

INKOSI ALBERT LUTHOZI

# BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 16: Health**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2013**

**National Treasury**

**Republic of South Africa**

27 February 2013



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The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za).



# Health

**National Treasury  
Republic of South Africa**



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# Vote 16

## Health

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	411.0	404.8	0.5	5.7	424.8	450.2
National Health Insurance, Health Planning and Systems Enablement	491.9	441.0	48.5	2.4	637.5	672.4
HIV and AIDS, TB, Maternal and Child Health	11 029.1	309.6	10 717.9	1.7	12 866.7	14 546.3
Primary Health Care Services	109.4	105.7	2.3	1.5	106.1	111.3
Hospitals, Tertiary Health Services and Human Resource Development	17 911.2	165.9	16 934.3	811.0	19 072.8	19 902.8
Health Regulation and Compliance Management	754.1	211.9	538.6	3.6	816.4	1 002.2
<b>Total expenditure estimates</b>	<b>30 706.7</b>	<b>1 638.8</b>	<b>28 242.1</b>	<b>825.8</b>	<b>33 924.3</b>	<b>36 685.2</b>
Executive authority	Minister of Health					
Accounting officer	Director General of Health					
Website address	www.doh.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide leadership and coordination of health services 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.*

### Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires the department to provide a framework for a structured uniform health system within South Africa. The act sets out the functions of the three levels of government as they relate to health services. The department contributes directly to achieving the government outcome which calls for a long and healthy life for all South Africans.

### Strategic goals

The department's strategic goals over the medium term are to:

- increase average male and female life expectancy at birth to 70 years in 2030
- decrease maternal mortality ratio from estimated 310 per 100 000 to 270 (or less) per 100 000 live births by 2014
- decrease child mortality ratio from current 42 deaths per 1 000 live births to 38 deaths (or less) per 1 000 live births by 2014
- combat HIV and AIDS and decrease the burden of disease from tuberculosis
- strengthen the health system's effectiveness by focusing on reengineering primary health care and improving patient care and satisfaction, health infrastructure availability, human resources for health, and healthcare financing through the implementation of the national health insurance and strengthening health information systems.

## Programme purposes

### Programme 1: Administration

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

### Programme 2: National Health Insurance, Health Planning and Systems Enablement

**Purpose:** Improve access to quality health services through the development and implementation of policies to achieve universal coverage, health financing reform, integrated health systems planning, reporting, monitoring and evaluation, and research.

### Programme 3: HIV and AIDS, TB and Maternal and Child Health

**Purpose:** Develop national policy, and coordinate and fund health programmes for HIV and AIDS and sexually transmitted infections, tuberculosis, maternal and child health, and women's health. Develop and oversee implementation of policies, strengthen systems, set norms and standards, and monitor programme implementation.

### Programme 4: Primary Health Care Services

**Purpose:** Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.

### Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

**Purpose:** Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure alignment of academic medical centres with health workforce programmes.

### Programme 6: Health Regulation and Compliance Management

**Purpose:** Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies for effective governance and quality of health care.

## Selected performance indicators

Table 16.1 Health

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of provinces with financial improvement plans per year <sup>1</sup>	Administration		- <sup>1</sup>	7	9	9	9	9	9
Tuberculosis new pulmonary cure rate per year <sup>2,3</sup>	HIV and AIDS, TB, and Maternal and Child Health		68%	71.1%	73.1%	80%	85%	85%	85%
Tuberculosis new pulmonary defaulter rate <sup>3,4</sup>	HIV and AIDS, TB, and Maternal and Child Health		7.9%	6.8%	7.9%	5%	<5%	<5%	<5%
Total number of new patients put on antiretroviral treatment	HIV and AIDS, TB, and Maternal and Child Health		538 819	418 677	617 147	500 000	500 000	500 000	500 000
Immunisation coverage for children under the age of one year per year <sup>5</sup>	HIV and AIDS, TB, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	97.4%	89.4%	95.2%	90%	90%	90%	90%
Measles immunisation coverage per year (second dose) <sup>6</sup>	HIV and AIDS, TB, and Maternal and Child Health		90%	95%	85.3%	90%	90%	90%	90%
Proportion of infant first polymerase chain reaction test positive within 2 months after birth out of all babies tested <sup>7</sup>	HIV and AIDS, TB, and Maternal and Child Health		10.9% (6 weeks)	3.5% (6 weeks)	4% (6 weeks)	3.5% (6 weeks)	2% (within 2 months)	2% (within 2 months)	2% (within 2 months)
Proportion of antenatal first visits before 20 weeks	HIV and AIDS, TB, and Maternal and Child Health		34.5%	37.5%	40.2%	50%	60%	65%	68%
Primary health care utilisation rate: Average number of primary health care visits per person per year	Primary Health Care Services		2.5	2.4	2.5	2.8	2.8	2.9	3

1. This indicator was introduced in 2010/11.

2. New smear positive pulmonary TB cases that were cured as a proportion of all new smear positive and culture positive TB cases.

3. Where percentage is indicated, it is not possible to provide absolute numbers as the value for the denominator is not available.

4. Proportion of new smear positive (pulmonary) TB clients who defaulted treatment.

5. Proportion of children under 1 year of age who completed their primary course of immunisation coverage. The denominator for this indicator is influenced by the estimates of the national population under the age of 1, released by Statistics South Africa.

6. Proportion of children who received their second measles dose normally at 18 months – annualised.

7. Polymerase chain reaction test is a test that identifies the antigen of the HI virus in a baby. This would give an indication of the rate of mother to child transmission during pregnancy.

## The national development plan

The national development plan endorses a health system which raises life expectancy, reduces infant mortality and the occurrence of HIV and AIDS, and significantly lowers the burden of disease. The plan highlights the following important areas of the South African health system for attention: demographics and disease burden, health systems, and the social and environmental determinants of health.

The department's 10 point plan and strategic goals are in alignment with the four outputs of the service delivery agreement for outcome 2 (a long and healthy life for all South Africans) and the nine priority areas on health which are identified in the national development plan. Where appropriate, the 2030 targets in the plan will continue to be used to develop the strategic goals of the department, and the department will give its attention to the plan's focal areas in several ways. It will strive to reduce the disease burden by expanding HIV and AIDS treatment and prevention programmes, increasing the prevention and successful treatment of tuberculosis and improving maternal and child health services. In addition, it will work towards improving health care equity, quality and access by introducing the national health insurance and building human resources in the health sector through various initiatives.

Achieving the health sector objectives will require a fundamental reform in the country's health system. To this end, the department will focus on priority areas that include: infrastructure; human resources and management capacity, and norms and standards for staffing; accountability in planning and budgeting; capacity and systems in financial management; health financing; and key strategic institutions.

## Expenditure estimates

**Table 16.2 Health**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 -	2012/13				2012/13 -	2015/16
Administration	273.4	263.0	328.2	403.3	403.3	13.8%	1.3%	411.0	424.8	450.2	3.7%	1.3%
National Health Insurance, Health Planning and Systems Enablement	142.7	97.2	161.1	315.1	315.1	30.2%	0.8%	491.9	637.5	672.4	28.7%	1.6%
HIV and AIDS, TB, Maternal and Child Health	4 923.5	6 471.3	7 914.9	9 264.6	9 189.6	23.1%	29.9%	11 029.1	12 866.7	14 546.3	16.5%	36.8%
Primary Health Care Services	249.6	82.3	94.9	125.8	119.8	-21.7%	0.6%	109.4	106.1	111.3	-2.4%	0.3%
Hospitals, Tertiary Health Services and Human Resource Development	13 139.2	15 065.7	16 698.4	17 351.0	17 349.0	9.7%	65.3%	17 911.2	19 072.8	19 902.8	4.7%	57.4%
Health Regulation and Compliance Management	440.3	540.7	515.4	597.4	565.4	8.7%	2.2%	754.1	816.4	1 002.2	21.0%	2.4%
<b>Total</b>	<b>19 168.6</b>	<b>22 520.3</b>	<b>25 712.8</b>	<b>28 057.2</b>	<b>27 942.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>30 706.7</b>	<b>33 924.3</b>	<b>36 685.2</b>	<b>9.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				500.2	385.2			(6.9)	65.7	1 269.1		
<b>Economic classification</b>												
<b>Current payments</b>	<b>1 089.7</b>	<b>898.0</b>	<b>1 083.4</b>	<b>1 373.9</b>	<b>1 258.9</b>	<b>4.9%</b>	<b>4.5%</b>	<b>1 638.8</b>	<b>1 837.6</b>	<b>1 933.6</b>	<b>15.4%</b>	<b>5.2%</b>
Compensation of employees	333.0	353.7	409.7	486.6	486.6	13.5%	1.7%	538.4	567.9	596.9	7.1%	1.7%
Goods and services	756.7	544.4	673.7	887.4	772.4	0.7%	2.9%	1 100.4	1 269.7	1 336.7	20.1%	3.5%
of which:												
Administration fees	0.2	0.2	0.2	6.2	6.2	200.5%	0.0%	2.0	1.0	1.0	-44.7%	0.0%
Advertising	95.2	49.1	34.0	57.9	17.9	-42.7%	0.2%	23.7	58.5	39.4	30.1%	0.1%
Assets less than the capitalisation threshold	2.2	1.5	3.4	13.7	13.7	85.1%	0.0%	16.2	17.2	18.0	9.5%	0.1%
Audit cost: External	31.6	16.1	22.2	18.5	18.5	-16.3%	0.1%	29.4	27.5	29.3	16.6%	0.1%
Bursaries: Employees	0.9	1.0	1.5	1.4	1.4	12.8%	0.0%	1.4	1.5	1.6	4.5%	0.0%
Catering: Departmental activities	2.5	3.7	3.0	7.2	7.2	41.6%	0.0%	8.4	7.8	8.2	4.4%	0.0%
Communication	16.0	17.3	17.5	25.5	25.5	17.0%	0.1%	27.6	23.8	25.1	-0.6%	0.1%
Computer services	31.3	12.9	30.9	21.1	20.1	-13.7%	0.1%	21.7	23.1	24.3	6.6%	0.1%
Consultants and professional services: Business and advisory services	39.1	69.2	110.9	188.8	158.8	59.5%	0.4%	150.3	146.9	138.2	-4.5%	0.5%
Consultants and professional services: Laboratory services	-	-	-	0.1	0.1		0.0%	0.1	0.1	0.1	17.0%	0.0%
Consultants and professional services: Legal costs	1.7	0.7	35.0	1.0	1.0	-16.2%	0.0%	1.1	1.1	1.2	4.9%	0.0%
Contractors	15.7	18.8	6.6	20.9	20.9	10.0%	0.1%	313.0	443.0	464.1	181.0%	1.0%
Agency and support / outsourced services	12.6	11.2	9.0	18.7	17.7	12.0%	0.1%	19.4	15.0	15.8	-3.8%	0.1%
Entertainment	0.2	0.2	0.1	0.8	0.8	55.8%	0.0%	0.8	0.9	0.9	6.7%	0.0%
Inventory: Fuel, oil and gas	0.3	0.3	0.1	0.5	0.5	14.7%	0.0%	0.5	0.5	0.6	4.8%	0.0%

Table 16.2 Health (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
	R million					2009/10 - 2012/13						
<i>Inventory: Learner and teacher support material</i>	-	-	-	0.2	0.2		0.0%	0.2	0.2	0.2	3.7%	0.0%
<i>Inventory: Materials and supplies</i>	0.2	0.2	0.1	0.6	0.6	45.3%	0.0%	0.5	0.5	0.6	-1.7%	0.0%
<i>Inventory: Medical supplies</i>	325.5	119.5	124.2	135.6	120.6	-28.2%	0.7%	140.8	149.2	199.3	18.2%	0.5%
<i>Inventory: Medicine</i>	0.0	30.0	20.0	31.0	31.0	1313.0%	0.1%	1.1	1.2	1.2	-66.1%	0.0%
<i>Inventory: Other consumables</i>	4.5	5.9	6.3	13.7	13.7	44.9%	0.0%	13.0	12.6	15.8	4.9%	0.0%
<i>Inventory: Stationery and printing</i>	21.0	18.6	24.3	44.6	34.6	18.0%	0.1%	46.6	48.4	50.6	13.5%	0.1%
<i>Operating leases</i>	49.7	51.8	92.6	93.2	93.2	23.4%	0.3%	101.1	109.7	114.9	7.2%	0.3%
<i>Property payments</i>	0.1	-	3.7	5.4	5.4	234.7%	0.0%	5.5	5.6	5.8	2.3%	0.0%
<i>Travel and subsistence</i>	69.8	74.0	79.6	119.1	101.1	13.2%	0.3%	111.7	106.7	109.2	2.6%	0.3%
<i>Training and development</i>	8.3	4.8	5.7	3.2	3.2	-26.8%	0.0%	3.9	4.1	4.5	11.5%	0.0%
<i>Operating payments</i>	17.2	27.0	27.5	35.4	35.4	27.3%	0.1%	36.5	39.1	41.0	5.0%	0.1%
<i>Venues and facilities</i>	10.8	10.4	15.0	23.1	23.1	28.9%	0.1%	23.9	24.7	25.9	3.9%	0.1%
<b>Transfers and subsidies</b>	<b>18 065.8</b>	<b>21 604.0</b>	<b>24 598.8</b>	<b>26 647.6</b>	<b>26 647.6</b>	<b>13.8%</b>	<b>95.4%</b>	<b>28 242.1</b>	<b>30 392.4</b>	<b>33 055.5</b>	<b>7.4%</b>	<b>91.6%</b>
Provinces and municipalities	17 523.8	21 042.0	24 034.8	26 072.6	26 072.6	14.2%	93.0%	27 516.7	29 610.2	32 083.5	7.2%	89.2%
Departmental agencies and accounts	335.9	420.7	379.4	389.6	389.6	5.1%	1.6%	528.9	580.1	769.3	25.5%	1.8%
Higher education institutions	0.5	2.0	12.8	3.0	3.0	81.7%	0.0%	3.0	3.0	3.1	1.5%	0.0%
Public corporations and private enterprises	0.0	-	-	0.0	0.0	2.6%	0.0%	-	-	-	-100.0%	0.0%
Non-profit institutions	202.8	138.7	166.9	182.3	182.3	-3.5%	0.7%	193.6	199.1	199.6	3.1%	0.6%
Households	2.9	0.6	5.0	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>13.0</b>	<b>17.8</b>	<b>28.7</b>	<b>35.6</b>	<b>35.6</b>	<b>39.8%</b>	<b>0.1%</b>	<b>825.8</b>	<b>1 694.3</b>	<b>1 696.1</b>	<b>262.4%</b>	<b>3.3%</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	807.0	1 679.9	1 676.0	-	3.2%
Machinery and equipment	11.7	17.6	28.6	35.6	35.6	44.8%	0.1%	18.7	14.5	20.1	-17.3%	0.1%
Software and other intangible assets	1.3	0.2	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.6</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>19 168.6</b>	<b>22 520.3</b>	<b>25 712.8</b>	<b>28 057.2</b>	<b>27 942.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>30 706.7</b>	<b>33 924.3</b>	<b>36 685.2</b>	<b>9.5%</b>	<b>100.0%</b>

## Personnel information

Table 16.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
<b>Health</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Salary level</b>	<b>1 498</b>	<b>57</b>	<b>1 293</b>	<b>409.7</b>	<b>0.3</b>	<b>1 425</b>	<b>482.0</b>	<b>0.3</b>	<b>1 475</b>	<b>538.4</b>	<b>0.4</b>	<b>1 475</b>	<b>562.9</b>	<b>0.4</b>	<b>1 475</b>	<b>596.9</b>	<b>0.4</b>	<b>1.2%</b>	<b>100.0%</b>
1 - 6	546	36	498	71.7	0.1	564	84.0	0.1	563	91.1	0.2	563	95.7	0.2	563	100.6	0.2	-0.1%	38.5%
7 - 10	571	7	473	125.5	0.3	523	160.7	0.3	541	183.8	0.3	541	193.2	0.4	541	202.7	0.4	1.1%	36.7%
11 - 12	245	7	218	124.5	0.6	225	129.4	0.6	234	134.0	0.6	234	140.9	0.6	234	147.8	0.6	1.3%	15.8%
13 - 16	136	7	104	87.9	0.8	113	107.9	1.0	137	129.4	0.9	137	133.1	1.0	137	145.8	1.1	6.6%	9.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on preparing for the implementation of the national health insurance, and providing for the prevention and treatment of HIV and AIDS and tuberculosis, in line with the department's strategic objectives of increasing life expectancy and reducing the burden of disease. In addition, expenditure over the MTEF period goes towards investments in construction, the maintenance of health infrastructure, establishing the Office of Standards Compliance and strengthening the Medical Research Council.

The bulk of spending is in the Hospitals, Tertiary Health Services and Human Resource Development programme. Most of this programme's allocation is transferred to provinces as conditional grants: the newly created health facility revitalisation grant, the national tertiary services grant and the health professions training and development grant. The HIV and AIDS, TB, Maternal and Child Health programme receives the second largest proportion of the department's budget and comprises the comprehensive HIV and AIDS conditional grant.

Expenditure in the Primary Care Services programme declined after 2009/10 due to a large once-off payment to counter the influenza epidemic in that year. Spending in the HIV and AIDS, TB, Maternal and Child Health programme increased significantly between 2009/10 and 2012/13, due to the new early treatment threshold of a CD4 count of 350, which has expanded access to antiretroviral treatment. Over the medium term, spending in the programme is projected to rise to provide for a continued increase in the numbers of people on antiretroviral treatment. Over this period, the department aims to put 500 000 new patients on antiretroviral treatment per year.

Significant increases in spending over the medium term are also in the National Health Insurance, Health Planning and Systems Enablement programme as a result of the piloting of new interventions in 10 pilot districts in the preparatory phase of the rollout of national health insurance. Spending in the Health Regulation and Compliance Management programme is also projected to increase significantly over the medium term as it receives additional allocations to strengthen the Medical Research Council's research programmes, and to establish the Office of Standards Compliance.

Two major reforms to conditional grants have been effected. First, the three health infrastructure grants – hospital revitalisation, health infrastructure and nursing colleges and schools – have been consolidated into a single direct grant, the health facility revitalisation grant. This grant has three windows, one for each of the three previous grants. It is envisaged that the new configuration will allow for more flexibility for funds to be shifted between the three windows and thus ensure the timely delivery of health infrastructure. The second is the establishment of a new indirect schedule 6A grant, the national health grant. This grant will have two components, one for national health insurance and one for health facility revitalisation. The national department will play a greater role than previously in delivering some of these services concurrently with the provinces as well as in the establishment of national health insurance. This measure has been introduced to deal with underspending and weaknesses in the performance on these grants.

The introduction of the national health grant results in large increases in payments for capital assets for infrastructure projects and goods and services for contractors, namely for general practitioners contracted to work in clinics and community health centres in pilot districts.

The department reviewed the staff establishment in 2010/11 to align its human resources needs with the functions assigned in terms of the approved budget structure. As a result, an additional 132 people were employed between 2011/12 and 2012/13. The establishment is projected to increase moderately to 1 475 people in 2013/14, as the department strengthens skills and experience within existing staff. The majority of vacant posts are from salary level 8 upwards and are technical in nature. The filling of critical posts remains a challenge, as the department is struggling to attract qualified candidates due to higher salaries being offered by the private sector and other government departments. The ratio of support staff to line function staff is 1:2. The budget allocation for consultants and professional services is mainly for service providers to conduct surveys, reviews, campaigns, infrastructure project management and legal functions.

The 2013 Budget sets out additional allocations for the following priorities:

- R800 million in 2015/16 for the scale up of the provision of antiretroviral treatment
- R100 million in 2014/15 and R384 million in 2015/16 to partly offset the decrease in funding over the medium term from the US President's Emergency Plan for AIDS Relief (PEPFAR). This programme has contributed roughly R4 billion per year towards the South African national HIV and AIDS and tuberculosis response, but the amount is likely to decrease by 50 per cent over the next five years.
- R90 million, R100 million and R250 million for the Medical Research Council to strengthen its research capabilities and infrastructure and to support partnership projects on high priority diseases, such as HIV and AIDS, tuberculosis and malaria, with development partners, such as the Gates Foundation
- R15 million, R31.5 million and R31.5 million to strengthen the National Institute of Communicable Diseases and address the decrease in PEPFAR funding support
- R30.1 million, R30 million and R30.3 million, most of which comes from internal reprioritisation and savings, for the infrastructure unit systems support programme, which provides capacity building support to the department and provinces
- R15 million in 2015/16 for the South African National AIDS Council for HIV and AIDS programmes

- R22.1 million, R28.3 million and R41 million for improved conditions of service to cover high personnel costs
- R6 million in 2013/14 for emergency medical services during the 2014 African Nations Championship.

The department expects to reprioritise R65 million, R55 million and R97.8 million over the medium term in non-core goods and services items.

To give effect to Cabinet approved reductions of R531 million over the medium term, the department will reduce spending on the three conditional grants related to health infrastructure, due to slow spending and weaknesses in performance. In addition, reductions of R26 million (R11 million, R10 million and R5.2 million) over the MTEF period have been made to the national health insurance grant, due to slow expenditure.

### Infrastructure spending

Spending on infrastructure increased from R3.3 billion in 2009/10 to R5.4 billion in 2012/13, and is expected to increase to R6.5 billion over the medium term. As discussed above, the three previous health infrastructure grants have been reformed into two new grants. After the Cabinet approved budget reductions, the health facility revitalisation grant has been allocated R14.9 billion over the MTEF period (R5.1 billion, R4.7 billion and R5 billion). The new national health grant contains a health facility revitalisation component. This is an indirect grant amounting to R4.2 billion over the MTEF period (R807 million, R1.7 billion, and R1.7 billion).

## Departmental receipts

Table 16.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Departmental receipts</b>	45 190	27 248	55 300	33 106	33 106	-9.9%	100.0%	39 408	32 760	32 772	-0.3%	100.0%
<b>Sales of goods and services produced by department</b>	38 355	25 907	32 922	31 854	31 854	-6.0%	80.2%	38 040	31 512	31 524	-0.3%	96.3%
Sales by market establishments of which:	69	89	113	108	108	16.1%	0.2%	132	132	132	6.9%	0.4%
Parking	69	89	113	108	108	16.1%	0.2%	132	132	132	6.9%	0.4%
Administration fees of which:	38 140	25 649	32 557	31 552	31 552	-6.1%	79.5%	37 692	31 152	31 152	-0.4%	95.3%
Medical (drug control) licences of which:	4 653	2 533	1 786	3 400	3 400	-9.9%	7.7%	3 540	3 000	3 000	-4.1%	9.4%
Drug control	33 487	23 116	30 771	28 152	28 152	-5.6%	71.8%	34 152	28 152	28 152	-	85.9%
Other sales of which:	146	169	252	194	194	9.9%	0.5%	216	228	240	7.4%	0.6%
Yellow fever vaccination	24	27	43	24	24	-	0.1%	36	36	36	14.5%	0.1%
Replacement of security cards	-	9	13	15	15	-	-	12	12	12	-7.2%	-
Commission on insurance	122	133	147	155	155	8.3%	0.3%	168	180	192	7.4%	0.5%
Asset less than R5 000	-	-	49	-	-	-	-	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	57	59	45	38	38	-12.6%	0.1%	36	36	36	-1.8%	0.1%
Paper	57	59	45	38	38	-12.6%	0.1%	36	36	36	-1.8%	0.1%
<b>Interest, dividends and rent on land</b>	1 012	355	425	300	300	-33.3%	1.3%	420	300	300	-	1.0%
Interest	1 012	355	425	300	300	-33.3%	1.3%	420	300	300	-	1.0%
<b>Sales of capital assets</b>	-	-	67	-	-	-	-	-	-	-	-	-
<b>Transactions in financial assets and liabilities</b>	5 766	927	21 841	914	914	-45.9%	18.3%	912	912	912	-0.1%	2.6%
<b>Total</b>	45 190	27 248	55 300	33 106	33 106	-9.9%	100.0%	39 408	32 760	32 772	-0.3%	100.0%

# Programme 1: Administration

## Expenditure estimates

**Table 16.5 Administration**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Ministry	22 073	25 920	27 280	27 626	7.8%	8.1%	34 649	35 129	36 293	9.5%	7.9%
Management	29 499	29 770	31 357	42 008	12.5%	10.5%	42 398	43 926	45 711	2.9%	10.3%
Corporate Services	134 940	126 184	145 313	167 578	7.5%	45.3%	182 093	188 351	197 562	5.6%	43.5%
Office Accommodation	46 422	55 245	92 081	89 526	24.5%	22.3%	97 514	105 825	110 693	7.3%	23.9%
Financial Management	40 474	25 906	32 165	76 606	23.7%	13.8%	54 311	51 583	59 982	-7.8%	14.4%
<b>Total</b>	<b>273 408</b>	<b>263 025</b>	<b>328 196</b>	<b>403 344</b>	<b>13.8%</b>	<b>100.0%</b>	<b>410 965</b>	<b>424 814</b>	<b>450 241</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				45 492			28 822	27 191	34 327		
<b>Economic classification</b>											
<b>Current payments</b>	<b>268 974</b>	<b>257 251</b>	<b>316 712</b>	<b>389 525</b>	<b>13.1%</b>	<b>97.2%</b>	<b>404 761</b>	<b>418 823</b>	<b>444 630</b>	<b>4.5%</b>	<b>98.1%</b>
Compensation of employees	103 060	108 132	120 446	140 382	10.9%	37.2%	166 672	177 416	186 988	10.0%	39.7%
Goods and services	165 914	149 119	196 266	249 143	14.5%	60.0%	238 089	241 407	257 642	1.1%	58.4%
of which:											
Administration fees	78	101	82	156	26.0%	-	177	188	197	8.1%	-
Advertising	15 632	4 697	6 060	6 261	-26.3%	2.6%	6 615	6 876	12 148	24.7%	1.9%
Assets less than the capitalisation threshold	328	395	1 030	1 801	76.4%	0.3%	1 993	2 071	2 168	6.4%	0.5%
Audit cost: External	30 729	14 690	19 501	16 632	-18.5%	6.4%	25 578	23 321	25 000	14.6%	5.4%
Bursaries: Employees	949	956	1 474	1 296	10.9%	0.4%	1 366	1 420	1 485	4.6%	0.3%
Catering: Departmental activities	759	1 033	574	885	5.3%	0.3%	939	976	1 018	4.8%	0.2%
Communication	11 576	13 341	13 841	17 875	15.6%	4.5%	18 782	14 234	14 889	-5.9%	3.9%
Computer services	8 582	8 052	6 525	10 358	6.5%	2.6%	10 872	11 294	11 817	4.5%	2.6%
Consultants and professional services: Business and advisory services	2 684	3 308	2 572	40 129	146.4%	3.8%	5 673	5 913	6 185	-46.4%	3.4%
Consultants and professional services: Legal costs	1 741	616	10 109	801	-22.8%	1.0%	841	875	915	4.5%	0.2%
Contractors	12 950	15 966	3 632	12 184	-2.0%	3.5%	12 802	13 318	13 930	4.6%	3.1%
Agency and support / outsourced services	1 244	1 853	2 319	2 302	22.8%	0.6%	2 419	2 517	2 632	4.6%	0.6%
Entertainment	92	178	66	259	41.2%	-	275	287	300	5.0%	0.1%
Inventory: Fuel, oil and gas	2	30	6	94	260.9%	-	99	103	108	4.7%	-
Inventory: Materials and supplies	87	76	38	171	25.3%	-	179	186	194	4.3%	-
Inventory: Medical supplies	5	1	-	1	-41.5%	-	1	1	1	-	-
Inventory: Other consumables	266	527	971	736	40.4%	0.2%	775	806	844	4.7%	0.2%
Inventory: Stationery and printing	7 952	7 269	7 142	10 148	8.5%	2.6%	10 691	11 118	11 629	4.6%	2.6%
Operating leases	47 455	49 767	89 614	86 621	22.2%	21.6%	94 737	103 095	107 837	7.6%	23.2%
Property payments	-	-	3 732	5 435	-	0.7%	5 501	5 563	5 819	2.3%	1.3%
Travel and subsistence	16 373	20 218	20 003	26 246	17.0%	6.5%	28 001	27 040	27 707	1.8%	6.5%
Training and development	2 697	2 449	2 850	3 184	5.7%	0.9%	3 900	4 098	4 432	11.7%	0.9%
Operating payments	1 737	2 268	2 567	4 396	36.3%	0.9%	4 608	4 792	5 011	4.5%	1.1%
Venues and facilities	1 996	1 328	1 558	1 172	-16.3%	0.5%	1 265	1 315	1 376	5.5%	0.3%
<b>Transfers and subsidies</b>	<b>362</b>	<b>550</b>	<b>4 609</b>	<b>479</b>	<b>9.8%</b>	<b>0.5%</b>	<b>539</b>	<b>563</b>	<b>597</b>	<b>7.6%</b>	<b>0.1%</b>
Departmental agencies and accounts	300	370	424	479	16.9%	0.1%	539	563	597	7.6%	0.1%
Public corporations and private enterprises	37	-	-	-	-100.0%	-	-	-	-	-	-
Households	25	180	4 185	-	-100.0%	0.3%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>4 065</b>	<b>5 217</b>	<b>6 566</b>	<b>13 340</b>	<b>48.6%</b>	<b>2.3%</b>	<b>5 665</b>	<b>5 428</b>	<b>5 014</b>	<b>-27.8%</b>	<b>1.7%</b>
Machinery and equipment	3 927	5 114	6 505	13 340	50.3%	2.3%	5 665	5 428	5 014	-27.8%	1.7%
Software and other intangible assets	138	103	61	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>7</b>	<b>7</b>	<b>309</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>273 408</b>	<b>263 025</b>	<b>328 196</b>	<b>403 344</b>	<b>13.8%</b>	<b>100.0%</b>	<b>410 965</b>	<b>424 814</b>	<b>450 241</b>	<b>3.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.4%	1.2%	1.3%	1.4%			1.3%	1.3%	1.2%		

**Details of transfers and subsidies**

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>300</b>	<b>370</b>	<b>424</b>	<b>479</b>	<b>16.9%</b>	<b>0.1%</b>	<b>539</b>	<b>563</b>	<b>597</b>	<b>7.6%</b>	<b>0.1%</b>
Health and Welfare Sector Education and Training Authority	300	370	424	479	16.9%	0.1%	539	563	597	7.6%	0.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>25</b>	<b>180</b>	<b>4 185</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	25	180	4 185	-	-100.0%	0.3%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Private entity	37	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

**Table 16.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Administration	505	13	418	119.7	0.3	499	153.7	0.3	533	177.1	0.3	533	184.2	0.3	533	199.6	0.4	2.2%	100.0%
Salary level																			
1 – 6	246	10	219	32.8	0.1	260	37.4	0.1	269	41.8	0.2	269	43.9	0.2	269	46.3	0.2	1.1%	50.9%
7 – 10	160	1	126	32.0	0.3	153	45.3	0.3	161	51.9	0.3	161	54.5	0.3	161	57.2	0.4	1.7%	30.3%
11 – 12	49	1	36	20.3	0.6	46	26.8	0.6	51	28.9	0.6	51	30.4	0.6	51	31.9	0.6	3.5%	9.5%
13 – 16	50	1	37	34.5	0.9	40	44.3	1.1	52	54.4	1.0	52	55.3	1.1	52	64.2	1.2	9.1%	9.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on seeing to the department's accommodation and corporate service needs to ensure it has the necessary support to deliver on its mandate.

Expenditure in the Office Accommodation subprogramme increased significantly between 2009/10 and 2012/13 following the department's relocation to the upgraded and vastly improved Civitas building in 2010/11. Spending in the Financial Management subprogramme also increased significantly over this period as a result of R35 million being allocated to the provincial management support unit in the 2012/13 adjustments budget. This was a once-off allocation from goods and services, where consultants and professional services were hired to assist the provincial health departments in Limpopo, Gauteng, and Eastern Cape address their personnel related budget pressures.

Over the medium term, spending in the Financial Management subprogramme aims to support effective management and accountability in the department and assist all 9 provincial health departments gain unqualified audit opinions by the end of the MTEF period.

Spending on compensation of employees is expected to increase over the MTEF period as vacant posts are filled following the review of the department's organisational structure in 2011/12, which increased the number of posts, particularly in 2011/12 and 2012/13. The number of posts is expected to increase further to 533 people in 2013/14 and then remain constant for the rest of the medium term. There were 505 funded and 19 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 2: National Health Insurance, Health Planning and Systems Enablement

### Objectives

- Align the work of the department with outcomes contained in the negotiated service delivery agreement by developing and implementing an integrated monitoring and evaluation system by the end of 2013/14.
- Monitor the prevalence of HIV and AIDS and syphilis by conducting the 2013 national HIV survey in October and November 2013 and publish the reports of the 2012 national HIV survey by August 2013.
- Improve access to essential medicines by maintaining a less than 3 per cent stock out level for drugs on the essential drugs list, tuberculosis drugs and antiretroviral medicines over the medium term.
- Contribute to the establishment of the national health insurance by:
  - developing policy proposals over the MTEF period for the implementation of the national health insurance over a 14-year phased period
  - piloting components of the national health insurance policy in 10 health districts during 2013/14.
- Provide stewardship and leadership for improving health outcomes through working with international

development partners such as the Southern African Development Community (SADC), African Union (AU), United Nation (UN) agencies, the India-Brazil-South Africa and the Brazil-Russia-India-China-South Africa (BRICS) groups of countries, and improving bilateral and multilateral relations, over the medium term.

- Establish a pricing commission that will create a form for funders and providers of health services to negotiate prices of service providers in the private health sector.

## Subprogrammes

- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy implementation. This subprogramme had a staff complement of 2 in 2012/13.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, develops and implements disease surveillance programmes, and monitors and evaluates strategic health programmes. In keeping with the target for 2012/13, the eHealth strategy for the public health sector for 2012/13-2016/17 was finalised and approved by the minister in July 2012. The strategy provides the roadmap for achieving a well functioning national health information system that prioritises the patient. The strategy also seeks to ensure that the integrated national patient based information system will be based on agreed scientific standards for interoperability, which improves the efficiency of clinical care, produces the indicators required by management, and facilitates patient mobility. The architecture of this system will also enable an interface with other transversal systems used in the health sector. Such a system is also a critically enabling factor for the implementation of the national health insurance. Looking ahead, the department has commissioned the Centre for Scientific and Industrial Research to produce a normative standards framework for health information systems in South Africa. This will ensure that the health sector invests in information systems that comply with an approved set of norms and standards, are interoperable with other systems, and can generate real time, good quality and comprehensive data. This subprogramme had a staff complement of 48 in 2012/13.
- *Sector-wide Procurement* is responsible for the selection of essential medicines and equipment, the development of standard treatment guidelines, the administration of health tenders, and the licensing of people and premises that deliver pharmaceutical services. This subprogramme had a staff complement of 41 in 2012/13.
- *Health Financing and National Health Insurance* undertakes health economics research; develops policy for medical schemes and public private partnerships; provides technical oversight over the Council for Medical Schemes; develops and implements policies, legislation and frameworks for national health insurance; oversees the coordination of research into alternative health care financing mechanisms for achieving universal health coverage; and oversees the national health insurance conditional grant as well as district pilot activities. It is expected that the National Health Insurance Bill will be tabled in Parliament in 2013/14 and that relevant regulations will be developed and implemented in the coming years. Over the medium term, the initiatives implemented through the pilot districts will be expanded to improve the access to and quality of health care. This subprogramme had a staff complement of 23 in 2012/13.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the SADC, AU, UN agencies as well as other developing countries and economic groupings of countries such as India-Brazil-South Africa and the BRICS groups of countries to strengthen the health system; manages processes of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates international development support; and profiles and lobbies for South Africa's policy position internationally. In 2013/14, the focus will be on facilitating 5 cross border initiatives. This subprogramme had a staff complement of 34 in 2012/13.

## Expenditure estimates

Table 16.7 National Health Insurance, Health Planning and Systems Enablement

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Technical Policy and Planning	–	–	2 552	14 873	–	2.4%	3 988	4 172	4 396	-33.4%	1.3%
Health Information Management, Monitoring and Evaluation	39 114	21 631	51 918	43 178	3.3%	21.8%	40 934	37 226	38 937	-3.4%	7.6%
Sector-wide Procurement	15 201	13 059	15 569	21 238	11.8%	9.1%	23 982	24 973	26 140	7.2%	4.6%
Health Financing and National Health Insurance	53 395	26 593	39 807	182 144	50.5%	42.2%	370 638	517 142	546 341	44.2%	76.4%
International Health and Development	34 960	35 933	51 246	53 626	15.3%	24.5%	52 351	54 007	56 562	1.8%	10.2%
<b>Total</b>	<b>142 670</b>	<b>97 216</b>	<b>161 092</b>	<b>315 059</b>	<b>30.2%</b>	<b>100.0%</b>	<b>491 893</b>	<b>637 520</b>	<b>672 376</b>	<b>28.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(462)			(34 439)	(32 646)	(28 618)		

## Economic classification

	109 826	92 972	152 584	162 868	14.0%	72.4%	441 043	565 170	595 949	54.1%	83.4%
<b>Current payments</b>											
Compensation of employees	49 750	50 795	55 413	75 867	15.1%	32.4%	69 058	72 671	76 713	0.4%	13.9%
Goods and services	60 076	42 177	97 171	87 001	13.1%	40.0%	371 985	492 499	519 236	81.4%	69.5%
of which:											
Administration fees	5	1	–	5 230	915.1%	0.7%	235	243	253	-63.6%	0.3%
Advertising	671	252	1 939	1 227	22.3%	0.6%	1 235	1 244	1 300	1.9%	0.2%
Assets less than the capitalisation threshold	730	101	125	913	7.7%	0.3%	939	970	1 015	3.6%	0.2%
Catering: Departmental activities	410	252	397	645	16.3%	0.2%	660	679	710	3.3%	0.1%
Communication	600	561	416	844	12.0%	0.3%	863	888	928	3.2%	0.2%
Computer services	18 113	3 184	23 295	2 445	-48.7%	6.6%	2 524	2 619	2 739	3.9%	0.5%
Consultants and professional services: Business and advisory services	6 304	2 978	1 437	16 361	37.4%	3.8%	16 936	12 313	12 879	-7.7%	2.8%
Consultants and professional services: Legal costs	–	–	24 813	–	–	3.5%	–	–	–	–	–
Contractors	63	194	449	816	134.8%	0.2%	291 831	420 847	444 689	716.8%	54.7%
Agency and support / outsourced services	4 475	5 408	2 072	7 495	18.8%	2.7%	7 687	2 793	2 921	-27.0%	1.0%
Entertainment	35	18	12	179	72.3%	–	181	184	193	2.5%	–
Inventory: Fuel, oil and gas	12	1	3	2	-45.0%	–	2	2	2	–	–
Inventory: Materials and supplies	1	5	–	54	278.0%	–	56	58	60	3.6%	–
Inventory: Other consumables	96	974	–	1 635	157.3%	0.4%	1 670	1 737	1 817	3.6%	0.3%
Inventory: Stationery and printing	3 448	1 873	1 388	6 248	21.9%	1.8%	6 479	6 729	7 039	4.1%	1.3%
Operating leases	491	316	325	984	26.1%	0.3%	1 001	1 021	1 068	2.8%	0.2%
Travel and subsistence	12 624	12 132	17 067	22 137	20.6%	8.9%	19 071	17 879	18 307	-6.1%	3.7%
Training and development	53	–	1 799	–	-100.0%	0.3%	–	–	–	–	–
Operating payments	10 713	13 047	14 679	13 639	8.4%	7.3%	14 444	16 094	16 832	7.3%	2.9%
Venues and facilities	1 232	880	6 955	6 147	70.9%	2.1%	6 171	6 199	6 484	1.8%	1.2%
<b>Transfers and subsidies</b>	<b>30 051</b>	<b>15</b>	<b>7 831</b>	<b>150 000</b>	<b>70.9%</b>	<b>26.2%</b>	<b>48 500</b>	<b>70 000</b>	<b>73 967</b>	<b>-21.0%</b>	<b>16.2%</b>
Provinces and municipalities	30 000	–	–	150 000	71.0%	25.1%	48 500	70 000	73 967	-21.0%	16.2%
Departmental agencies and accounts	–	–	5 400	–	–	0.8%	–	–	–	–	–
Non-profit institutions	–	–	2 400	–	–	0.3%	–	–	–	–	–
Households	51	15	31	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2 793</b>	<b>4 150</b>	<b>674</b>	<b>2 191</b>	<b>-7.8%</b>	<b>1.4%</b>	<b>2 350</b>	<b>2 350</b>	<b>2 460</b>	<b>3.9%</b>	<b>0.4%</b>
Machinery and equipment	1 895	4 109	617	2 191	5.0%	1.2%	2 350	2 350	2 460	3.9%	0.4%
Software and other intangible assets	898	41	57	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>79</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>142 670</b>	<b>97 216</b>	<b>161 092</b>	<b>315 059</b>	<b>30.2%</b>	<b>100.0%</b>	<b>491 893</b>	<b>637 520</b>	<b>672 376</b>	<b>28.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.7%	0.4%	0.6%	1.1%			1.6%	1.9%	1.8%		

## Details of transfers and subsidies

Departmental agencies and accounts											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	–	–	5 400	–	–	0.8%	–	–	–	–	–
Human Sciences Research Council	–	–	5 400	–	–	0.8%	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	–	–	2 400	–	–	0.3%	–	–	–	–	–
Health, Information, Evaluation and Research Non Profit Institutions	–	–	2 400	–	–	0.3%	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	30 000	–	–	150 000	71.0%	25.1%	48 500	70 000	73 967	-21.0%	16.2%
National health insurance grant	–	–	–	150 000	–	20.9%	48 500	70 000	73 967	-21.0%	16.2%
2010 FIFA World Cup health preparation strategy grant	30 000	–	–	–	-100.0%	4.2%	–	–	–	–	–
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	51	15	31	–	-100.0%	–	–	–	–	–	–
Employee social benefits	51	15	31	–	-100.0%	–	–	–	–	–	–

## Personnel information

**Table 16.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National Health Insurance, Health Planning and Systems Enablement	157	3	151	56.6	0.4	148	59.3	0.4	160	68.3	0.4	160	71.8	0.4	160	75.3	0.5	2.6%	100.0%
Salary level																			
1 – 6	39	–	41	6.8	0.2	39	6.1	0.2	39	6.9	0.2	39	7.2	0.2	39	7.6	0.2	–	24.8%
7 – 10	63	–	63	19.7	0.3	60	17.6	0.3	66	21.7	0.3	66	22.9	0.3	66	24.0	0.4	3.2%	41.1%
11 – 12	35	1	30	16.2	0.5	30	17.1	0.6	33	19.6	0.6	33	20.6	0.6	33	21.6	0.7	3.2%	20.5%
13 – 16	20	2	17	13.9	0.8	19	18.5	1.0	22	20.1	0.9	22	21.1	1.0	22	22.1	1.0	5.0%	13.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on overseeing the 10 national health insurance pilot projects and conducting health economics research, particularly regarding the rollout of national health insurance and alternative health care financing mechanisms to ensure universal health coverage. These activities will be carried out within the Health Financing and National Health Insurance subprogramme.

Between 2009/10 and 2012/13 expenditure in the International Health and Development subprogramme increased significantly, due to international conferences that were hosted in this period. Two new health attaché positions in Cuba and Brussels, Belgium, were created with a subsequent increase in compensation of employees and goods and services. Provision was also made in this subprogramme to pay the annual membership fees to the World Health Organisation. The significant increase in spending in the Technical Policy and Planning subprogramme in 2012/13 was as a result of a once-off increase to appoint technical specialists on contract and to recruit interns to gain work experience and exposure to the health sector. The intention was to absorb these interns to address the backlogs experienced in the forensic chemistry laboratories and to address audit findings on financial management. In addition, spending on compensation of employees and travel and subsistence increased due to the change in the budget structure.

The most significant increases in expenditure over the medium term are in the Health Financing and National Health Insurance subprogramme, which will support the piloting of innovations and initiatives for strengthening health systems for implementing the national health insurance in the 10 pilots. The pilots began in 2012/13, with funds allocated through the national health insurance conditional grant. In 2013/14 the new schedule 6A conditional grant, with a component for national health insurance, is being introduced. The new grant comprises the following allocations over the medium term: R291 million, R420 million, and R443.8 million. The grant will be used for improving general practitioner contracts, and strengthening revenue collection and management in central hospitals. This accounts for the large increase in contractor payments in goods and services from 2013/14.

The number of posts in this programme is expected to increase from the current 148 to 160 in 2013/14 and then remain stable over the medium term. There were 157 funded posts with 12 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

Due to slow spending on the national health insurance conditional grant, Cabinet approved reductions of R10.5 million, R10 million and R5.2 million were made to the grant over the medium term. After the creation of the new national health grant, the allocation to the provinces for the existing national health insurance grant is R48.5 million, R70 million and R74 million.

## Programme 3: HIV and AIDS, TB, and Maternal and Child Health

### Objectives

- Advance a combination of HIV and AIDS prevention interventions to reduce new infections by:
  - increasing the distribution of condoms
  - expanding medical male circumcision services to reach a minimum of 600 000 eligible males per year
  - offering provider initiated HIV and AIDS counselling and testing to reach 10 million people per year.
- Improve the quality of life of people living with HIV and AIDS by providing an appropriate package of care, treatment and support services to at least 80 per cent of people living with HIV and AIDS and their families by 2014.
- Reduce infant, child and youth morbidity and mortality by:
  - maintaining national immunisation coverage for children under 1 year of age at 90 per cent and above
  - improving the national measles immunisation second dose coverage from 85 per cent in 2010/11 to 90 per cent in 2013
  - increasing the percentage of quintile 1 and 2 schools visited by school health teams to provide integrated school health services, to 100 per cent in 2015/16
  - increasing the percentage of grade 1 learners in quintile 1 and 2 schools assessed using the integrated school health programme learner assessment tool, to 98 per cent in 2015/16
  - increasing the percentage of Grade 8 learners in quintile 1 and 2 schools assessed using the integrated school health programme learner assessment tool, to 80 per cent in 2015/16.
- Reduce maternal mortality in public health facilities from 176/100 000 live births in 2012/13 to 159/100 000 live births in 2013/14 and the neonatal mortality rate from 14/1 000 live births in 2012/13 to 12/1 000 live births in 2013/14 by:
  - strengthening the training of doctors and midwives in essential steps in the management of obstetric emergencies in 25 priority districts in 2013
  - increasing the percentage of mothers and babies that receive post-natal care within 6 days of delivery to 84 per cent in 2015/16
  - decreasing the rate of early transmission of HIV to infants to less than 2 per cent by 2015/16.
- Increase the tuberculosis cure rate from 73 per cent in 2011/12 to 85 per cent in 2015/16 by:
  - reducing the defaulter rate of all susceptible tuberculosis patients from 7.9 per cent in 2011/12 to less than 5 per cent in 2015/16
  - increasing the percentage of tuberculosis patients tested for HIV from 82.9 per cent in 2011/12 to 94 per cent in 2013/14.

### Subprogrammes

- *HIV and AIDS* is discussed in more detail in the section below.
- *Tuberculosis* develops national policies and guidelines, and sets norms and standards for tuberculosis. In line with the 20-year vision outlined in the new 2012-2016 national strategic plan for HIV and AIDS, sexually transmitted infections and tuberculosis, core interventions will be scaled up, including intensified case finding and the rollout of rapid diagnostics using Gene Xpert technology. This subprogramme had a staff complement of 24 in 2012/13.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, and sets norms and standards for maternal health and women's health. Over the medium term, key initiatives will continue to be implemented to reduce maternal mortality, using the recommendations from the ministerial committees on maternal mortality and the South African branch of the campaign to accelerate the reduction of maternal mortality in Africa. Interventions will include: deploying obstetric ambulances, strengthening family planning services, establishing maternity waiting homes, establishing Kangaroo Mother Care facilities, taking essential steps in managing obstetric emergency training for doctors and midwives, intensifying

midwifery education and training, and strengthening infant feeding practices. This subprogramme had a staff complement of 24 in 2012/13.

- *Child, Youth and School Health* develops and monitors policies and guidelines, and sets norms and standards for child health. Over the medium term, key initiatives will be implemented as indicated in the maternal and child health strategic plan. These include the rolling out of the comprehensive integrated school health programme to cover all learning phases, prioritising under served and under resourced schools, and strengthening the immunisation programme. This subprogramme had a staff complement of 21 in 2012/13.

## Expenditure estimates

**Table 16.9 HIV and AIDS, TB, Maternal and Child Health**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
HIV and AIDS	4 851 645	6 404 279	7 852 898	9 205 928	23.8%	99.1%	10 968 950	12 804 566	14 481 069	16.3%	99.5%
Tuberculosis	16 378	15 822	16 592	25 710	16.2%	0.3%	26 042	26 729	28 113	3.0%	0.2%
Women's Maternal and Reproductive Health	10 267	11 826	15 521	17 574	19.6%	0.2%	17 158	17 613	18 465	1.7%	0.1%
Child, Youth and School Health	45 161	39 410	29 893	15 359	-30.2%	0.5%	16 984	17 766	18 617	6.6%	0.1%
<b>Total</b>	<b>4 923 451</b>	<b>6 471 337</b>	<b>7 914 904</b>	<b>9 264 571</b>	<b>23.5%</b>	<b>100.0%</b>	<b>11 029 134</b>	<b>12 866 674</b>	<b>14 546 264</b>	<b>16.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(27 977)			(52 104)	50 371	1 140 411		
<b>Economic classification</b>											
<b>Current payments</b>	<b>345 721</b>	<b>284 112</b>	<b>257 164</b>	<b>327 114</b>	<b>-1.8%</b>	<b>4.2%</b>	<b>309 558</b>	<b>364 920</b>	<b>383 691</b>	<b>5.5%</b>	<b>2.9%</b>
Compensation of employees	43 510	48 821	52 249	58 789	10.6%	0.7%	62 923	65 308	69 226	5.6%	0.5%
Goods and services	302 211	235 291	204 915	268 325	-3.9%	3.5%	246 635	299 612	314 465	5.4%	2.4%
of which:											
Administration fees	14	-	-	299	177.4%	-	316	330	345	4.9%	-
Advertising	76 629	42 758	19 827	45 308	-16.1%	0.6%	11 902	46 258	21 668	-21.8%	0.3%
Assets less than the capitalisation threshold	148	270	691	1 374	110.2%	-	1 456	1 545	1 653	6.4%	-
Catering: Departmental activities	521	1 279	807	2 630	71.5%	-	2 794	2 913	3 049	5.1%	-
Communication	610	479	405	604	-0.3%	-	643	683	737	6.9%	-
Computer services	1 384	22	5	113	-56.6%	-	115	129	144	8.4%	-
Consultants and professional services: Business and advisory services	4 890	6 122	2 800	18 831	56.7%	0.1%	25 145	33 511	20 066	2.1%	0.2%
Consultants and professional services: Legal costs	-	-	-	5	-	-	-	-	-	-100.0%	-
Contractors	577	532	25	2 583	64.8%	-	2 715	2 861	2 994	5.0%	-
Agency and support / outsourced services	4 585	1 901	1 548	4 711	0.9%	-	5 004	5 248	5 490	5.2%	-
Entertainment	26	16	11	109	61.2%	-	127	149	200	22.4%	-
Inventory: Fuel, oil and gas	-	3	6	5	-	-	4	4	4	-7.2%	-
Inventory: Materials and supplies	2	2	1	9	65.1%	-	11	2	2	-39.4%	-
Inventory: Medical supplies	181 211	116 836	124 122	135 000	-9.3%	1.9%	140 000	148 400	198 391	13.7%	1.3%
Inventory: Medicine	-	30 000	20 013	-	-	0.2%	-	-	-	-	-
Inventory: Other consumables	4	5	6	37	109.9%	-	34	44	54	13.4%	-
Inventory: Stationery and printing	4 283	4 380	9 942	15 804	54.5%	0.1%	15 857	16 473	17 190	2.8%	0.1%
Operating leases	254	279	317	1 151	65.5%	-	626	701	753	-13.2%	-
Travel and subsistence	17 659	17 342	15 956	18 932	2.3%	0.2%	17 770	17 298	17 548	-2.5%	0.1%
Training and development	2 514	2 204	569	-	-100.0%	-	-	-	-	-	-
Operating payments	1 207	4 412	4 046	10 427	105.2%	0.1%	11 134	11 612	12 173	5.3%	0.1%
Venues and facilities	5 693	6 449	3 818	10 393	22.2%	0.1%	10 982	11 451	12 004	4.9%	0.1%
<b>Transfers and subsidies</b>	<b>4 576 751</b>	<b>6 186 121</b>	<b>7 655 430</b>	<b>8 936 005</b>	<b>25.0%</b>	<b>95.7%</b>	<b>10 717 902</b>	<b>12 500 080</b>	<b>14 160 824</b>	<b>16.6%</b>	<b>97.1%</b>
Provinces and municipalities	4 376 105	6 051 757	7 492 962	8 762 848	26.0%	93.4%	10 533 886	12 311 322	13 957 043	16.8%	95.5%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	15 000	-	-
Higher education institutions	500	2 000	5 562	3 000	81.7%	-	3 000	3 000	3 138	1.5%	-
Public corporations and private enterprises	-	-	-	40	-	-	-	-	-	-100.0%	-
Non-profit institutions	198 143	132 095	156 904	170 117	-5.0%	2.3%	181 016	185 758	185 643	3.0%	1.5%
Households	2 003	269	2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>973</b>	<b>917</b>	<b>791</b>	<b>1 452</b>	<b>14.3%</b>	<b>-</b>	<b>1 674</b>	<b>1 674</b>	<b>1 749</b>	<b>6.4%</b>	<b>-</b>
Machinery and equipment	973	917	776	1 452	14.3%	-	1 674	1 674	1 749	6.4%	-
Software and other intangible assets	-	-	15	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>6</b>	<b>187</b>	<b>1 519</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 923 451</b>	<b>6 471 337</b>	<b>7 914 904</b>	<b>9 264 571</b>	<b>23.5%</b>	<b>100.0%</b>	<b>11 029 134</b>	<b>12 866 674</b>	<b>14 546 264</b>	<b>16.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>25.7%</b>	<b>28.7%</b>	<b>30.8%</b>	<b>33.0%</b>			<b>35.9%</b>	<b>37.9%</b>	<b>39.7%</b>		

Table 16.9 HIV and AIDS, TB, Maternal and Child Health (continued)

R thousand	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	2 000	-	-	-	-100.0%	-	-	-	-	-	-
Donation	2 000	-	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	-	-	-	-	-	-	-	-	15 000	-	-
South African National AIDS Council	-	-	-	-	-	-	-	-	15 000	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	198 143	132 095	156 904	170 117	-5.0%	2.3%	181 016	185 758	185 643	3.0%	1.5%
Lifeline	-	16 243	16 478	17 627	-	0.2%	18 308	19 023	19 898	4.1%	0.2%
loveLife	-	38 690	62 023	66 124	-	0.6%	70 430	69 843	64 396	-0.9%	0.6%
Soul City	-	16 960	12 977	13 876	-	0.2%	14 820	15 561	16 277	5.5%	0.1%
HIV and AIDS	193 842	57 763	65 020	72 490	-28.0%	1.4%	76 115	79 921	83 597	4.9%	0.7%
Maternal, child and women's health	636	-	406	-	-100.0%	-	1 343	1 410	1 475	-	-
TB non-governmental organisations	3 665	2 439	-	-	-100.0%	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	4 376 105	6 051 757	7 492 962	8 762 848	26.0%	93.4%	10 533 886	12 311 322	13 957 043	16.8%	95.5%
Comprehensive HIV and AIDS grant	4 376 105	6 051 757	7 492 962	8 762 848	26.0%	93.4%	10 533 886	12 311 322	13 957 043	16.8%	95.5%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	3	269	2	-	-100.0%	-	-	-	-	-	-
Employee social benefits	3	269	2	-	-100.0%	-	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	500	2 000	5 562	3 000	81.7%	-	3 000	3 000	3 138	1.5%	-
University of Limpopo	500	2 000	562	2 000	58.7%	-	2 000	2 000	2 092	1.5%	-
University of Cape Town	-	-	-	1 000	-	-	1 000	1 000	1 046	1.5%	-
University of the Witwatersrand	-	-	5 000	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	-	-	-	40	-	-	-	-	-	-100.0%	-
Top Womens Awards	-	-	-	40	-	-	-	-	-	-100.0%	-

## Personnel information

Table 16.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	HIV and AIDS, TB, Maternal and Child Health	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
148	20		135	51.9	0.4	159	59.7	0.4	144	61.8	0.4	144	63.9	0.4	144	67.1	0.5	-3.2%	100.0%
1-6	18	13	20	3.1	0.2	30	3.3	0.1	18	3.0	0.2	18	3.2	0.2	18	3.3	0.2	-15.7%	14.2%
7-10	87	1	65	19.0	0.3	84	26.3	0.3	80	27.2	0.3	80	28.5	0.4	80	29.9	0.4	-1.6%	54.8%
11-12	26	3	34	17.2	0.5	27	15.3	0.6	29	16.2	0.6	29	17.0	0.6	29	17.9	0.6	2.4%	19.3%
13-16	17	3	16	12.6	0.8	18	14.9	0.8	17	15.4	0.9	17	15.2	0.9	17	15.9	0.9	-1.9%	11.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term is in the HIV and AIDS subprogramme, which is discussed in more detail in the section that follows. Growth in spending in maternal health over the medium term aims to increase

deliveries attended by appropriately skilled personnel to 97 per cent in 2015/16 from the current level of 90 per cent. Spending on tuberculosis remains a priority, with plans to improve the cure rate from the current level of 73 per cent to 85 per cent in 2015/16.

The Tuberculosis subprogramme, which was located within the HIV and AIDS subprogramme until 2011/12, was strengthened between 2009/10 and 2012/13, due to the introduction of GeneXpert technology and surveillance. The decline in expenditure in the Child, Youth and School Health subprogramme over the same period was a result of once-off allocations for the start up of new pneumococcal and rotavirus vaccine programmes, which are now funded from provincial health budgets. The growth in spending in the Women's, Maternal and Reproductive Health subprogramme over this period was due to the expansion of women's health activities to ensure that the relevant millennium development goals were being met.

There were 148 funded posts and 9 vacancies as at 30 September 2012. The vacant posts were due to delays in finalising the new organogram based on the change to the budget structure. The number of employees is expected to decrease slightly from the current 159 to 144 in 2013/14 and is partly due to the department's efforts to abolish vacant posts through the PERSAL clean up exercise. The decrease is mainly seen in the lowest salary level category.

Over the medium term, an additional R15 million in 2014/15 is allocated for the transfer to the South African National AIDS Council to support the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis.

## Subprogramme: HIV and AIDS

This subprogramme develops national policy and administers national programmes on HIV and AIDS and sexually transmitted infections. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. In 2012/13, significant progress was made in: lowering the rate of child mortality through the reduction of the mother to child HIV transmission programme, which resulted in lower child mortality rates; increasing antiretroviral treatment coverage; lowering adult mortality rates; increasing the number of medical male circumcisions; and maintaining HIV testing at high levels. It is estimated that 500 000 new patients would have been initiated on antiretroviral treatment by the end of 2012/13, and mother to child HIV transmission is projected to reduce further from current levels of 3.5 per cent to 2 per cent in 2013/14.

## Expenditure estimates

Table 16.11 HIV and AIDS

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Current payments</b>	<b>280 540</b>	<b>219 963</b>	<b>195 899</b>	<b>269 178</b>	<b>-1.4%</b>	<b>3.4%</b>	<b>251 418</b>	<b>304 923</b>	<b>320 702</b>	<b>6.0%</b>	<b>2.4%</b>
Compensation of employees	24 788	27 164	29 617	30 794	7.5%	0.4%	33 355	34 175	36 305	5.6%	0.3%
Goods and services	255 752	192 799	166 282	238 384	-2.3%	3.0%	218 063	270 748	284 397	6.1%	2.1%
of which:											
Administration fees	3	-	-	299	363.6%	-	316	330	345	4.9%	-
Advertising	76 376	42 318	13 426	43 539	-17.1%	0.6%	10 083	44 373	19 682	-23.3%	0.2%
Assets less than the capitalisation threshold	111	231	476	525	67.9%	-	558	580	607	5.0%	-
Catering: Departmental activities	400	1 188	473	2 229	77.3%	-	2 368	2 463	2 576	4.9%	-
Communication	420	296	257	375	-3.7%	-	398	414	433	4.9%	-
Computer services	1 383	22	5	52	-66.5%	-	55	57	60	4.9%	-
Consultants and professional services: Business and advisory services	4 013	5 989	17	8 497	28.4%	0.1%	14 800	23 146	9 211	2.7%	0.1%
Contractors	573	349	16	781	10.9%	-	830	863	903	5.0%	-
Agency and support / outsourced services	4 585	1 901	1 548	4 569	-0.1%	-	4 854	5 048	5 280	4.9%	-
Entertainment	17	11	7	22	9.0%	-	23	24	25	4.4%	-
Inventory: Fuel, oil and gas	-	1	4	3	-	-	3	3	3	-	-
Inventory: Materials and supplies	1	-	1	1	-	-	1	2	2	26.0%	-
Inventory: Medical supplies	145 664	116 836	124 122	135 000	-2.5%	1.8%	140 000	148 400	198 391	13.7%	1.3%
Inventory: Other consumables	4	2	2	4	-	-	4	4	4	-	-
Inventory: Stationery and printing	938	666	6 654	11 418	130.0%	0.1%	12 131	12 616	13 196	4.9%	0.1%
Operating leases	150	162	166	297	25.6%	-	316	329	344	5.0%	-

Table 16.11 HIV and AIDS (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Travel and subsistence	13 376	11 500	12 416	12 168	-3.1%	0.2%	11 556	11 538	11 831	-0.9%	0.1%
Training and development	2 514	2 204	568	-	-100.0%	-	-	-	-	-	-
Operating payments	698	3 725	3 349	9 690	140.3%	0.1%	10 295	10 707	11 200	4.9%	0.1%
Venues and facilities	4 526	5 398	2 775	8 915	25.4%	0.1%	9 472	9 851	10 304	4.9%	0.1%
<b>Transfers and subsidies</b>	<b>4 570 450</b>	<b>6 183 447</b>	<b>7 655 024</b>	<b>8 935 965</b>	<b>25.0%</b>	<b>96.6%</b>	<b>10 716 559</b>	<b>12 498 670</b>	<b>14 159 349</b>	<b>16.6%</b>	<b>97.6%</b>
Provinces and municipalities	4 376 105	6 051 757	7 492 962	8 762 848	26.0%	94.2%	10 533 886	12 311 322	13 957 043	16.8%	96.0%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	15 000	-	-
Higher education institutions	500	2 000	5 562	3 000	81.7%	-	3 000	3 000	3 138	1.5%	-
Non-profit institutions	193 842	129 656	156 498	170 117	-4.3%	2.3%	179 673	184 348	184 168	2.7%	1.5%
Households	3	34	2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>649</b>	<b>682</b>	<b>456</b>	<b>785</b>	<b>6.5%</b>	<b>-</b>	<b>973</b>	<b>973</b>	<b>1 018</b>	<b>9.1%</b>	<b>-</b>
Machinery and equipment	649	682	456	785	6.5%	-	973	973	1 018	9.1%	-
<b>Payments for financial assets</b>	<b>6</b>	<b>187</b>	<b>1 519</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 851 645</b>	<b>6 404 279</b>	<b>7 852 898</b>	<b>9 205 928</b>	<b>23.8%</b>	<b>100.0%</b>	<b>10 968 950</b>	<b>12 804 566</b>	<b>14 481 069</b>	<b>16.3%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	98.5%	99.0%	99.2%	99.4%			99.5%	99.5%	99.6%		

## Personnel information

Table 16.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost						
<b>HIV and AIDS</b>																			
Salary level	78	15	80	30.5	0.4	90	31.6	0.4	82	32.6	0.4	82	33.3	0.4	82	35.0	0.4	-3.1%	100.0%
1 - 6	11	9	14	2.1	0.2	20	2.1	0.1	12	2.0	0.2	12	2.1	0.2	12	2.2	0.2	-15.7%	16.7%
7 - 10	46	1	36	11.3	0.3	45	13.9	0.3	45	15.0	0.3	45	15.8	0.4	45	16.6	0.4	-	53.6%
11 - 12	15	3	23	11.7	0.5	18	10.2	0.6	18	8.9	0.5	18	9.4	0.5	18	9.8	0.5	-	21.4%
13 - 16	6	2	7	5.4	0.8	7	5.4	0.8	7	6.7	1.0	7	6.1	0.9	7	6.4	0.9	-	8.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continuing to strengthen the HIV and AIDS testing and prevention programmes, which will result in a further decrease in the number of babies testing positive six weeks after birth, and an increase in the number of people on antiretroviral treatment.

The rise in transfers and subsidies between 2009/10 and 2012/13 was due to an increase in the HIV and AIDS conditional grant to provinces. The increases were due to higher numbers of new patients being placed on antiretroviral treatment and the escalation of a range of prevention, care, support and other interventions, such as testing, circumcision and the prevention of mother to child transmission.

Spending increases will be sustained over the medium term following the lowering of the HIV and AIDS treatment threshold from a CD4 count of 200 to 350 in 2011/12 and are intended to provide for an additional 500 000 people receiving antiretroviral treatment each year.

The staff complement in 2012/13 was 90, which declines to 82 in 2013/14 and is expected to remain at this level over the medium term. There were 3 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 4: Primary Health Care Services

### Objectives

- Improve the quality and integration of primary health care services over the medium term by:
  - developing an inter-sectoral framework for addressing the health impact of social determinants of health
  - increasing the monthly supervisory rate in fixed primary health care facilities in line with the primary health care supervision manual
  - supporting the reengineering of primary health care through increasing the current number of functional ward based outreach teams from 500 in 2012/13 to 1500 in 2013/14.
- Eliminate malaria by 2018 by reducing the local transmission of malaria cases to 0/1 000 population at risk, through the continued implementation of the malaria elimination strategy.
- Promote the health of the population by:
  - finalising and implementing regulations on reduced salt content in processed foods over the MTEF period
  - introducing legislation restricting alcohol advertising over the medium term.
- Strengthen epidemic preparedness and response through an intensive capacity building programme and the establishment of outbreak response teams in all districts by 2015/16.
- Strengthen prevention and promotion efforts through the establishment of a National Health Commission over the medium term.

### Subprogrammes

- *District Services and Environmental Health* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; coordinates the delivery of environmental health for all levels of the health care system, including the monitoring and delivery of municipal health services; and implements the third stream of primary health care reengineering, that is ward based outreach teams inclusive of community based services. The subprogramme will ensure full coverage of 10 national health insurance pilot sites with ward based outreach teams by establishing additional functional teams to reach the target of 1 500. The programme continues to develop norms and standards for all aspects of the district health system, primary health care and environmental health services. This subprogramme has a staff complement of 21 employees.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases, a division of the National Health Laboratory Service. Over the MTEF period, the malaria incidence per 1 000 local population at risk has decreased from 0.6 in 2010/11 to 0.48 in 2011/12. The key achievements of the subprogramme in 2012/13 included the strengthening of malaria information systems to accommodate elimination indicators, and improved collaboration on malaria control with neighbouring Zimbabwe, Botswana and Mozambique. The key priorities over the MTEF period are to further reduce the local malaria incidence to 0.34 in 2014/15 and to improve epidemic preparedness and response in all the health districts. This subprogramme had a staff complement of 18 in 2012/13.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic diseases, disability, elderly people, eye care, oral health, mental health and substance abuse and injury prevention. Over the medium term, legislation on regulating alcohol advertising and reducing salt content in food will be introduced to Parliament. Other activities over the medium term include: implementing the programme of action to realise the 10 targets for better health agreed on at the national summit for non-communicable diseases; exploring the establishment of a commission for non-communicable diseases; developing intersectoral strategies for reducing the four main risk factors for non-communicable diseases; increasing the screening for non-communicable diseases; implementing a plan of action for mental health; and further implementing the long term care model. This subprogramme had a staff complement of 32 in 2012/13 and a total personnel budget of R13 million.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Over the medium term, the focus will be on finalising an integrated health

promotion policy and strategy and the roadmap for nutrition in South Africa. This work will include implementing the exclusive breastfeeding policy and other wellness strategies. This subprogramme had a staff complement of 20 in 2012/13.

- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence and trauma and emergency medical services. This is a new subprogramme, which will take effect in 2013/14. The subprogramme has a staff complement of 8 employees.

## Expenditure estimates

**Table 16.13 Primary Health Care Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand											
District Services and Environmental Health	11 605	28 868	45 008	22 423	24.6%	19.5%	24 514	24 209	25 373	4.2%	21.3%
Communicable Diseases	204 172	13 985	9 706	47 067	-38.7%	49.8%	18 173	18 950	19 895	-25.0%	23.0%
Non-Communicable Diseases	18 325	25 685	24 155	27 234	14.1%	17.3%	28 890	29 829	31 148	4.6%	25.9%
Health Promotion and Nutrition	11 288	10 232	12 288	22 216	25.3%	10.1%	21 529	22 307	23 499	1.9%	19.8%
Violence, Trauma and EMS	4 221	3 523	3 699	6 872	17.6%	3.3%	16 309	10 813	11 364	18.3%	10.0%
<b>Total</b>	<b>249 611</b>	<b>82 293</b>	<b>94 856</b>	<b>125 812</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>109 415</b>	<b>106 108</b>	<b>111 279</b>	<b>-4.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				38 392			16 490	9 015	9 720		
<b>Economic classification</b>											
<b>Current payments</b>	<b>196 106</b>	<b>75 523</b>	<b>92 179</b>	<b>121 666</b>	<b>-14.7%</b>	<b>87.9%</b>	<b>105 664</b>	<b>102 217</b>	<b>107 210</b>	<b>-4.1%</b>	<b>96.5%</b>
Compensation of employees	33 498	34 766	39 101	45 466	10.7%	27.7%	53 502	56 401	59 592	9.4%	47.5%
Goods and services	162 608	40 757	53 078	76 200	-22.3%	60.2%	52 162	45 816	47 618	-14.5%	49.0%
of which:											
Administration fees	33	89	-	58	20.7%	-	60	62	65	3.9%	0.1%
Advertising	1 331	286	1 560	2 351	20.9%	1.0%	824	838	876	-28.0%	1.1%
Assets less than the capitalisation threshold	570	137	263	414	-10.1%	0.3%	437	454	475	4.7%	0.4%
Audit cost: External	-	-	-	125	-	-	129	134	140	3.8%	0.1%
Catering: Departmental activities	364	704	672	1 485	59.8%	0.6%	2 422	1 537	1 609	2.7%	1.6%
Communication	399	366	233	2 987	95.6%	0.7%	3 691	4 302	4 500	14.6%	3.4%
Computer services	4	4	1	1 677	648.4%	0.3%	1 727	1 796	1 879	3.9%	1.6%
Consultants and professional services: Business and advisory services	3 057	21 380	35 004	10 185	49.4%	12.6%	16 725	10 879	11 379	3.8%	10.9%
Contractors	55	37	15	131	33.5%	-	132	133	139	2.0%	0.1%
Agency and support / outsourced services	768	112	14	20	-70.4%	0.2%	21	22	23	4.8%	-
Entertainment	20	12	13	65	48.1%	-	67	70	73	3.9%	0.1%
Inventory: Fuel, oil and gas	-	1	3	197	-	-	203	211	221	3.9%	0.2%
Inventory: Learner and teacher support material	-	-	-	172	-	-	177	184	192	3.7%	0.2%
Inventory: Materials and supplies	-	2	1	16	-	-	17	17	17	2.0%	-
Inventory: Medical supplies	144 302	2 106	65	-	-100.0%	26.5%	-	-	-	-	-
Inventory: Medicine	-	-	-	30 953	-	5.6%	1 026	1 067	1 116	-67.0%	7.5%
Inventory: Other consumables	18	10	38	58	47.7%	-	62	66	69	6.0%	0.1%
Inventory: Stationery and printing	2 821	2 785	3 790	5 189	22.5%	2.6%	5 667	5 808	6 075	5.4%	5.0%
Operating leases	262	300	324	444	19.2%	0.2%	463	477	499	4.0%	0.4%
Property payments	145	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	6 927	6 627	6 984	16 360	33.2%	6.7%	14 865	14 199	14 547	-3.8%	13.2%
Training and development	6	25	241	14	32.6%	0.1%	15	16	17	6.7%	-
Operating payments	647	5 370	2 243	1 789	40.4%	1.8%	1 862	1 918	2 006	3.9%	1.7%
Venues and facilities	879	404	1 614	1 510	19.8%	0.8%	1 570	1 626	1 701	4.1%	1.4%
<b>Transfers and subsidies</b>	<b>51 916</b>	<b>6 338</b>	<b>2 004</b>	<b>2 764</b>	<b>-62.4%</b>	<b>11.4%</b>	<b>2 298</b>	<b>2 438</b>	<b>2 550</b>	<b>-2.7%</b>	<b>2.2%</b>
Provinces and municipalities	50 000	-	-	-	-100.0%	9.0%	-	-	-	-	-
Departmental agencies and accounts	-	4 600	-	-	-	0.8%	-	-	-	-	-
Non-profit institutions	1 881	1 708	1 504	2 764	13.7%	1.4%	2 298	2 438	2 550	-2.7%	2.2%
Households	35	30	500	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 577</b>	<b>432</b>	<b>660</b>	<b>1 382</b>	<b>-4.3%</b>	<b>0.7%</b>	<b>1 453</b>	<b>1 453</b>	<b>1 519</b>	<b>3.2%</b>	<b>1.3%</b>
Machinery and equipment	1 577	432	660	1 382	-4.3%	0.7%	1 453	1 453	1 519	3.2%	1.3%
<b>Payments for financial assets</b>	<b>12</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>249 611</b>	<b>82 293</b>	<b>94 856</b>	<b>125 812</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>109 415</b>	<b>106 108</b>	<b>111 279</b>	<b>-4.0%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.3%	0.4%	0.4%	0.4%			0.4%	0.3%	0.3%		

Table 16.13 Primary Health Care Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	-	-	500	-	-	0.1%	-	-	-	-	-	-
Donation	-	-	500	-	-	0.1%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	-	4 600	-	-	-	0.8%	-	-	-	-	-	-
Humans Sciences Research Council	-	4 600	-	-	-	0.8%	-	-	-	-	-	-
<b>Non-profit institutions</b>												
<b>Current</b>	1 881	1 708	1 504	2 764	13.7%	1.4%	2 298	2 438	2 550	-2.7%	2.2%	
South African Federation for Mental Health	-	261	277	290	-	0.1%	305	320	335	4.9%	0.3%	
South African National Council for the Blind	552	585	620	651	5.7%	0.4%	684	718	751	4.9%	0.6%	
Mental health non-governmental organisations	246	146	11	165	-12.5%	0.1%	173	182	190	4.8%	0.2%	
Health promotion non-governmental organisations	575	350	293	650	4.2%	0.3%	708	768	803	7.3%	0.6%	
Psychology Society of South Africa	-	-	-	100	-	-	-	-	-	-100.0%	-	
South African Community Epidemiology Network on Drug Use	508	366	303	408	-7.0%	0.3%	428	450	471	4.9%	0.4%	
World Congress on Paediatric Cardiology	-	-	-	500	-	0.1%	-	-	-	-100.0%	0.1%	
<b>Provinces and municipalities</b>												
<b>Provinces</b>												
<b>Provincial Revenue Funds</b>												
<b>Current</b>	50 000	-	-	-	-100.0%	9.0%	-	-	-	-	-	-
Cholera conditional grant	50 000	-	-	-	-100.0%	9.0%	-	-	-	-	-	-
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	35	30	-	-	-100.0%	-	-	-	-	-	-	-
Employee social benefits	35	30	-	-	-100.0%	-	-	-	-	-	-	-

## Personnel information

Table 16.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Primary Health Care Services</b>			100	42.7	0.4	99	43.6	0.4	102	46.8	0.5	102	49.2	0.5	102	51.6	0.5	1.0%	100.0%
Salary level	113	1																	
1 - 6	29	-	24	4.5	0.2	24	4.3	0.2	25	4.5	0.2	25	4.8	0.2	25	5.0	0.2	1.4%	24.4%
7 - 10	39	-	37	12.4	0.3	36	12.2	0.3	38	14.2	0.4	38	14.9	0.4	38	15.6	0.4	1.8%	37.0%
11 - 12	28	-	23	13.2	0.6	24	15.0	0.6	23	14.1	0.6	23	14.8	0.6	23	15.5	0.7	-1.4%	23.0%
13 - 16	17	1	16	12.7	0.8	15	12.0	0.8	16	14.1	0.9	16	14.7	0.9	16	15.5	1.0	2.2%	15.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on health promotion and the prevention of non-communicable diseases such as hypertension and diabetes. The *Non-Communicable Diseases* subprogramme will continue to be prioritised and will be the largest spending item over the MTEF period. In addition, malaria and vector borne diseases remain a priority area in South Africa and the larger SADC region.

In 2012/13, spending increased significantly in the *Health Promotion and Nutrition* subprogramme due to the rollover of R1.5 million from 2011/12 to fund the advertising of the roundabout water initiative, a project aimed at providing water pumps in rural areas to promote safe health practices. The increase in spending in the *District Services and Environmental Health* subprogramme in 2011/12 was on the health facilities audit under goods and services: consultants and professional services. The Health Systems Trust was commissioned to conduct an

audit of public health facilities, including clinics, community health centres, district, regional, specialised and tertiary hospitals in all nine provinces.

Expenditure in the *Communicable Diseases* subprogramme decreased significantly between 2009/10 and 2012/13 due to a once-off allocation of R148 million for influenza vaccines in 2009/10. A R30 million rollover was used to purchase influenza vaccines for provincial distribution and R50 million was used towards the cholera conditional grant in 2009/10. As these additional allocations and rollovers were once-offs, this subprogramme is expected to decrease significantly in 2013/14.

The increase in spending in 2012/13 in the *Violence, Trauma and EMS* subprogramme was due to a budget structure change. Between 2009/10 and 2011/12, the subprogramme only reflected spending on emergency medical services, but from 2012/13, the violence and trauma components were transferred from the *Hospital Services* subprogramme and incorporated into the *Violence, Trauma and EMS* subprogramme.

Over the medium term, there is a once-off increase in spending in this subprogramme in 2013/14, due to the provision of emergency services for the 2014 African Nations Championship. In addition, R9.5 million was reprioritised from goods and services to compensation of employees to provide for capacity in the *Violence, Trauma and EMS* subprogramme.

The programme has a staff complement of 99 and this is expected to increase to 102 in 2013/14. There were 113 funded posts and 15 vacant positions at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## **Programme 5: Hospital, Tertiary Health Services and Human Resource Development**

### **Objectives**

- Accelerate the delivery of health infrastructure by:
  - developing and applying health infrastructure norms and standards for all levels of health services at all stages of the development cycle over the MTEF period
  - conducting cost modelling for all components and levels of health facilities, including capital and maintenance over the MTEF period
  - maintaining a project management information system for projects and programme monitoring and oversight over the medium term.
- Strengthen the health sector human resource capacity to deliver on key health programmes by continually developing and implementing programmes for the production of new health professional categories for mid-level workers, including clinical associates, emergency care practitioners and community health workers.

### **Subprogrammes**

- *Health Facilities Infrastructure Management* focuses on coordinating and funding health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology, and hospital management; and improve the quality of care in line with national policy objectives; and is responsible for conditional grants for health infrastructure. In this budget, the three health infrastructure-related conditional grants – hospital revitalisation, health infrastructure, and nursing colleges – will be merged to create the new schedule 5A grant: health facility revitalisation conditional grant. Savings of R531 million (R124.5 million, R174 million and R232.1 million) over the MTEF period have been effected in the new health facility revitalisation grant. In addition, a new indirect schedule 6A (in-kind) national health grant will be created in the 2013 Budget, with a health facility revitalisation component. These infrastructure grants fund the planning and implementing of large numbers of infrastructure projects. This subprogramme had a staff complement of 10 in 2012/13.
- *Tertiary Health Care Planning and Policy* focuses on developing the long term provision of high quality, specialised services in a modernised and reconfigured manner; identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements; and is responsible for the

management of the national tertiary services grant. The purpose of the grant is to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital services platform in line with national policy objectives. This subprogramme had a staff complement of 10 in 2012/13.

- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure the clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals. Priority areas for hospital improvements include cleanliness, infection prevention and control, patient safety, drug management and availability of medicines, waiting times, and staff attitudes. This subprogramme had a staff complement of 8 in 2012/13.
- *Human Resources for Health* is responsible for medium to long term human resources planning in the national health system. This entails implementing the national human resources for health plan, facilitating capacity development for sustainable health workforce planning, and developing and implementing human resources information systems for planning and monitoring purposes. In 2012/13, workload indicators for staffing needs were drafted with technical support from the World Health Organisation. In 2011/12, the national human resources strategy was developed and in 2012/13, work on developing human resources norms and standards began. A roadmap for implementation will be developed over the medium term. The bulk of this subprogramme's budget is transferred to provinces through the health professions training and development conditional grant, partly based on the historical distribution of medical student numbers. This subprogramme had a staff complement of 35 in 2012/13.
- *Nursing Services* is a new subprogramme, which is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity in the system, developing nursing norms and standards, and facilitating the development of the nursing training curriculum to ensure that nurses are appropriately skilled and utilised appropriately and effectively. In 2012/13, the nurse education, training and practice strategy was developed and approved. Over the MTEF period, the focus will be on the rollout and implementation of this strategy. The subprogramme had a staff complement of 1 employee in 2012/13.
- *Forensic Chemistry Laboratories* contains the three forensic chemistry laboratories managed by the department located in Johannesburg, Pretoria and Cape Town. The subprogramme had a staff complement of 125 employees in 2012/13.

## Expenditure estimates

**Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Health Facilities Infrastructure Management	4 198 814	5 191 544	5 985 910	6 274 383	14.3%	34.8%	5 990 307	6 474 331	6 721 737	2.3%	34.3%
Tertiary Health Care Planning and Policy	6 616 372	7 400 741	8 051 780	8 883 459	10.3%	49.7%	9 623 980	10 171 987	10 639 933	6.2%	53.0%
Hospital Management	3 759	2 994	9 432	20 744	76.7%	0.1%	5 828	5 987	6 281	-32.9%	0.1%
Human Resources for Health	1 790 503	1 880 530	2 000 988	2 103 854	5.5%	12.5%	2 217 660	2 348 249	2 455 891	5.3%	12.3%
Nursing Services	-	-	-	1 550	-	-	3 830	4 053	4 294	40.4%	-
Forensic Chemistry Laboratories	529 768	589 929	650 322	67 008	-49.8%	3.0%	69 593	68 169	74 680	3.7%	0.4%
<b>Total</b>	<b>13 139 216</b>	<b>15 065 738</b>	<b>16 698 432</b>	<b>17 350 998</b>	<b>9.7%</b>	<b>100.0%</b>	<b>17 911 198</b>	<b>19 072 776</b>	<b>19 902 816</b>	<b>4.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				423 128			(105 314)	(159 398)	(214 038)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>69 016</b>	<b>70 422</b>	<b>130 642</b>	<b>176 208</b>	<b>36.7%</b>	<b>0.7%</b>	<b>165 926</b>	<b>164 107</b>	<b>168 774</b>	<b>-1.4%</b>	<b>0.9%</b>
Compensation of employees	39 174	40 081	52 385	63 639	17.6%	0.3%	76 690	80 708	82 676	9.1%	0.4%
Goods and services	29 842	30 341	78 257	112 569	55.7%	0.4%	89 236	83 399	86 098	-8.5%	0.5%
of which:											
Administration fees	98	28	37	143	13.4%	-	391	108	133	-2.4%	-
Advertising	373	205	2 638	1 113	44.0%	-	1 162	1 220	1 299	5.3%	-
Assets less than the capitalisation threshold	94	150	199	1 528	153.3%	-	1 488	1 653	1 728	4.2%	-
Bursaries: Employees	-	-	-	67	-	-	68	69	72	2.4%	-
Catering: Departmental activities	169	152	226	937	77.0%	-	962	1 008	1 062	4.3%	-

Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Communication	963	935	862	1 358	12.1%	-	1 255	1 216	1 490	3.1%	-
Computer services	153	636	917	1 699	123.1%	-	1 749	1 849	2 103	7.4%	-
Consultants and professional services:	10 569	14 504	52 926	72 755	90.2%	0.2%	52 678	46 900	48 302	-12.8%	0.3%
Business and advisory services											
Consultants and professional services:	-	-	-	50	-	-	75	80	80	17.0%	-
Laboratory services											
Contractors	1 737	1 577	2 141	4 069	32.8%	-	4 087	4 337	802	-41.8%	-
Agency and support / outsourced services	932	965	2 179	1 690	21.9%	-	1 723	1 832	1 993	5.7%	-
Entertainment	15	6	5	23	15.3%	-	23	18	18	-7.8%	-
Inventory: Fuel, oil and gas	286	218	88	140	-21.2%	-	150	160	175	7.7%	-
Inventory: Materials and supplies	93	91	75	172	22.7%	-	52	59	64	-28.1%	-
Inventory: Medical supplies	-	10	6	50	-	-	60	65	90	21.6%	-
Inventory: Medicine	11	2	14	30	39.7%	11	30	30	40	10.1%	-
Inventory: Other consumables	3 743	4 167	5 125	10 254	39.9%	-	9 201	8 587	11 647	4.3%	0.1%
Inventory: Stationery and printing	951	759	695	2 400	36.1%	-	2 442	2 561	2 723	4.3%	-
Operating leases	677	490	1 230	2 608	56.8%	-	2 664	2 760	2 992	4.7%	-
Travel and subsistence	4 356	4 249	6 585	7 459	19.6%	-	6 185	5 788	5 977	-7.1%	-
Training and development	2 969	29	-	37	-76.8%	-	29	30	31	-5.7%	-
Operating payments	814	434	1 899	1 570	24.5%	-	428	539	618	-26.7%	-
Venues and facilities	839	734	410	2 417	42.3%	-	2 334	2 530	2 659	3.2%	-
<b>Transfers and subsidies</b>	<b>13 067 743</b>	<b>14 990 221</b>	<b>16 549 043</b>	<b>17 160 962</b>	<b>9.5%</b>	<b>99.2%</b>	<b>16 934 265</b>	<b>17 228 860</b>	<b>18 052 484</b>	<b>1.7%</b>	<b>93.5%</b>
Provinces and municipalities	13 067 645	14 990 204	16 541 820	17 159 762	9.5%	99.2%	16 934 265	17 228 860	18 052 484	1.7%	93.5%
Higher education institutions	-	-	7 200	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	1 200	-	-	-	-	-	-100.0%	-
Households	98	17	23	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2 454</b>	<b>4 945</b>	<b>18 747</b>	<b>13 828</b>	<b>77.9%</b>	<b>0.1%</b>	<b>811 007</b>	<b>1 679 809</b>	<b>1 681 558</b>	<b>395.4%</b>	<b>5.6%</b>
Buildings and other fixed structures	-	-	-	-	-	-	807 025	1 679 862	1 675 951	-	5.6%
Machinery and equipment	2 174	4 883	18 747	13 828	85.3%	0.1%	3 982	(53)	5 607	-26.0%	-
Software and other intangible assets	280	62	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13 139 216</b>	<b>15 065 738</b>	<b>16 698 432</b>	<b>17 350 998</b>	<b>9.7%</b>	<b>100.0%</b>	<b>17 911 198</b>	<b>19 072 776</b>	<b>19 902 816</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>68.5%</b>	<b>66.9%</b>	<b>64.9%</b>	<b>61.8%</b>			<b>58.3%</b>	<b>56.2%</b>	<b>54.3%</b>		

## Details of transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	-	17	-	-	-	-	-	-	-	-	-
Employee social benefits	-	17	-	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	-	-	-	1 200	-	-	-	-	-	-100.0%	-
International Academy for Design	-	-	-	1 200	-	-	-	-	-	-100.0%	-
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>8 876 104</b>	<b>9 820 349</b>	<b>10 616 568</b>	<b>10 969 186</b>	<b>7.3%</b>	<b>64.7%</b>	<b>11 810 723</b>	<b>12 490 023</b>	<b>13 064 564</b>	<b>6.0%</b>	<b>65.1%</b>
Health professions training and development grant	1 759 799	1 865 387	1 977 310	2 076 176	5.7%	12.3%	2 190 366	2 321 788	2 428 590	5.4%	12.1%
National tertiary services grant	6 614 442	7 398 000	8 048 878	8 878 010	10.3%	49.7%	9 620 357	10 168 235	10 635 974	6.2%	52.9%
Forensic pathology services grant	501 863	556 962	590 380	-	-100.0%	2.6%	-	-	-	-	-
2013 African Cup of Nations medical services grant	-	-	-	15 000	-	-	-	-	-	-100.0%	-
<b>Capital</b>	<b>4 191 541</b>	<b>5 169 855</b>	<b>5 925 252</b>	<b>6 190 576</b>	<b>13.9%</b>	<b>34.5%</b>	<b>5 123 542</b>	<b>4 738 837</b>	<b>4 987 920</b>	<b>-6.9%</b>	<b>28.3%</b>
Health facility revitalisation grant	4 191 541	5 169 855	5 925 252	6 190 576	13.9%	34.5%	5 123 542	4 738 837	4 987 920	-6.9%	28.3%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>98</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	98	-	23	-	-100.0%	-	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>7 200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
University of the Witwatersrand	-	-	7 200	-	-	-	-	-	-	-	-

## Personnel information

**Table 16.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)		
		2011/12		2012/13		2013/14			2014/15			2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16			
Hospitals, Tertiary Health Services and Human Resource Development		222	4	178	50.8	0.3	189	61.7	0.3	210	75.8	0.4	210	79.6	0.4	210	83.6	0.4	3.6%	100.0%
Salary level																				
1 – 6	64	4	55	6.5	0.1	58	9.6	0.2	60	10.7	0.2	60	11.3	0.2	60	11.8	0.2	1.1%	29.1%	
7 – 10	114	–	98	21.6	0.2	103	32.3	0.3	117	41.3	0.4	117	43.4	0.4	117	45.6	0.4	4.3%	55.4%	
11 – 12	27	–	17	16.6	1.0	18	11.5	0.6	18	11.1	0.6	18	11.7	0.6	18	12.3	0.7	–	8.8%	
13 – 16	17	–	8	6.0	0.8	10	8.3	0.8	15	12.6	0.8	15	13.2	0.9	15	13.9	0.9	14.5%	6.7%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the MTEF period will be on health infrastructure planning across the provinces, as well as strengthening tertiary services. As the bulk of this work will be done at the provincial level, 93.5 per cent of the programme's allocation is transferred to provinces, with part of it being provided from 2013/14 as in-kind support.

Between 2009/10 and 2012/13, the significant decrease in spending in the *Forensic Chemistry Laboratories* subprogramme was mainly due to the shifting of the forensic pathology conditional grant back into the provincial equitable share. In 2012/13, R15 million was allocated to the *Hospital Management* subprogramme for the 2013 Africa Cup of Nations conditional grant.

Expenditure on transfers and subsidies grew significantly between 2009/10 and 2012/13 due to increased spending on infrastructure grants to the provinces, in order to upgrade health infrastructure. In 2012/13, R49 million was rolled over in the *Health Facilities Infrastructure Management* subprogramme, R40 million of which was for the infrastructure unit support systems programme and R9 million for the master plan and feasibility study of the revitalisation of nursing colleges.

Spending on the health infrastructure related conditional grants increased from R4.2 billion in 2009/10 to R5.9 billion in 2012/13, and is expected to increase to R6.7 billion over the medium term. The two infrastructure grants are allocated R19 billion over the MTEF period (R5.9 billion, R6.4 billion, and R6.7 billion). Of this R5.1 billion, R4.7 billion and R5 billion will be transferred as direct conditional grant funding to provinces under health facility revitalisation, while R807 million, R1.7 billion and R1.7 billion will be allocated to the national department as an indirect grant component within the national health grant. The introduction of the new indirect conditional grant, whereby the department will undertake certain infrastructure projects for provinces, explains the large increase in buildings under capital assets from 2013/14.

In addition, over the medium term R90 million will be reprioritised from non-core goods and services items to fund the infrastructure unit systems support programme. This is intended to provide support to provinces for the development of norms and standards for all levels of facilities in the country. It will also support the monitoring and evaluation of the three main areas of infrastructure: nursing colleges, the revitalisation of hospitals and the upgrading of health infrastructure.

Cabinet approved reductions were made to the new health facility revitalisation conditional grant amounting to R531 million, (R124.5 million, R174 million and R232.1 million) over the MTEF period. These reductions should not have adverse effects on health infrastructure delivery as they were made due to slow infrastructure grant spending and poor performance.

The number of employees will increase from 189 in 2012/13 to 210 in 2013/14 and is expected to remain stable in the following years as the department builds capacity in this programme. The increase will mainly be seen in salary levels 7-10 and 13-16. There were 222 funded and 37 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 6: Health Regulation and Compliance Management

### Objectives

- Improve the registration of medicines and reduce the time taken to reach the market by:
  - limiting the backlog on medicine registrations by continually building in-house capacity, training and aggressively recruiting evaluators
  - managing clinical trials and performing inspections over the MTEF period.
- Improve oversight over the registration of pharmaceutical and related products by establishing the South African Health Products Regulatory Authority over the medium term.
- Improve the quality of health services through the establishment of an independent Office of Health Standards Compliance Bill as a national quality certification body over the medium term.
- Initiate a process to reform and strengthen the National Institute for Communicable Diseases' capacity by establishing a National Public Health Institute focusing on:
  - Surveillance of communicable diseases, non-communicable diseases and violence and injury over the medium term period.

### Subprogrammes

- *Food Control* regulates foodstuffs and non-medical health products to ensure food safety. This entails developing and implementing food control policies, regulations, and norms and standards. Over the medium term, the focus will be on developing, finalising and publishing regulations in line with the relevant provisions of the Foodstuffs, Cosmetics and Disinfectants Act (1972). This subprogramme had a staff complement of 13 in 2012/13.
- *Pharmaceutical Trade and Product Regulation* regulates the sale of medicines, through an assessment of the efficacy safety and quality of medicines. Over the medium term, the intention is to establish the South African Health Products Regulatory Authority. In 2012/13, the changes to organisational design and changes to the registration processes and fee structures in relation to the transition towards the establishment of the authority as a public entity were in the process of completion. This subprogramme had a staff complement of 140 in 2012/13.
- *Public Entities Management* provides policy frameworks for health public entities and statutory health professions councils with regard to planning, budgeting procedures, ownership, governance, remuneration, accountability, and financial reporting and oversight. The bulk of this subprogramme's budget is transferred to the Medical Research Council, the National Health Laboratory Service and the Council for Medical Schemes. The subprogramme supports the executive authority's oversight responsibility for the following statutory health professional councils: the Allied Health Professions Council of South Africa, the Health Professions Council of South Africa, the South African Pharmacy Council, the South African Dental Technicians Council of South Africa, the South African Nursing Council and the Interim Traditional Health Practitioners Council. In 2012/13, the subprogramme supported the governance of statutory structures and monitored the compliance and implementation of legislation as it relates to public entities and statutory health professional councils. The Forum of Statutory Health Professional Councils, on which all the statutory health professional councils are represented, was established in terms of section 50 of the National Health Act (2003). The Interim Traditional Health Practitioners Council will contribute towards the management and governance of traditional health practitioners. This subprogramme had a staff complement of 3 in 2012/13.
- *Office of Standards Compliance* is discussed in more detail below.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of compensation to active and former workers in controlled mines and works, who have been certified to be suffering from cardio-pulmonary-related diseases as a result of workplace exposure in the controlled mines or works. Over the medium term, the focus will be on reengineering business processes to ensure sustainability, reducing the turnaround period in settling claims, amending the Occupational Diseases in Mines and Works Act (1973), and improving governance, internal controls and relationships with key

stakeholders. The subprogramme oversees and manages the Compensation Commissioner for Occupational Diseases trading entity. This subprogramme had a staff establishment of 107 in 2012/13 with 6 vacant posts.

## Expenditure estimates

**Table 16.17 Health Regulation and Compliance Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Food Control	5 443	5 751	5 848	7 131	9.4%	1.2%	8 277	8 675	9 083	8.4%	1.0%
Pharmaceutical Trade and Product Regulation	55 179	67 681	71 343	85 124	15.5%	13.3%	98 309	103 240	107 993	8.3%	12.4%
Public Entities Management	334 628	418 000	378 135	397 832	5.9%	73.0%	539 274	591 149	765 888	24.4%	72.4%
Office of Standards Compliance	16 293	18 723	26 153	62 261	56.3%	5.9%	54 932	57 530	60 454	-1.0%	7.4%
Compensation Commissioner for Occupational Diseases and Occupational Health	28 713	30 567	33 883	45 071	16.2%	6.6%	53 325	55 845	58 782	9.3%	6.7%
<b>Total</b>	<b>440 256</b>	<b>540 722</b>	<b>515 362</b>	<b>597 419</b>	<b>10.7%</b>	<b>100.0%</b>	<b>754 117</b>	<b>816 439</b>	<b>1 002 200</b>	<b>18.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				21 612			139 668	171 216	327 297		
<b>Economic classification</b>											
<b>Current payments</b>	<b>100 051</b>	<b>117 729</b>	<b>134 154</b>	<b>196 561</b>	<b>25.2%</b>	<b>26.2%</b>	<b>211 874</b>	<b>222 387</b>	<b>233 326</b>	<b>5.9%</b>	<b>27.3%</b>
Compensation of employees	64 031	71 059	90 108	102 408	16.9%	15.6%	109 555	115 396	121 705	5.9%	14.2%
Goods and services	36 020	46 670	44 046	94 153	37.8%	10.5%	102 319	106 991	111 621	5.8%	13.1%
of which:											
Administration fees	–	13	78	303	–	–	841	48	51	-44.8%	–
Advertising	528	906	1 981	1 635	45.8%	0.2%	1 938	2 017	2 110	8.9%	0.2%
Assets less than the capitalisation threshold	295	465	1 083	7 701	196.6%	0.5%	9 837	10 486	10 968	12.5%	1.2%
Audit cost: External	919	1 411	2 709	1 773	24.5%	0.3%	3 670	4 023	4 208	33.4%	0.4%
Catering: Departmental activities	304	325	323	600	25.4%	0.1%	668	696	729	6.7%	0.1%
Communication	1 807	1 662	1 718	1 853	0.8%	0.3%	2 352	2 437	2 549	11.2%	0.3%
Computer services	3 040	995	140	4 793	16.4%	0.4%	4 673	5 367	5 614	5.4%	0.6%
Consultants and professional services: Business and advisory services	11 639	20 895	16 169	30 557	38.0%	3.8%	33 190	37 399	39 363	8.8%	4.4%
Consultants and professional services: Legal costs	–	34	42	218	–	–	242	254	266	6.9%	–
Contractors	318	507	375	1 139	53.0%	0.1%	1 397	1 459	1 526	10.2%	0.2%
Agency and support / outsourced services	595	972	900	2 486	61.1%	0.2%	2 559	2 600	2 720	3.0%	0.3%
Entertainment	16	11	13	137	104.6%	–	143	146	153	3.8%	–
Inventory: Fuel, oil and gas	23	3	28	50	29.5%	–	50	50	52	1.3%	–
Inventory: Materials and supplies	8	12	16	164	173.7%	–	201	210	220	10.3%	–
Inventory: Medical supplies	13	524	16	504	238.5%	0.1%	735	761	796	16.5%	0.1%
Inventory: Medicine	–	–	–	48	–	–	52	55	58	6.5%	–
Inventory: Other consumables	372	196	127	968	37.5%	0.1%	1 279	1 328	1 389	12.8%	0.2%
Inventory: Stationery and printing	1 594	1 553	1 356	4 830	44.7%	0.4%	5 500	5 707	5 967	7.3%	0.7%
Operating leases	525	598	834	1 402	38.7%	0.2%	1 592	1 659	1 735	7.4%	0.2%
Travel and subsistence	11 824	13 444	13 047	27 972	33.2%	3.2%	25 821	24 521	25 114	-3.5%	3.3%
Training and development	11	51	286	–	-100.0%	–	–	–	–	–	–
Operating payments	2 058	1 500	2 113	3 602	20.5%	0.4%	4 048	4 186	4 378	6.7%	0.5%
Venues and facilities	131	593	692	1 418	121.2%	0.1%	1 531	1 582	1 655	5.3%	0.2%
<b>Transfers and subsidies</b>	<b>339 019</b>	<b>420 729</b>	<b>379 924</b>	<b>397 420</b>	<b>5.4%</b>	<b>73.4%</b>	<b>538 635</b>	<b>590 444</b>	<b>765 100</b>	<b>24.4%</b>	<b>72.3%</b>
Departmental agencies and accounts	335 550	415 698	373 557	389 168	5.1%	72.3%	528 383	579 577	753 733	24.7%	71.0%
Non-profit institutions	2 757	4 922	6 097	8 252	44.1%	1.1%	10 252	10 867	11 367	11.3%	1.3%
Households	712	109	270	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>1 184</b>	<b>2 121</b>	<b>1 282</b>	<b>3 438</b>	<b>42.7%</b>	<b>0.4%</b>	<b>3 608</b>	<b>3 608</b>	<b>3 774</b>	<b>3.2%</b>	<b>0.5%</b>
Machinery and equipment	1 184	2 121	1 282	3 438	42.7%	0.4%	3 608	3 608	3 774	3.2%	0.5%
<b>Payments for financial assets</b>	<b>2</b>	<b>143</b>	<b>2</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>440 256</b>	<b>540 722</b>	<b>515 362</b>	<b>597 419</b>	<b>10.7%</b>	<b>100.0%</b>	<b>754 117</b>	<b>816 439</b>	<b>1 002 200</b>	<b>18.8%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	2.3%	2.4%	2.0%	2.1%			2.5%	2.4%	2.7%		

Table 16.17 Health Regulation and Compliance Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>331 871</b>	<b>413 078</b>	<b>370 780</b>	<b>386 252</b>	<b>5.2%</b>	<b>71.7%</b>	<b>525 321</b>	<b>576 362</b>	<b>750 370</b>	<b>24.8%</b>	<b>70.6%</b>
National Health Laboratory Services	76 475	120 309	83 022	85 102	3.6%	17.4%	104 336	125 280	129 598	15.0%	14.0%
South African Medical Research Council	251 531	292 769	283 564	296 840	5.7%	53.7%	416 460	446 331	615 802	27.5%	56.0%
Council for Medical Schemes	3 865	-	4 194	4 310	3.7%	0.6%	4 525	4 751	4 970	4.9%	0.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>2 757</b>	<b>4 922</b>	<b>6 097</b>	<b>8 252</b>	<b>44.1%</b>	<b>1.1%</b>	<b>10 252</b>	<b>10 867</b>	<b>11 367</b>	<b>11.3%</b>	<b>1.3%</b>
Health Systems Trust	2 757	4 922	6 097	8 252	44.1%	1.1%	10 252	10 867	11 367	11.3%	1.3%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>712</b>	<b>109</b>	<b>270</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	712	109	270	-	-100.0%	0.1%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	<b>3 679</b>	<b>2 620</b>	<b>2 777</b>	<b>2 916</b>	<b>-7.5%</b>	<b>0.6%</b>	<b>3 062</b>	<b>3 215</b>	<b>3 363</b>	<b>4.9%</b>	<b>0.4%</b>
Compensation Fund	3 679	2 620	2 777	2 916	-7.5%	0.6%	3 062	3 215	3 363	4.9%	0.4%

## Personnel information

Table 16.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Health Regulation and Compliance Management</b>																			
<b>Salary level</b>	<b>353</b>	<b>16</b>	<b>311</b>	<b>88.0</b>	<b>0.3</b>	<b>331</b>	<b>103.9</b>	<b>0.3</b>	<b>326</b>	<b>108.6</b>	<b>0.3</b>	<b>326</b>	<b>114.1</b>	<b>0.4</b>	<b>326</b>	<b>119.7</b>	<b>0.4</b>	<b>-0.5%</b>	<b>100.0%</b>
1 - 6	150	9	139	18.1	0.1	153	23.4	0.2	152	24.1	0.2	152	25.3	0.2	152	26.6	0.2	-0.2%	46.5%
7 - 10	108	5	84	20.8	0.2	87	27.0	0.3	79	27.6	0.3	79	29.0	0.4	79	30.4	0.4	-3.2%	24.8%
11 - 12	80	2	78	41.0	0.5	80	43.7	0.5	80	44.1	0.6	80	46.3	0.6	80	48.6	0.6	-	24.4%
13 - 16	15	-	10	8.2	0.8	11	9.8	0.9	15	12.8	0.9	15	13.5	0.9	15	14.1	0.9	10.9%	4.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the quality of health services and health products through the establishment of the Office of Standards Compliance and the South African Health Products Regulatory Agency. The majority of the programme's budget is on transfers to the Medical Research Council and the National Health Laboratory Service. Transfers to the National Health Laboratory Service are expected to increase over the medium term to strengthen surveillance activities on communicable diseases.

Between 2009/10 and 2012/13, spending in the *Pharmaceutical Trade and Product Regulation* subprogramme increased significantly to reduce the large backlogs in medicine registration and to prepare for the establishment of the South African Health Products Regulatory Authority, an independent public entity that will replace the Medicines Control Council.

The largest spending increase in this period has been in the *Office of Standards Compliance* subprogramme, which is discussed in further detail in the section that follows.

Over the medium term, spending in the *Public Entities Management* subprogramme is expected to grow significantly to strengthen the capacity and outputs of the Medical Research Council. Additional allocations of R100 million, R113 million and R268 million are used to improve research programmes at the council and its university linked units, and for research infrastructure.

Additional funding of R15 million, R31.5 million and R31.5 million over the MTEF period is allocated to the National Institute for Communicable Diseases, a division of the National Health Laboratory Service, to accommodate the withdrawal of the President's Emergency Plan for AIDS Relief funding for surveillance of the enteric, respiratory and meningeal group of diseases in South Africa.

The programme's overall staff complement will remain relatively stable over the medium term, although some fluctuation is projected for the lowest salary levels. There were 353 funded and 38 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Subprogramme: Office of Standards Compliance

This subprogramme deals with quality assurance, development and inspections for compliance with national standards, patient complaints and radiation control. It has a staff complement of 75 and a total budget of R62.3 million, of which 46.7 per cent is used for compensation of employees. The major activities are logging and tracking complaints, developing and disseminating standards and audit tools, inspecting health establishments and radiation installations for compliance, and issuing importation licences for ionising radiation irradiating apparatus and for radioactive equipment and sources.

## Expenditure estimates

Table 6.19 Office of Standards Compliance

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
<b>Current payments</b>	<b>15 865</b>	<b>18 379</b>	<b>25 488</b>	<b>61 540</b>	<b>57.1%</b>	<b>0.4%</b>	<b>54 175</b>	<b>56 773</b>	<b>59 661</b>	<b>-1.0%</b>	<b>0.5%</b>
Compensation of employees	11 514	12 242	19 104	29 083	36.2%	0.3%	20 006	21 097	22 407	-8.3%	0.2%
Goods and services	4 351	6 137	6 384	32 457	95.4%	0.2%	34 169	35 676	37 254	4.7%	0.3%
of which:											
Administration fees	–	1	1	–	–	–	–	–	–	–	–
Advertising	135	179	352	220	17.7%	–	220	220	230	1.5%	–
Assets less than the capitalisation threshold	45	251	189	998	181.0%	–	–	192	201	-41.4%	–
Catering: Departmental activities	16	33	41	100	84.2%	–	100	100	105	1.6%	–
Communication	460	476	464	396	-4.9%	–	396	396	414	1.5%	–
Computer services	157	34	13	1 230	98.6%	–	1 230	1 230	1 287	1.5%	–
Consultants and professional services: Business and advisory services	–	308	316	14 598	–	0.1%	18 806	20 817	21 889	14.5%	0.2%
Contractors	79	86	8	50	-14.1%	–	50	50	52	1.3%	–
Agency and support / outsourced services	334	325	164	1 630	69.6%	–	1 630	1 630	1 705	1.5%	–
Entertainment	5	4	6	90	162.1%	–	90	90	94	1.5%	–
Inventory: Fuel, oil and gas	–	–	1	50	–	–	50	50	52	1.3%	–
Inventory: Materials and supplies	1	1	2	–	-100.0%	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	75	–	–	75	75	78	1.3%	–
Inventory: Other consumables	22	8	13	170	97.7%	–	170	170	178	1.5%	–
Inventory: Stationery and printing	407	840	277	980	34.0%	–	980	980	1 025	1.5%	–
Operating leases	72	80	67	180	35.7%	–	180	180	188	1.5%	–
Travel and subsistence	1 855	2 679	3 138	10 040	75.6%	0.1%	8 542	7 846	8 030	-7.2%	0.1%
Training and development	11	51	164	–	-100.0%	–	–	–	–	–	–
Operating payments	621	307	825	1 150	22.8%	–	1 150	1 150	1 203	1.5%	–
Venues and facilities	131	474	343	500	56.3%	–	500	500	523	1.5%	–
<b>Transfers and subsidies</b>	<b>2</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	2	10	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>426</b>	<b>334</b>	<b>665</b>	<b>721</b>	<b>19.2%</b>	<b>–</b>	<b>757</b>	<b>757</b>	<b>793</b>	<b>3.2%</b>	<b>–</b>
Machinery and equipment	426	334	665	721	19.2%	–	757	757	793	3.2%	–
<b>Total</b>	<b>16 293</b>	<b>18 723</b>	<b>26 153</b>	<b>62 261</b>	<b>56.3%</b>	<b>0.4%</b>	<b>54 932</b>	<b>57 530</b>	<b>60 454</b>	<b>-1.0%</b>	<b>0.5%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>3.7%</b>	<b>3.5%</b>	<b>5.1%</b>	<b>10.4%</b>			<b>7.3%</b>	<b>7.0%</b>	<b>6.0%</b>		

## Personnel information

**Table 16.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Office of Standards Compliance</b>																			
Salary level	75	-	64	19	0.3	68	25	0.4	46	20	0.4	46	21	0.4	46	22	0.5	-12.2%	100.0%
1 – 6	14	-	12	1	0.1	13	2	0.2	12	2	0.2	12	2	0.2	12	2	0.2	-2.6%	23.8%
7 – 10	43	-	34	7.8	0.2	36	11.6	0.3	21	8.5	0.4	21	9.0	0.4	21	9.4	0.4	-16.4%	48.1%
11 – 12	14	-	15	7.3	0.5	16	8.8	0.6	10	6.1	0.6	10	6.4	0.6	10	6.7	0.7	-14.5%	22.3%
13 – 16	4	-	3	2.5	0.8	3	2.5	0.8	3	2.7	0.9	3	2.9	1.0	3	3.0	1.0	-	5.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on conducting inspections on health facilities and preparing for the establishment of the Office of Standards Compliance as a public entity, following the approval and promulgation of the National Health Amendment Bill by the National Assembly and the National Council of Provinces. The entity will ensure that South Africa's hospitals and clinics comply with minimum health standards.

Spending on compensation of employees increased due to an expansion in staff numbers from 2011/12. This has led to major improvements in the resolution rate for complaints, which increased from 40 per cent (139) resolved in 2011/12 to 82 per cent (255) resolved in the first semester of 2012, of which 57 per cent were resolved within 25 working days of being reported. 146 inspections have been conducted to date from a zero base, with a major investment in the refinement of audit tools and training of new inspectors. Activities have included advocacy through provincial visits, meetings and communication material targeting managers and staff with respect to the standards, inspections and future compliance requirements has reached approximately 2 000 people in all provinces. Site inspections will rise to 650 in 2014/15 and 800 in 2015/16.

Expenditure on goods and services increased significantly in 2012/13, especially on travel for inspections, advertising in printing and publications, catering, entertainment and venues for dissemination workshops in preparation for the future regulator. Expenditure also went on consultants for the establishment of the Office of Health Standards Compliance.

Spending on compensation of employees also increased considerably in 2012/13, due to the appointment of new inspectors. However, the projected decline in spending on this item over the medium term is due to a budget structure change, with the radiation control function being shifted out of this subprogramme. As a result, personnel numbers are expected to decrease from 68 in 2012/13 to 46 in 2013/14.

## Public entities and other agencies

### National Health Laboratory Service

#### Mandate and goals

In terms of the National Health Laboratory Service Act (2000) the National Health Laboratory Service is required to: provide cost effective and efficient health laboratory services to all public sector health care providers, other government institutions and any private health care provider in need of its service; support health research; and provide training for health science education.

The organisation's strategic goals over the medium term are to restructure and transform laboratory services to make them part of a single national public entity, and develop policies that will enable it to provide health laboratory services as the preferred provider for the public health sector. The service aims to provide cost effective and professional laboratory medicine through competent, qualified professionals and state-of-the-art

technology supported by academic and internationally recognised research, training and product development in order to uphold optimal health care delivery for the country. To ensure efficient delivery of services, legislative reform of the National Health Laboratory Service will be introduced over the medium term.

## Selected performance indicators

**Table 6.21 National Health Laboratory Service**

Indicator	Programme/ Activity/Objective/ Project	Past			Current		Projected	
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Turnaround times: CD4 conducted within 72 hours (volume of CD4 tests)	Laboratory tests	86%	86%	85%	87%	88%	90%	90%
			(2614 032)	(3 933 642)	(4 130 324)	(4336 840)	(4 553 682)	(4 781 366)
Turnaround times: Viral load within 4 days (volume of viral loads tests)	Laboratory tests	41%	52%	87%	85%	90%	90%	90%
		(437 060)	(605 002)	(1 394 743)	(1 464 480)	(1 537704)	(1 614 587)	(1 695 319)
Turnaround times: Tuberculosis microscopy within 48 hours (volume of TB microscopy tests)	Laboratory tests	60%	95%	94%	90%	90%	90%	90%
		(4 909 075)	(4 911 621)	(5 228 438)	(5 489 859)	(5 764 352)	(6 052 569)	(6 355 198)
Turnaround times: HIV polymerase chain reaction test within 5 days (volume of HIV polymerase chain reaction test tests)	Laboratory tests	55%	67%	85%	85%	90%	90%	90%
		(124 630)	(160 133)	(317 347)	(333 214)	(349 875)	(367 369)	(385 737)

## Programmes/activities/objectives

**Table 16.22 National Health Laboratory Service**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Laboratory tests	2 822 046	3 140 818	3 443 022	3 865 519	11.1%	92.1%	4 073 711	4 246 793	4 621 333	6.1%	93.3%
Surveillance of communicable diseases	106 069	117 645	118 835	145 813	11.2%	3.4%	151 056	156 562	162 342	3.6%	3.4%
Occupational health	38 336	48 516	54 943	62 983	18.0%	1.4%	65 916	68 988	72 207	4.7%	1.5%
Research grants	136 087	96 376	97 512	100 000	-9.8%	3.1%	108 900	107 800	-	-100.0%	1.8%
<b>Total expense</b>	<b>3 102 538</b>	<b>3 403 355</b>	<b>3 714 312</b>	<b>4 174 315</b>	<b>10.4%</b>	<b>100.0%</b>	<b>4 399 583</b>	<b>4 580 143</b>	<b>4 855 882</b>	<b>5.2%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 16.23 National Health Laboratory Service**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>3 105 747</b>	<b>3 502 534</b>	<b>4 049 894</b>	<b>4 098 905</b>	9.7%	95.2%	<b>4 328 595</b>	<b>4 531 935</b>	<b>4 799 753</b>	5.4%	97.6%
Sale of goods and services other than capital assets	3 049 497	3 446 125	3 958 409	4 048 572	9.9%	93.6%	4 267 295	4 481 602	4 737 753	5.4%	96.3%
<i>of which:</i>											
<i>Sales by market establishment</i>	3 049 497	3 446 125	3 958 409	4 048 572	9.9%	93.6%	4 267 295	4 481 602	4 737 753	5.4%	96.3%
<i>Other non-tax revenue</i>	56 250	56 409	91 485	50 333	-3.6%	1.6%	61 300	50 333	62 000	7.2%	1.2%
<b>Transfers received</b>	<b>202 962</b>	<b>164 935</b>	<b>278 404</b>	<b>85 102</b>	<b>-25.2%</b>	<b>4.8%</b>	<b>105 463</b>	<b>125 280</b>	<b>129 598</b>	<b>15.0%</b>	<b>2.4%</b>
<b>Total revenue</b>	<b>3 308 709</b>	<b>3 667 469</b>	<b>4 328 298</b>	<b>4 184 007</b>	<b>8.1%</b>	<b>100.0%</b>	<b>4 434 058</b>	<b>4 657 215</b>	<b>4 929 351</b>	<b>5.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>3 102 538</b>	<b>3 403 355</b>	<b>3 714 312</b>	<b>4 174 315</b>	<b>10.4%</b>	<b>100.0%</b>	<b>4 399 583</b>	<b>4 580 143</b>	<b>4 855 882</b>	<b>5.2%</b>	<b>100.0%</b>
Compensation of employees	1 398 531	1 630 762	1 917 912	1 956 820	11.8%	47.9%	2 333 593	2 486 261	2 660 739	10.8%	52.2%
Goods and services	1 559 575	1 703 447	1 678 404	2 082 975	10.1%	48.9%	1 910 254	1 929 247	2 022 231	-1.0%	44.3%
Depreciation	143 468	68 789	117 592	133 520	-2.4%	3.3%	145 736	155 635	162 912	6.9%	3.3%
Interest, dividends and rent on land	964	357	404	1 000	1.2%	0.0%	10 000	9 000	10 000	115.4%	0.2%
<b>Total expenses</b>	<b>3 102 538</b>	<b>3 403 355</b>	<b>3 714 312</b>	<b>4 174 315</b>	<b>10.4%</b>	<b>100.0%</b>	<b>4 399 583</b>	<b>4 580 143</b>	<b>4 855 882</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>206 171</b>	<b>264 114</b>	<b>613 986</b>	<b>9 692</b>	<b>-63.9%</b>		<b>34 475</b>	<b>77 072</b>	<b>73 469</b>	<b>96.4%</b>	

**Table 16.23 National Health Laboratory Service (continued)**

Statement of financial position	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Carrying value of assets	458 749	506 696	527 070	569 236	7.5%	19.3%	620 467	676 309	764 229	10.3%	16.5%
of which:											
Acquisition of assets	219 885	122 038	190 701	213 000	-1.1%	7.1%	280 000	294 000	315 000	13.9%	6.9%
Inventory	69 445	72 901	62 393	94 695	10.9%	2.8%	97 447	100 281	103 201	2.9%	2.5%
Receivables and prepayments	1 242 204	1 582 885	2 034 973	2 172 085	20.5%	63.9%	2 505 106	2 756 025	2 909 429	10.2%	64.7%
Cash and cash equivalents	260 630	177 421	578 732	588 726	31.2%	13.9%	639 308	677 421	699 424	5.9%	16.4%
<b>Total assets</b>	<b>2 031 028</b>	<b>2 339 903</b>	<b>3 203 168</b>	<b>3 424 742</b>	<b>19.0%</b>	<b>100.0%</b>	<b>3 862 328</b>	<b>4 210 036</b>	<b>4 476 283</b>	<b>9.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	960 652	1 210 560	1 824 546	1 400 105	13.4%	49.2%	1 365 989	1 339 757	1 173 212	-5.7%	33.6%
Capital and reserves	42 837	42 837	42 837	52 275	6.9%	1.7%	42 837	42 837	42 837	-6.4%	1.2%
Capital reserve fund	113 123	83 897	92 976	80 000	-10.9%	3.6%	80 000	80 000	80 000	-	2.0%
Finance lease	6 150	3 662	1 325	-	-100.0%	0.1%	-	-	-	-	-
Trade and other payables	360 403	363 322	549 334	936 113	37.5%	19.4%	1 282 475	1 667 217	2 084 022	30.6%	36.7%
Provisions	547 863	635 625	692 150	956 249	20.4%	25.9%	1 091 027	1 080 225	1 096 213	4.7%	26.6%
<b>Total equity and liabilities</b>	<b>2 031 028</b>	<b>2 339 903</b>	<b>3 203 168</b>	<b>3 424 742</b>	<b>19.0%</b>	<b>100.0%</b>	<b>3 862 328</b>	<b>4 210 036</b>	<b>4 476 284</b>	<b>9.3%</b>	<b>100.0%</b>

## Personnel information

**Table 16.24 National Health Laboratory Service**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
	<b>8 686</b>	<b>601</b>	<b>7 250</b>	<b>1 917.9</b>	<b>0.3</b>	<b>8 086</b>	<b>1 956.8</b>	<b>0.2</b>	<b>7 454</b>	<b>2 333.6</b>	<b>0.3</b>	<b>7 604</b>	<b>2 486.3</b>	<b>0.3</b>	<b>7 756</b>	<b>2 660.7</b>	<b>0.3</b>	<b>-1.4%</b>	<b>100.0%</b>
1 - 6	4 760	380	3 617	446.8	0.1	4 381	454.1	0.1	3 675	558.7	0.2	3 748	592.8	0.2	3 823	634.7	0.2	-4.4%	50.5%
7 - 10	2 893	203	2 638	713.8	0.3	2 691	729.8	0.3	2 745	872.9	0.3	2 799	928.3	0.3	2 855	993.3	0.3	2.0%	35.9%
11 - 12	381	9	365	151.3	0.4	372	153.9	0.4	380	194.6	0.5	387	208.3	0.5	395	222.8	0.6	13.1%	5.0%
13 - 16	646	9	625	597.0	1.0	638	609.4	1.0	650	697.1	1.1	663	745.9	1.1	677	798.1	1.2	9.4%	8.5%
17 - 22	5	-	5	9.0	1.8	5	9.6	1.9	5	10.3	2.0	5	11.0	2.1	5	11.8	2.2	2.0%	0.1%

1. Rand million.

## Expenditure trends

The National Health Laboratory Service generates approximately 96 per cent of its revenue from laboratory testing. Over the medium term, revenue will be generated from conducting blood tests on specimens received from clinicians who are mainly based in public health institutions in the provinces. Unit costs of the laboratory services are approved by the Minister of Health, and generally increase below inflation, underlining the service's commitment to provide affordable health care. The volumes of tests performed do not increase materially from year to year. In 2011/12, overall tests volumes increased by only 4 per cent, which has been a consistent rate of increase since 2009/10.

Only 2 per cent of the service's test revenue is derived from private health institutions and private customers outside of the national Department of Health.

The spending focus over the medium term will be on improving the organisation's turnaround time for test results delivered to institutions. To achieve this objective, a review of the logistics solution is currently under way. The solution is designed to track all samples from the customer until the test result is given to the clinician. Spending on compensation of employees to capacitate this is therefore the largest driver of spending over the MTEF period, comprising 52.2 per cent of total spending.

Since 2011/12, the increase in overall spending has been predominantly due to the increase in test volumes on HIV viral load tests, which are increasing at an average annual rate of 30 per cent. Expenditure has also increased due to the introduction of the GeneXpert test, which is 300 per cent more expensive than the traditional TB test. The service provides this test to its customers at cost price.

R338 million over the medium term has been allocated to provinces to address the increased expenditure due to the rollout of GeneXpert and its associated test costs. Spending on laboratory tests accounts on average for 71.6 per cent of total spending on goods and services in the MTEF period.

The National Health Laboratory Service has held back on capital projects due to the suboptimal cash flow received from the provinces.

The service has experienced payment delays from some provincial departments of health, which have required it to seek cost efficiencies. As a cost containment mechanism, the service has decided to consolidate the low volume tests at designated laboratories. The economies of scale for these tests have helped to reduce material prices and cap headcount increases. The expenditure estimates for 2013/14 show evidence of the success of this strategy, which predicts a saving of 8 per cent from the previous year on goods and services.

The recovery from the department's cash flow difficulties in 2011/12 resulted in moratorium on filling vacant posts being lifted, and the hiring of contract positions, which explains the growth in personnel numbers in 2012/13. Personnel numbers are expected to decrease from 8 086 in 2012/13 to 7 454 in 2013/14, due to the non-renewal of these contract positions. Unnecessary testing will be reduced through the consolidation of low volume tests. Personnel numbers will rise in 2015/16 to 7 756, however, due to an increase in test volumes and the need to improve the quality of services over time.

Spending on consultants in 2012/13 is equivalent to 1.4 per cent of spending on compensation of employees.

## South African Medical Research Council

### Mandate and goals

The South African Medical Research Council was established in 1969 in terms of the South African Medical Research Council Acts (1969 and 1991). The Intellectual Property Rights from Publicly Financed Research and Development Act (2008) also informs the council's mandate. The council is required to promote the improvement of health and quality of life through research development and technology transfer. Research and innovation are primarily conducted through council funded research units located within the council and in higher education institutions. The council's strategic focus is determined in the context of the priorities of the Department of Health and government. The council's research therefore plays a key role in responding to government's key health outcome: a long and healthy life for all South Africans (outcome 2).

The council's strategic goals over the medium term are to:

- promote health and quality of life through research
- promote health and quality of life through public health innovation, technology development and transfer
- collaborate with sub-national, national, supra-national and global partners to improve health outcomes for South Africa and the citizens of its collaborative partners
- improve its organisational performance as a health research organisation.

### Selected performance indicators

Table 16.25 South African Medical Research Council

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of peer reviewed journal articles, book chapters, books and technical reports produced per year	Health research	864	943	840	430	614	645	677
Number of initiatives aimed at effectively managing the council's research facilities per year <sup>1</sup>	Management of national health research facilities	-1	-1	-1	4	5	6	6
Number of research grants awarded per year	Health research grants to post graduates at universities	57	84	87	138	207	217	228
Number of study bursaries awarded per year	Health research study bursaries to post graduates at universities	84	84	84	88	87	91	95
Number of researchers (MSc and PhD) who completed training per year	Training of health researchers and related personnel	160	244	126	73	93	98	102
Number of research support projects or programmes undertaken per year	Health research support	21	30	25	30	49	52	55

1. New indicator, hence historical information not available.

## Programmes/activities/objectives

Table 16.26 South African Medical Research Council

	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
R thousand											
Health research	136 479	135 131	127 128	180 895	9.8%	25.0%	197 991	205 963	274 695	14.9%	26.3%
Management of national health research facilities	17 206	33 644	41 471	37 461	29.6%	5.5%	47 784	50 244	62 087	18.3%	6.0%
Health research grants	20 099	27 310	32 477	30 362	14.7%	4.7%	44 028	46 798	69 704	31.9%	5.7%
Health research study bursaries	393	297	509	358	-3.1%	0.1%	345	362	20 428	285.0%	0.6%
Health research programmes	23	186	293	202	106.3%	0.0%	14 086	14 091	17 095	339.0%	1.3%
Training of health researchers and related personnel	25 831	34 203	37 193	39 332	15.0%	5.9%	41 501	44 136	50 116	8.4%	5.4%
Health research support	7 542	7 807	7 165	8 813	5.3%	1.4%	15 304	26 844	60 247	89.8%	3.2%
Translation of health research results	30 334	37 616	37 845	41 939	11.4%	6.4%	44 398	47 146	49 315	5.5%	5.7%
Development of innovations in healthcare	46 705	42 454	40 092	48 130	1.0%	7.7%	50 686	53 755	56 227	5.3%	6.5%
Other objectives	215 598	234 458	255 003	297 244	11.3%	43.2%	311 283	321 211	329 368	3.5%	39.2%
<b>Total expense</b>	<b>500 210</b>	<b>553 106</b>	<b>579 176</b>	<b>684 736</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767 406</b>	<b>810 550</b>	<b>989 282</b>	<b>13.0%</b>	<b>100.0%</b>

## Expenditure estimates

Table 16.27 South African Medical Research Council

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>318 271</b>	<b>317 133</b>	<b>325 832</b>	<b>348 395</b>	3.1%	57.0%	<b>349 135</b>	<b>360 800</b>	<b>373 480</b>	2.3%	45.5%
Sale of goods and services other than capital assets	284 949	290 403	300 606	311 000	3.0%	51.6%	321 885	333 150	344 810	3.5%	41.6%
of which:											
Sales by market establishment	284 949	290 403	300 606	311 000	3.0%	51.6%	321 885	333 150	344 810	3.5%	41.6%
Other non-tax revenue	33 322	26 730	25 226	37 395	3.9%	5.3%	27 250	27 650	28 670	-8.5%	3.9%
<b>Transfers received</b>	<b>222 663</b>	<b>237 289</b>	<b>237 887</b>	<b>296 840</b>	<b>10.1%</b>	<b>43.0%</b>	<b>416 460</b>	<b>446 331</b>	<b>615 802</b>	<b>27.5%</b>	<b>54.5%</b>
<b>Total revenue</b>	<b>540 934</b>	<b>554 422</b>	<b>563 719</b>	<b>645 235</b>	<b>6.1%</b>	<b>100.0%</b>	<b>765 595</b>	<b>807 131</b>	<b>989 282</b>	<b>15.3%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>500 210</b>	<b>553 106</b>	<b>579 176</b>	<b>684 736</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767 406</b>	<b>810 550</b>	<b>989 282</b>	<b>13.0%</b>	<b>100.0%</b>
Compensation of employees	243 291	287 750	310 889	341 450	12.0%	51.1%	330 722	353 718	364 663	2.2%	43.4%
Goods and services	245 868	252 692	253 168	327 585	10.0%	46.6%	417 483	436 231	602 018	22.5%	54.2%
Depreciation	10 801	12 563	15 001	15 600	13.0%	2.3%	19 100	20 500	22 500	13.0%	2.4%
Interest, dividends and rent on land	250	101	118	101	-26.1%	0.0%	101	101	101	-	0.0%
<b>Total expenses</b>	<b>500 210</b>	<b>553 106</b>	<b>579 176</b>	<b>684 736</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767 406</b>	<b>810 550</b>	<b>989 282</b>	<b>13.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>40 724</b>	<b>1 316</b>	<b>(15 457)</b>	<b>(39 501)</b>	<b>-199.0%</b>		<b>(1 811)</b>	<b>(3 419)</b>	<b>-</b>	<b>-100.0%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	112 426	123 721	139 241	132 371	5.6%	23.7%	137 000	142 000	148 000	3.8%	28.3%
of which:											
Acquisition of assets	21 413	25 501	30 694	16 500	-8.3%	4.3%	26 500	27 200	38 451	32.6%	5.5%
Investments	57 599	33 840	36 922	39 500	-11.8%	7.7%	42 200	44 300	46 500	5.6%	8.7%
Inventory	307	125	202	150	-21.2%	0.0%	140	140	140	-2.3%	0.0%
Receivables and prepayments	45 453	28 456	31 499	35 000	-8.3%	6.5%	37 000	37 500	38 000	2.8%	7.5%
Cash and cash equivalents	370 372	410 336	314 349	261 947	-10.9%	62.0%	282 761	273 094	276 264	1.8%	55.4%
<b>Total assets</b>	<b>586 157</b>	<b>596 478</b>	<b>522 213</b>	<b>468 968</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>499 101</b>	<b>497 034</b>	<b>508 904</b>	<b>2.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	300 634	301 950	286 805	247 304	-6.3%	52.4%	245 493	242 074	242 074	-0.7%	49.5%
Capital and reserves	1 550	1 858	2 180	2 509	17.4%	0.4%	2 859	3 330	3 620	13.0%	0.6%
Capital reserve fund	236 389	228 970	166 865	150 000	-14.1%	35.7%	180 000	180 000	190 000	8.2%	35.4%
Finance lease	345	247	135	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	1 005	999	1 036	1 067	2.0%	0.2%	1 099	1 130	1 160	2.8%	0.2%
Trade and other payables	41 176	53 519	52 188	57 288	11.6%	9.6%	58 000	58 500	59 000	1.0%	11.8%
Taxation	-	1 122	1 464	1 200	-	0.2%	1 250	1 300	1 350	4.0%	0.3%
Provisions	5 058	7 813	11 540	9 600	23.8%	1.6%	10 400	10 700	11 700	6.8%	2.1%
<b>Total equity and liabilities</b>	<b>586 157</b>	<b>596 478</b>	<b>522 213</b>	<b>468 968</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>499 101</b>	<b>497 034</b>	<b>508 904</b>	<b>2.8%</b>	<b>100.0%</b>

## Personnel information

**Table 16.28 South African Medical Research Council**

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Salary level	865	3	848	310.9	0.4	865	341.4	0.4	865	330.7	0.4	865	353.7	0.4	865	310.6	0.4	-	100.0%
1-6	200	1	216	94.8	0.4	202	99.7	0.5	202	73.8	0.4	202	81.6	0.4	202	25.9	0.1	-36.2%	20.7%
7-10	410	2	420	95.0	0.2	408	92.0	0.2	408	97.8	0.2	408	103.5	0.3	408	108.3	0.3	5.6%	30.2%
11-12	157	-	152	70.1	0.5	157	68.4	0.4	157	72.7	0.5	157	77.0	0.5	157	80.6	0.5	5.6%	22.4%
13-16	96	-	60	51.1	0.9	96	77.4	0.8	96	82.3	0.9	96	87.2	0.9	96	91.2	0.9	5.6%	25.4%
17-22	2	-	-	-	-	2	3.9	1.9	2	4.1	2.1	2	4.4	2.2	2	4.6	2.3	-	1.3%

1. Rand million.

## Expenditure trends

The South African Medical Research Council generates the bulk of its revenue from the annual transfer provided by the department, which comprises an average of 54.5 per cent of total revenue over the medium term, and from project specific contract research.

Over the MTEF period, the baseline grant increases significantly due to additional allocations from the economic competitiveness and support package. These allocations are reflected in the substantial medium term growth in the health research study bursaries, health research programmes, and health research support subprogrammes. The increased revenue will be used to strengthen the council's intramural and extramural research, and to carry out infrastructure improvements.

The spending focus over the medium term will be on increasing spending on research and development. Expenditure increases on goods and services, which takes up 54.2 per cent of total spending over the medium term. Extramural research will be expanded through the funding of flagship and innovation programmes at various universities, using the new allocation from the economic competitiveness and support package over the MTEF period. Requests for proposals will be put out to ensure that the best programmes are funded. The increased funding will focus on the publishing of scientific research in high impact factor journals such as Lancet, Nature and Science. The funding will also expand the size of grants given to postgraduates at institutions of higher learning, thus increasing the research capacity in health within the country, in line with the council's objectives of providing research development.

Operating costs will be controlled through the introduction of process improvement projects that will ensure that the projected deficit reduces from R40 million in 2012/13 to zero over the MTEF period. The council is currently busy with a revitalisation process to identify research units that are not aligned with the council and the department's research priorities. Once this process is complete, the savings from this process will be channelled to intra- and extramural research areas, to ensure that research units are adequately funded to achieve the council's objectives. At the same time the administrative section of the council will be reviewed for efficiency. This will be achieved through specific projects in 2013/14.

The council's staff complement was 865 in 2012/13 and is expected to remain unchanged over the MTEF period. Consultants are used to address the lack of expertise and short term needs within the organisation. Consultants are employed under the condition that in addition to delivering on the project, they capacitate existing staff as well. This has helped the council to lessen its reliance on consultants for similar projects. As a result, spending on consultants is expected to decrease from R12.2 million in 2012/13 to R6.7 million by 2015/16.

## Compensation Commissioner for Occupational Diseases in Mines and Works

### Mandate and goals

The Compensation Commissioner for Occupational Diseases in Mines and Works was established in terms of the Occupational Diseases on Mines and Works Act (1973). In terms of the act, the commissioner is mandated to compensate ex-miners and miners for impairment of lungs or respiratory organs and reimbursement for loss of earnings incurred during tuberculosis treatment. In the case where the ex-miner is deceased, it compensates the beneficiaries of the deceased miner. The commissioner also administrates the government grant for pensioners.

The commissioner's strategic goals over the medium term are to:

- consolidate the overlapping activities of the Medical Bureau for Occupational Diseases and the Compensation Fund
- ensure financial stability
- develop a clear strategic plan and annual performance plan
- develop and nurture good relations with the relevant stakeholders
- improve the overall management of the organisation
- inculcate a service culture among staff for improved service delivery
- collect levies in terms of the Occupational Diseases on Mines and Works Act (1973)
- implement fraud prevention measures
- process and settle all claims.

### Selected performance indicators

**Table 16.29 Compensation Commissioner for Occupational Diseases in Mines and Works**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of disabled miners compensated per year	Compensate eligible disabled miners in terms of Section 36 of the Occupational Diseases in Mines and Works Act (1973)	2 450	2 000	1 800	4 000	2 400	3 000	3 500
Number of mines visited per year <sup>1</sup>	Conduct visits to mines to confirm the numbers of workers doing the risk shifts to verify the levies paid by the mines	160	20	0 <sup>1</sup>	0 <sup>1</sup>	12	36	72
Number of fingerprint verification files attended to per day	Minimise the risk of fraudulent and duplicate claims by ex-miners and their beneficiaries	15	20	20	15	15	15	20
Number of workshops with claimants or potential claimants conducted per year	Improve the turnaround times for processing of claims by increasing awareness amongst claimants of the required processes and documentation	6	3	9	4	6	8	10

<sup>1</sup>No mines were visited in 2011/12 and 2012/13. All mine inspectors were deployed to claims management, which was prioritised in these years. Plans are under way to appoint more mine inspectors in 2013/14.

### Programmes/activities/objectives

**Table 16.30 Compensation Commissioner for Occupational Diseases in Mines and Works**

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Compensation of ex-miners	2 277 379	381 011	102 287	139 976	-60.5%	87.3%	102 483	125 708	123 401	-4.1%	76.9%	
Compensation of pensioners	2 986	2 826	2 700	2 916	-0.8%	1.2%	3 100	2 900	3 500	6.3%	1.9%	
Compensation of tuberculosis	96 879	39 246	35 000	5 000	-62.8%	10.3%	50 000	35 000	45 000	108.0%	20.7%	
Eastern Cape project	35 605	135	135	500	-75.9%	0.5%	500	500	250	-20.6%	0.3%	
Other objectives	448	10 626	535	282	-14.3%	0.8%	471	430	450	16.9%	0.3%	
<b>Total expense</b>	<b>2 413 297</b>	<b>433 844</b>	<b>140 657</b>	<b>148 674</b>	<b>-60.5%</b>	<b>100.0%</b>	<b>156 554</b>	<b>164 538</b>	<b>172 601</b>	<b>5.1%</b>	<b>100.0%</b>	

## Expenditure estimates

**Table 16.31 Compensation Commissioner for Occupational Diseases in Mines and Works**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
<b>Revenue</b>											
Tax revenue	128 536	220 429	230 000	243 110	23.7%	67.6%	255 995	269 051	282 234	5.1%	72.4%
Non-tax revenue	100 883	90 353	85 000	89 845	-3.8%	31.4%	94 607	99 432	104 304	5.1%	26.8%
Other non-tax revenue	100 883	90 353	85 000	89 845	-3.8%	31.4%	94 607	99 432	104 304	5.1%	26.8%
Transfers received	2 986	2 826	2 777	2 916	-0.8%	1.0%	3 100	2 900	3 500	6.3%	0.9%
<b>Total revenue</b>	<b>232 406</b>	<b>313 608</b>	<b>317 777</b>	<b>335 871</b>	<b>13.1%</b>	<b>100.0%</b>	<b>353 702</b>	<b>371 382</b>	<b>390 038</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Expenses</b>											
Current expenses	8 920	10 626	690	729	-56.6%	1.0%	768	807	847	5.1%	0.5%
Goods and services	8 646	10 104	155	164	-73.3%	0.7%	173	181	190	5.1%	0.1%
Interest, dividends and rent on land	274	523	535	565	27.3%	0.2%	595	626	657	5.1%	0.4%
Transfers and subsidies	2 404 377	423 218	139 967	147 945	-60.5%	99.0%	155 786	163 731	171 754	5.1%	99.5%
<b>Total expenses</b>	<b>2 413 297</b>	<b>433 844</b>	<b>140 657</b>	<b>148 674</b>	<b>-60.5%</b>	<b>100.0%</b>	<b>156 554</b>	<b>164 538</b>	<b>172 601</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(2 180 891)</b>	<b>(120 237)</b>	<b>177 120</b>	<b>187 197</b>	<b>-144.1%</b>		<b>197 147</b>	<b>206 844</b>	<b>217 437</b>	<b>5.1%</b>	
<b>Statement of financial position</b>											
Investments	1 397 099	1 642 255	1 660 965	2 352 253	19.0%	94.9%	2 469 866	2 593 359	2 723 027	5.0%	96.6%
Receivables and prepayments	17 657	50 024	45 000	50 000	41.5%	2.2%	30 611	35 000	40 000	-7.2%	1.5%
Cash and cash equivalents	57 012	42 100	66 000	41 023	-10.4%	2.9%	49 000	52 000	60 000	13.5%	1.9%
<b>Total assets</b>	<b>1 471 768</b>	<b>1 734 378</b>	<b>1 771 965</b>	<b>2 443 276</b>	<b>18.4%</b>	<b>100.0%</b>	<b>2 549 477</b>	<b>2 680 359</b>	<b>2 823 027</b>	<b>4.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(871 824)	(991 786)	(876 738)	(179 848)	-40.9%	-43.3%	112 454	223 359	423 027	-233.0%	5.0%
Trade and other payables	5 416	9 253	5 530	4 601	-5.3%	0.4%	3 500	3 600	4 000	-4.6%	0.1%
Provisions	2 338 176	2 716 912	2 643 173	2 618 523	3.8%	143.0%	2 595 023	2 453 400	2 396 000	-2.9%	94.8%
<b>Total equity and liabilities</b>	<b>1 471 768</b>	<b>1 734 378</b>	<b>1 771 965</b>	<b>2 443 276</b>	<b>18.4%</b>	<b>100.0%</b>	<b>2 710 977</b>	<b>2 680 359</b>	<b>2 823 027</b>	<b>4.9%</b>	<b>100.0%</b>

## Expenditure trends

The Compensation Commissioner for Occupational Diseases in Mines and Works generates an estimated 72.4 per cent of its total revenue from levies collected from controlled mines and works. The human resource component of the entity is provided by the department and accounted for within the department's personnel establishment. In terms of the mandate of the commissioner, the levies collected are used mainly for the payments of claims to workers and ex-workers diagnosed with diseases of the lungs or respiratory organs and reimbursement for loss of earnings incurred during tuberculosis treatment.

The significant spending in 2009/10 in transfers and subsidies was due to provisions for actuarial shortfalls. Spending on mineworkers claims is projected to grow moderately over the medium term, reaching R171.8 million by 2015/16 as backlog claims are addressed.

The entity's organisational structure was revised and approved in April 2010. The number of filled posts as at 30 September 2012 was 36 and is expected to grow to 89 by 2015/16 so that service delivery can be enhanced, governance and compliance is improved and the organisation's revenue stabilises. The entity does not make use of consultants and the ratio of support staff to line function staff is 1:9. A process to consolidate the overlapping activities of the Medical Bureau for Occupational Diseases and the Compensation Fund is under way, and this will result in a revised personnel establishment.

## Council for Medical Schemes

### Mandate and goals

The Medical Schemes Act (1998) establishes the Council for Medical Schemes as the regulatory authority responsible for overseeing the medical schemes industry in South Africa.

The council's strategic goals over the medium term are to:

- ensure that access to good quality medical scheme cover is maximised
- ensure that medical schemes are properly governed, are responsive to the environment, and beneficiaries are informed and protected
- enhance the effectiveness and efficiency of the organisation
- provide strategic advice and support for the development and implementation of national health policies, including the development of national health insurance.

## Selected performance indicators

Table 16.32 Council for Medical Schemes

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of written and verbal legal opinions provided to the council or business units per year	Legal services	31	40	52	66	60	55	50
Total number of broker accreditation applications processed during the year, within 30 days of receipt of all relevant information	Accreditation	4 175	5 906	5 177	4 425	5 470	5 030	5 335
Number of rule amendments processed per year	Benefit management	310	314	275	314	275	275	275
Number of calls handled per year <sup>1</sup>	Stakeholder relations	– <sup>1</sup>	37 272	41 838	42 000	44 000	46 000	48 000
Percentage of complaints received that were resolved during the financial year <sup>2</sup>	Complaints adjudication	95%	95.26%	97.15%	95.76%	97%	97%	97%
Number of rulings and directives enforced to ensure compliance per year	Compliance	33	24	23	20	20	20	20
Number of international classification of diseases compliance reports produced per year	Research and monitoring	4	4	4	4	4	4	4

1. System for monitoring was established in 2010/11, hence no information for 2009/10.

2. Where a percentage is indicated, it is not possible to provide absolute numbers as the value for the denominator is not available.

## Programmes/activities/objectives

Table 16.33 Council for Medical Schemes

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand											
Financial supervision	6 414	7 028	7 131	8 286	8.9%	8.7%	9 927	10 523	11 155	10.4%	8.5%
Internal finance	11 826	15 592	16 958	20 064	19.3%	19.0%	21 521	22 814	24 179	6.4%	19.0%
Information systems and knowledge management	6 199	9 483	8 064	9 974	17.2%	10.0%	10 870	11 522	12 214	7.0%	9.5%
Legal services	6 358	12 261	12 823	12 074	23.8%	12.8%	14 317	15 130	15 972	9.8%	12.3%
Accreditation	3 714	4 659	5 354	6 077	17.8%	5.9%	6 487	6 876	7 289	6.2%	5.7%
Benefit management	3 316	3 921	3 906	4 861	13.6%	4.8%	4 913	5 208	5 520	4.3%	4.4%
Stakeholder relations	1 557	4 489	5 738	7 364	67.9%	5.4%	8 548	9 061	9 605	9.3%	7.4%
Complaints adjudication	2 834	3 477	3 698	4 122	13.3%	4.2%	4 291	4 549	4 822	5.4%	3.8%
Compliance	4 770	3 218	5 033	5 412	4.3%	5.6%	6 281	6 658	7 058	9.3%	5.4%
Other objectives	16 847	18 090	20 342	24 478	13.3%	23.8%	27 501	29 149	30 899	8.1%	24.0%
<b>Total expense</b>	<b>63 835</b>	<b>82 218</b>	<b>89 047</b>	<b>102 712</b>	<b>17.2%</b>	<b>100.0%</b>	<b>114 656</b>	<b>121 490</b>	<b>128 713</b>	<b>7.8%</b>	<b>100.0%</b>

## Expenditure estimates

Table 16.34 Council for Medical Schemes

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand												
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>62 560</b>	<b>70 262</b>	<b>90 342</b>	<b>98 987</b>	16.5%	96.3%	<b>110 131</b>	<b>116 739</b>	<b>123 743</b>	7.7%	96.0%	
Sale of goods and services other than capital assets	58 593	68 897	82 635	97 787	18.6%	92.0%	109 291	115 849	122 801	7.9%	95.2%	
of which:												
Administrative fees	58 593	68 897	82 635	97 787	18.6%	92.0%	109 291	115 849	122 801	7.9%	95.2%	
Other non-tax revenue	3 967	1 365	7 707	1 200	-32.9%	4.3%	840	890	942	-7.8%	0.8%	
<b>Transfers received</b>	<b>4 039</b>	<b>133</b>	<b>4 292</b>	<b>4 310</b>	2.2%	3.7%	<b>4 525</b>	<b>4 751</b>	<b>4 970</b>	4.9%	4.0%	
<b>Total revenue</b>	<b>66 599</b>	<b>70 395</b>	<b>94 634</b>	<b>103 297</b>	15.8%	100.0%	<b>114 656</b>	<b>121 490</b>	<b>128 713</b>	7.6%	100.0%	
<b>Expenses</b>												
<b>Current expenses</b>	<b>63 835</b>	<b>82 218</b>	<b>89 047</b>	<b>102 712</b>	17.2%	100.0%	<b>114 656</b>	<b>121 490</b>	<b>128 713</b>	7.8%	100.0%	
Compensation of employees	41 194	50 229	53 858	67 080	17.6%	62.9%	73 417	77 823	82 492	7.1%	64.4%	
Goods and services	20 232	29 949	33 447	33 593	18.4%	34.6%	39 542	41 868	44 314	9.7%	34.0%	
Depreciation	2 409	2 040	1 742	2 039	-5.4%	2.5%	1 697	1 799	1 907	-2.2%	1.6%	
<b>Total expenses</b>	<b>63 835</b>	<b>82 218</b>	<b>89 047</b>	<b>102 712</b>	17.2%	100.0%	<b>114 656</b>	<b>121 490</b>	<b>128 713</b>	7.8%	100.0%	
<b>Surplus/(Deficit)</b>	<b>2 764</b>	<b>(11 823)</b>	<b>5 587</b>	<b>585</b>	-40.4%		<b>-</b>	<b>-</b>	<b>-</b>	-100.0%		
<b>Statement of financial position</b>												
Carrying value of assets	4 055	4 973	4 825	5 395	10.0%	27.3%	6 370	7 403	8 499	16.4%	36.0%	
of which:												
Acquisition of assets	1 706	3 003	1 634	2 609	15.2%	13.1%	2 609	2 672	5 834	30.8%	18.2%	
Receivables and prepayments	1 354	1 529	3 622	3 622	38.8%	13.7%	3 622	3 622	3 622	-	18.7%	
Cash and cash equivalents	14 421	6 932	11 020	11 035	-8.5%	59.0%	10 123	9 250	5 323	-21.6%	45.4%	
<b>Total assets</b>	<b>19 830</b>	<b>13 434</b>	<b>19 467</b>	<b>20 052</b>	0.4%	100.0%	<b>20 115</b>	<b>20 275</b>	<b>17 444</b>	-4.5%	100.0%	
Accumulated surplus/(deficit)	13 718	1 895	7 482	8 067	-16.2%	40.5%	8 130	8 290	5 459	-12.2%	38.2%	
Trade and other payables	3 503	7 918	7 897	7 897	31.1%	39.1%	7 897	7 897	7 897	-	40.7%	
Provisions	2 609	3 621	4 088	4 088	16.1%	20.4%	4 088	4 088	4 088	-	21.1%	
<b>Total equity and liabilities</b>	<b>19 830</b>	<b>13 434</b>	<b>19 467</b>	<b>20 052</b>	0.4%	100.0%	<b>20 115</b>	<b>20 275</b>	<b>17 444</b>	-4.5%	100.0%	

## Personnel information

Table 16.35 Council for Medical Schemes

Salary level	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
98	-	-	92	53.9	0.6	98	67.1	0.7	105	73.4	0.7	105	77.8	0.7	105	82.5	0.8	2.3%	100.0%
1-6	-	-	-	-	-	-	-	-	3	0.2	0.1	3	0.2	0.1	3	0.2	0.1	-	2.1%
7-10	26	-	25	7.4	0.3	26	9.0	0.3	28	10.7	0.4	28	11.2	0.4	28	11.9	0.4	2.5%	26.6%
11-12	42	-	39	19.8	0.5	42	24.7	0.6	43	27.1	0.6	43	28.7	0.7	43	30.4	0.7	0.8%	41.4%
13-16	29	-	27	24.8	0.9	29	31.3	1.1	30	33.4	1.1	30	35.4	1.2	30	37.5	1.3	1.1%	28.8%
17-22	1	-	1	1.8	1.8	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	1	2.4	2.4	-	1.0%

1. Rand million.

## Expenditure trends

Revenue for the Council for Medical Schemes primarily consists of levies imposed on medical scheme contributions. The council also earns interest on current and call accounts. Between 2009/10 and 2012/13, the significant increase in total revenue was mainly due to the increase in the medical schemes levy.

The spending focus over the medium term will be on investigating and resolving complaints raised by medical scheme beneficiaries and the public, and accounts for the increased spending on compensation of employees, which comprises 64.4 per cent of total expenditure over the medium term.

Total spending increased significantly between 2009/10 and 2012/13, driven mainly by increased spending on compensation of employees as the council recruited highly skilled personnel, including accountants, lawyers, economists, researchers, doctors, actuaries and administrators. Legal costs accounted for 25 per cent of spending in 2012/13.

Over the medium term, expenditure is expected to increase to R128.7 million by 2015/16, due to inflationary increases and the relocation of the Council for Medical Schemes office to a bigger office space. Spending on goods and services is dominated by spending on legal costs and will average 26.5 per cent over the MTEF period, due to the nature of the council's work in terms of investigating and resolving complaints raised by medical scheme beneficiaries and the public.

Most service delivery targets set for 2011/12 were met. The council contributed to regulatory and policy developments in relation to the National Health Amendment Bill, the Medical Schemes Amendment Bill and financial legislation pertaining to the demarcation of insurance products. Ongoing projects include: the prescribed minimum benefit review process; the monitoring of the international classification of diseases codes; and the reviewing of cost containment initiatives by medical schemes and the costs of private hospitals and specialists. Over the MTEF period, the council aims to improve its service delivery to all stakeholders.

As part of cost saving measures the council will use economy class for local travel and a billing rate stability measure has been put in place to reduce telephone costs. Measures have also been put in place to reduce photocopying costs.

The council has a funded establishment of 98 posts, and there are no vacant posts. The council is currently engaged in the tender process of securing new office accommodation. The majority of the work is performed in-house, with spending on consultants limited to specialised IT services. Spending on consultants in 2012/13 and over the medium term is equivalent to 1.6 per cent and 3.6 per cent on average of total spending on compensation of employees.

## Additional tables

**Table 16.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 thousand	2011/12		2011/12	2012/13			2012/13
Administration	326 071	347 262	328 196	357 852	45 492	403 344	403 344
National Health Insurance, Health Planning and Systems Enablement	160 827	177 313	161 947	315 059	–	315 059	315 059
HIV and AIDS, TB, Maternal and Child Health	8 026 528	8 014 742	7 927 263	9 279 571	(15 000)	9 264 571	9 189 571
Primary Health Care Services	139 632	115 447	94 856	94 292	31 520	125 812	119 812
Hospitals, Tertiary Health Services and Human Resource Development	16 553 095	16 784 630	16 698 432	16 920 998	430 000	17 350 998	17 348 998
Health Regulation and Compliance Management	525 401	528 577	502 148	589 246	8 173	597 419	565 419
<b>Total</b>	<b>25 731 554</b>	<b>25 967 971</b>	<b>25 712 842</b>	<b>27 557 018</b>	<b>500 185</b>	<b>28 057 203</b>	<b>27 942 203</b>

### Economic classification

<b>Current payments</b>	<b>1 209 296</b>	<b>1 337 717</b>	<b>1 083 435</b>	<b>1 266 402</b>	<b>107 540</b>	<b>1 373 942</b>	<b>1 258 942</b>
Compensation of employees	424 000	427 302	409 702	478 800	7 751	486 551	486 551
Goods and services	785 296	910 415	673 733	787 602	99 789	887 391	772 391
<b>Transfers and subsidies</b>	<b>24 489 339</b>	<b>24 594 739</b>	<b>24 598 841</b>	<b>26 261 896</b>	<b>385 734</b>	<b>26 647 630</b>	<b>26 647 630</b>
Provinces and municipalities	23 947 676	24 034 782	24 034 782	25 691 610	381 000	26 072 610	26 072 610
Departmental agencies and accounts	361 207	361 207	379 381	385 474	4 173	389 647	389 647
Higher education institutions	1 124	14 124	12 762	3 000	–	3 000	3 000
Public corporations and private enterprises	–	–	–	–	40	40	40
Non-profit institutions	179 332	182 426	166 905	181 812	521	182 333	182 333
Households	–	2 200	5 011	–	–	–	–
<b>Payments for capital assets</b>	<b>32 919</b>	<b>35 515</b>	<b>28 720</b>	<b>28 720</b>	<b>6 911</b>	<b>35 631</b>	<b>35 631</b>
Machinery and equipment	32 919	35 515	28 587	28 720	6 911	35 631	35 631
Software and other intangible assets	–	–	133	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>1 846</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>25 731 554</b>	<b>25 967 971</b>	<b>25 712 842</b>	<b>27 557 018</b>	<b>500 185</b>	<b>28 057 203</b>	<b>27 942 203</b>

**Table 16.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Compensation of employees (R thousand)	333 023	353 654	409 702	486 551	538 400	567 900	596 900
Training expenditure (R thousand)	4 499	5 197	5 745	4 865	5 264	5 483	5 735
Training spend as percentage of compensation	1.4%	1.5%	1.4%	1.0%	1.0%	1.0%	1.0%
Total number trained (headcount)	274	287	353	181			
<i>of which:</i>							
Employees receiving bursaries (headcount)	110	98	111	128			
Leaverships (headcount)	–	–	2	–			
Internships (headcount)	81	17	5	402			
Households receiving bursaries (R thousand)	–	58	60	218	220	222	224
Households receiving bursaries (headcount)	–	1	1	2			

**Table 16.C Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Conditional grants to provinces</b>							
<b>National Health Insurance, Health Planning and Systems Enablement</b>							
2010 FIFA World Cup health preparation strategy grant	30 000	-	-	-	-	-	-
National health insurance grant	-	-	-	150 000	48 500	70 000	73 967
<b>HIV and AIDS, TB, Maternal and Child Health</b>							
Comprehensive HIV and AIDS grant	4 376 105	6 051 757	7 492 962	8 762 848	10 533 886	12 311 322	13 957 043
<b>Primary Health Care Services</b>							
Cholera conditional grant	50 000	-	-	-	-	-	-
<b>Hospitals, Tertiary Health Services and Human Resource Development</b>							
Health professions training and development grant	1 759 799	1 865 387	1 977 310	2 076 176	2 190 366	2 321 788	2 428 590
National tertiary services grant	6 614 442	7 398 000	8 048 878	8 878 010	9 620 357	10 168 235	10 635 974
Health facility revitalisation grant	4 191 541	5 169 855	5 925 252	6 190 576	5 123 542	4 738 837	4 987 920
Forensic pathology services grant	501 863	556 962	590 380	-	-	-	-
2013 African Cup of Nations medical services grant	-	-	-	15 000	-	-	-
<b>Total</b>	<b>17 523 750</b>	<b>21 041 961</b>	<b>24 034 782</b>	<b>26 072 610</b>	<b>27 516 651</b>	<b>29 610 182</b>	<b>32 083 494</b>

1. Detail provided in the Division of Revenue Act (2013).

**Table 16.D Summary of departmental public private partnership projects**

R thousand	Project description: Nelson Mandela Academic Hospital - Eastern Cape	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2012/13	2013/14	2014/15	2015/16
<b>Projects in preparation, registered in terms of Treasury Regulation 16</b>						
	Advisory fees	-	1 000	1 025	-	-
		-	1 000	1 025	-	-
	<b>Total</b>	-	<b>1 000</b>	<b>1 025</b>	-	-

**Table 16.E Summary of departmental public private partnership projects**

R thousand	Project description: King Edward VIII Hospital	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2012/13	2013/14	2014/15	2015/16
<b>Projects in preparation, registered in terms of Treasury Regulation 16</b>						
	Advisory fees	-	10 000	-	-	-
		-	10 000	-	-	-
	<b>Total</b>	-	<b>10 000</b>	-	-	-

**Table 16.F Summary of departmental public private partnership projects**

R thousand	Project description: Limpopo Academic Hospital	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2012/13	2013/14	2014/15	2015/16
<b>Projects in preparation, registered in terms of Treasury Regulation 16</b>						
	Advisory fees	-	10 979	8 000	-	-
		-	10 979	8 000	-	-
	<b>Total</b>	-	<b>10 979</b>	<b>8 000</b>	-	-

**Table 16.G Summary of donor funding**

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2012/13	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
							R thousand						
<b>Foreign In cash</b>													
United States: Centres for Disease Control	Co-operation in the prevention, controlling of HIV/AIDS and other related infectious diseases	HIV and AIDS, TB, Maternal and Child Health	2009 - 2014	122 500	Goods and services	Strengthening of HIV and AIDS programmes and capacity building	26 108	21 438	18 171	56 783	-	-	-
European Union	Expanded partnership for the delivery of primary health care including HIV / AIDS	Primary Health Care Services	2007 - 2013	502 065	Goods and services	Provide access to primary health care through funding non-governmental organisations	8 696	3 677	5 662	5 687	-	-	-
European Union	Strengthening systems to support the South African comprehensive plan for HIV and Aids prevention, treatment and care programme	Primary Health Care Services	2009 - 2011	250 000	Goods and services	Strengthen systems to support the South African comprehensive plan for HIV and Aids prevention, treatment and care programme	7 295	-	-	-	-	-	-
European Union	Primary health care sector policy support programme	Primary Health Care Services	2011 - 2014	1 100 000	Goods and services	Improve access to public health services and increase the quality of service delivery of primary health care.	-	-	-	354 085	350 000	395 915	-
European Union	Masibambane	HIV and AIDS, TB, Maternal and Child Health	2009-2011	437	Goods and services	Collaboration with the Department of Water Affairs	13	148	276	-	-	-	-
Belgium	Knowledge translation contract	HIV and AIDS, TB, Maternal and Child Health	2008 - 2011	16 976	Goods and services	Strengthen capacity building with the support of technical assistants	8 770	4 791	529	2 886	-	-	-
Canada	Strengthen the non governmental organisation coordination unit	HIV and AIDS, TB, Maternal and Child Health	2006 - 2012	24 545	Goods and services	Strengthening the non governmental organisation coordination unit within the HIV and AIDS, tuberculosis directorate within the Department of Health	2 542	2 417	2 774	-	-	-	-
Canada	Human resource for health implementation	Hospitals, Tertiary Health Services and Human Resources Development	2008 - 2012	19 446	Compensation of Employees	Strengthen health workforce planning and management capacity	386	571	15	1 537	-	-	-
Denmark	Urban environmental management programme		2006 - 2010	6 300	Goods and services	Roll-out the national health and hygiene education strategy to all 9 provinces	3 505	1 886	1	851	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 2	HIV and AIDS, TB, Maternal and Child Health	2006 - 2014	200 043	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; and provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	58 632	29 243	7 576	-	-	-	-

Table 16.G Summary of donor funding (continued)

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 6	HIV and AIDS, TB, Maternal and Child Health	2008 - 2011	762 646	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; and provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	204 516	97 125	57 116	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 9	HIV and AIDS, TB, Maternal and Child Health	2010 - 2011	194 591	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; and provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	-	-	328	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	HIV and AIDS, TB, Maternal and Child Health	2011 - 2016	1 744 578	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; and provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	-	-	17 810	390 963	397 351	469 227	469 227
Germany: Kreditanstalt für Wiederaufbau <b>In kind</b>	HIV / AIDS prevention	HIV and AIDS, TB, Maternal and Child Health	2013 - 2016	100 000	Capital Items	Contribute to HIV prevention through support to the non-governmental sector	-	-	-	-	20 000	40 000	40 000
European Union	Tuberculosis defaulter Project	HIV and AIDS, TB, Maternal and Child Health	2007 - 2009	1 509	Goods and services	Implement tuberculosis defaulter tracer project in collaboration with the World Health Organisation	1 509	-	-	-	-	-	-
Belgium	Consolidation of the health capacity building in the national Department of Health in South Africa	Hospitals, Tertiary Services and Human Resources for Health	2009 - 2011	1 232	Goods and services	Increase the efficiency, effectiveness and quality of care in South Africa's health sector and improve the management capacity of government hospitals in preparation for the rollout of the national health insurance scheme	-	385	847	-	-	-	-
<b>Total</b>				<b>5 046 868</b>			<b>321 972</b>	<b>161 681</b>	<b>111 105</b>	<b>812 792</b>	<b>767 351</b>	<b>905 142</b>	<b>509 227</b>

**Table 16.H Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Eastern Cape: Cecilia Makiwane Hospital	Construction of the main hospital (phase 4)	Construction	1 113 270	4 120	32 111	293 716	150 000	220 528	318 741	75 000
Gauteng: Natalspruit Hospital	Construction of the main hospital	Construction	2 317 813	170 274	296 569	456 236	233 680	232 139	291 276	–
KwaZulu-Natal: King George V	Upgrading and additions to existing hospital	Construction	1 245 358	115 532	133 203	181 994	100 613	113 099	14 960	12 126
KwaZulu-Natal:Ngwelezane Hospital and Lower Umfolozi War Memorial Hospital complex	Construction of the hospital complex	Construction	1 228 680	46 354	43 005	219 473	161 483	187 346	145 805	177 335
Eastern Cape: Frontier Hospital	Upgrading of the existing facility	Construction	476 874	20 328	20 442	47 994	58 896	63 000	71 000	28 075
Eastern Cape: St Elizabeth's Hospital	Upgrading of the existing facility	Construction	724 177	29 399	53 149	79 349	78 653	46 463	62 459	222 500
Eastern Cape: Dr Malizo Mpehle Memorial Hospital	Upgrade the emergency medical services centre, Frere Gateway Clinic and helipad for the hospital	Construction	378 144	16 936	14 019	28 827	6 000	8 000	–	–
Eastern Cape: St Patrick's Hospital	Construction of remaining components of hospital in a new site.	Construction	447 622	22 879	37 775	28 827	82 516	46 814	27 601	6 200
Free State: Boitumelo Hospital	Revitalisation of an existing hospital	Construction	840 224	92 884	56 990	95 395	165 796	116 397	62 646	–
Free State: Pelonomi Regional Hospital	Revitalisation of an existing hospital	Construction	604 240	43 780	64 892	66 523	29 055	135 406	111 491	80 000
Free State: Free State Psychiatric Complex	Upgrading of existing hospital	Design	517 997	6 086	32 536	24 020	–	–	170 973	271 352
Free State: Mantsopa Hospital in Ladybrand	Construction of hospital	Construction	439 436	12 197	45 646	119 910	242 151	38 118	–	–
Free State: Tromsburg Hospital	Construction of new hospital	Construction	392 654	6 864	26 961	65 824	120 526	139 144	16 187	–
Free State: National Hospital (Mangaung)	Construction of new hospital	Feasibility	307 256	–	1 406	19 120	–	43 638	112 365	147 696
Gauteng: Mamelodi Hospital	Maintenance and repairs of hospital	Hand over	388 163	44 571	29 673	29 150	–	–	–	–
Gauteng: Zola Hospital	Construction of new hospital	Construction	716 485	79 196	189 308	251 000	23 810	10 000	–	–
Gauteng: Chris Hani Baragwanath	Construction of pharmacy, OPD and x-ray departments completed	Construction	753 254	136 786	141 527	142 531	–	–	–	–
Gauteng: Kalafong Hospital	Review of the business cases and development of the project brief	Feasibility	434 794	–	–	–	7 520	98 000	120 000	180 000
Gauteng: Germiston Hospital	Renovation of existing facilities	Construction	626 960	93 580	158 969	101 270	74 882	–	–	–
Gauteng: Sebokeng Hospital	Replacement of existing hospital	Feasibility	338 452	–	–	–	56 935	129 000	61 664	85 476
Gauteng: Khayalami Hospital	Upgrading of existing hospital	Feasibility	384 518	–	–	–	7 250	80 000	171 268	126 000
Gauteng: Jubilee Hospital	Replacement of existing hospital	Feasibility	372 477	–	–	–	7 250	80 000	110 000	171 561
Gauteng: Construction of clinics and community health centres	Construction of 4 clinics and 3 community health centres		290 525	–	–	–	–	80 000	100 674	109 851
KwaZulu-Natal: Hlabisa Hospital	Upgrading of existing hospital	Various	315 611	23 845	3 116	19 513	14 000	9 448	31 500	25 840
KwaZulu-Natal: Rietvlei Hospital	Upgrading and additions to existing hospital	Construction	446 543	17 304	19 188	46 879	47 155	103 875	84 526	70 000
KwaZulu-Natal: Dr Pixley ka Seme Memorial Hospital	Construction of new hospital	Tender	794 053	12 684	31 640	28 856	43 240	24 940	271 000	341 848
KwaZulu-Natal: Edendale Hospital	Upgrading of existing hospital	Various	284 951	2 111	17 607	26 871	105 000	81 560	48 665	3 108
Limpopo: Siloam Hospital	Replacement of existing hospital	Feasibility	437 907	–	–	–	6 000	65 000	176 907	190 000
Limpopo: Thabazimbi Hospital	Replacement of existing hospital	Construction	338 687	14 594	13 704	76 968	85 907	82 600	13 000	2 106
Limpopo: Enabling works programme for hospitals	Upgrading of 9 hospitals	Construction	250 934	31 925	71 926	100 763	204 151	46 783	–	–
Limpopo: Letaba Hospital	Upgrading of existing hospital	Construction	381 492	35 289	35 764	30 374	54 494	23 000	33 500	19 553

Table 16.H Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand										
Limpopo: Maphuta L Malatji hospital	Upgrading of existing hospital	Construction	251 545	38 073	25 171	21 586	10 316	30 945	29 000	10 626
Mpumalanga: Rob Ferreira Hospital	Upgrading of existing hospital	Construction	887 716	36 924	121 833	142 418	139 527	80 093	41 500	–
Mpumalanga: Themba Hospital	Upgrading of existing hospital	Construction	645 247	80 431	59 742	70 762	86 003	91 707	109 000	40 000
Mpumalanga: Ermelo Hospital	Upgrading of existing hospital	Construction	473 000	76 320	35 451	27 059	67 970	95 200	99 000	72 000
Mpumalanga: Hospitals projects the planning stages	Various hospital constructions and upgrades	Feasibility	332 550	–	–	12 043	–	25 000	45 000	250 507
Northern Cape: Mental Health Hospital in Kimberly	Construction of the hospital	Construction	503 144	83 935	12 494	12 658	40 057	13 000	211 000	130 000
Northern Cape:Upington Hospital	Construction of new hospital	Construction	852 439	151 106	231 573	227 976	121 976	101 515	13 293	5 000
Northern Cape:De Aar Hospital	Construction of new hospital	Construction	629 726	8 666	9 998	126 843	174 130	220 759	39 330	50 000
Northern Cape: Kuruman Hospital	Construction of new hospital	Feasibility	262 000	–	43	–	–	6 000	81 000	175 000
North West: Vryburg Hospital	Construction of new hospital	Construction	503 623	70 949	58 836	18 562	9 000	–	–	–
North West: Moses Kotane Hospital	Construction of new hospital	Construction	664 463	26 578	94 685	14 180	46 527	53 253	45 000	13 731
North West: Brits Hospital	Construction of new hospital	Construction	779 858	61 567	96 018	254 897	127 150	142 000	19 000	5 000
North West: Bophelong Hospital	Construction of new hospital	Construction	931 839	37 007	54 250	69 111	153 300	210 005	215 000	160 000
Western Cape: Worcester Hospital	Upgrading of existing hospital	Construction	472 834	20 406	30 869	9 752	17 598	78 227	6 835	–
Western Cape: Paarl Hospital	Upgrading of existing hospital	Construction	631 353	119 130	88 322	34 524	19 426	34 199	3 336	–
Western Cape: Khayelitsha Hospital	Construction of new hospital	Construction	607 423	115 843	242 991	125 388	13 025	–	–	–
Western Cape: Mitchell's Plain Hospital	Construction of new hospital	Construction	583 751	15 629	111 748	141 226	269 537	20 656	–	–
Western Cape: Vredenburg Hospital	Rehabilitation of hospital	Feasibility	327 330	20 948	14 192	12 347	68 956	77 820	48 182	3 000
Western Cape: Valkenberg Hospital	Rehabilitation of hospital	Construction	838 793	6 260	6 841	5 056	84 028	221 930	261 165	246 560
Western Cape: GF Jooste Hospital	Rehabilitation of hospital	Feasibility	331 500	–	–	–	1 000	25 000	114 000	191 500
Eastern Cape: Madwaleni Hospital	Upgrading of existing hospital	Feasibility	220 301	4 120	781	5 631	20 614	18 992	–	170 163
Gauteng: Tambo Memorial Hospital	Replacement and renovations of existing hospital	Various	153 250	–	–	–	7 250	40 000	16 000	90 000
Gauteng: Dr. Yusuf Dadoo Hospital	Replacement and renovations of existing hospital	Pre-feasibility	223 250	–	–	–	7 250	40 000	16 000	160 000
Limpopo: Thabamooop Hospital	Upgrading of existing hospital	Construction	244 558	33 616	37 525	17 839	14 353	5 785	1 500	–
Limpopo: Musina Hospital	Development of project brief and design	Feasibility	191 410	322	322	–	–	15 000	80 000	88 000
Northern Cape: Prof ZK Mathews Hospital	Rebuilding of the pharmacy	Hand over	91 105	6 726	3 677	423	–	–	–	–
North West: Lichtenburg Hospital	Replacement of hospital	Feasibility	226 158	16 898	9 260	–	–	28 000	65 000	107 000
North West: Rustenburg Hospital	Review of business case and development of project brief	Feasibility	142 166	–	–	–	–	–	50 000	90 000
North West: Klerksdorp Hospital	Review of business case and development of project brief	Feasibility	145 000	–	–	–	–	5 000	50 000	90 000
Western Cape: George Hospital	Rehabilitation and upgrading of hospital	Construction	237 411	18 799	24 717	29 198	9 606	5 600	–	–
Western Cape: Brooklyn Chest Hospital	Rehabilitation and construction of new wards	Feasibility	137 845	–	–	–	–	6 500	61 000	70 345
KwaZulu-Natal: King Edward 8th Hospital	Upgrading and renovation of existing facilities	Construction	248 902	–	42 743	34 931	52 000	19 836	52 675	49 287
KwaZulu-Natal: Madadeni Hospital	Construction of new psychiatric hospital	Various	59 895	209	114	8 112	22 364	23 000	–	–
Limpopo: Dilokong Hospital	Additions and upgrade of existing hospital	Hand over	134 566	1 749	–	210	800	–	–	–
Limpopo: New hospitals in planning	Developments of business cases, project brief and design	Various	90 612	–	–	10 612	–	30 000	50 000	–

**Table 16.H Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand										
Other hospital revitalisation grant projects	Construction and upgrading of hospitals and other health facilities	Various	106 693	7 044	7 609	14 325	12 750	26 594	19 812	13 184
Eastern Cape : Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	2 023 076	255 100	278 691	328 912	258 862	268 816	287 244	308 588
Free State: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	805 951	62 199	58 344	75 052	139 073	139 250	140 293	154 876
Gauteng - Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	744 758	58 536	60 321	136 957	110 361	108 816	109 859	123 043
KwaZulu-Natal: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	2 690 632	359 717	280 449	364 758	393 367	416 969	427 845	447 527
Limpopo: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 758 487	157 863	192 445	253 093	267 888	283 961	294 837	308 400
Mpumalanga: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	817 579	115 076	90 287	129 152	108 971	115 509	126 385	132 199
Northern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	666 318	76 136	47 530	104 891	98 258	104 154	115 029	120 320
North West: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	746 979	49 944	60 195	136 695	112 790	119 863	130 739	136 753
Western Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	972 355	73 658	195 904	124 836	131 411	139 296	150 171	157 079
KwaZulu-Natal: Nursing Colleges	Upgrade and maintenance	Various	84 159	-	-	-	-	28 396	33 454	32 901
Limpopo: Nursing College	Upgrade and maintenance	Various	73 342	-	-	-	-	18 980	26 570	27 792
Northern Cape: Nursing schools	Upgrade and maintenance	Various	41 797	-	-	-	-	10 816	15 142	15 839
Gauteng: Nursing colleges and schools	Upgrade and maintenance	Various	69 702	-	-	-	-	19 096	24 734	25 871
Western Cape: Nursing colleges	Upgrade and maintenance	Various	57 828	-	-	-	-	14 964	20 950	21 914
Free State: Nursing colleges	Upgrade and maintenance	Various	55 152	-	-	-	-	14 242	19 995	20 915
Eastern Cape:Nursing colleges	Maintenance and upgrade	Various	73 962	-	-	-	-	21 257	25 760	26 945
Mpumalanga: Nursing colleges	Maintenance and upgrade	Various	54 577	-	-	-	-	14 123	19 772	20 682
North West: Nursing colleges	Maintenance and upgrade	Various	48 637	-	-	-	-	12 586	17 620	18 431
Hospital Revitalisation Projects	Construction and upgrading of hospitals and other health facilities (reduction on the grant)	Various	(420 000)	-	-	-	-	(100 000)	(120 000)	(200 000)
<b>Total</b>			<b>44 118 098</b>	<b>3 347 002</b>	<b>4 257 097</b>	<b>5 683 398</b>	<b>5 384 457</b>	<b>5 847 008</b>	<b>6 337 235</b>	<b>6 526 605</b>





**BUDGET 2013**  
ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA