beds	–	223.2	–	–	–	–	26.0	32.7	56.0
Madwaleni	–	new 220 beds	–	222.4	–	–	–	23.6	50.0	47.2	62.0
George	–	upgrade to 265 beds	–	218.8	14.7	1.7	15.6	13.3	42.0	–	–
Trompsburg	–	new 45 beds	–	209.1	–	–	–	25.0	45.8	55.0	18.0
Rietvllei	–	downscale to 205 beds	–	200.1	20.1	12.5	–	26.4	15.6	–	–
Postmasburg	–	upgrade to 55 beds	–	173.7	–	5.2	–	–	–	–	–
Dllokong	–	downscale to 252 beds	–	166.5	56.8	28.2	5.8	11.4	–	–	–
St Patricks	–	downscale to 245 beds	–	162.1	–	24.7	29.0	45.4	57.0	45.5	13.8
Thabazimbi	–	112 beds	–	162.1	–	–	–	2.0	60.6	41.7	38.3
Letaba	–	upgrade to 400 beds	–	161.2	–	16.5	52.2	81.4	12.7	–	–
Ditsobotla	–	108 beds	–	156.1	–	–	–	–	5.0	45.0	63.0
Nkhensani	–	upgrade to 363 beds	–	154.4	36.3	36.6	16.6	14.9	–	–	–
Thabamooopo	–	1152 beds	–	144.3	–	9.1	47.6	73.0	19.6	–	–
Vredenburg	–	upgrade to 80 beds	–	144.2	13.6	5.5	16.0	20.4	25.3	70.0	–
Maphuta Malatjie	–	downscale to 93 beds	–	124.7	55.0	6.2	12.8	57.9	39.5	5.9	–
Musina	–	–	–	103.4	–	–	–	3.0	60.3	27.1	11.8
Port Nolloth	–	–	–	69.5	–	–	–	–	1.0	2.0	42.0
Barkly west	–	upgrade to 55 beds	–	50.1	12.0	25.2	14.0	4.0	–	–	–
Natalspruit	–	downscale to 500 beds	–	–	1.3	162.3	198.0	172.6	–	–	–
Madzikane ka Zulu	–	upgrade to 267 beds	–	–	41.8	16.9	7.0	12.8	–	–	–
Bedford	–	–	–	–	–	–	–	–	1.5	44.0	72.0

Table 14.G Summary of expenditure on infrastructure (continued)

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Burgersdorp	-	-	-	-	-	-	-	-	1.0	5.8	47.0
Nessie Knight	-	-	-	-	-	-	-	-	1.0	5.5	58.3
Warmbaths	-	-	-	-	-	-	-	-	1.0	43.0	58.0
Evhuhakeni	-	-	-	-	-	-	-	-	1.0	43.0	48.0
Philadelphia	-	-	-	-	-	-	-	-	1.0	2.0	70.0
Lebowakgomo	-	upgrade to 241 beds	-	-	3.5	6.4	-	-	-	-	-
Jane Furse	-	downscale to 252 beds	-	-	20.8	13.4	-	-	-	-	-
Piet Relief	-	downscale 140 beds	-	-	-	10.8	10.0	-	-	-	-
Colesburg	-	upgrade to 35 beds	completed	-	-	1.9	-	-	-	-	-
Calvinia	-	downscale to 35 beds	-	-	-	0.7	-	-	-	-	-
Bambisana	-	-	-	-	-	-	-	-	1.0	4.0	46.0
CN Phatudi	-	-	-	-	-	-	-	-	-	-	6.0
Tintswalo	-	-	-	-	-	-	-	-	-	-	5.0
CHB 1	-	new 210 beds	-	-	7.0	18.6	-	-	-	-	-
Other	-	-	-	772.7	20.0	0.1	-	14.9	83.1	99.8	114.0
<b>Total</b>				<b>35 363.1</b>	<b>1 020.1</b>	<b>1 498.9</b>	<b>2 118.5</b>	<b>2 438.7</b>	<b>2 815.0</b>	<b>3 021.8</b>	<b>3 026.9</b>



