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# BUDGET 2015

ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 16**

**HEALTH**



**national treasury**

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



# **Estimates of National Expenditure**

## **2015**

**National Treasury**

**Republic of South Africa**

25 February 2015



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The 2015 Estimates of National Expenditure 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 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

# Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 Medium Term Expenditure Framework (MTEF) response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement (MTBPS) in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



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



# Introduction

## The Estimates of National Expenditure publications

The Estimates of national Expenditure (ENE) publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

The 2015 ENE publications largely retain the scope of information presented in previous years' publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

A separate 2015 ENE Overview e-publication is also available, which contains a description at the main budget non-interest spending level, summarising the ENE publication information across votes. The 2015 ENE Overview contains this narrative explanation and summary tables; a description of the budgeting approach; and also has a write-up on how to interpret the information that is contained in each section of the publications.



# Health

**National Treasury  
Republic of South Africa**



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# Vote 16

## Health

### Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	457.1	447.5	2.0	7.6	456.0	492.1
National Health Insurance, Health Planning and Systems Enablement	587.8	488.2	97.1	2.6	576.6	682.1
HIV and AIDS, Tuberculosis, and Maternal and Child Health	14 442.1	539.9	13 900.4	1.8	16 002.7	17 972.9
Primary Health Care Services	225.0	219.8	2.9	2.3	239.3	251.8
Hospitals, Tertiary Health Services and Human Resource Development	19 159.1	460.5	18 048.5	650.0	19 961.4	21 220.0
Health Regulation and Compliance Management	1 596.9	195.7	1 397.6	3.6	1 687.7	1 718.4
<b>Total expenditure estimates</b>	<b>36 468.0</b>	<b>2 351.5</b>	<b>33 448.5</b>	<b>668.0</b>	<b>38 923.5</b>	<b>42 337.2</b>

Executive authority: Minister of Health  
 Accounting officer: Director General of Health  
 Website address: [www.doh.gov.za](http://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, personnel, public entities, donor funding, public private partnerships, conditional allocations to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

### Vote purpose

*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 that calls for a long and healthy life for all South Africans (outcome 2).

### Selected performance indicators

**Table 16.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of private providers contracted to work in public health facilities	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	-1	-1	119	900 <sup>2</sup>	400	600	800
Tuberculosis new client treatment success rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		-1	-1	-1	82%	83%	84%	85%
Tuberculosis treatment defaulter rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		6.8%	6.1%	6.2%	6%	5.5%	5%	5%
Total clients remaining on antiretroviral therapy at the end of the month	HIV and AIDS, Tuberculosis, Maternal and Child Health		-1	-1	2.4 million	3 million	3.6 million	4.2 million	5.1 million
Rate of first antenatal first visit before 20 weeks	HIV and AIDS, Tuberculosis, Maternal and Child Health		40.2%	44%	50%	65%	60%	64%	68%
Immunisation coverage under 1 year of age (annualised)	HIV and AIDS, Tuberculosis, Maternal and Child Health		83.8%	83.6%	84.3%	90%	91%	92%	93%

**Table 16.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Second dose immunisation coverage for measles annualised	HIV and AIDS, Tuberculosis, Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	77%	75%	75%	79%	85%	87%	90%
Infant first polymerase chain reaction test positive within 2 months after birth as a proportion of live births to HIV positive women	HIV and AIDS, Tuberculosis, Maternal and Child Health		4%	3%	2%	2%	2%	2%	1%
Cervical cancer screening coverage	HIV and AIDS, Tuberculosis, Maternal and Child Health		41.8%	55.4%	58.3%	60%	64%	68%	70%
Human papilloma virus first dose immunisation coverage	HIV and AIDS, Tuberculosis, Maternal and Child Health		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	70%	73.5%	75%	80%
Number of ports of entry that are compliant with international health regulations per year	Primary Health Care Services		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	20	40	60	75
Number of functional ward based outreach teams established	Primary Health Care Services		- <sup>1</sup>	945	1 063	1 500	2 000	2 500	3 500
Median waiting time for blood alcohol results	Hospitals, Tertiary Health Services and Human Resource Development		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	6 weeks	5 weeks	5 weeks
Turnaround times for toxicology tests and reports	Hospitals, Tertiary Health Services and Human Resource Development		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	6 months	5 months	5 months
Turnaround times for perishable food product tests and reports	Hospitals, Tertiary Health Services and Human Resource Development		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	60 days	45 days	45 days

1. New indicators, hence data not available for the respective years.

2. The 2014/15 target of 900 will not be achieved. The revised estimate is 200.

## Expenditure analysis

Significant progress has been made over the last 10 years towards ensuring a long and healthy life for all South Africans, which is outcome 2 of government's 2014-2019 medium term strategic framework. Life expectancy has increased from 52.2 years in 2004 to 61.2 years in 2014, but this is still shorter than in most other upper middle income countries and great challenges remain. Over the medium term, the Department of Health will continue to contribute to increased life expectancy and improved quality of life for South Africans through sustaining the expansion of the HIV and AIDS treatment and prevention programme, revitalising public health care facilities, and ensuring the provision of specialised tertiary hospital services. Spending on these three areas takes up 85.2 per cent of the department's total budget over the MTEF period, and the activities contribute to sub-outcome 6 (improved health management and leadership), sub-outcome 7 (improved health facility planning and infrastructure delivery) and sub-outcome 8 (HIV and AIDS and tuberculosis prevented and successfully managed) of outcome 2. In line with the national development plan and government's 2014-2019 medium term strategic framework, national health insurance is also a major priority for the department over the medium term, although not a large spending area at this early stage of its implementation.

R1.4 billion of the R2.4 billion Cabinet approved budget reductions will be effected on most of the conditional allocations to provincial departments of health over the MTEF period, and the department will be required to find efficiencies, particularly in its provision of infrastructure.

### Sustained expansion of the HIV and AIDS treatment and prevention programme

The department's expansion of antiretroviral treatment is projected to enable 4.8 million patients to be on treatment by the end of 2017/18. The department is also expected to be able to test 10 million adults for HIV every year, among other HIV prevention interventions. The HIV and AIDS treatment and prevention programme is supported by a Cabinet approved additional allocation of R1.2 billion in 2017/18, hence the projected average annual growth of 13 per cent over the MTEF period in the comprehensive HIV and AIDS conditional allocation in the *HIV and AIDS, TB, Maternal and Child Health* programme.

The number of deaths during the first year of life per 1 000 live births has been significantly reduced, largely due to the success of the department's programme to prevent mother-to-child transmission of HIV. Mother-to-child-transmission of HIV is expected to decline to below 1 per cent by 2017/18.

### **Revitalisation of public health care facilities**

Many public health care facilities are in a dire state and need maintenance, refurbishment and in some cases complete replacement. Government's 2014-2019 medium term strategic framework highlights this in sub-outcome 7 (improved health facility planning and infrastructure delivery). Over the medium term, the department will prioritise monitoring and oversight of provincial health infrastructure delivery and implementing national health insurance infrastructure projects, funded by the R16.6 million transfer to provinces through the health facility revitalisation grant in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

The *Hospitals, Tertiary Health Services and Human Resource Development* programme also manages the health facility revitalisation component of the national health allocation in kind to provinces. Due to underspending on the allocation since its inception in 2013/14, R411.6 million will be reprioritised to other key areas, such as for new equipment and staff in the four forensic chemistry laboratories, sector wide procurement (which deals with all the medicines and medical supplies procurement for the department), port health services, and the new Office of Health Standards Compliance.

The department estimates that it will invest R19.5 billion in infrastructure over the MTEF period: R6.1 billion in 2015/16, R6.4 billion in 2016/17, and R6.8 billion in 2017/18, excluding investments by provincial health departments via their provincial equitable share allocations. 8 mega infrastructure projects (costing more than R1 billion) are currently being implemented by national and provincial departments: Shoshanguve Hospital, Tshilidzini Hospital, Cecilia Makiwane Hospital, Natalspruit Hospital, King Dinuzulu Hospital complex (formerly King George V Hospital), Ngwelezane Hospital, Lower Umfolozi War Memorial Hospital complex, and Dr Pixley ka Seme Memorial Hospital. 50 large projects (costing more than R250 million, but less than R1 billion) are also being implemented, at a projected cost of R9 billion over the medium term. Small projects, such as the construction and upgrading of clinics, community health centres and nursing colleges and schools, under the provincial departments of health, will continue over the medium term, including the installation of mobile doctors' consulting rooms in the national health insurance pilot districts. Spending on small infrastructure projects is projected at R8 billion over the medium term.

### **Ensuring the provision of specialised tertiary hospital services**

Over the medium term, the department aims to provide tertiary health services in 33 hospitals and hospital complexes and to modernise tertiary facilities to improve equitable access. Tertiary health services are usually for inpatients in a hospital that has specialised personnel and facilities for advanced medical investigation and treatment. After the Cabinet approved reduction, the national tertiary services conditional allocation in the *Hospitals, Tertiary Health Services and Human Resource Development* programme is set to grow by 4.3 per cent over the MTEF period (R10.4 million in 2015/16, R10.8 million in 2016/17, and R11.5 million in 2017/18).

### **National health insurance**

The Department of Health is in its fourth year of the phased 15-year rollout of national health insurance, government's chosen path to universal, quality and affordable health care. Pilot activities are under way in 11 districts, and early in 2015 the department plans to release the White Paper on National Health Insurance, which will elaborate on the proposed policy. National health insurance entails major financing reforms in the health sector and the department is piloting innovative health financing mechanisms, including contracting with private general practitioners to provide services in public facilities and developing a new hospital reimbursement mechanism.

Difficulties in contracting private general practitioners due to poor working conditions was the main cause of slow spending on rolling out national health insurance, and funding in the national health insurance conditional allocation in the *National Health Insurance, Health Planning and Systems Enablement* programme has been reduced by Cabinet by R355.3 million to R884.17 million over the MTEF period.

To improve data collection and financial management for national health insurance, the department will be testing diagnosis related groups as the basis for paying for services provided by central hospitals. Diagnosis related groups classify hospital cases to allow hospitals to work within a more predictable and structured

reimbursement system. Diagnosis related groups are used in most of the developed world for hospital reimbursement, but the groups have to be adapted for each country, and this is what the Department of Health will be engaged with over the medium term. R82.1 million over the MTEF period in the *National Health Insurance, Health Planning and Systems Enablement* programme has been earmarked for the diagnosis related group project.

In addition to the current focus on contracting private health professionals and developing a new hospital reimbursement mechanism, the department plans to establish a national health insurance fund over the medium term to purchase health care services on behalf of the population. Details of how the fund will function are being determined and will be set out in the white paper. Further, provinces will be piloting health system innovations and reforms, such as strengthening monitoring and evaluation and supply chain management systems at the district level, through funds from the national health insurance grant in the *National Health Insurance, Health Planning and Systems Enablement* programme.

## Expenditure trends

**Table 16.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. National Health Insurance, Health Planning and Systems Enablement														
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health														
4. Primary Health Care Services														
5. Hospitals, Tertiary Health Services and Human Resource Development														
6. Health Regulation and Compliance Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12	2014/15
Programme 1	330.4	347.3	311.0	357.9	403.3	372.9	411.0	405.7	347.3	389.7	389.7	389.7	95.4%	91.9%
Programme 2	160.8	176.5	182.2	315.1	315.1	315.4	491.9	491.8	222.6	652.0	658.9	328.9	64.8%	63.9%
Programme 3	7 845.9	7 821.8	7 735.4	9 089.9	9 074.9	8 979.3	10 829.9	10 842.8	10 763.5	12 840.7	12 840.7	12 772.3	99.1%	99.2%
Programme 4	180.5	209.3	281.5	193.4	224.9	206.3	214.0	207.2	183.5	200.5	216.2	216.2	112.6%	103.5%
Programme 5	16 730.2	16 919.8	16 745.0	16 921.0	17 351.0	17 399.6	17 911.2	17 722.4	17 497.3	18 929.5	18 816.5	18 514.2	99.5%	99.1%
Programme 6	983.6	993.3	957.7	1 063.4	1 071.6	1 009.0	1 252.1	1 261.7	1 214.4	1 367.6	1 403.1	1 403.1	98.2%	96.9%
<b>Total</b>	<b>26 231.5</b>	<b>26 467.9</b>	<b>26 212.7</b>	<b>27 940.6</b>	<b>28 440.8</b>	<b>28 282.5</b>	<b>31 110.1</b>	<b>30 931.6</b>	<b>30 228.5</b>	<b>34 380.0</b>	<b>34 325.1</b>	<b>33 624.3</b>	<b>98.9%</b>	<b>98.5%</b>
Change to 2014 Budget estimate											(54.9)			
Economic classification														
<b>Current payments</b>	<b>1 303.1</b>	<b>1 419.4</b>	<b>1 165.2</b>	<b>1 365.4</b>	<b>1 473.0</b>	<b>1 265.6</b>	<b>1 743.3</b>	<b>1 732.5</b>	<b>1 262.3</b>	<b>2 041.0</b>	<b>2 247.1</b>	<b>1 736.8</b>	<b>84.1%</b>	<b>79.0%</b>
Compensation of employees	507.9	509.0	484.6	567.3	575.0	554.3	631.8	631.8	628.0	649.1	656.5	656.5	98.6%	97.9%
Goods and services of which:	795.2	910.4	680.6	798.2	897.9	711.3	1 111.5	1 100.7	634.4	1 391.9	1 590.6	1 080.3	75.8%	69.0%
Administrative fees	1.0	0.6	0.5	1.2	6.2	0.8	2.0	2.0	0.2	1.0	1.0	1.0	47.4%	24.9%
Advertising	59.6	38.6	33.6	56.4	58.0	11.9	23.8	23.4	11.8	59.1	57.8	57.8	57.8%	64.7%
Assets less than the capitalisation threshold	14.6	14.0	3.2	13.7	13.6	3.4	17.0	17.0	2.4	18.0	29.7	29.7	61.2%	52.1%
Audit costs: External	27.0	27.0	22.2	18.5	18.5	23.8	29.4	29.5	30.6	31.7	30.7	30.7	100.6%	101.5%
Bursaries: Employees	1.6	1.5	1.6	1.4	1.6	0.9	1.6	1.6	1.1	1.5	1.5	1.5	83.2%	81.3%
Catering: Departmental activities	6.7	5.8	3.0	7.2	7.2	3.0	8.4	8.4	2.8	7.6	7.9	7.7	54.8%	56.2%
Communication	18.5	18.6	17.0	26.5	28.0	14.8	29.1	29.1	12.3	23.1	27.4	27.4	73.6%	69.4%
Computer services	15.7	29.8	56.0	22.1	24.4	9.3	26.1	27.2	6.6	21.3	29.6	29.6	119.1%	91.5%
Consultants and professional services: Business and advisory services	119.0	233.6	111.6	122.2	184.8	186.2	146.2	148.2	156.7	108.5	296.5	114.4	114.7%	65.9%
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	-	-	-	-	-	171.5	59.6	-	34.8%
Consultants and professional services: Laboratory services	-	-	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	0.1	43.4%	43.4%
Consultants and professional services: Scientific and technological services	-	-	10.0	-	-	10.5	-	-	11.1	45.2	45.6	45.6	170.7%	169.2%

Table 16.2 Vote expenditure trends by programme and economic classification

Economic Classification	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Consultants and professional services:	8.3	30.6	10.2	1.0	1.1	14.6	1.1	1.1	4.1	1.1	1.1	1.1	259.9%	88.5%
Legal costs														
Contractors	8.8	9.1	6.6	20.9	26.0	9.8	318.2	313.8	16.9	416.0	227.9	85.8	15.6%	20.6%
Agency and support / outsourced services	15.7	12.7	8.9	18.7	13.6	19.8	14.2	15.2	3.7	12.4	17.4	17.4	81.7%	84.7%
Entertainment	0.9	0.8	0.1	0.8	0.8	0.1	0.8	0.8	0.1	0.8	0.8	0.8	30.7%	31.6%
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	16.4	-	29.8	29.8	-	155.3%
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-	-	2.8	2.8	-	101.4%
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Inventory: Fuel, oil and gas	0.3	0.3	0.1	0.5	0.5	0.9	0.5	0.5	1.1	0.5	0.5	0.5	149.9%	149.4%
Inventory: Learner and teacher support material	-	-	-	0.2	0.2	-	0.2	0.2	-	0.2	0.2	0.2	34.3%	34.1%
Inventory: Materials and supplies	0.6	0.6	0.1	0.6	0.6	0.1	0.5	0.5	0.2	0.5	1.5	1.5	86.4%	59.1%
Inventory: Medical supplies	172.7	152.2	124.2	135.6	135.6	112.4	140.8	140.8	70.5	149.2	153.2	153.2	77.0%	79.1%
Inventory: Medicine	1.0	21.0	20.0	1.1	31.0	32.1	1.1	1.1	0.5	201.4	142.5	74.1	61.9%	64.8%
Medcas inventory interface	-	-	-	-	1.5	-	1.6	1.6	-	-	-	-	-	-
Inventory: Other supplies	-	-	6.3	-	12.2	6.9	11.5	11.5	7.9	12.4	12.4	12.4	140.0%	92.8%
Consumable supplies	8.7	8.6	0.2	13.7	0.7	0.3	0.7	0.7	0.6	-	-	-	5.1%	11.9%
Consumables: Stationery, printing and office supplies	46.9	31.3	24.0	46.0	44.6	16.4	47.1	47.1	22.2	40.2	39.0	39.0	56.4%	62.8%
Operating leases	58.4	93.8	92.5	93.6	96.1	85.6	102.0	106.0	86.9	109.3	111.3	111.3	103.5%	92.4%
Property payments	5.5	5.8	3.7	5.4	5.4	9.6	5.5	5.5	11.4	5.6	5.6	5.6	137.5%	135.4%
Transport provided:	-	-	3.1	-	3.6	3.2	3.1	4.0	0.3	0.7	0.7	0.7	192.3%	88.6%
Departmental activity														
Travel and subsistence	134.9	113.7	74.4	129.2	120.6	88.6	112.7	111.2	81.9	62.3	78.3	72.6	72.3%	74.9%
Training and development	4.6	2.2	5.6	3.2	3.2	5.5	3.9	3.2	3.5	5.5	9.3	9.3	138.8%	133.6%
Operating payments	42.5	39.7	27.1	35.4	35.6	33.8	38.7	26.9	60.5	34.5	35.2	35.2	103.7%	114.0%
Venues and facilities	21.7	18.4	14.7	23.1	22.9	6.9	23.7	22.7	10.1	22.4	22.2	22.2	59.2%	62.5%
<b>Transfers and subsidies</b>	<b>24 895.4</b>	<b>25 012.9</b>	<b>25 017.2</b>	<b>26 546.4</b>	<b>26 932.1</b>	<b>26 990.9</b>	<b>28 541.0</b>	<b>28 732.6</b>	<b>28 791.4</b>	<b>31 314.1</b>	<b>31 589.1</b>	<b>31 589.1</b>	<b>101.0%</b>	<b>100.1%</b>
Provinces and municipalities	23 902.2	23 989.3	23 989.3	25 501.9	25 882.9	25 882.0	27 317.5	27 686.5	27 487.2	29 902.1	30 164.1	30 164.1	100.8%	99.8%
Departmental agencies and accounts	812.7	830.8	843.1	846.7	850.8	890.5	1 026.9	839.5	1 089.1	1 202.9	1 212.9	1 212.9	103.8%	108.1%
Higher education institutions	1.1	14.5	12.8	3.0	3.0	21.0	3.0	7.0	4.0	3.0	3.0	3.0	402.6%	148.0%
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	2.7	2.7	-	100.0%
Public corporations and private enterprises	-	-	-	-	-	-	-	-	0.2	-	-	-	-	475.0%
Non-profit institutions	179.3	173.1	166.9	194.8	195.3	196.2	193.6	199.7	209.6	206.1	206.4	206.4	100.7%	100.6%
Households	-	5.1	5.0	-	-	1.1	-	-	1.5	-	-	-	13 789.1%	146.8%
<b>Payments for capital assets</b>	<b>33.0</b>	<b>35.6</b>	<b>28.5</b>	<b>28.8</b>	<b>35.7</b>	<b>20.3</b>	<b>825.9</b>	<b>466.5</b>	<b>173.0</b>	<b>1 024.9</b>	<b>488.9</b>	<b>298.4</b>	<b>27.2%</b>	<b>50.7%</b>
Buildings and other fixed structures	-	-	-	-	-	-	807.0	440.0	113.7	979.9	378.4	188.0	16.9%	36.9%
Machinery and equipment	33.0	35.5	28.4	28.8	35.7	20.3	18.8	26.4	59.3	45.1	100.7	100.7	166.0%	105.2%
Software and other intangible assets	-	0.1	0.1	-	-	-	-	-	-	-	9.8	9.8	-	100.0%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>5.7</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>26 231.5</b>	<b>26 467.9</b>	<b>26 212.7</b>	<b>27 940.6</b>	<b>28 440.8</b>	<b>28 282.5</b>	<b>31 110.1</b>	<b>30 931.6</b>	<b>30 228.5</b>	<b>34 380.0</b>	<b>34 325.1</b>	<b>33 624.3</b>	<b>98.9%</b>	<b>98.5%</b>

## Expenditure estimates

**Table 16.3 Vote expenditure estimates by programme and economic classification**

Programmes								
1. Administration								
2. National Health Insurance, Health Planning and Systems Enablement								
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health								
4. Primary Health Care Services								
5. Hospitals, Tertiary Health Services and Human Resource Development								
6. Health Regulation and Compliance Management								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R million								
Programme 1	389.7	3.9%	1.2%	457.1	456.0	492.1	8.1%	1.2%
Programme 2	328.9	23.1%	0.9%	587.8	576.6	682.1	27.5%	1.4%
Programme 3	12 772.3	17.8%	34.0%	14 442.1	16 002.7	17 972.9	12.1%	40.4%
Programme 4	216.2	1.1%	0.7%	225.0	239.3	251.8	5.2%	0.6%
Programme 5	18 514.2	3.0%	59.3%	19 159.1	19 961.4	21 220.0	4.7%	52.1%
Programme 6	1 403.1	12.2%	3.9%	1 596.9	1 687.7	1 718.4	7.0%	4.2%
<b>Total</b>	<b>33 624.3</b>	<b>8.3%</b>	<b>100.0%</b>	<b>36 468.0</b>	<b>38 923.5</b>	<b>42 337.2</b>	<b>8.0%</b>	<b>100.0%</b>
Change to 2014 Budget estimate				(610.8)	(936.1)	(660.4)		
Economic classification								
<b>Current payments</b>	<b>1 736.8</b>	<b>7.0%</b>	<b>4.6%</b>	<b>2 351.5</b>	<b>2 226.0</b>	<b>2 388.1</b>	<b>11.2%</b>	<b>5.7%</b>
Compensation of employees	656.5	8.9%	2.0%	772.1	813.8	854.7	9.2%	2.0%
Goods and services	1 080.3	5.9%	2.6%	1 579.5	1 412.3	1 533.4	12.4%	3.7%
of which:								
Administrative fees	1.0	16.1%	–	1.0	0.4	0.2	-41.1%	–
Advertising	57.8	14.4%	0.1%	32.4	23.9	9.3	-45.6%	0.1%
Assets less than the capitalisation threshold	29.7	28.4%	–	15.5	6.7	4.8	-45.5%	–
Audit costs: External	30.7	4.4%	0.1%	35.7	33.1	38.7	8.0%	0.1%
Bursaries: Employees	1.5	-1.3%	–	1.6	1.3	2.0	10.3%	–
Catering: Departmental activities	7.7	9.9%	–	8.2	4.9	2.8	-28.5%	–
Communication	27.4	13.8%	0.1%	23.3	25.9	21.8	-7.3%	0.1%
Computer services	29.6	-0.2%	0.1%	23.9	16.5	13.8	-22.4%	0.1%
Consultants and professional services: Business and advisory services	114.4	-21.2%	0.5%	123.1	142.4	126.8	3.5%	0.3%
Consultants and professional services: Infrastructure and planning	59.6	–	0.1%	13.0	13.0	13.0	-39.8%	0.1%
Consultants and professional services: Laboratory services	0.1	–	–	0.1	0.4	–	-100.0%	–
Consultants and professional services: Scientific and technological services	45.6	–	0.1%	10.2	25.5	28.6	-14.4%	0.1%
Consultants and professional services: Legal costs	1.1	-66.7%	–	1.2	1.0	7.0	83.7%	–
Contractors	85.8	111.5%	0.1%	341.5	324.4	412.3	68.7%	0.8%
Agency and support / outsourced services	17.4	10.9%	–	222.4	234.9	236.5	138.8%	0.5%
Entertainment	0.8	-2.4%	–	0.8	0.1	–	-100.0%	–
Fleet services (including government motor transport)	29.8	–	–	23.6	11.6	27.8	-2.2%	0.1%
Inventory: Clothing material and accessories	2.8	–	–	–	–	–	-100.0%	–
Inventory: Fuel, oil and gas	0.5	16.3%	–	0.5	1.0	1.3	39.4%	–
Inventory: Learner and teacher support material	0.2	–	–	0.2	–	–	-100.0%	–
Inventory: Materials and supplies	1.5	36.2%	–	0.7	0.7	0.4	-38.3%	–
Inventory: Medical supplies	153.2	0.2%	0.4%	189.3	210.1	192.6	7.9%	0.5%
Inventory: Medicine	74.1	52.2%	0.1%	196.2	2.9	0.6	-79.9%	0.2%
Inventory: Other supplies	12.4	–	–	14.9	13.0	13.4	2.6%	–
Consumable supplies	–	-100.0%	–	–	–	0.4	–	–
Consumables: Stationery, printing and office supplies	39.0	7.6%	0.1%	37.4	26.4	27.5	-11.0%	0.1%
Operating leases	111.3	5.8%	0.3%	127.9	132.5	139.8	7.9%	0.3%
Property payments	5.6	-1.7%	–	8.8	10.1	24.0	62.8%	–
Transport provided: Departmental activity	0.7	287.8%	–	0.7	0.8	–	-100.0%	–

**Table 16.3 Vote expenditure estimates by programme and economic classification**

Economic Classification	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R million								
Travel and subsistence	72.6	-13.9%	0.3%	66.1	95.4	110.7	15.1%	0.2%
Training and development	9.3	61.4%	-	4.8	6.2	8.1	-4.5%	-
Operating payments	35.2	-3.9%	0.1%	35.9	38.7	57.6	17.8%	0.1%
Venues and facilities	22.2	6.5%	-	18.5	8.4	11.6	-19.5%	-
<b>Transfers and subsidies</b>	<b>31 589.1</b>	<b>8.1%</b>	<b>95.0%</b>	<b>33 448.5</b>	<b>36 002.7</b>	<b>39 196.8</b>	<b>7.5%</b>	<b>92.7%</b>
Provinces and municipalities	30 164.1	7.9%	90.9%	31 857.9	34 338.2	37 495.5	7.5%	88.4%
Departmental agencies and accounts	1 212.9	13.4%	3.4%	1 416.4	1 493.9	1 516.1	7.7%	3.7%
Higher education institutions	3.0	-40.9%	-	3.1	3.3	3.5	5.0%	-
Foreign governments and international organisations	2.7	-	-	-	-	-	-100.0%	-
Non-profit institutions	206.4	6.0%	0.7%	171.1	167.2	181.8	-4.2%	0.5%
Households	-	-85.7%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>298.4</b>	<b>103.1%</b>	<b>0.4%</b>	<b>668.0</b>	<b>694.8</b>	<b>752.3</b>	<b>36.1%</b>	<b>1.6%</b>
Buildings and other fixed structures	188.0	-	0.3%	562.5	587.1	634.0	50.0%	1.3%
Machinery and equipment	100.7	41.6%	0.2%	105.5	107.7	118.4	5.5%	0.3%
Software and other intangible assets	9.8	317.8%	-	-	-	-	-100.0%	-
<b>Total</b>	<b>33 624.3</b>	<b>8.3%</b>	<b>100.0%</b>	<b>36 468.0</b>	<b>38 923.5</b>	<b>42 337.2</b>	<b>8.0%</b>	<b>100.0%</b>

## Personnel information

**Table 16.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2015		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)		Salary level/total: Average (%)			
Number of funded posts	Number of posts additional to the establishment	2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18		2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	2014/15 - 2017/18					
<b>Health</b>																			
<b>Salary level</b>	<b>1 504</b>	-	<b>1 842</b>	<b>628.0</b>	<b>0.3</b>	<b>1 880</b>	<b>656.5</b>	<b>0.3</b>	<b>1 898</b>	<b>772.1</b>	<b>0.4</b>	<b>1 898</b>	<b>813.8</b>	<b>0.4</b>	<b>1 897</b>	<b>854.7</b>	<b>0.5</b>	<b>0.3%</b>	<b>100.0%</b>
1 - 6	539	-	608	96.9	0.2	626	99.2	0.2	637	119.8	0.2	637	126.2	0.2	637	132.6	0.2	0.6%	33.5%
7 - 10	591	-	877	287.9	0.3	856	284.8	0.3	858	330.5	0.4	858	348.9	0.4	857	366.4	0.4	0.0%	45.3%
11 - 12	246	-	241	136.0	0.6	267	153.5	0.6	269	181.5	0.7	269	191.6	0.7	269	201.3	0.7	0.2%	14.2%
13 - 16	128	-	116	107.2	0.9	131	119.1	0.9	134	140.3	1.0	134	147.1	1.1	134	154.5	1.2	0.8%	7.0%
<b>Programme</b>	<b>1 504</b>	-	<b>1 842</b>	<b>628.0</b>	<b>0.3</b>	<b>1 880</b>	<b>656.5</b>	<b>0.3</b>	<b>1 898</b>	<b>772.1</b>	<b>0.4</b>	<b>1 898</b>	<b>813.8</b>	<b>0.4</b>	<b>1 897</b>	<b>854.7</b>	<b>0.5</b>	<b>0.3%</b>	<b>100.0%</b>
Programme 1	458	-	506	149.9	0.3	468	156.1	0.3	468	177.1	0.4	468	185.9	0.4	467	195.2	0.4	-0.1%	24.7%
Programme 2	194	-	184	85.6	0.5	177	78.7	0.4	177	96.1	0.5	177	101.4	0.6	177	106.5	0.6	-	9.3%
Programme 3	137	-	132	62.5	0.5	137	64.4	0.5	137	68.9	0.5	137	72.7	0.5	137	76.4	0.6	-	7.2%
Programme 4	105	-	437	140.9	0.3	440	147.7	0.3	458	176.5	0.4	458	186.2	0.4	458	195.5	0.4	1.3%	24.0%
Programme 5	291	-	282	95.0	0.3	300	106.4	0.4	300	116.0	0.4	300	122.4	0.4	300	128.5	0.4	-	15.8%
Programme 6	319	-	301	94.2	0.3	358	103.2	0.3	358	137.4	0.4	358	145.1	0.4	358	152.6	0.4	-	18.9%

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

2. Rand million.

## Departmental receipts

Table 16.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2014/15	Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2014/15 - 2017/18	Receipt item/ total: Average (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
<b>Departmental receipts</b>	<b>55 300</b>	<b>33 830</b>	<b>71 606</b>	<b>69 819</b>	<b>69 819</b>	<b>8.1%</b>	<b>100.0%</b>	<b>32 772</b>	<b>34 772</b>	<b>50 600</b>	<b>-10.2%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>32 922</b>	<b>37 714</b>	<b>67 091</b>	<b>63 420</b>	<b>63 420</b>	<b>24.4%</b>	<b>87.2%</b>	<b>31 524</b>	<b>33 524</b>	<b>48 998</b>	<b>-8.2%</b>	<b>94.4%</b>
Sales by market establishments	113	145	165	138	138	6.9%	0.2%	132	132	180	9.3%	0.3%
<i>of which:</i>												
Parking	113	145	165	138	138	6.9%	0.2%	132	132	180	9.3%	0.3%
Administrative fees	32 557	37 307	66 677	63 035	63 035	24.6%	86.6%	31 152	33 152	48 550	-8.3%	93.6%
<i>of which:</i>												
Medical (drug control) licences	1 786	2 223	3 193	3 044	3 044	19.5%	4.4%	3 000	3 000	3 000	-0.5%	6.4%
Drug control	30 771	35 084	63 484	59 991	59 991	24.9%	82.1%	28 152	30 152	45 550	-8.8%	87.2%
Other sales	252	262	249	247	247	-0.7%	0.4%	240	240	268	2.8%	0.5%
<i>of which:</i>												
Yellow fever	43	79	33	32	32	-9.4%	0.1%	36	36	56	20.5%	0.1%
Replacement of security cards	13	11	10	14	14	2.5%	-	12	12	12	-5.0%	-
Commission on insurance	147	172	206	201	201	11.0%	0.3%	192	192	200	-0.2%	0.4%
Asset less than R5 000	49	-	-	-	-	-100.0%	-	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>45</b>	<b>36</b>	<b>45</b>	<b>23</b>	<b>23</b>	<b>-20.0%</b>	<b>0.1%</b>	<b>36</b>	<b>36</b>	<b>42</b>	<b>22.2%</b>	<b>0.1%</b>
<i>of which:</i>												
Scrap paper	45	36	16	23	23	-20.0%	0.1%	36	36	42	22.2%	0.1%
Scrap	-	-	29	-	-	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>425</b>	<b>460</b>	<b>1 858</b>	<b>457</b>	<b>457</b>	<b>2.4%</b>	<b>1.4%</b>	<b>300</b>	<b>300</b>	<b>420</b>	<b>-2.8%</b>	<b>0.8%</b>
Interest	425	460	1 858	457	457	2.4%	1.4%	300	300	420	-2.8%	0.8%
<b>Sales of capital assets</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>21 841</b>	<b>(4 380)</b>	<b>2 612</b>	<b>5 919</b>	<b>5 919</b>	<b>-35.3%</b>	<b>11.3%</b>	<b>912</b>	<b>912</b>	<b>1 140</b>	<b>-42.2%</b>	<b>4.7%</b>
<b>Total</b>	<b>55 300</b>	<b>33 830</b>	<b>71 606</b>	<b>69 819</b>	<b>69 819</b>	<b>8.1%</b>	<b>100.0%</b>	<b>32 772</b>	<b>34 772</b>	<b>50 600</b>	<b>-10.2%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

Provide strategic leadership, management and support services to the department.

## Expenditure trends and estimates

Table 16.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Ministry	27 280	25 547	27 595	31 046	4.4%	7.8%	31 917	32 425	33 810	2.9%	7.2%
Management	14 185	13 011	13 878	16 387	4.9%	4.0%	19 641	20 177	21 048	8.7%	4.3%
Corporate Services	145 313	158 081	157 816	184 647	8.3%	45.5%	213 467	204 514	218 046	5.7%	45.7%
Office Accommodation	92 081	92 978	93 532	105 825	4.7%	27.1%	125 810	137 547	154 053	13.3%	29.2%
Financial Management	32 165	83 305	54 521	51 745	17.2%	15.6%	66 243	61 295	65 095	8.0%	13.6%
<b>Total</b>	<b>311 024</b>	<b>372 922</b>	<b>347 342</b>	<b>389 650</b>	<b>7.8%</b>	<b>100.0%</b>	<b>457 078</b>	<b>455 958</b>	<b>492 052</b>	<b>8.1%</b>	<b>100.0%</b>
Change to 2014 Budget estimate							30 632	6 221	17 488		
<b>Economic classification</b>	<b>299 564</b>	<b>362 225</b>	<b>340 637</b>	<b>382 141</b>	<b>8.5%</b>	<b>97.4%</b>	<b>447 475</b>	<b>449 351</b>	<b>485 186</b>	<b>8.3%</b>	<b>98.3%</b>
<b>Current payments</b>	<b>107 967</b>	<b>133 952</b>	<b>149 850</b>	<b>156 131</b>	<b>13.1%</b>	<b>38.6%</b>	<b>177 115</b>	<b>185 933</b>	<b>195 207</b>	<b>7.7%</b>	<b>39.8%</b>
Compensation of employees	107 967	133 952	149 850	156 131	13.1%	38.6%	177 115	185 933	195 207	7.7%	39.8%
Goods and services	191 597	228 273	190 787	226 010	5.7%	58.9%	270 360	263 418	289 979	8.7%	58.5%
of which:											
Administrative fees	82	187	160	188	31.9%	–	197	188	200	2.1%	–
Advertising	4 995	2 386	2 673	6 726	10.4%	1.2%	12 148	5 078	900	-48.9%	1.4%
Assets less than the capitalisation threshold	986	962	811	2 071	28.1%	0.3%	1 828	1 109	900	-24.3%	0.3%
Audit costs: External	19 501	22 763	30 560	26 321	10.5%	7.0%	32 000	30 039	35 200	10.2%	6.9%
Bursaries: Employees	1 474	797	1 115	1 420	-1.2%	0.3%	1 485	877	2 000	12.1%	0.3%
Catering: Departmental activities	527	754	1 127	916	20.2%	0.2%	1 018	881	1 000	3.0%	0.2%
Communication	13 527	10 444	8 372	14 204	1.6%	3.3%	14 289	18 231	15 914	3.9%	3.5%
Computer services	6 518	6 327	3 672	11 222	19.9%	2.0%	13 817	12 965	6 000	-18.8%	2.5%
Consultants and professional services: Business and advisory services	2 572	36 296	3 630	3 430	10.1%	3.2%	3 285	4 629	4 135	6.4%	0.9%
Consultants and professional services: Legal costs	10 109	14 592	3 690	875	-55.8%	2.1%	915	970	7 000	100.0%	0.5%
Contractors	3 327	5 861	4 822	11 154	49.7%	1.8%	13 930	20 479	10 000	-3.6%	3.1%
Agency and support / outsourced services	2 319	78	500	1 517	-13.2%	0.3%	2 632	891	400	-35.9%	0.3%
Entertainment	59	45	15	287	69.4%	–	300	49	–	-100.0%	–
Fleet services (including government motor transport)	–	–	3 706	–	–	0.3%	9 000	–	2 300	–	0.6%
Inventory: Clothing material and accessories	–	–	2	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	11	22	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	6	489	126	103	158.0%	0.1%	108	536	100	-1.0%	–
Inventory: Materials and supplies	38	6	7	186	69.8%	–	194	–	–	-100.0%	–
Inventory: Medical supplies	–	–	2	1	–	–	1	–	–	-100.0%	–
Inventory: Medicine	–	1	2	–	–	–	–	–	–	–	–
Inventory: Other supplies	968	287	–	806	-5.9%	0.1%	844	312	–	-100.0%	0.1%
Consumable supplies	–	–	224	–	–	–	–	–	200	–	–
Consumables: Stationery, printing and office supplies	6 974	7 622	7 859	10 984	16.3%	2.4%	10 629	11 041	10 310	-2.1%	2.4%
Operating leases	89 425	82 670	83 940	102 905	4.8%	25.3%	119 954	127 317	134 453	9.3%	27.0%
Property payments	3 732	9 554	11 374	5 563	14.2%	2.1%	8 819	9 610	23 000	60.5%	2.6%
Travel and subsistence	17 628	20 888	15 415	14 506	-6.3%	4.8%	15 413	20 749	23 147	16.9%	4.1%
Training and development	2 850	2 376	3 472	5 437	24.0%	1.0%	4 699	3 030	6 520	6.2%	1.1%
Operating payments	2 510	2 296	3 147	3 931	16.1%	0.8%	5 342	1 542	7 000	21.2%	1.0%
Venues and facilities	1 470	581	342	1 257	-5.1%	0.3%	1 376	761	400	-31.7%	0.2%
<b>Transfers and subsidies</b>	<b>4 609</b>	<b>615</b>	<b>2 041</b>	<b>1 397</b>	<b>-32.8%</b>	<b>0.6%</b>	<b>1 969</b>	<b>2 075</b>	<b>2 179</b>	<b>16.0%</b>	<b>0.4%</b>
Departmental agencies and accounts	424	479	1 309	1 397	48.8%	0.3%	1 969	2 075	2 179	16.0%	0.4%
Households	4 185	136	732	–	-100.0%	0.4%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>6 543</b>	<b>5 394</b>	<b>4 158</b>	<b>6 112</b>	<b>-2.2%</b>	<b>1.6%</b>	<b>7 634</b>	<b>4 532</b>	<b>4 687</b>	<b>-8.5%</b>	<b>1.3%</b>
Machinery and equipment	6 482	5 394	4 158	6 112	-1.9%	1.6%	7 634	4 532	4 687	-8.5%	1.3%
Software and other intangible assets	61	–	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>308</b>	<b>4 688</b>	<b>506</b>	<b>–</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>311 024</b>	<b>372 922</b>	<b>347 342</b>	<b>389 650</b>	<b>7.8%</b>	<b>100.0%</b>	<b>457 078</b>	<b>455 958</b>	<b>492 052</b>	<b>8.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.2%	1.3%	1.1%	1.1%	–	–	1.3%	1.2%	1.2%	–	–
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>4 185</b>	<b>136</b>	<b>732</b>	<b>–</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	4 185	136	732	–	-100.0%	0.4%	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>424</b>	<b>479</b>	<b>1 309</b>	<b>1 397</b>	<b>48.8%</b>	<b>0.3%</b>	<b>1 969</b>	<b>2 075</b>	<b>2 179</b>	<b>16.0%</b>	<b>0.4%</b>
Health and Welfare Sector Education and Training Authority	424	479	1 259	1 326	46.2%	0.2%	1 969	2 075	2 179	18.0%	0.4%
Public Service Sector Education and Training Authority	–	–	50	71	–	–	–	–	–	-100.0%	–

## Personnel information

**Table 16.7 Administration personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		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			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
<b>Salary level</b>	<b>458</b>																	<b>-0.1%</b>	<b>100.0%</b>
1 – 6	237																		
7 – 10	139																		
11 – 12	45																		
13 – 16	37																		

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

2. Rand million.

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

### Programme purpose

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

### Objectives

- Achieve universal health coverage through the phased implementation of the national health insurance scheme, over the medium term.
- Implement the eHealth strategy through the development of the required business and enterprise architecture with the systems design for a national integrated patient based information system completed by 2018/19.
- Establish a national health research observatory, which will facilitate the rationalisation of research resources, better alignment of health research to health sector priorities, and the effective use of research to inform service delivery and policy direction, over the medium term.
- Enhance the capacity of the monitoring and evaluation system for effective performance management in the health sector by developing and implementing an integrated monitoring and evaluation plan that is aligned to health outcomes and outputs contained in the health sector strategy, over the medium term.

### Subprogrammes

- *Programme Management* provides leadership to the programme in order to 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.
- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy implementation.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, implements disease notification surveillance programmes, and monitors and evaluates strategic health programmes.
- *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 persons and premises that deliver pharmaceutical services.
- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks for the achievement of universal health coverage through the phased implementation of national health insurance; commissions health financing research, including into alternative healthcare financing mechanisms for achieving universal health coverage; develops policy for the medical schemes industry;

provides technical oversight over the Council for Medical Schemes; and provides technical and implementation oversight for the two national health insurance conditional allocations.

- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the Southern African Development Community (SADC), the African Union (AU), United Nations (UN) agencies, as well as other developing countries and economic groupings of countries such as the Brazil-Russia-India-South Africa (BRICS) group of countries, to strengthen the health system; manages processes involving the provision 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.

## Expenditure trends and estimates

**Table 16.8 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Programme Management	2 994	1 393	353	1 647	-18.1%	0.5%	3 020	3 187	3 345	26.6%	0.4%
Technical Policy and Planning	14 581	24 856	16 704	23 342	17.0%	5.8%	19 869	25 306	27 071	5.1%	3.8%
Health Information Management, Monitoring and Evaluation	58 015	49 973	44 355	71 496	7.2%	16.2%	57 280	59 233	62 403	-4.4%	10.0%
Sector-wide Procurement	15 569	19 838	20 817	22 987	13.9%	5.7%	29 729	30 401	32 036	11.7%	4.6%
Health Financing and National Health Insurance	39 807	166 377	76 029	487 210	130.5%	55.8%	414 388	390 017	486 362	-0.1%	71.0%
International Health and Development	51 246	52 951	64 298	52 257	0.7%	16.0%	63 521	68 464	70 928	10.7%	10.2%
<b>Total</b>	<b>182 212</b>	<b>315 388</b>	<b>222 556</b>	<b>658 939</b>	<b>53.5%</b>	<b>100.0%</b>	<b>587 807</b>	<b>576 608</b>	<b>682 145</b>	<b>1.2%</b>	<b>100.0%</b>
Change to 2014 Budget estimate				6 904			(43 573)	(85 421)	(19 957)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>167 444</b>	<b>141 305</b>	<b>154 761</b>	<b>570 408</b>	<b>50.5%</b>	<b>75.0%</b>	<b>488 157</b>	<b>473 070</b>	<b>573 133</b>	<b>0.2%</b>	<b>84.0%</b>
Compensation of employees	65 503	81 779	85 612	78 662	6.3%	22.6%	96 077	101 360	106 484	10.6%	15.3%
Goods and services	101 941	59 526	69 149	491 746	69.0%	52.4%	392 080	371 710	466 649	-1.7%	68.7%
of which:											
Administrative fees	280	464	21	243	-4.6%	0.1%	253	133	-	-100.0%	-
Advertising	2 571	894	768	1 244	-21.5%	0.4%	1 300	1 215	600	-21.6%	0.2%
Assets less than the capitalisation threshold	97	356	391	970	115.4%	0.1%	1 015	469	400	-25.6%	0.1%
Bursaries: Employees	104	102	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	408	603	434	679	18.5%	0.2%	710	556	400	-16.2%	0.1%
Communication	512	1 081	713	888	20.1%	0.2%	928	1 118	700	-7.6%	0.1%
Computer services	48 403	208	181	2 119	-64.8%	3.7%	2 539	66	200	-54.5%	0.2%
Consultants and professional services: Business and advisory services	2 487	2 672	9 823	14 562	80.2%	2.1%	2 405	3 349	7 800	-18.8%	1.1%
Consultants and professional services: Scientific and technological services	1	-	-	32 500	3091.3%	2.4%	6 343	18 173	20 521	-14.2%	3.1%
Consultants and professional services: Legal costs	23	13	30	-	-100.0%	-	-	-	-	-	-
Contractors	732	68	5 106	395 847	714.7%	29.1%	321 892	293 019	383 564	-1.0%	55.7%
Agency and support / outsourced services	2 076	5 331	789	2 793	10.4%	0.8%	3 421	2 273	800	-34.1%	0.4%
Entertainment	11	15	39	184	155.7%	-	193	17	-	-100.0%	-
Fleet services (including government motor transport)	-	-	1 973	-	-	0.1%	4 000	1 000	4 200	-	0.4%
Inventory: Farming supplies	-	4	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	8	16	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3	7	6	2	-12.6%	-	2	-	-	-100.0%	-
Inventory: Materials and supplies	-	-	-	58	-	-	60	-	-	-100.0%	-
Inventory: Medicine	-	2	1	-	-	-	-	-	-	-	-
Inventory: Other supplies	3	5	-	1 737	733.5%	0.1%	1 117	44	-	-100.0%	0.1%
Consumable supplies	234	329	195	-	-100.0%	0.1%	-	-	200	-	-
Consumables: Stationery, printing and office supplies	1 426	3 134	1 270	4 669	48.5%	0.8%	6 112	6 026	1 400	-33.1%	0.7%
Operating leases	364	433	662	1 021	41.0%	0.2%	1 068	502	500	-21.2%	0.1%
Transport provided: Departmental activity	3 093	3 227	259	700	-39.1%	0.5%	734	784	-	-100.0%	0.1%
Travel and subsistence	15 537	17 689	21 208	12 917	-6.0%	4.9%	14 043	18 730	23 364	21.8%	2.8%
Training and development	1 804	3 135	7	-	-100.0%	0.4%	-	1 436	-	-	0.1%
Operating payments	14 869	17 983	23 182	12 414	-5.8%	5.0%	17 461	20 907	19 800	16.8%	2.8%
Venues and facilities	6 903	1 763	2 075	6 199	-3.5%	1.2%	6 484	1 893	2 200	-29.2%	0.7%

**Table 16.8 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
<b>Transfers and subsidies</b>	<b>13 928</b>	<b>172 635</b>	<b>66 368</b>	<b>85 867</b>	<b>83.4%</b>	<b>24.6%</b>	<b>97 062</b>	<b>100 797</b>	<b>106 105</b>	<b>7.3%</b>	<b>15.6%</b>
Provinces and municipalities	–	150 000	50 953	70 000	–	19.6%	72 042	75 433	80 157	4.6%	11.9%
Departmental agencies and accounts	5 400	9 503	–	–	-100.0%	1.1%	900	–	–	–	–
Non-profit institutions	8 497	12 852	15 231	15 867	23.1%	3.8%	24 120	25 364	25 948	17.8%	3.6%
Households	31	280	184	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>837</b>	<b>1 266</b>	<b>1 409</b>	<b>2 664</b>	<b>47.1%</b>	<b>0.4%</b>	<b>2 588</b>	<b>2 741</b>	<b>2 907</b>	<b>3.0%</b>	<b>0.4%</b>
Machinery and equipment	780	1 266	1 409	2 664	50.6%	0.4%	2 588	2 741	2 907	3.0%	0.4%
Software and other intangible assets	57	–	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>3</b>	<b>182</b>	<b>18</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>182 212</b>	<b>315 388</b>	<b>222 556</b>	<b>658 939</b>	<b>53.5%</b>	<b>100.0%</b>	<b>587 807</b>	<b>576 608</b>	<b>682 145</b>	<b>1.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>1.1%</b>	<b>0.7%</b>	<b>1.9%</b>	<b>–</b>	<b>–</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>											
Employee social benefits	31	273	184	–	-100.0%	–	–	–	–	–	–
Households	31	273	184	–	-100.0%	–	–	–	–	–	–
<b>Other transfers to households</b>											
<b>Current</b>											
Employee social benefits	–	7	–	–	–	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>											
Council for Science and Industrial Research	5 400	9 503	–	–	-100.0%	1.1%	900	–	–	–	–
South African Medical Research Council	–	4 041	–	–	–	0.3%	–	–	–	–	–
Human Sciences Research Council	–	5 000	–	–	–	0.4%	–	–	–	–	–
National Health Laboratory Services Cancer Registry	5 400	–	–	–	-100.0%	0.4%	900	–	–	–	–
Non-profit institutions	–	462	–	–	–	–	–	–	–	–	–
<b>Current</b>											
Wits Health Consortium	8 497	12 852	15 231	15 867	23.1%	3.8%	24 120	25 364	25 948	17.8%	3.6%
Non Profit Institutions	–	–	–	–	–	–	650	650	–	–	0.1%
Health Information Systems Programme	–	4 600	–	–	–	0.3%	–	–	–	–	–
Health Systems Trust	2 400	–	4 979	5 000	27.7%	0.9%	12 103	12 745	13 382	38.8%	1.7%
Provinces and municipalities	6 097	8 252	10 252	10 867	21.2%	2.6%	11 367	11 969	12 566	5.0%	1.9%
<b>Provincial Revenue Funds</b>											
<b>Current</b>											
National health insurance grant	–	150 000	50 953	70 000	–	19.6%	72 042	75 433	80 157	4.6%	11.9%

## Personnel information

**Table 16.9 National Health Insurance, Health Planning and Systems Enablement personnel numbers and cost by salary level<sup>1</sup>**

National Health Insurance, Health Planning and Systems Enablement	Number of posts estimated for 31 March 2015		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			Medium-term expenditure estimate						Average growth rate (%) 2014/15 - 2017/18	Salary level/total: Average (%)			
			2013/14	Unit Cost	Cost	2014/15	Unit Cost	Cost	2015/16	Unit Cost	Cost	2016/17	Unit Cost	Cost			2017/18	Unit Cost	Cost
Salary level	194	–	184	85.6	0.5	2177	78.7	0.4	177	96.1	0.5	177	101.4	0.6	177	106.5	0.6	–	100.0%
1 – 6	43	–	38	6.8	0.2	37	6.6	0.2	37	7.8	0.2	37	8.3	0.2	37	8.7	0.2	–	20.9%
7 – 10	79	–	80	28.7	0.4	77	25.6	0.3	77	30.8	0.4	77	32.9	0.4	77	34.5	0.4	–	43.5%
11 – 12	41	–	42	27.8	0.7	37	22.9	0.6	37	26.9	0.7	37	28.7	0.8	37	30.2	0.8	–	20.9%
13 – 16	31	–	24	22.3	0.9	26	23.6	0.9	26	30.5	1.2	26	31.5	1.2	26	33.1	1.3	–	14.7%

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

2. Rand million.

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

### Programme purpose

Develop national policies, guidelines, norms and standards, and targets to decrease the burden of disease related to the HIV and tuberculosis epidemics; to minimise maternal and child mortality and morbidity; and to optimise good health for children, adolescents and women; support the implementation of national policies, guidelines, and norms and standards; and monitor and evaluate the outcomes and impact of these.

### Objectives

- Reduce the maternal mortality ratio to under 100 per 100 000 live births by 2019 through upscaling and sustaining essential steps to manage obstetric emergencies training, conducting maternal mortality reviews and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 6 per 1 000 live births by 2019 through capacitating healthcare workers in the management of sick and small neonates and the procurement of essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by expanding the availability of contraceptives and introducing the sub-dermal contraceptive implants; training more than 5 000 healthcare workers on family planning; and performing more than 500 000 sub-dermal implant insertions, by 2019.
- Expand the prevention of mother-to-child transmission coverage to pregnant women by ensuring that all HIV positive antenatal clients are placed on antiretrovirals and retained in medical care, thus reducing the rate of HIV transmission to below 1 per cent by 2019.
- Reduce the mortality rate for children under five years as a result of diarrhoea, prematurity and HIV and AIDS to less than 23 per 1 000 live births by 2019.
- Contribute to the health and wellbeing of learners by screening 50 per cent of grade 1 learners and 25 per cent of grade 8 learners for health related barriers to learning, by 2019.
- Improve the effectiveness and efficiency of the routine tuberculosis control programme by increasing the identification of tuberculosis patients, to ensure that they take and complete their treatment, achieving a success rate of 85 per cent in tuberculosis treatment and a 5 per cent or less tuberculosis defaulter rate, by 2019.
- Improve the functioning of the multi-drug resistant tuberculosis control programme by providing earlier initiation and decentralised treatment to patients in order to achieve a 65 per cent treatment success rate by 2019.
- Increase the number of people accessing antiretrovirals to 5.1 million by 2019 by initiating eligible children, adolescents and adults including pregnant and breastfeeding women on antiretroviral therapy according to departmental guidelines.

### Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose. This includes ensuring that the efforts and resources of development partners, funders, academic and research organisations, non-governmental and civil society organisations, and civil society at large all contribute in a coherent, integrated fashion.
- *HIV and AIDS* is responsible for policy formulation, coordination, and monitoring and evaluation of HIV and sexually transmitted diseases services. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. Other important functions of this subprogramme are the management and oversight of the large conditional allocation from National Treasury for implementation by the provinces, and the coordination and direction of donor funding for HIV and AIDS.
- *Tuberculosis* develops national policies and guidelines, and sets norms and standards for tuberculosis and monitors the implementation of these in line with the 20-year vision, as outlined in the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis.

- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, sets norms and standards for maternal and women's health, and monitors the implementation of these.
- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and monitoring and evaluation of child, youth and school health services. Each province also has a unit responsible for fulfilling this role, and for facilitating implementation at the provincial level.

## Expenditure trends and estimates

**Table 16.10 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Programme Management	1 051	3 497	3 905	3 609	50.9%	–	3 652	3 854	4 045	3.9%	–
HIV and AIDS	7 672 312	8 938 272	10 705 079	12 575 204	17.9%	98.9%	14 170 753	15 930 874	17 896 977	12.5%	98.9%
Tuberculosis	16 592	13 426	23 800	26 442	16.8%	0.2%	27 771	27 683	28 862	3.0%	0.2%
Women's Maternal and Reproductive Health	15 521	10 724	14 117	17 058	3.2%	0.1%	18 778	18 758	20 527	6.4%	0.1%
Child, Youth and School Health	29 893	13 388	16 603	218 396	94.0%	0.7%	221 190	21 506	22 526	-53.1%	0.8%
<b>Total</b>	<b>7 735 369</b>	<b>8 979 307</b>	<b>10 763 504</b>	<b>12 840 709</b>	<b>18.4%</b>	<b>100.0%</b>	<b>14 442 144</b>	<b>16 002 675</b>	<b>17 972 937</b>	<b>11.9%</b>	<b>100.0%</b>
Change to 2014 Budget estimate							(286 433)	(296 874)	(342 512)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>258 215</b>	<b>219 485</b>	<b>213 779</b>	<b>522 616</b>	<b>26.5%</b>	<b>3.0%</b>	<b>539 943</b>	<b>375 446</b>	<b>357 175</b>	<b>-11.9%</b>	<b>2.9%</b>
Compensation of employees	52 967	59 447	62 475	64 404	6.7%	0.6%	68 937	72 727	76 365	5.8%	0.5%
Goods and services	205 248	160 038	151 304	458 212	30.7%	2.4%	471 006	302 719	280 810	-15.1%	2.5%
of which:											
Administrative fees	–	–	–	330	–	–	345	–	–	-100.0%	–
Advertising	19 827	6 040	5 808	46 258	32.6%	0.2%	14 668	13 322	3 900	-56.2%	0.1%
Assets less than the capitalisation threshold	691	335	429	4 545	87.4%	–	1 653	392	500	-52.1%	–
Catering: Departmental activities	814	656	429	3 013	54.7%	–	3 049	887	500	-45.0%	–
Communication	406	626	523	4 733	126.7%	–	737	731	600	-49.8%	–
Computer services	5	1	2	129	195.5%	–	144	–	–	-100.0%	–
Consultants and professional services:	2 800	9 505	12 914	16 511	80.7%	0.1%	18 391	28 519	13 531	-6.4%	0.1%
Business and advisory services	–	–	65	–	–	–	–	–	–	–	–
Consultants and professional services:	–	–	–	–	–	–	–	–	–	–	–
Legal costs	–	–	–	–	–	–	–	–	–	–	–
Contractors	25	1 099	3 833	2 861	385.5%	–	2 994	2 263	4 000	11.8%	–
Agency and support / outsourced services	1 548	1 401	–	10 248	87.8%	–	5 490	2 541	–	-100.0%	–
Entertainment	11	–	–	149	138.4%	–	200	–	–	-100.0%	–
Fleet services (including government motor transport)	–	–	3 277	29 550	–	0.1%	5 000	5 555	11 377	-27.3%	0.1%
Inventory: Food and food supplies	–	8	13	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	6	5	5	4	-12.6%	–	4	–	–	-100.0%	–
Inventory: Materials and supplies	1	–	–	2	26.0%	–	2	–	–	-100.0%	–
Inventory: Medical supplies	124 122	112 353	70 134	152 400	7.1%	1.1%	187 473	208 612	191 093	7.8%	1.2%
Inventory: Medicine	20 013	–	1	141 850	92.1%	0.4%	195 000	–	–	-100.0%	0.5%
Inventory: Other supplies	6	7	296	44	94.3%	–	54	–	400	108.7%	–
Consumable supplies	–	–	26	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	9 942	1 386	6 059	11 473	4.9%	0.1%	9 724	2 515	7 100	-14.8%	0.1%
Operating leases	317	369	416	701	30.3%	–	753	406	300	-24.6%	–
Travel and subsistence	16 281	18 870	15 499	8 398	-19.8%	0.1%	11 982	23 686	18 382	29.8%	0.1%
Training and development	569	–	–	–	-100.0%	–	–	–	–	–	–
Operating payments	4 046	5 383	25 940	13 412	49.1%	0.1%	8 173	10 438	21 286	16.6%	0.1%
Venues and facilities	3 818	1 994	5 635	11 601	44.8%	0.1%	7 704	3 096	6 300	-18.4%	–
<b>Transfers and subsidies</b>	<b>7 474 844</b>	<b>8 758 779</b>	<b>10 548 544</b>	<b>12 305 866</b>	<b>18.1%</b>	<b>96.9%</b>	<b>13 900 399</b>	<b>15 625 467</b>	<b>17 613 995</b>	<b>12.7%</b>	<b>97.0%</b>
Provinces and municipalities	7 312 376	8 573 184	10 334 687	12 102 108	18.3%	95.0%	13 737 312	15 466 603	17 440 333	13.0%	95.9%
Departmental agencies and accounts	–	7 000	25 951	15 000	–	0.1%	15 840	16 711	17 547	5.4%	0.1%
Higher education institutions	5 562	–	–	3 000	-18.6%	–	3 138	3 304	3 469	5.0%	–
Public corporations and private enterprises	–	40	–	–	–	–	–	–	–	–	–
Non-profit institutions	156 904	178 507	187 637	185 758	5.8%	1.8%	144 109	138 849	152 646	-6.3%	1.0%
Households	2	48	269	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>791</b>	<b>989</b>	<b>1 170</b>	<b>12 227</b>	<b>149.1%</b>	<b>–</b>	<b>1 802</b>	<b>1 762</b>	<b>1 767</b>	<b>-47.5%</b>	<b>–</b>
Machinery and equipment	776	989	1 170	12 227	150.7%	–	1 802	1 762	1 767	-47.5%	–
Software and other intangible assets	15	–	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>1 519</b>	<b>54</b>	<b>11</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>7 735 369</b>	<b>8 979 307</b>	<b>10 763 504</b>	<b>12 840 709</b>	<b>18.4%</b>	<b>100.0%</b>	<b>14 442 144</b>	<b>16 002 675</b>	<b>17 972 937</b>	<b>11.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	29.5%	31.7%	35.6%	37.4%	–	–	39.6%	41.1%	42.5%	–	–

**Table 16.10 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
		2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Households												
Social benefits												
Current												
	2	48	269	-	-100.0%	-	-	-	-	-	-	-
Employee social benefits	2	48	269	-	-100.0%	-	-	-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
	-	7 000	25 951	15 000	-	0.1%	15 840	16 711	17 547	5.4%	0.1%	
Human Science Research Council	-	7 000	-	-	-	-	-	-	-	-	-	-
South African National AIDS Council	-	-	25 951	15 000	-	0.1%	15 840	16 711	17 547	5.4%	0.1%	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current												
	-	40	-	-	-	-	-	-	-	-	-	-
Topco Media	-	40	-	-	-	-	-	-	-	-	-	-
Non-profit institutions												
Current												
	156 904	178 507	187 637	185 758	5.8%	1.8%	144 109	138 849	152 646	-6.3%	1.0%	
Lifeline	16 478	17 627	18 308	19 023	4.9%	0.2%	19 898	20 953	22 000	5.0%	0.1%	
loveLife	62 023	66 124	70 430	69 843	4.0%	0.7%	54 396	57 808	61 200	-4.3%	0.4%	
Soul City	12 977	13 876	22 820	15 561	6.2%	0.2%	16 277	17 140	17 996	5.0%	0.1%	
HIV and AIDS Non-Governmental Organisations	65 020	67 903	76 079	79 921	7.1%	0.7%	53 538	42 948	51 450	-13.7%	0.4%	
South African AIDS Vaccine Institute	-	12 977	-	-	-	-	-	-	-	-	-	-
Maternal, child and women's health	406	-	-	1 410	51.4%	-	-	-	-	-100.0%	-	-
Higher education institutions												
Current												
	5 562	-	-	3 000	-18.6%	-	3 138	3 304	3 469	5.0%	-	
University of Limpopo: Pharmacovigilance	562	-	-	2 000	52.7%	-	2 092	2 203	2 313	5.0%	-	
University of Cape Town: Pharmacovigilance	-	-	-	1 000	-	-	1 046	1 101	1 156	5.0%	-	
University of the Witwatersrand	5 000	-	-	-	-100.0%	-	-	-	-	-	-	-
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Current												
	7 312 376	8 573 184	10 334 687	12 102 108	18.3%	95.0%	13 737 312	15 466 603	7 440 333	13.0%	95.9%	
Comprehensive HIV and AIDS grant	7 312 376	8 573 184	10 334 687	12 102 108	18.3%	95.0%	13 737 312	15 466 603	7 440 333	13.0%	95.9%	

## Personnel information

**Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		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			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)		
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16			Unit Cost	2016/17			Unit Cost	2017/18			Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18
HIV and AIDS, Tuberculosis, and Maternal and Child Health																				
Salary level	137	-	132	62.5	0.5	137	64.4	0.5	137	68.9	0.5	137	72.7	0.5	137	76.4	0.6	-	100.0%	
1-6	22	-	24	4.4	0.2	22	4.2	0.2	22	4.5	0.2	22	4.7	0.2	22	5.0	0.2	-	16.1%	
7-10	73	-	71	27.8	0.4	73	28.1	0.4	73	30.0	0.4	73	31.7	0.4	73	33.3	0.5	-	53.3%	
11-12	26	-	20	12.3	0.6	26	17.7	0.7	26	18.9	0.7	26	20.0	0.8	26	21.0	0.8	-	19.0%	
13-16	16	-	17	17.9	1.1	16	14.5	0.9	16	15.5	1.0	16	16.3	1.0	16	17.2	1.1	-	11.7%	

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

2. Rand million.

## Programme 4: Primary Health Care Services

### Programme 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.

## Objectives

- Improve district governance and strengthen management and leadership of the district health system through the establishment of approved standardised district management structures, over the medium term.
- Improve access to community based primary health care services and quality of services at primary health care facilities through the ideal clinic initiative and the establishment of 3 500 ward based primary health care outreach teams, by 2019.
- Ensure that port health services at 75 ports of entry are rendered in line with the international health regulations in order to protect the South African public from acute public health risks, by 2019.
- Reduce risk factors and improve the management of non-communicable diseases by implementing the strategic plan for the prevention and control of non-communicable diseases over the MTEF period.
- Improve access to and quality of mental health services in South Africa through the implementation of the approved national mental health policy framework and strategic plan, over the medium term.
- Strengthen health promotion, surveillance, vector control, and case management of malaria in order to eliminate it, by 2018.
- Improve South Africa's response to influenza prevention and control through the implementation of a vaccination programme among high risk groups, over the medium term.

## Subprogrammes

- *Programme Management* supports the development and 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.
- *District Health Services* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; and implements the stream of primary health care reengineering on ward based outreach teams inclusive of community based services.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute for Communicable Diseases, a division of the National Health Laboratory Service.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, elderly people, eye care, oral health, mental health, and substance abuse and injury prevention.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition.
- *Environmental and Port Health Services* coordinates the delivery of environmental health including the monitoring and delivery of municipal health services, and supports the integration of port health services from provinces to the national department.

## Expenditure trends and estimates

**Table 16.12 Primary Health Care Services<sup>1</sup> expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R thousand											
Programme Management	2 468	1 897	1 689	3 007	6.8%	1.1%	3 095	3 266	3 428	4.5%	1.4%
District Health Services	45 009	24 932	13 970	23 674	-19.3%	13.6%	24 481	32 237	31 814	10.4%	12.0%
Communicable Diseases	9 706	43 624	13 784	31 298	47.7%	12.4%	16 550	16 722	17 462	-17.7%	8.8%
Non-Communicable Diseases	24 155	22 692	25 541	25 718	2.1%	12.4%	28 259	29 171	29 510	4.7%	12.1%
Health Promotion and Nutrition	12 288	14 114	23 880	21 768	21.0%	9.1%	22 525	22 658	24 790	4.4%	9.8%
Environmental and Port Health Services	93 889	99 121	104 624	110 697	5.6%	51.5%	130 095	135 213	144 789	9.4%	55.9%
<b>Total</b>	<b>187 515</b>	<b>206 380</b>	<b>183 488</b>	<b>216 162</b>	<b>4.9%</b>	<b>100.0%</b>	<b>225 005</b>	<b>239 267</b>	<b>251 793</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2014				15 657			(112 840)	(121 538)	(125 553)		
Budget estimate											

**Table 16.12 Primary Health Care Services<sup>1</sup> expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
<b>Current payments</b>	<b>184 731</b>	<b>201 530</b>	<b>174 750</b>	<b>207 246</b>	<b>3.9%</b>	<b>96.8%</b>	<b>219 779</b>	<b>234 350</b>	<b>246 268</b>	<b>5.9%</b>	<b>97.4%</b>
Compensation of employees	122 967	126 907	140 861	147 738	6.3%	67.9%	176 511	186 222	195 531	9.8%	75.7%
Goods and services	61 764	74 623	33 889	59 508	-1.2%	29.0%	43 268	48 128	50 737	-5.2%	21.6%
of which:											
Administrative fees	–	2	22	62	–	–	65	–	–	-100.0%	–
Advertising	1 780	1 104	747	508	-34.2%	0.5%	876	2 104	800	16.3%	0.5%
Assets less than the capitalisation threshold	267	322	99	197	-9.6%	0.1%	475	349	–	-100.0%	0.1%
Audit costs: External	–	–	–	134	–	–	140	–	–	-100.0%	–
Catering: Departmental activities	672	377	415	1 443	29.0%	0.4%	1 609	1 414	500	-29.8%	0.5%
Communication	337	352	479	4 302	133.7%	0.7%	3 500	349	700	-45.4%	0.9%
Computer services	1	14	1	1 796	1115.5%	0.2%	1 879	11	–	-100.0%	0.4%
Consultants and professional services:	35 004	4 364	86	6 509	-42.9%	5.8%	3 699	2 799	2 100	-31.4%	1.6%
Business and advisory services											
Consultants and professional services:	9 877	10 557	11 113	13 130	10.0%	5.6%	11 187	17 074	12 520	-1.6%	5.8%
Scientific and technological services											
Contractors	15	18	4	133	107.0%	–	139	–	–	-100.0%	–
Agency and support / outsourced services	14	8 734	–	15	2.3%	1.1%	23	3 959	5 000	593.4%	1.0%
Entertainment	14	–	–	70	71.0%	–	73	–	–	-100.0%	–
Fleet services (including government motor transport)	–	–	1 539	200	–	0.2%	2 600	–	2 000	115.4%	0.5%
Inventory: Clothing material and accessories	–	–	–	2 770	–	0.3%	–	–	–	-100.0%	0.3%
Inventory: Food and food supplies	–	8	11	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	3	3	3	211	312.8%	–	221	–	–	-100.0%	–
Inventory: Learner and teacher support material	–	–	–	184	–	–	192	–	–	-100.0%	–
Inventory: Materials and supplies	1	–	–	17	157.1%	–	17	–	–	-100.0%	–
Inventory: Medical supplies	65	–	45	–	-100.0%	–	–	–	–	–	–
Inventory: Medicine	–	32 083	451	600	–	4.2%	1 116	2 905	600	–	0.6%
Inventory: Other supplies	38	9	–	66	20.2%	–	69	–	–	-100.0%	–
Consumable supplies	–	–	18	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	3 790	2 103	4 772	5 558	13.6%	2.0%	5 075	3 660	5 700	0.8%	2.1%
Operating leases	343	325	369	391	4.5%	0.2%	499	347	400	0.8%	0.2%
Travel and subsistence	7 154	8 340	8 659	14 224	25.7%	4.8%	6 440	7 090	14 467	0.6%	4.5%
Operating payments	534	4 150	3 424	1 878	52.1%	1.3%	2 006	5 064	4 800	36.7%	1.5%
Venues and facilities	1 614	1 745	1 632	1 252	-8.1%	0.8%	1 351	1 689	2 150	19.8%	0.7%
<b>Transfers and subsidies</b>	<b>2 017</b>	<b>3 543</b>	<b>6 935</b>	<b>7 461</b>	<b>54.7%</b>	<b>2.5%</b>	<b>2 901</b>	<b>3 036</b>	<b>3 170</b>	<b>-24.8%</b>	<b>1.8%</b>
Foreign governments and international organisations	–	–	–	2 658	–	0.3%	–	–	–	-100.0%	0.3%
Public corporations and private enterprises	–	–	150	–	–	–	–	–	–	–	–
Non-profit institutions	1 504	3 528	6 686	4 788	47.1%	2.1%	2 901	3 036	3 170	-12.8%	1.5%
Households	513	15	99	15	-69.2%	0.1%	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>753</b>	<b>621</b>	<b>661</b>	<b>1 455</b>	<b>24.6%</b>	<b>0.4%</b>	<b>2 325</b>	<b>1 881</b>	<b>2 355</b>	<b>17.4%</b>	<b>0.9%</b>
Machinery and equipment	753	621	661	1 455	24.6%	0.4%	2 325	1 881	2 355	17.4%	0.9%
<b>Payments for financial assets</b>	<b>14</b>	<b>686</b>	<b>1 142</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>187 515</b>	<b>206 380</b>	<b>183 488</b>	<b>216 162</b>	<b>4.9%</b>	<b>100.0%</b>	<b>225 005</b>	<b>239 267</b>	<b>251 793</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>–</b>	<b>–</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>13</b>	<b>15</b>	<b>99</b>	<b>15</b>	<b>4.9%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Employee social benefits	13	15	99	15	4.9%	–	–	–	–	-100.0%	–
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Donation for conference on Paediatric Cardiology and Cardiac Surgery	500	–	–	–	-100.0%	0.1%	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Public Health Association of South Africa	–	–	100	–	–	–	–	–	–	–	–
Albinism Society of South Africa	–	–	50	–	–	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 658</b>	<b>–</b>	<b>0.3%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.3%</b>
World Health Organisation	–	–	–	2 658	–	0.3%	–	–	–	-100.0%	0.3%

**Table 16.12 Primary Health Care Services<sup>1</sup> expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies											
R thousand	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
<b>Non-profit institutions</b>											
<b>Current</b>	1 504	3 528	6 686	4 788	47.1%	2.1%	2 901	3 036	3 170	-12.8%	1.5%
Non-Communicable Disease non-governmental organisations	–	1 100	–	–	–	0.1%	–	–	–	–	–
District Services and Environmental Health non-governmental organisations	–	844	–	–	–	0.1%	–	–	–	–	–
South African Federation for Mental Health	277	290	305	320	4.9%	0.2%	335	353	371	5.1%	0.1%
South African National Council for the Blind	620	651	684	718	5.0%	0.3%	752	792	832	5.0%	0.3%
Medical Research Council: South African Community Epidemiology Network on Drug Abuse	303	351	428	450	14.1%	0.2%	471	496	520	4.9%	0.2%
Inter-Academy Medical Panel	–	–	100	–	–	–	–	–	–	–	–
Mental Health Non-Governmental Organisations	11	–	169	182	154.8%	–	190	200	210	4.9%	0.1%
National Council Against Smoking	293	292	5 000	768	37.9%	0.8%	803	845	887	4.9%	0.4%
National Kidney Foundation of South Africa	–	–	–	350	–	–	350	350	350	–	0.2%
Health Systems Global - South Africa	–	–	–	2 000	–	0.3%	–	–	–	-100.0%	0.2%

1. The Port Health Services function shift will only start in 2015/16. This is shown retrospectively for comparative purposes.

## Personnel information

**Table 16.13 Primary Health Care Services personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		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			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit	2014/15		Unit	2015/16		2016/17		2017/18				2014/15 - 2017/18			
Primary Health Care Services		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	105	–	437	140.9	0.3	440	147.7	0.3	458	176.5	0.4	458	186.2	0.4	458	195.5	0.4	1.3%	100.0%
1 – 6	24	–	88	13.3	0.2	86	13.5	0.2	97	17.9	0.2	97	18.9	0.2	97	19.9	0.2	4.1%	20.8%
7 – 10	39	–	305	97.2	0.3	306	98.4	0.3	308	116.6	0.4	308	123.0	0.4	308	129.2	0.4	0.2%	67.8%
11 – 12	27	–	30	17.9	0.6	33	21.8	0.7	35	24.4	0.7	35	25.7	0.7	35	27.0	0.8	2.0%	7.6%
13 – 16	15	–	14	12.4	0.9	15	14.0	0.9	18	17.6	1.0	18	18.6	1.0	18	19.5	1.1	6.3%	3.8%

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

2. Rand million.

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

### Programme purpose

Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure the alignment of academic medical centres with health workforce programmes, and ensure that the planning of health infrastructure meets the health needs of the country.

### Objectives

- Enhance capacity to deliver health infrastructure in order to accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure, over the medium term.
- Increase the management capacity of central hospitals to strengthen local decision making and accountability to facilitate semi-autonomy of 10 central hospitals through training, coaching and mentoring and the implementation of cost centre management, over the medium term.
- Ensure equitable access to tertiary health services through the implementation of the national tertiary health services plan by ensuring that the full designated tertiary health services package is provided in an increasing number of tertiary hospitals, over the medium term.
- Ensure appropriate and affordable staffing levels and staffing mix at all health facilities through the development and implementation of health workforce staffing norms and standards, over the medium term.
- Provide improved access to quality health care by ensuring that the number, distribution, quality and standard of health facilities comply with gazetted infrastructure norms and standards, over the medium term.

- Improve the quality of nursing training and practice by ensuring that all nursing colleges are accredited to offer the new nursing qualification by 2018/19.
- Ensure access to an efficient effective delivery of quality emergency medical services by improving ambulance turnaround times, over the medium term.
- Improve the functioning of the criminal justice system by reducing the forensic chemistry laboratory turnaround times for blood, toxicology and food samples on an ongoing basis.

## Subprogrammes

- *Programme Management* supports the development of policies, delivery models and clinical protocols for hospitals and emergency medical services. It also supports the alignment of academic medical centres with health workforce programmes.
- *Health Facilities Infrastructure Management* coordinates and funds health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care. This subprogramme is responsible for two conditional allocations for health infrastructure: the provincial health facility revitalisation grant and, since 2013/14, the health facility revitalisation component of the national health grant.
- *Tertiary Health Care Planning and Policy* focuses on the provision of tertiary specialised hospital 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.
- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure 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.
- *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 strategy, facilitating capacity development for the planning of a sustainable health workforce, and developing and implementing human resources information systems for planning and monitoring purposes.
- *Nursing Services* is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity, 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.
- *Forensic Chemistry Laboratories* is responsible for the analysis of blood alcohol levels for drunken driving (ante- and post-mortem), toxicology analyses of biological fluids and human organs in the event of unnatural deaths (murder and suicide), as well as analyses of foodstuffs.
- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services.

## Expenditure trends and estimates

**Table 16.14 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Programme Management	1 681	798	2 263	3 570	28.5%	–	3 619	3 820	4 009	3.9%	–
Health Facilities Infrastructure Management	6 121 042	6 314 812	5 546 053	6 162 300	0.2%	34.2%	6 231 739	6 469 521	6 890 866	3.8%	32.5%
Tertiary Health Care Planning and Policy	8 051 780	8 882 258	9 624 393	10 171 405	8.1%	52.1%	10 401 067	10 850 156	11 529 705	4.3%	54.3%
Hospital Management	9 432	21 427	5 664	5 426	-16.8%	0.1%	5 162	5 355	5 685	1.6%	–
Human Resources for Health	2 000 988	2 111 834	2 212 908	2 342 479	5.4%	12.3%	2 398 385	2 501 591	2 658 129	4.3%	12.5%
Nursing Services	–	503	1 093	2 531	–	–	4 941	3 102	3 257	8.8%	–
Forensic Chemistry Laboratories	650 322	64 221	93 851	122 896	-42.6%	1.3%	107 019	120 421	120 419	-0.7%	0.6%
Violence, Trauma and EMS	3 699	3 699	11 024	5 880	16.7%	–	7 133	7 401	7 880	10.3%	–
<b>Total</b>	<b>16 838 944</b>	<b>17 399 552</b>	<b>17 497 249</b>	<b>18 816 487</b>	<b>3.8%</b>	<b>100.0%</b>	<b>19 159 065</b>	<b>19 961 367</b>	<b>21 219 950</b>	<b>4.1%</b>	<b>100.0%</b>
Change to 2014 Budget estimate				(113 000)			(538 235)	(803 915)	(585 172)		

**Table 16.14 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
<b>Current payments</b>	<b>136 022</b>	<b>207 136</b>	<b>227 726</b>	<b>370 983</b>	<b>39.7%</b>	<b>1.3%</b>	<b>460 514</b>	<b>485 094</b>	<b>508 289</b>	<b>11.1%</b>	<b>2.3%</b>
Compensation of employees	55 922	65 952	94 956	106 380	23.9%	0.5%	116 037	122 424	128 544	6.5%	0.6%
Goods and services	80 100	141 184	132 770	264 603	48.9%	0.9%	344 477	362 670	379 745	12.8%	1.7%
of which:											
Administrative fees	37	78	–	108	42.9%	–	133	–	–	-100.0%	–
Advertising	2 638	283	780	1 220	-22.7%	–	1 499	551	1 000	-6.4%	–
Assets less than the capitalisation threshold	199	845	463	10 653	276.9%	–	1 728	1 823	500	-63.9%	–
Bursaries: Employees	–	–	–	69	–	–	72	–	–	-100.0%	–
Catering: Departmental activities	229	188	113	1 008	63.9%	–	1 162	287	100	-53.7%	–
Communication	862	963	847	1 216	12.2%	–	1 690	3 125	1 100	-3.3%	–
Computer services	917	1 842	582	1 849	26.3%	–	2 203	1 917	700	-27.7%	–
Consultants and professional services:	52 926	112 944	104 472	48 820	-2.7%	0.5%	79 934	79 257	80 475	18.1%	0.4%
Business and advisory services	–	–	–	171 459	–	0.2%	13 000	13 000	13 000	-57.7%	0.3%
Consultants and professional services:	–	–	–	–	–	–	–	–	–	–	–
Infrastructure and planning	–	–	–	–	–	–	–	–	–	–	–
Consultants and professional services:	–	9	–	80	–	–	80	374	–	-100.0%	–
Laboratory services	–	–	–	–	–	–	–	–	–	–	–
Consultants and professional services:	–	–	150	–	–	–	–	–	–	–	–
Legal costs	–	–	–	–	–	–	–	–	–	–	–
Contractors	2 141	1 990	1 644	4 502	28.1%	–	1 082	7 550	13 500	44.2%	–
Agency and support / outsourced services	2 179	2 627	1 641	1 832	-5.6%	–	209 787	222 507	227 389	398.8%	0.8%
Entertainment	5	2	–	18	53.3%	–	18	–	–	-100.0%	–
Fleet services (including government motor transport)	–	–	1 368	–	–	–	3 000	5 000	4 200	–	–
Inventory: Clothing material and accessories	–	–	29	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	5	7	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	88	416	960	160	22.1%	–	175	457	1 200	95.7%	–
Inventory: Materials and supplies	75	23	11	1 059	141.7%	–	223	159	159	-46.9%	–
Inventory: Medical supplies	6	33	213	65	121.3%	–	1 090	1 000	1 300	171.4%	–
Inventory: Medicine	14	11	18	30	28.9%	–	40	12	–	-100.0%	–
Inventory: Other supplies	5 125	6 291	7 477	8 587	18.8%	–	11 647	12 379	13 000	14.8%	0.1%
Consumable supplies	–	–	42	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	698	939	804	1 561	30.8%	–	1 923	1 068	1 300	-5.9%	–
Operating leases	1 237	804	567	4 760	56.7%	–	5 092	1 938	2 077	-24.2%	–
Travel and subsistence	6 706	8 355	9 010	4 188	-14.5%	–	5 386	8 365	18 043	62.7%	–
Training and development	–	–	–	30	–	–	131	100	100	49.4%	–
Operating payments	3 608	1 820	1 320	539	-46.9%	–	718	712	1 700	46.7%	–
Venues and facilities	410	693	252	790	24.4%	–	1 464	993	500	-14.1%	–
Rental and hiring	–	23	–	–	–	–	–	25	–	–	–
<b>Transfers and subsidies</b>	<b>16 684 175</b>	<b>17 181 216</b>	<b>17 105 605</b>	<b>17 992 004</b>	<b>2.5%</b>	<b>97.7%</b>	<b>18 048 519</b>	<b>18 796 182</b>	<b>19 975 004</b>	<b>3.5%</b>	<b>94.5%</b>
Provinces and municipalities	16 676 952	17 158 834	17 101 539	17 992 004	2.6%	97.7%	18 048 519	18 796 182	19 975 004	3.5%	94.5%
Higher education institutions	7 200	21 000	4 000	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	–	1 326	–	–	–	–	–	–	–	–	–
Households	23	56	66	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>18 747</b>	<b>11 186</b>	<b>163 891</b>	<b>453 500</b>	<b>189.2%</b>	<b>0.9%</b>	<b>650 032</b>	<b>680 091</b>	<b>736 657</b>	<b>17.6%</b>	<b>3.2%</b>
Buildings and other fixed structures	–	–	113 726	378 403	–	0.7%	562 516	587 074	633 962	18.8%	2.7%
Machinery and equipment	18 747	11 186	50 165	75 097	58.8%	0.2%	87 516	93 017	102 695	11.0%	0.5%
<b>Payments for financial assets</b>	<b>–</b>	<b>14</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>16 838 944</b>	<b>17 399 552</b>	<b>17 497 249</b>	<b>18 816 487</b>	<b>3.8%</b>	<b>100.0%</b>	<b>19 159 065</b>	<b>19 961 367</b>	<b>21 219 950</b>	<b>4.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>64.2%</b>	<b>61.5%</b>	<b>57.9%</b>	<b>54.8%</b>	<b>–</b>	<b>–</b>	<b>52.5%</b>	<b>51.3%</b>	<b>50.1%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>23</b>	<b>56</b>	<b>66</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	23	56	66	–	-100.0%	–	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>–</b>	<b>1 326</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Health Facilities and Infrastructure Management: Non-profit institutions	–	1 326	–	–	–	–	–	–	–	–	–
<b>Higher education institutions</b>											
<b>Current</b>	<b>7 200</b>	<b>21 000</b>	<b>4 000</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
University of Cape Town	–	4 000	–	–	–	–	–	–	–	–	–
University of the Witwatersrand	7 200	9 000	–	–	-100.0%	–	–	–	–	–	–
University of Limpopo	–	4 000	–	–	–	–	–	–	–	–	–
University of Stellenbosch	–	4 000	–	–	–	–	–	–	–	–	–
Walter Sisulu University	–	–	4 000	–	–	–	–	–	–	–	–

**Table 16.14 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies										Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2014/15				2014/15 - 2017/18										
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18								
<b>Provinces and municipalities</b>																	
<b>Provinces</b>																	
<b>Provincial Revenue Funds</b>																	
<b>Current</b>																	
	10 616 568	10 968 258	11 810 723	12 490 023	5.6%	65.0%	12 772 757	13 323 502	14 157 994	4.3%	66.6%						
Health professions training and development grant	1 977 310	2 075 248	2 190 366	2 321 788	5.5%	12.1%	2 374 722	2 476 724	2 631 849	4.3%	12.4%						
National tertiary services grant	8 048 878	8 878 010	9 620 357	10 168 235	8.1%	52.0%	10 398 035	10 846 778	11 526 145	4.3%	54.2%						
Forensic pathology services grant	590 380	-	-	-	-100.0%	0.8%	-	-	-	-	-						
2013 African Cup of Nations medical services grant	-	15 000	-	-	-	-	-	-	-	-	-						
<b>Capital</b>	<b>6 060 384</b>	<b>6 190 576</b>	<b>5 290 816</b>	<b>5 501 981</b>	<b>-3.2%</b>	<b>32.7%</b>	<b>5 275 762</b>	<b>5 472 680</b>	<b>5 817 010</b>	<b>1.9%</b>	<b>27.9%</b>						
Health facility revitalisation grant	5 925 252	4 289 595	5 290 816	5 501 981	-2.4%	29.8%	5 275 762	5 472 680	5 817 010	1.9%	27.9%						
Health Infrastructure grant	-	1 800 981	-	-	-	2.6%	-	-	-	-	-						
Nursing colleges grant	-	100 000	-	-	-	0.1%	-	-	-	-	-						
Infrastructure grant to provinces	135 132	-	-	-	-100.0%	0.2%	-	-	-	-	-						

## Personnel information

**Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		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			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit	2014/15		Unit	2015/16		Unit	2016/17		Unit			2017/18		Unit	
Hospitals, Tertiary Health Services and Human Resource Development		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	2014/15 - 2017/18		
Salary level	291	-	282	95.0	0.3	300	106.4	0.4	300	116.0	0.4	300	122.4	0.4	300	128.5	0.4	-	100.0%
1 - 6	62	-	57	9.5	0.2	70	12.1	0.2	70	13.2	0.2	70	13.9	0.2	70	14.6	0.2	-	23.3%
7 - 10	191	-	190	60.7	0.3	190	64.1	0.3	190	69.8	0.4	190	73.6	0.4	190	77.3	0.4	-	63.3%
11 - 12	22	-	20	11.9	0.6	22	14.2	0.6	22	15.6	0.7	22	16.4	0.7	22	17.2	0.8	-	7.3%
13 - 16	16	-	15	12.9	0.9	18	16.0	0.9	18	17.5	1.0	18	18.5	1.0	18	19.4	1.1	-	6.0%

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

2. Rand million.

## Programme 6: Health Regulation and Compliance Management

### Programme 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 and public entities for effective governance and the quality of health care.

### Objectives

- Regulate the sale of complementary and alternative medicines, medical devices and in-vitro diagnostics to ensure that South Africans have access to products that are safe, effective and of good quality, on an ongoing basis.
- Improve the efficiency of the regulation of health products by establishing the South African Health Products Regulation Authority as a public entity, over the medium term.
- Strengthen food safety by expanding laboratory testing capabilities for adulterants (colourants, protein, and allergens) and creating partnerships with food laboratories, over the medium term.
- Improve time for the registration of antiretroviral, oncology, tuberculosis medicines and vaccines through the prioritisation of these applications, on an ongoing basis.
- Improve the performance of health entities and statutory councils through increased oversight of planning, budget procedures, financial reporting, and governance, on an ongoing basis.

- Improve the performance of the compensation system for miners and ex-miners through reforms to the certification and reimbursement processes, over the medium term.
- Provide for coordinated disease and injury surveillance and research by establishing the National Public Health Institute of South Africa, pending Cabinet approval.

## Subprogrammes

- *Programme Management* provides leadership to the programme by supporting the development of regulations for the procurement of medicines and pharmaceutical supplies, food control and the trade of health products and health technology. This subprogramme also provides oversight to regulatory bodies and public entities for effective governance and quality health care.
- *Food Control* regulates pharmaceutical products for human and animal use with the aim of ensuring that they are safe, efficacious and of high quality.
- *Pharmaceutical Trade and Product Regulation* regulates the procurement of medicines and pharmaceutical supplies, and provides oversight of the trade of health products to ensure access to safe and affordable medicines.
- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils falling within the mandate of health legislation with regard to planning and budget procedures; and performance and financial reporting, remuneration, governance, and accountability.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of benefits to active and ex-miners who have been certified to be suffering from lung related diseases as a result of the risk work they performed in mines or classified works.

## Expenditure trends and estimates

**Table 16.16 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Programme Management	2 441	2 693	2 834	4 127	19.1%	0.3%	3 670	3 874	4 065	-0.5%	0.2%
Food Control	5 850	9 928	7 156	7 512	8.7%	0.7%	9 798	10 171	10 597	12.2%	0.6%
Pharmaceutical Trade and Product Regulation	79 712	85 848	105 781	136 999	19.8%	8.9%	124 816	134 862	140 281	0.8%	8.4%
Public Entities Management	835 792	874 300	1 062 170	1 198 590	12.8%	86.6%	1 399 991	1 477 122	1 498 355	7.7%	87.0%
Compensation Commissioner for Occupational Diseases and Occupational Health	33 883	36 181	36 440	55 912	18.2%	3.5%	58 644	61 643	65 064	5.2%	3.8%
<b>Total</b>	<b>957 678</b>	<b>1 008 950</b>	<b>1 214 381</b>	<b>1 403 140</b>	<b>13.6%</b>	<b>100.0%</b>	<b>1 596 919</b>	<b>1 687 672</b>	<b>1 718 362</b>	<b>7.0%</b>	<b>100.0%</b>
Change to 2014				35 534			339 635	365 470	395 303		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>119 263</b>	<b>133 930</b>	<b>150 674</b>	<b>193 737</b>	<b>17.6%</b>	<b>13.0%</b>	<b>195 679</b>	<b>208 735</b>	<b>218 037</b>	<b>4.0%</b>	<b>12.7%</b>
Compensation of employees	79 304	86 274	94 202	103 224	9.2%	7.9%	137 411	145 111	152 588	13.9%	8.4%
Goods and services	39 959	47 656	56 472	90 513	31.3%	5.1%	58 268	63 624	65 449	-10.2%	4.3%
of which:											
Administrative fees	77	32	25	48	-14.6%	-	51	29	-	-100.0%	-
Advertising	1 742	1 165	1 063	1 797	1.0%	0.1%	1 880	1 664	2 100	5.3%	0.1%
Assets less than the capitalisation threshold	956	573	227	11 294	127.8%	0.3%	8 767	2 578	2 500	-39.5%	0.4%
Audit costs: External	2 709	1 000	1	4 234	16.1%	0.2%	3 536	3 100	3 500	-6.1%	0.2%
Bursaries: Employees	-	1	-	-	-	-	-	451	-	-	-
Catering: Departmental activities	332	396	315	596	21.5%	-	624	878	300	-20.5%	-
Communication	1 402	1 377	1 358	2 041	13.3%	0.1%	2 135	2 368	2 800	11.1%	0.1%
Computer services	131	930	2 135	12 437	356.2%	0.3%	3 327	1 521	6 900	-17.8%	0.4%
Consultants and professional services:	15 952	20 399	25 753	24 595	15.5%	1.9%	15 428	23 798	18 800	-8.6%	1.3%
Business and advisory services											
Consultants and professional services:	42	-	150	254	82.2%	-	266	-	-	-100.0%	-
Legal costs											
Contractors	371	734	1 445	1 409	56.0%	0.1%	1 474	1 099	1 200	-5.2%	0.1%
Agency and support / outsourced services	788	1 658	743	970	7.2%	0.1%	1 015	2 750	2 900	44.1%	0.1%
Entertainment	10	2	2	56	77.6%	-	59	-	-	-100.0%	-

**Table 16.16 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
	R thousand										
Fleet services (including government motor transport)	–	–	4 581	–	–	0.1%	–	–	3 737	–	0.1%
Inventory: Clothing material and accessories	–	–	8	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	3	11	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	27	2	25	–	–100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	15	24	178	210	141.0%	–	220	523	200	-1.6%	–
Inventory: Medical supplies	16	31	125	686	250.0%	–	718	534	200	-33.7%	–
Inventory: Medicine	–	31	1	55	–	–	58	32	–	-100.0%	–
Inventory: Other supplies	118	269	99	1 158	114.1%	–	1 211	293	–	-100.0%	–
Consumable supplies	–	6	112	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	1 168	1 248	1 466	4 727	59.4%	0.2%	3 942	2 111	1 700	-28.9%	0.2%
Operating leases	805	969	938	1 479	22.5%	0.1%	547	2 007	2 100	12.4%	0.1%
Property payments	–	22	15	–	–	–	–	522	1 000	–	–
Travel and subsistence	11 109	14 496	12 104	18 349	18.2%	1.2%	12 803	16 750	13 286	-10.2%	1.0%
Training and development	174	6	–	–	-100.0%	–	–	2 273	2 500	–	0.1%
Operating payments	1 556	2 178	3 459	3 036	25.0%	0.2%	2 175	86	3 000	-0.4%	0.1%
Venues and facilities	459	104	133	1 082	33.1%	–	132	–	–	-100.0%	–
<b>Transfers and subsidies</b>	<b>837 583</b>	<b>874 104</b>	<b>1 061 952</b>	<b>1 196 502</b>	<b>12.6%</b>	<b>86.6%</b>	<b>1 397 643</b>	<b>1 475 150</b>	<b>1 496 350</b>	<b>7.7%</b>	<b>86.9%</b>
Departmental agencies and accounts	837 311	873 565	1 061 833	1 196 502	12.6%	86.6%	1 397 643	1 475 150	1 496 350	7.7%	86.9%
Households	272	539	119	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>830</b>	<b>885</b>	<b>1 751</b>	<b>12 901</b>	<b>149.6%</b>	<b>0.4%</b>	<b>3 597</b>	<b>3 787</b>	<b>3 975</b>	<b>-32.5%</b>	<b>0.4%</b>
Machinery and equipment	830	885	1 751	3 131	55.7%	0.1%	3 597	3 787	3 975	8.3%	0.2%
Software and other intangible assets	–	–	–	9 770	–	0.2%	–	–	–	-100.0%	0.2%
<b>Payments for financial assets</b>	<b>2</b>	<b>31</b>	<b>4</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>957 678</b>	<b>1 008 950</b>	<b>1 214 381</b>	<b>1 403 140</b>	<b>13.6%</b>	<b>100.0%</b>	<b>1 596 919</b>	<b>1 687 672</b>	<b>1 718 362</b>	<b>7.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.7%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>–</b>	<b>–</b>	<b>4.4%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>272</b>	<b>539</b>	<b>119</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	272	539	119	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>834 534</b>	<b>870 649</b>	<b>1 058 771</b>	<b>1 193 287</b>	<b>12.7%</b>	<b>86.3%</b>	<b>1 394 280</b>	<b>1 471 609</b>	<b>1 492 632</b>	<b>7.7%</b>	<b>86.7%</b>
South African Medical Research Council	283 564	283 863	419 460	446 331	16.3%	31.3%	623 892	657 590	614 961	11.3%	36.6%
National Health Laboratory Services	534 487	558 801	603 534	665 252	7.6%	51.5%	678 926	711 871	746 464	3.9%	43.7%
Office of Health Standards Compliance	12 289	23 675	31 252	76 953	84.3%	3.1%	88 906	100 535	125 711	17.8%	6.1%
Council for Medical Schemes	4 194	4 310	4 525	4 751	4.2%	0.4%	2 556	1 613	5 496	5.0%	0.2%
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	<b>2 777</b>	<b>2 916</b>	<b>3 062</b>	<b>3 215</b>	<b>5.0%</b>	<b>0.3%</b>	<b>3 363</b>	<b>3 541</b>	<b>3 718</b>	<b>5.0%</b>	<b>0.2%</b>
Compensation Fund	2 777	2 916	3 062	3 215	5.0%	0.3%	3 363	3 541	3 718	5.0%	0.2%

**Personnel information****Table 16.17 Health Regulation and Compliance Management personnel numbers and cost by salary level<sup>1</sup>**

Health Regulation and Compliance Management	Salary level	Number of posts estimated for 31 March 2015	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2014/15 - 2017/18	Salary level/total: Average (%)		
				2013/14		2014/15		2015/16		2016/17		2017/18							
				Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost						
	319	–	301	94.2	0.3	358	103.2	0.3	358	137.4	0.4	358	145.1	0.4	358	152.6	0.4	–	100.0%
1 – 6	151	–	148	24.2	0.2	166	22.8	0.1	166	30.9	0.2	166	32.6	0.2	166	34.3	0.2	–	46.4%
7 – 10	70	–	71	24.6	0.3	77	22.7	0.3	77	31.1	0.4	77	32.9	0.4	77	34.6	0.4	–	21.5%
11 – 12	85	–	73	37.8	0.5	100	46.6	0.5	100	61.1	0.6	100	64.5	0.6	100	67.9	0.7	–	27.9%
13 – 16	13	–	9	7.7	0.9	15	11.1	0.7	15	14.3	1.0	15	15.0	1.0	15	15.8	1.1	–	4.2%

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

2. Rand million.

## Public entities and other agencies

### National Health Laboratory Service

#### Mandate

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The entity is mandated to support the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and supports health research. It is the largest diagnostic pathology service in South Africa, servicing more than 80 per cent of the population through a national network of 268 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

#### Selected performance indicators

**Table 16.18 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of CD4 tests completed within 72 hours in laboratory	Deliver a quality customer focused service	Outcome 2: A long and healthy life for all South Africans	85%	85%	90%	90%	90%	90%	90%
Number of CD4 tests completed per year	Deliver a quality customer focused service		3 825 122	3 858 025	3 925 325	4 013 800	2 000 311	1 414 851	1 114 974
Percentage of viral load tests completed within 4 days in lab	Deliver a quality customer focused service		87%	85%	86%	90%	90%	90%	90%
Number of viral load tests completed per year	Deliver a quality customer focused service		1 495 398	2 059 765	2 629 142	2 821 000	3 672 674	3 953 869	4 230 319
Percentage of tuberculosis microscopy/GeneXpert tests completed within 48 hours in lab	Deliver a quality customer focused service		94%	90%	92%	90%	90%	90%	90%
Number of tuberculosis microscopy/GeneXpert tests completed per year	Deliver a quality customer focused service		5 421 376	4 856 175	4 275 060	4 100 000	3 860 640	4 053 672	4 256 356
Percentage of HIV polymerase chain reaction tests completed within 5 days	Deliver a quality customer focused service		85%	85%	82%	90%	90%	90%	90%
Number of HIV polymerase chain reaction tests completed per year	Deliver a quality customer focused service		299 508	323 797	330 270	336 875	353 448	371 120	389 676
Percentage of cervical smear tests completed within 13 days in laboratory	Deliver a quality customer focused service		- <sup>1</sup>	- <sup>1</sup>	63%	70%	75%	80%	85%
Number of cervical smear tests completed per year	Deliver a quality customer focused service		- <sup>1</sup>	- <sup>1</sup>	725 300	725 500	1 077 898	1 131 793	1 188 383

1. New indicator, hence data not available for the respective years.

#### Expenditure analysis

The National Health Laboratory Service's focus is on providing laboratory services predominantly to public healthcare facilities. Through the administration of critical tests for HIV and AIDS and tuberculosis, the organisation provides vital services in line with the national development plan's vision of preventing and controlling epidemic burdens, as well as outcome 2 of government's 2014-2019 medium term strategic framework (a long and healthy life for all South Africans).

A key cost driver is laboratory test supplies from foreign suppliers, which accounts for R15.8 billion (79.4 per cent) of the service's total expenditure over the MTEF period, mainly due to higher international prices and a less favourable exchange rate for the Rand. The medium term expenditure estimate includes a growth in compensation of employees of 9.1 per cent to cater for inflation, and slight growth in personnel 7 164 in 2014/15 to 7 354 in 2017/18 to fill critical posts that were previously vacant due to the organisation's poor cash flow position. As a result, the service's expenditure will grow by an average annual rate of 12 per cent over the medium term.

The improved quality of tests and quicker turnaround times will be made possible through these gains in efficiency and growth in personnel and expenditure. In addition to the service's budget, R741.3 million will be allocated over the MTEF period for the surveillance of communicable diseases in Africa through the National Institute for Communicable Diseases, and R332 million will be allocated for the National Institute for Occupational Health. The council is mandated to teach and train pathologists, medical technologists, medical

technicians and medical scientists in its laboratories, which is estimated to cost the organisation a further R846 million. These functions are partially funded by a transfer of R2.1 billion from the Department of Health over the MTEF period.

To reduce the financial and administrative burden of unnecessary and repeat testing, measures have been put in place to improve staff productivity, the quality of services rendered, and operational and process efficiency. These include improved process design, the standardisation of services, and the implementation of rigid monitoring and evaluation procedures. The organisation has also embarked on initiatives such as gatekeeping and supply chain reforms to drive down the cost of laboratory tests.

The service derives the large majority of its revenue from laboratory test fees paid by provincial departments of health. Revenue is expected to grow at an average annual rate of 12.5 per cent to R7.4 billion over the medium term. The expenditure for 2014/15 decreased by 13.2 per cent from 2013/14, mainly due to the impairment of the KwaZulu-Natal department's debt of R800 million in 2012/13 and R900 million in 2013/14. The non-payment for services by the KwaZulu-Natal and Gauteng health departments has resulted in the organisation being unable to pay its suppliers, as well as service providers in some cases placing accounts on hold.

To improve the council's funding model and poor financial position, it was agreed that the National Institute for Communicable Diseases, the National Institute for Occupational Health, and the teaching, training and research functions be funded through a transfer from the department from 2015/16. This financing reform will result in a shift of funds (from the allocation for laboratory tests within the comprehensive HIV and AIDS conditional allocation and the provincial equitable share) to the department's budget as a transfer payment to the service. To ensure the cost neutrality of the reform, the tariff schedule will be reduced, as these functions were previously cross-subsidised through laboratory tests. The transfer from the department for the national institutes and teaching, training and research will increase by R549.3 million, R575.4 million, and R603.1 million each year over the MTEF period.

## Programmes/objectives/activities

**Table 16.19 National Health Laboratory Service<sup>1</sup> expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
Administration	283 835	425 231	473 588	522 677	22.6%	8.6%	565 377	606 168	655 800	7.9%	9.5%
Surveillance of communicable diseases	118 843	146 936	161 249	175 850	14.0%	3.1%	228 965	246 677	265 702	14.7%	3.7%
Occupational health	54 943	60 268	71 186	86 313	16.2%	1.4%	103 176	110 683	118 126	11.0%	1.7%
Laboratory tests	2 970 700	4 002 123	4 759 116	3 894 868	9.4%	79.5%	4 855 594	5 276 827	5 630 979	13.1%	78.6%
Research	283 676	396 586	365 048	381 600	10.4%	7.3%	394 000	409 000	438 400	4.7%	6.6%
<b>Total</b>	<b>3 711 997</b>	<b>5 031 144</b>	<b>5 830 187</b>	<b>5 061 308</b>	<b>10.9%</b>	<b>100.0%</b>	<b>6 147 112</b>	<b>6 649 355</b>	<b>7 109 007</b>	<b>12.0%</b>	<b>100.0%</b>

1. The National Health Laboratory Service funding shift for the national institutes and the teaching, training and research functions will take effect only in 2015/16. This is shown retrospectively for comparative purposes.

## Statements of historical financial performance and position

**Table 16.20 National Health Laboratory Service statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>3 870 800</b>	<b>3 609 110</b>	<b>3 496 482</b>	<b>4 209 228</b>	<b>4 328 595</b>	<b>4 847 692</b>	<b>4 970 361</b>	<b>4 451 355</b>	<b>102.7%</b>
Sale of goods and services other than capital assets	3 845 600	3 519 726	3 460 482	3 962 441	4 267 295	4 598 261	4 906 361	4 387 355	99.9%
of which:									
Sales by market establishment	3 845 600	3 519 726	3 460 482	3 962 441	4 267 295	4 598 261	4 906 361	4 387 355	99.9%
Other non-tax revenue	25 200	89 384	36 000	246 787	61 300	249 431	64 000	64 000	348.3%
<b>Transfers received</b>	<b>82 167</b>	<b>729 869</b>	<b>99 435</b>	<b>757 852</b>	<b>105 463</b>	<b>833 923</b>	<b>225 280</b>	<b>748 314</b>	<b>599.2%</b>
<b>Total revenue</b>	<b>3 952 967</b>	<b>4 338 979</b>	<b>3 595 917</b>	<b>4 967 080</b>	<b>4 434 058</b>	<b>5 681 615</b>	<b>5 195 641</b>	<b>5 199 669</b>	<b>117.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>3 691 500</b>	<b>3 711 997</b>	<b>3 538 419</b>	<b>5 031 144</b>	<b>4 399 583</b>	<b>5 830 187</b>	<b>5 057 290</b>	<b>5 061 308</b>	<b>117.7%</b>
Compensation of employees	550 000	1 890 372	1 796 716	2 151 296	2 333 593	2 090 509	2 107 700	2 107 700	121.4%
Goods and services	3 015 700	1 765 187	1 598 183	2 803 152	1 910 254	3 666 966	2 898 470	2 902 488	118.2%
Depreciation	115 800	56 034	133 520	74 075	145 736	66 691	44 720	44 720	54.9%
Interest, dividends and rent on land	10 000	404	10 000	2 621	10 000	6 021	6 400	6 400	42.4%
<b>Total expenses</b>	<b>3 691 500</b>	<b>3 711 997</b>	<b>3 538 419</b>	<b>5 031 144</b>	<b>4 399 583</b>	<b>5 830 187</b>	<b>5 057 290</b>	<b>5 061 308</b>	<b>117.7%</b>
<b>Surplus/(Deficit)</b>	<b>261 467</b>	<b>626 982</b>	<b>57 498</b>	<b>(64 064)</b>	<b>34 475</b>	<b>(148 572)</b>	<b>138 351</b>	<b>138 361</b>	<b>-</b>

**Table 16.20 National Health Laboratory Service statements of historical financial performance and position**

Statement of financial position									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	421 576	557 439	641 881	570 048	620 467	590 834	676 309	676 309	101.5%
<i>of which:</i>									
Acquisition of assets	89 200	168 365	160 000	177 412	280 000	141 409	213 400	213 400	94.3%
Inventory	90 000	62 393	122 901	63 798	97 447	78 530	100 281	100 281	74.3%
Receivables and prepayments	1 399 586	2 034 973	1 367 391	1 796 168	2 505 106	2 415 634	1 549 228	1 549 228	114.3%
Cash and cash equivalents	320 000	578 732	192 930	664 714	639 308	347 952	677 421	677 421	124.0%
Non-current assets held for sale	-	-	227 357	-	-	-	-	-	-
<b>Total assets</b>	<b>2 231 162</b>	<b>3 233 537</b>	<b>2 552 460</b>	<b>3 094 728</b>	<b>3 862 328</b>	<b>3 432 950</b>	<b>3 003 239</b>	<b>3 003 239</b>	<b>109.6%</b>
Accumulated surplus/(deficit)	1 056 162	1 902 901	1 306 061	1 805 906	1 365 989	1 657 334	1 363 770	1 363 770	132.2%
Capital and reserves	120 000	42 837	60 000	42 837	42 837	42 837	42 837	42 837	64.5%
Capital reserve fund	-	-	-	-	80 000	-	80 000	80 000	50.0%
Finance lease	-	1 325	-	434	-	137	-	-	-
Deferred income	50 000	44 986	83 897	105 375	-	57 992	-	-	155.6%
Trade and other payables	365 000	549 314	237 597	288 416	1 282 475	713 085	436 407	436 407	85.6%
Taxation	-	24	-	-	-	-	-	-	-
Provisions	640 000	692 150	864 905	851 760	1 091 027	961 565	1 080 225	1 080 225	97.5%
<b>Total equity and liabilities</b>	<b>2 231 162</b>	<b>3 233 537</b>	<b>2 552 460</b>	<b>3 094 728</b>	<b>3 862 328</b>	<b>3 432 950</b>	<b>3 003 239</b>	<b>3 003 239</b>	<b>109.6%</b>

**Statements of estimates of financial performance and position**

**Table 16.21 National Health Laboratory Service statements of estimates of financial performance and position**

Statement of financial position								
	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>4 451 355</b>	<b>7.2%</b>	<b>84.7%</b>	<b>5 819 767</b>	<b>6 217 055</b>	<b>6 664 435</b>	<b>14.4%</b>	<b>88.7%</b>
Sale of goods and services other than capital assets	4 387 355	7.6%	81.6%	5 742 732	6 171 545	6 576 602	14.4%	87.6%
<i>of which:</i>								
Sales by market establishment	4 387 355	7.6%	81.6%	5 742 732	6 171 545	6 576 602	14.4%	87.6%
Other non-tax revenue	64 000	-10.5%	3.2%	77 035	45 510	87 833	11.1%	1.1%
<b>Transfers received</b>	<b>748 314</b>	<b>0.8%</b>	<b>15.3%</b>	<b>678 926</b>	<b>711 872</b>	<b>746 465</b>	<b>-0.1%</b>	<b>11.3%</b>
<b>Total revenue</b>	<b>5 199 669</b>	<b>6.2%</b>	<b>100.0%</b>	<b>6 498 693</b>	<b>6 928 927</b>	<b>7 410 900</b>	<b>12.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>5 061 308</b>	<b>10.9%</b>	<b>100.0%</b>	<b>6 147 112</b>	<b>6 649 355</b>	<b>7 109 007</b>	<b>12.0%</b>	<b>100.0%</b>
Compensation of employees	2 107 700	3.7%	42.8%	2 423 485	2 559 232	2 739 148	9.1%	39.5%
Goods and services	2 902 488	18.0%	55.9%	3 672 684	4 035 588	4 306 263	14.1%	59.6%
Depreciation	44 720	-7.2%	1.3%	40 442	44 535	54 396	6.7%	0.7%
Interest, dividends and rent on land	6 400	151.1%	0.1%	10 500	10 000	9 200	12.9%	0.1%
<b>Total expenses</b>	<b>5 061 308</b>	<b>10.9%</b>	<b>100.0%</b>	<b>6 147 112</b>	<b>6 649 355</b>	<b>7 109 007</b>	<b>12.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>138 361</b>	<b>-39.6%</b>	<b>-</b>	<b>351 581</b>	<b>279 572</b>	<b>301 893</b>	<b>29.7%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	676 309	6.7%	18.8%	764 229	800 000	832 000	7.2%	24.1%
<i>of which:</i>								
Acquisition of assets	213 400	8.2%	5.5%	526 425	443 993	408 937	24.2%	12.5%
Inventory	100 281	17.1%	2.4%	103 201	105 000	110 000	3.1%	3.3%
Receivables and prepayments	1 549 228	-8.7%	60.7%	1 576 341	1 603 929	1 700 000	3.1%	50.6%
Cash and cash equivalents	677 421	5.4%	18.0%	699 424	700 000	720 000	2.1%	22.0%
<b>Total assets</b>	<b>3 003 239</b>	<b>-2.4%</b>	<b>100.0%</b>	<b>3 143 195</b>	<b>3 208 929</b>	<b>3 362 000</b>	<b>3.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 363 770	-10.5%	52.7%	1 484 714	1 533 620	1 719 163	8.0%	47.9%
Capital and reserves	42 837	-	1.3%	42 837	42 837	42 837	-	1.3%
Capital reserve fund	80 000	-	0.7%	-	-	-	-100.0%	0.7%
Trade and other payables	436 407	-7.4%	15.4%	439 431	442 472	450 000	1.0%	13.9%
Provisions	1 080 225	16.0%	28.2%	1 176 213	1 190 000	1 150 000	2.1%	36.2%
<b>Total equity and liabilities</b>	<b>3 003 239</b>	<b>-2.4%</b>	<b>100.0%</b>	<b>3 143 195</b>	<b>3 208 929</b>	<b>3 362 000</b>	<b>-8.8%</b>	<b>100.0%</b>

## Personnel information

**Table 16.22 National Health Laboratory Service personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
National Health Laboratory Service		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	7 164	7 164	7 174	2 090.5	0.3	7 164	2 107.7	0.3	7 245	2 423.5	0.3	7 280	2 559.2	0.4	7 354	2 739.1	0.4	9.1%	100.0%
1-6	4 432	4 432	3 496	483.2	0.1	4 432	676.5	0.2	4 468	746.0	0.2	4 503	797.8	0.2	4 577	874.4	0.2	8.9%	61.9%
7-10	1 973	1 973	2 539	752.5	0.3	1 973	670.6	0.3	1 973	788.1	0.4	1 973	830.2	0.4	1 973	860.6	0.4	8.7%	27.2%
1-12	441	441	811	441.1	0.5	441	317.8	0.7	441	355.8	0.8	441	369.8	0.8	441	393.9	0.9	7.4%	6.1%
3-16	315	315	311	378.5	1.2	315	434.2	1.4	360	524.4	1.5	360	551.6	1.5	360	599.9	1.7	11.4%	4.8%
7-22	3	3	17	35.3	2.1	3	8.6	2.9	3	9.2	3.1	3	9.8	3.3	3	10.3	3.4	6.4%	-

1. Rand million.

## Compensation Commissioner for Occupational Diseases in Mines and Works

### Mandate

The Compensation Commissioner for Occupational Diseases in Mines and Works was established in terms of the Occupational Diseases in Mines and Works Act (1973). In terms of the act, the commissioner is mandated to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardiorespiratory organs and reimburse for loss of earnings incurred during tuberculosis treatment. In cases where workers are deceased, it compensates the beneficiaries. The commissioner also administers the government grant for pensioners.

### Selected performance indicators

**Table 16.23 Compensation Commissioner for Occupational Diseases in Mines and Works performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of workers and ex-workers in controlled mines and works accessing benefit medical examinations per year	Compensation of ex-miners	Outcome 2: A long and healthy life for all South Africans	10 284	11 750	10 694	9 000	10 500	15 000	16 000
Number of claims certified at the Medical Bureau for Occupational Diseases as compensable	Compensation of ex-miners		6 367	4 376	4 444	7 000	8 000	10 000	12 000
Number of claims paid by the Compensation Commissioner (other than pensioners) per year	Compensation of ex-miners		758	1 779	3 124	2 700	3 000	3 300	6 000
Number of controlled mines and works inspected per year to verify levies payable based on risk shifts worked	Administration		-1	-1	29	30	40	50	60
Number of outreach and awareness activities with service providers, unions, employers, workers and ex-workers conducted per year	Compensation of ex-miners		9	4	6	8	10	60 <sup>2</sup>	70 <sup>2</sup>
Number of workers in controlled mines and works paid for loss of earnings while undergoing tuberculosis treatment per year	Compensation for tuberculosis		220	1 453	1 923	600	750	770	850

1. New indicator, hence data not available for the respective years.

2. Outreach activities are increased through links with ex-mineworker associations, provincial departments of health, decentralised health facilities and during visits to controlled mines and works so that workers and ex-workers know their rights, can access services and provide correct documentation.

### Expenditure analysis

The Compensation Commissioner for Occupational Diseases in Mines and Works administers the Mines and Works Compensation Fund. Its focus over the medium term will be on increasing the number of claims paid out and fast-tracking claim processes, which is in line with the national development plan's vision of creating an effective social welfare system that delivers better results for vulnerable groups, as well as outcome 2 of government's 2014-2019 medium term strategic framework (a long and healthy life for all South Africans).

In increasing the number of claims paid out and fast-tracking claims processes over the MTEF period, 95.5 per cent of the entity's budget is for transfers to households. However, in the past three years there has been significant underspending on transfers in the compensation of pensioners, compensation of ex-miners and compensation of tuberculosis programmes. This is largely due to claimants not submitting the set of documents required for the commissioner to pay out benefits, and because claimants previously had to come from all over South Africa and neighbouring countries to submit claims at the Johannesburg office. The target for the number of claims paid out had not been reached at the end of October 2014, as 1 226 claims payments had been made compared with the 2 083 payments targeted for the 6-month period preceding it. An actuarial valuation, which will provide an indication of the fund's true liability, is yet to be undertaken owing to poor data quality. An exercise to clean the data is being finalised, and processes will be initiated to undertake the actuarial valuation in 2015/16.

To address these challenges, the commissioner is implementing a turnaround strategy, which includes the provision of decentralised services, to bring service delivery closer to current and former workers. To date, two decentralised centres have been opened (one in Mthatha in Eastern Cape and one in Carletonville in Gauteng), and the construction cost of these is carried by the department and donations from the mining industry. Outreach activities are also being undertaken with unions, employers and employer groups, as well as current and ex-workers, about the process to follow in lodging claims and also to inform workers about their rights.

As a result of the turnaround strategy, it is anticipated that the number of people accessing benefit medical examinations and being referred to the commissioner for payments will increase substantially, from 7 000 in 2014/15 to 12 000 in 2017/18. A more moderate increase, however, is projected for claims payment, reaching 6 000 per year in 2017/18, as applicants often submit incomplete documentation. As a result, the organisation's spending performance is expected to improve in alignment with its focus, and transfers to households are projected to increase from the current R158.5 million to R186.8 million by the end of the MTEF period.

The fund derives 66.7 per cent of its revenue from levies collected from controlled mines and works, and uses it to compensate current and former workers after their claims have been assessed and certified by the Medical Bureau for Occupational Diseases. The levies collected are based on the number of risk shifts worked multiplied by the relevant rate, and inspections are carried out to ensure that risk shifts are not understated, which leads to low revenue being collected. Verifying levy collection entails on-site visits to controlled mines and works, and reconciling risk shifts reported against actual risk shifts worked. The organisation will gradually increase these inspections from 29 in 2013/14 to 60 by 2017/18. It is expected that revenue from levies will increase at an average annual rate of 4.3 per cent over the medium term, and when the increased number of inspections starts to yield the desired results of increasing revenue and verification of risk shifts, the revenue estimates will be revised upwards.

## Programmes/objectives/activities

**Table 16.24 Compensation Commissioner for Occupational Diseases in Mines and Works expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	8 825	7 839	7 724	7 411	-5.7%	5.6%	7 839	8 127	8 393	4.2%	4.5%
Compensation of pensioners	2 777	2 916	3 062	3 215	5.0%	2.1%	3 363	3 215	3 718	5.0%	1.9%
Compensation of ex-miners	122 270	92 640	113 996	132 235	2.6%	80.3%	134 244	140 956	148 003	3.8%	78.5%
Compensation of tuberculosis	12 257	12 839	18 961	22 068	21.7%	11.4%	25 599	22 068	34 445	16.0%	14.6%
Eastern Cape project	545	571	843	981	21.6%	0.5%	860	981	670	-11.9%	0.5%
<b>Total</b>	<b>146 674</b>	<b>116 805</b>	<b>144 586</b>	<b>165 910</b>	<b>4.2%</b>	<b>100.0%</b>	<b>171 905</b>	<b>175 347</b>	<b>195 229</b>	<b>5.6%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 16.25 Compensation Commissioner for Occupational Diseases in Mines and Works statements of historical financial performance and position

Statement of financial position									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
<b>Revenue</b>									
Tax revenue	217 346	303 253	293 418	286 316	255 995	269 202	346 354	282 662	102.5%
Non-tax revenue	106 779	99 640	111 779	114 230	94 607	130 851	152 435	137 394	103.5%
Other non-tax revenue	106 779	99 640	111 779	114 230	94 607	130 851	152 435	137 394	103.5%
Transfers received	2 777	2 777	2 916	2 916	3 100	3 062	3 215	3 215	99.7%
<b>Total revenue</b>	<b>326 902</b>	<b>405 670</b>	<b>408 113</b>	<b>403 462</b>	<b>353 702</b>	<b>403 115</b>	<b>502 004</b>	<b>423 271</b>	<b>102.8%</b>
<b>Expenses</b>									
Current expenses	275	8 825	282	7 839	768	7 724	7 016	7 411	381.2%
Goods and services	-	8 800	-	7 804	173	7 480	6 975	7 175	437.3%
Interest, dividends and rent on land	275	25	282	35	595	244	41	236	45.2%
Transfers and subsidies	110 000	137 849	130 980	108 966	155 786	136 862	248 100	158 499	84.1%
<b>Total expenses</b>	<b>110 275</b>	<b>146 674</b>	<b>131 262</b>	<b>116 805</b>	<b>156 554</b>	<b>144 586</b>	<b>255 116</b>	<b>165 910</b>	<b>87.9%</b>
<b>Surplus/(Deficit)</b>	<b>216 627</b>	<b>258 996</b>	<b>276 851</b>	<b>286 657</b>	<b>197 147</b>	<b>258 529</b>	<b>246 888</b>	<b>257 361</b>	<b>-</b>
<b>Statement of financial position</b>									
<i>of which:</i>									
Acquisition of assets	-	-	128 000	-	-	-	123 493	-	-
Investments	1 580 793	1 938 507	1 948 769	2 229 267	2 469 866	2 606 886	2 593 359	2 801 247	111.4%
Receivables and prepayments	40 000	2 781	51 000	3 017	30 611	3 274	35 000	3 600	8.1%
Cash and cash equivalents	63 000	116 973	66 649	169 797	49 000	74 618	52 000	52 000	179.2%
<b>Total assets</b>	<b>1 683 793</b>	<b>2 058 261</b>	<b>2 066 418</b>	<b>2 402 081</b>	<b>2 549 477</b>	<b>2 684 778</b>	<b>2 680 359</b>	<b>2 856 847</b>	<b>111.4%</b>
Accumulated surplus/(deficit)	1 009 067	(732 790)	1 526 215	(446 133)	112 454	(187 203)	238 359	70 158	-44.9%
Trade and other payables	12 300	5 530	8 500	4 601	3 500	3 500	3 600	3 600	61.8%
Provisions	662 426	2 785 521	531 703	2 843 613	2 433 523	2 868 481	2 438 400	2 783 089	186.0%
<b>Total equity and liabilities</b>	<b>1 683 793</b>	<b>2 058 261</b>	<b>2 066 418</b>	<b>2 402 081</b>	<b>2 549 477</b>	<b>2 684 778</b>	<b>2 680 359</b>	<b>2 856 847</b>	<b>111.4%</b>

## Statements of estimates of financial performance and position

Table 16.26 Compensation Commissioner for Occupational Diseases in Mines and Works statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2014/15	2011/12 - 2014/15	2015/16			2016/17
<b>Revenue</b>									
Tax revenue	282 662	-2.3%	69.8%	296 795	311 635	320 984	4.3%	66.7%	
Non-tax revenue	137 394	11.3%	29.4%	144 263	151 476	159 050	5.0%	32.6%	
Other non-tax revenue	137 394	11.3%	29.4%	144 263	151 476	159 050	5.0%	32.6%	
Transfers received	3 215	5.0%	0.7%	3 363	3 541	3 718	5.0%	0.8%	
<b>Total revenue</b>	<b>423 271</b>	<b>1.4%</b>	<b>100.0%</b>	<b>444 421</b>	<b>466 652</b>	<b>483 752</b>	<b>4.6%</b>	<b>100.0%</b>	
<b>Expenses</b>									
Current expenses	7 411	-5.7%	5.6%	7 839	8 127	8 393	4.2%	4.5%	
Goods and services	7 175	-6.6%	5.5%	7 614	7 908	8 188	4.5%	4.4%	
Interest, dividends and rent on land	236	111.3%	0.1%	225	219	205	-4.6%	0.1%	
Transfers and subsidies	158 499	4.8%	94.4%	164 066	167 220	186 836	5.6%	95.5%	
<b>Total expenses</b>	<b>165 910</b>	<b>4.2%</b>	<b>100.0%</b>	<b>171 905</b>	<b>175 347</b>	<b>195 229</b>	<b>5.6%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>257 361</b>	<b>-0.2%</b>	<b>-</b>	<b>272 516</b>	<b>291 305</b>	<b>288 523</b>	<b>3.9%</b>	<b>-</b>	
<b>Statement of financial position</b>									
Investments	2 801 247	13.1%	95.5%	2 953 513	3 114 126	3 283 545	5.4%	97.8%	
Receivables and prepayments	3 600	9.0%	0.1%	3 800	3 950	4 200	5.3%	0.1%	
Cash and cash equivalents	52 000	-23.7%	4.3%	60 000	70 000	75 000	13.0%	2.1%	
<b>Total assets</b>	<b>2 856 847</b>	<b>11.5%</b>	<b>100.0%</b>	<b>3 017 313</b>	<b>3 188 076</b>	<b>3 362 745</b>	<b>5.6%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	70 158	-145.7%	-14.7%	342 653	626 247	914 770	135.4%	15.2%	
Trade and other payables	3 600	-13.3%	0.2%	3 700	3 550	3 230	-3.6%	0.1%	
Provisions	2 783 089	-	114.5%	2 670 960	2 558 279	2 444 745	-4.2%	84.7%	
<b>Total equity and liabilities</b>	<b>2 856 847</b>	<b>11.5%</b>	<b>100.0%</b>	<b>3 017 313</b>	<b>3 188 076</b>	<b>3 362 745</b>	<b>127.6%</b>	<b>100.0%</b>	

## Council for Medical Schemes

### Mandate

The Council for Medical Schemes was established in terms of the Medical Schemes Act (1998) as a regulatory authority responsible for overseeing the medical schemes industry in South Africa. Section 7 of the act sets out the functions of the council, which include protecting the interests of beneficiaries, controlling and coordinating

the functioning of medical schemes, collecting and disseminating information about private health care and advising the Minister of Health on any matter concerning medical schemes.

## Selected performance indicators

**Table 16.27 Council for Medical Schemes performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of new and renewing brokers and broker organisations accredited within 21 working days of receipt of complete applications	Accreditation	Outcome 2: A long and healthy life for all South Africans	5 177	4 259	5 205	4 964	5 192	3 980	4 045
Number of medical scheme rule amendments analysed per year	Benefit management		275	280	212	280	212	212	212
Percentage of complaints resolved within 120 working days in accordance with complaints procedure	Complaints adjudication		- <sup>1</sup>	76%	63%	93%	73%	76%	79%
Number of enforcement interventions undertaken per year	Compliance and investigation		23	23	38	48	45	40	35
Number of research projects and support projects completed per year	Research and monitoring		4	5	4	8	8	8	8
Number of clinical matters reviewed by the Clinical Review Committee per year	Strategy office		842	758	839	960	1 472	1 500	1 510

1. New indicator, hence data not available for the respective years.

## Expenditure analysis

Addressing the problems of access to health care and inequities in its quality and provision are priorities of government. The national development plan envisages stronger primary health care services, and outcome 2 of government's 2014-2019 medium term strategic framework (a long and healthy life for all South Africans) seeks to address shortcomings in the sector through the introduction of national health insurance. The Council for Medical Schemes will work closely with the Department of Health to achieve this, and to this end is awaiting the department to issue a white paper on national health insurance so as to meaningfully contribute to the development of this initiative. The focus over the medium term will be on strengthening monitoring and the compliance activities of accredited entities to ensure compliance with fit and proper requirements by the boards of trustees to exercise their fiduciary duties and responsibilities, as well as on resolving clinical complaints raised by medical scheme beneficiaries and the public.

To keep up with the rising number of clinical matters received by the strategy office, which is expected to increase from the current 960 to 1 510 in 2017/18, additional resources are allocated to this programme, and as a result, expenditure is expected to grow by 8.3 per cent annually over the medium term. Over the period, total expenditure is expected to increase by 5.9 per cent annually, reaching R146 million by 2017/18. This includes expenditure on the absorption of additional space at the council's recently leased offices in Centurion, Gauteng, and planned upgrades to IT infrastructure to meet new challenges. The new challenges include the impact of demarcation regulations promulgated by National Treasury on the operations of the council, the development of an alternative framework to cater for the uninsured market that relies on hospital cash plans and other similar products as a substitution for medical scheme cover, and the development of a beneficiary registry. The council will have to adjudicate on products that purport to be health insurance and conduct the business of medical schemes without being registered in terms of the Medical Schemes Act (1998). As the council is mainly a service organisation, spending on compensation of employees is projected to make up 63.6 per cent of total expenditure over the medium term, and the number of employees is expected to increase slightly from 105 in 2014/15 to 109 in 2015/16, after which it will remain stable over the medium term.

Governance in medical schemes continues to be a challenge in the regulatory framework. To stabilise it, the council frequently appoints curators for medical schemes through court action, manages insolvent schemes, and institutes legal proceedings to ensure that beneficiaries are protected. As a result, financial supervision is one of the council's largest spending programmes, with an allocation of R33.8 million over the medium term, which is expected to enable it to continue to issue recommendations on the business plans of all medical schemes that are below solvency, thus stabilising them and protecting their members. These interventions also attract high legal costs and increase the cost of regulation in the administration programme.

The council is expected to derive 95.9 per cent (R385.5 million) of its revenue over the medium term from levies imposed on medical schemes according to the total number of members each scheme has. It also receives an annual transfer from the department, which amounts to R9.7 million over the medium term. Between 2011/12 and 2014/15, the significant increase of 8.3 per cent per year in total revenue was mainly due to increased medical scheme membership, covering 8.8 million beneficiaries in 2013. To effect Cabinet approved budget reductions, transfers from the department are to be reduced by R2.4 million in 2015/16 and R3.6 million in 2016/17. However, total revenue over the medium term is expected to continue to grow at an average annual rate of 5.9 per cent.

The council discharges its mandate in an increasingly litigious health care environment. The 2010 high court judgment that set aside the regulations for the reference price list has left a void in the regulation of health care prices, leaving many medical scheme beneficiaries unprotected as there are no guidelines to which service providers could refer on the prices to charge for the services they provided. The council plans to strengthen regulation by amending the Medical Schemes Act (1998) over the MTEF period. This process is at an advanced stage as proposed amendments have been submitted to the department. As a result, the legal services unit is a key cost driver in administration, the organisation's largest programme.

The council supports the department in the development of an alternative mechanism for the determination of private health care prices. The newly established market inquiry by the Competition Commission will also potentially provide insight into some of the structural challenges the industry faces, improving access to the current risk pool of beneficiaries and making access more affordable to those who do not have medical scheme cover.

## Programmes/objectives/activities

**Table 16.28 Council for Medical Schemes expenditure trends and estimates by programme/objective/activity**

	Audited outcome				Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
R thousand												
Administration	52 022	59 446	63 292	65 998		8.3%	57.3%	70 910	75 865	79 658	6.5%	54.2%
Accreditation	5 353	5 792	6 116	7 579		12.3%	5.9%	8 241	8 694	9 129	6.4%	6.2%
Benefit management	3 906	4 364	4 574	5 382		11.3%	4.3%	5 713	6 027	6 329	5.6%	4.4%
Complaints adjudication	3 698	4 045	4 435	4 943		10.2%	4.1%	5 401	5 698	5 983	6.6%	4.1%
Compliance and investigation	5 034	4 979	5 307	6 908		11.1%	5.3%	7 088	7 478	7 852	4.4%	5.4%
Financial supervision	7 131	8 089	8 816	10 173		12.6%	8.1%	10 665	11 252	11 814	5.1%	8.2%
Research and monitoring	4 675	5 654	5 683	6 777		13.2%	5.4%	7 008	7 394	7 763	4.6%	5.4%
Stakeholder relations	5 738	7 055	7 670	9 533		18.4%	7.1%	9 120	9 622	10 103	2.0%	7.1%
Strategy office	2 193	53	3 823	5 782		38.1%	2.7%	6 623	6 988	7 337	8.3%	5.0%
<b>Total</b>	<b>89 750</b>	<b>99 477</b>	<b>109 716</b>	<b>123 075</b>		<b>11.1%</b>	<b>100.0%</b>	<b>130 769</b>	<b>139 018</b>	<b>145 968</b>	<b>5.9%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 16.29 Council for Medical Schemes statements of historical financial performance and position**

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15		
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>79 523</b>	<b>90 342</b>	<b>100 362</b>	<b>99 399</b>	<b>110 131</b>	<b>110 106</b>	<b>115 348</b>	<b>115 348</b>	<b>102.4%</b>
Sale of goods and services other than capital assets	75 260	82 635	99 162	96 659	109 291	105 836	114 448	114 448	100.4%
of which:									
Administrative fees	75 260	82 635	99 162	96 659	109 291	105 836	114 448	114 448	100.4%
Other non-tax revenue	4 263	7 707	1 200	2 740	840	4 270	900	900	216.8%
Transfers received	-	4 292	-	4 341	4 525	4 935	4 751	4 751	197.5%
<b>Total revenue</b>	<b>79 523</b>	<b>94 634</b>	<b>100 362</b>	<b>103 740</b>	<b>114 656</b>	<b>115 041</b>	<b>120 099</b>	<b>120 099</b>	<b>104.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>85 412</b>	<b>89 743</b>	<b>100 387</b>	<b>99 473</b>	<b>114 656</b>	<b>109 709</b>	<b>123 075</b>	<b>123 067</b>	<b>99.6%</b>
Compensation of employees	56 465	54 064	66 816	63 061	73 417	66 198	77 008	77 007	95.1%
Goods and services	26 809	33 234	31 531	33 610	39 542	40 874	43 656	43 649	106.9%
Depreciation	2 138	2 445	2 039	2 802	1 697	2 637	2 411	2 411	124.3%
Transfers and subsidies	-	7	-	4	-	7	-	8	-
<b>Total expenses</b>	<b>85 412</b>	<b>89 750</b>	<b>100 387</b>	<b>99 477</b>	<b>114 656</b>	<b>109 716</b>	<b>123 075</b>	<b>123 075</b>	<b>99.6%</b>
<b>Surplus/(Deficit)</b>	<b>(5 889)</b>	<b>4 884</b>	<b>(24)</b>	<b>4 263</b>	<b>-</b>	<b>5 325</b>	<b>(2 976)</b>	<b>(2 976)</b>	<b>-</b>

**Table 16.29 Council for Medical Schemes statements of historical financial performance and position**

Statement of financial position									Outcome/ Budget Average (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
		2011/12		2012/13		2013/14		2014/15	2011/12 - 2014/15
Carrying value of assets	4 599	8 641	4 741	14 665	6 370	13 736	14 665	13 747	167.2%
<i>of which:</i>									
Acquisition of assets	2 402	1 635	2 015	8 857	2 609	1 958	2 200	2 422	161.2%
Receivables and prepayments	1 231	3 622	1 529	3 738	3 622	5 628	3 738	5 628	183.9%
Cash and cash equivalents	2 418	11 020	4 865	16 901	10 123	15 087	14 134	12 098	174.7%
<b>Total assets</b>	<b>8 248</b>	<b>23 283</b>	<b>11 135</b>	<b>35 304</b>	<b>20 115</b>	<b>34 451</b>	<b>32 537</b>	<b>31 473</b>	<b>172.8%</b>
Accumulated surplus/(deficit)	(1 249)	11 298	(404)	14 822	8 130	20 147	13 018	17 170	325.4%
Trade and other payables	5 312	11 969	7 917	19 518	7 897	13 148	19 519	13 147	142.2%
Provisions	4 185	16	3 621	964	4 088	1 156	-	1 156	27.7%
<b>Total equity and liabilities</b>	<b>8 248</b>	<b>23 283</b>	<b>11 135</b>	<b>35 304</b>	<b>20 115</b>	<b>34 451</b>	<b>32 537</b>	<b>31 473</b>	<b>172.8%</b>

**Statements of estimates of financial performance and position**

**Table 16.30 Council for Medical Schemes statements of estimates of financial performance and position**

Statement of financial position								
R thousand	Revised estimate	Average growth rate (%)	Expendi- ture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expendi- ture/ Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
<b>Revenue</b>								
Non-tax revenue	115 348	8.5%	95.8%	123 858	130 670	137 204	6.0%	97.2%
Sale of goods and services other than capital assets	114 448	11.5%	91.9%	121 858	128 560	134 988	5.7%	95.9%
<i>of which:</i>								
Administrative fees	114 448	11.5%	91.9%	121 858	128 560	134 988	5.7%	95.9%
Other non-tax revenue	900	-51.1%	3.8%	2 000	2 110	2 216	35.0%	1.4%
<b>Transfers received</b>	<b>4 751</b>	<b>3.4%</b>	<b>4.2%</b>	<b>2 556</b>	<b>1 613</b>	<b>5 496</b>	<b>5.0%</b>	<b>2.8%</b>
<b>Total revenue</b>	<b>120 099</b>	<b>8.3%</b>	<b>100.0%</b>	<b>126 414</b>	<b>132 283</b>	<b>142 700</b>	<b>5.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	123 067	11.1%	100.0%	130 761	139 010	145 959	5.9%	100.0%
Compensation of employees	77 007	12.5%	61.6%	84 129	88 759	93 196	6.6%	63.6%
Goods and services	43 649	9.5%	35.9%	43 456	46 900	49 245	4.1%	34.0%
Depreciation	2 411	-0.5%	2.5%	3 176	3 351	3 518	13.4%	2.3%
<b>Transfers and subsidies</b>	<b>8</b>	<b>4.6%</b>	<b>0.0%</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>4.0%</b>	<b>-</b>
<b>Total expenses</b>	<b>123 075</b>	<b>11.1%</b>	<b>100.0%</b>	<b>130 769</b>	<b>139 018</b>	<b>145 968</b>	<b>5.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(2 976)</b>	<b>-184.8%</b>	<b>-</b>	<b>(4 355)</b>	<b>(6 735)</b>	<b>(3 268)</b>	<b>3.2%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	13 747	16.7%	40.6%	12 682	12 809	12 975	-1.9%	52.2%
<i>of which:</i>								
Acquisition of assets	2 422	14.0%	11.4%	3 326	3 508	3 684	15.0%	13.3%
Receivables and prepayments	5 628	15.8%	15.1%	5 628	5 628	5 628	-	22.6%
Cash and cash equivalents	12 098	3.2%	44.4%	8 772	5 264	1 580	-49.3%	25.2%
<b>Total assets</b>	<b>31 473</b>	<b>10.6%</b>	<b>100.0%</b>	<b>27 082</b>	<b>23 701</b>	<b>20 183</b>	<b>-13.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	17 170	15.0%	50.9%	12 779	9 398	5 880	-30.0%	42.6%
Trade and other payables	13 147	3.2%	46.7%	13 147	13 147	13 147	-	52.7%
Provisions	1 156	316.5%	2.5%	1 156	1 156	1 156	-	4.6%
<b>Total equity and liabilities</b>	<b>31 473</b>	<b>10.6%</b>	<b>100.0%</b>	<b>27 082</b>	<b>23 701</b>	<b>20 183</b>	<b>-30.0%</b>	<b>100.0%</b>

**Personnel information**

**Table 16.31 Council for Medical Schemes personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment													Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Council for Medical Schemes</b>																			
Salary level	105	105	98	66.2	0.7	105	77.0	0.7	109	84.1	0.8	109	88.8	0.8	109	93.2	0.9	6.6%	100.0%
7 – 10	33	33	30	11.0	0.4	33	13.4	0.4	35	15.1	0.4	35	15.9	0.5	35	16.7	0.5	7.6%	31.9%
11 – 12	28	28	27	15.1	0.6	28	17.0	0.6	30	19.3	0.6	30	20.4	0.7	30	21.5	0.7	8.1%	27.3%
13 – 16	43	43	40	38.1	1.0	43	44.5	1.0	43	47.4	1.1	43	50.0	1.2	43	52.5	1.2	5.7%	39.8%
17 – 22	1	1	1	2.0	2.0	1	2.2	2.2	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	5.7%	0.9%

1. Rand million.

## Office of Health Standards Compliance

### Mandate

The Office of Health Standards Compliance was established in 2013 in terms of the National Health Amendment Act (2013). The office is mandated to: monitor and enforce the compliance of health establishments with the norms and standards prescribed by the Minister of Health in relation to the national health system; and ensure the consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner.

### Selected performance indicators

**Table 16.32 Office of Health Standards Compliance performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of compliant establishments certified within the regulated time frame by the Office of Health Standards Compliance	Administration	Outcome 2: A long and healthy life for all South Africans	-1	-1	-1	-1	75%	80%	100%
Percentage of persistently non-compliant establishments for which regulated actions were initiated by the Office of Health Standards Compliance within 180 days	Administration		-1	-1	-1	-1	40%	50%	70%
Percentage of health establishments inspected annually by the Office of Health Standards Compliance	Compliance inspectorate		0.4 % (16 of 4 004)	6.3% (253 of 4 004)	15% (586 of 4 004)	10 % (443 of 4 004)	10% (437 of 4 373)	12% (613 of 4 373)	15% (655 of 4 373)
Percentage of non-compliant health establishments reinspected or reviewed by the Office of Health Standards Compliance within 6 months	Compliance inspectorate		-1	-1	-1	-1	30%	35%	40%
Percentage of complaints managed and disposed of within regulated time frame.	Ombud		-1	-1	-1	-1	50%	60%	70%

1. New indicator, hence data not available for the respective years.

### Expenditure analysis

The Office of Health Standards Compliance is a newly established public entity that will serve as a regulator with the powers of inspection, the issuing of notices, and the progressive enforcement of compliance. In this office, the ombud will have wide powers of information gathering and subpoena to enable findings to be issued on investigations of complaints. The office's focus over the medium term will be on accelerating the establishment and operationalisation of the office, including the office of the ombud. The office supports the national development plan's priority of strengthening the health system through quality control, and outcome 2 of government's 2014-2019 medium term strategic framework (a long and healthy life for all South Africans).

The office is funded through transfers from the Department of Health. To strengthen the office's capacity, the department has reprioritised R85.2 million over the medium term. Thus, transfers received are expected to grow rapidly over the medium term, at an average annual rate of 17.8 per cent. The budget increase will enable the office to set up the capacity to monitor, analyse and publish reports, issue guidance, and follow through effectively on enforcement actions. The office will ensure that capacity and support systems in all identified functional units, including corporate services, are set up as a priority to ensure that it can manage its business and perform its legislated functions. Apart from increasing inspection coverage, the additional funding will permit the staffing of other key functions in the health standards design, analysis and support programme, which entails the design of standards and tools, the tracking and analysis of health establishment data, and the provision of guidance and support material to establishments.

The focus over the MTEF period will be on increasing the number of inspectors to improve the coverage of inspections in the public and private sectors, and progressively enforce compliance, as dictated by the National Health Amendment Act (2013). The compliance inspectorate, the office's largest programme, is set to grow by 18.3 per cent over the medium term. This will enable the inspectorate to increase the number of facilities inspected from 401 in 2014/15 to 738 in 2017/18, as well as to review or reinspect more than 200 weak establishments each year. Reviewing or reinspecting weak establishments is a key factor in bringing about compliance with standards. As the number of inspectors increases, the number of personnel in the office is expected to grow from 51 in 2014/15 to 137 in 2017/18.

The ombud will investigate complaints received through the call centre, and issue findings and recommendations. Investigative staff will be appointed to provide the needed expertise. As the office of the ombud is established, its budget is set to increase to R2.8 million over the medium term. Call centre staff will be appointed to handle complaints, which will result in increased performance from an anticipated 3 600 calls per year to 12 000 in 2017/18 as access improves. Thus, expenditure on the complaints management programme is set to increase from R7 million in 2015/16 to R15.1 million in 2017/18.

There are several critical strategic support services in the office of the chief executive, such as the board secretariat, communication and stakeholder relations, and certification and enforcement. As a result, the administration programme makes up a relatively large share of the organisation's budget over the medium term. The budget will also enable the hiring of key staff and related costs.

## Programmes/objectives/activities

**Table 16.33 Office of Health Standards Compliance expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	-	-	-	37 027	-	12.0%	36 659	40 888	47 585	8.7%	42.0%
Compliance Inspectorate	12 289	23 675	31 252	28 786	32.8%	84.4%	34 501	38 707	47 617	18.3%	38.1%
Complaints Management	-	-	-	3 888	-	1.3%	7 030	8 388	15 084	57.1%	8.3%
Health Standards Design, Analysis and Support	-	-	-	6 261	-	2.0%	8 177	9 872	12 598	26.2%	9.3%
Ombud	-	-	-	991	-	0.3%	2 538	2 680	2 827	41.8%	2.3%
<b>Total</b>	<b>12 289</b>	<b>23 675</b>	<b>31 252</b>	<b>76 953</b>	<b>84.3%</b>	<b>100.0%</b>	<b>88 906</b>	<b>100 535</b>	<b>125 711</b>	<b>17.8%</b>	<b>100.0%</b>

1. The Office of Health Standards Compliance started operating in 2015/16. It took over the function from the Department of Health.

## Statements of historical financial performance and position

**Table 16.34 Office of Health Standards Compliance statements of historical financial performance and position**

Statement of financial position									Outcome/ Budget Average (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
<b>Revenue</b>									
Transfers received	12 289	12 289	23 675	23 675	34 305	31 252	76 953	76 953	97.9%
<b>Total revenue</b>	<b>12 289</b>	<b>12 289</b>	<b>23 675</b>	<b>23 675</b>	<b>34 305</b>	<b>31 252</b>	<b>76 953</b>	<b>76 953</b>	<b>97.9%</b>
<b>Expenses</b>									
Current expenses	11 976	11 976	23 489	23 489	33 917	30 864	66 997	66 997	97.8%
Compensation of employees	8 979	8 979	16 395	16 395	20 754	20 754	31 174	31 174	100.0%
Goods and services	2 997	2 997	7 094	7 094	13 163	10 110	35 822	35 822	94.8%
Transfers and subsidies	-	-	7	7	9	9	750	750	100.0%
<b>Total expenses</b>	<b>11 976</b>	<b>11 976</b>	<b>23 496</b>	<b>23 496</b>	<b>33 926</b>	<b>30 873</b>	<b>67 747</b>	<b>67 747</b>	<b>97.8%</b>
<b>Surplus/(Deficit)</b>	<b>313</b>	<b>313</b>	<b>179</b>	<b>179</b>	<b>379</b>	<b>379</b>	<b>9 206</b>	<b>9 206</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	-	2 547	2 653	2 653	2 822	2 822	9 206	9 206	117.3%
of which:									
Acquisition of assets	-	(313)	-	(179)	1 137	(379)	-	(9 206)	-886.3%
Receivables and prepayments	-	1 385	1 736	1 736	1 470	1 470	-	-	143.2%
Cash and cash equivalents	-	626	358	358	758	758	-	-	156.1%
<b>Total assets</b>	<b>-</b>	<b>4 557</b>	<b>4 747</b>	<b>4 747</b>	<b>5 050</b>	<b>5 050</b>	<b>9 206</b>	<b>9 206</b>	<b>124.0%</b>
Accumulated surplus/(deficit)	-	2 437	2 539	2 539	2 701	2 701	9 206	9 206	116.9%
Finance lease	-	54	56	56	60	60	-	-	146.5%
Trade and other payables	-	1 602	1 668	1 668	1 775	1 775	-	-	146.5%
Provisions	-	464	483	483	514	514	-	-	146.5%
<b>Total equity and liabilities</b>	<b>-</b>	<b>4 557</b>	<b>4 747</b>	<b>4 747</b>	<b>5 050</b>	<b>5 050</b>	<b>9 206</b>	<b>9 206</b>	<b>124.0%</b>

## Statements of estimates of financial performance and position

**Table 16.35 Office of Health Standards Compliance statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R thousand								
<b>Revenue</b>								
Transfers received	76 953	84.3%	100.0%	88 906	100 535	125 711	17.8%	100.0%
Total revenue	76 953	84.3%	100.0%	88 906	100 535	125 711	17.8%	100.0%
<b>Expenses</b>								
Current expenses	66 997	77.5%	99.7%	83 792	96 996	121 551	22.0%	99.1%
Compensation of employees	31 174	51.4%	64.5%	53 100	62 326	83 720	39.0%	60.2%
Goods and services	35 822	128.6%	35.2%	30 692	34 669	37 831	1.8%	38.9%
Transfers and subsidies	750	–	0.3%	750	790	829	3.4%	0.9%
Total expenses	67 747	78.2%	100.0%	84 542	97 785	122 380	21.8%	100.00%
Surplus/(Deficit)	9 206	208.7%	–	4 364	2 750	3 331	-28.7%	–
Carrying value of assets	9 206	53.5%	66.9%	11 770	14 520	17 851	24.7%	100.0%
of which:								
Acquisition of assets	(9 206)	208.7%	-29.5%	(2 564)	(2 750)	(3 331)	-28.7%	-39.8%
Total assets	9 206	26.4%	100.0%	11 770	14 520	17 851	24.7%	100.0%
Accumulated surplus/(deficit)	9 206	55.7%	65.1%	11 770	14 520	17 851	24.7%	100.0%
Total equity and liabilities	9 206	26.4%	100.0%	11 770	14 520	17 851	24.7%	100.0%

## Personnel information

**Table 16.36 Office of Health Standards Compliance personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18						
Office of Health Standards Compliance			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	51	51	45	20.8	0.5	51	31.2	0.6	96	53.1	0.6	108	62.3	0.6	137	83.7	0.6	39.0%	100.0%
1 – 6	1	1	1	0.1	0.1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	9.2%	1.2%
7 – 10	38	38	30	11.2	0.4	38	15.5	0.4	58	22.2	0.4	66	26.2	0.4	82	34.8	0.4	30.9%	64.0%
11 – 12	3	3	11	6.6	0.6	3	6.2	2.1	22	14.2	0.6	24	16.5	0.7	34	24.7	0.7	58.6%	19.0%
13 – 16	9	9	3	2.7	0.9	9	9.3	1.0	14	14.7	1.0	16	17.6	1.1	19	22.0	1.2	33.2%	15.2%
17 – 22	–	–	–	–	–	–	–	–	1	1.8	1.8	1	1.9	1.9	1	2.0	2.0	–	0.7%

1. Rand million.

## South African Medical Research Council

### Mandate

The South African Medical Research Council was established in terms of the South African Medical Research Council Act (1969), as amended. The Intellectual Property Rights from Publicly Financed Research and Development Act (2008) also informs the council's mandate. The council is mandated 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.

### Selected performance indicators

**Table 16.37 South African Medical Research Council performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Clean audit opinion on the financial statements from the auditor general achieved each year	Administration	Outcome 2: A long and healthy life for all South Africans	Unqualified report	Clean audit report					
Percentage of the government allocated budget for the Medical Research Council that is spent on administration per year	Administration		25% R143m	27% R156m	24% R175m	20% R161m	17% R171m	18% R187m	18% R187m
Number of articles published with an author affiliated to the Medical Research Council in the top 4 journals (New England Journal of Medicine, The Lancet, Science and Nature) per year	Core research		– <sup>1</sup>	– <sup>1</sup>	13	10	12	14	16

**Table 16.37 South African Medical Research Council performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of International Science Index journal articles published where the first author is affiliated to the Medical Research Council per year	Core research	Outcome 2: A long and healthy life for all South African	-1	-1	169	160	165	170	175
Number of new local and international policies and guidelines that reference the Medical Research Council per year	Core research		-1	-1	4	4	4	4	5
Number of research grants awarded by the Medical Research Council per year	Core research		87	120	169	100	110	120	130
Number of Medical Research Council bursaries/scholarships/fellowships provided for postgraduate study at masters, doctoral and postdoctoral levels per year	Capacity development	Outcome 5: A skilled and capable workforce to support an inclusive growth path	83	99	72	60	65	70	75

1. New indicator, hence data not available for the respective years.

## Expenditure analysis

The South African Medical Research Council will continue over the medium term to generate new health care solutions through the production of new high quality knowledge and medical products, improved and enhanced medical and health practices, effective health promotion strategies, improved health policy, and better functioning of national health systems. The council has made significant contributions to research on maternal, infant and child mortality rates in South Africa, which has been instrumental in measuring progress on the national development plan's vision and government's 2014-2019 medium term strategic framework objective of seeing maternal, infant and child mortality reduced.

The council's income over the medium term comprises annual transfers from the Department of Health, and donor funding obtained through competitive bidding processes from local and international funding agencies. The transfer from the department makes up 60.5 per cent of total revenue and is expected to grow at an average annual rate of 11.3 per cent over the medium term, mainly due to the economic competitiveness support package, a five-year programme introduced by the Department of Trade and Industry to enhance public sector infrastructure and job creation initiatives, and to promote more rapid economic growth. In line with the purpose of the package, the council has allocated funding to revive medical research by improving research infrastructure, creating job opportunities for new scientists, developing human capacity in research, and leveraging funding through local and international funding agencies. Donor funding is expected to make up 35.7 per cent of the council's revenue over the MTEF period and is anticipated to grow at an average annual rate of 5.2 per cent.

The American National Institutes of Health, the Centres for Disease Control and Prevention, the Bill and Melinda Gates Foundation, and the South African Department of Science and Technology are the council's biggest funding agencies for projects on HIV and AIDS, tuberculosis, and innovation and technology development. New donor funding partnerships with the Bill and Melinda Gates Foundation, the Wellcome Trust, and Anglo American Platinum started in 2013/14, and partnerships with the Medical Research Council of the United Kingdom and other funding agencies are being negotiated. As a result, the innovation and technology programme budget has grown sharply, from R7.8 million in 2012/13. As a result of the new donor funding partnership, the budget is expected to continue to grow by 22 per cent over the MTEF period. This will fund projects in research areas such as tuberculosis and non-communicable diseases, and fast-track promising innovations through the product development stage, such as technologies for the diagnosis of Ebola, malaria and tuberculosis.

The council's total research output is expected to increase through an estimated 1 per cent growth in peer reviewed publications, as well as research grants. A 5 per cent annual growth in the number of bursaries, scholarships and fellowships awarded to postgraduate students is also earmarked for the MTEF period. Most of these projects are funded through the core research programme, which is allocated R1.9 billion over the medium term, making up 62.8 per cent of total expenditure.

The council's flagship projects were launched in 2013/14, and funding was awarded to 12 universities and 5 intra-mural research units. Funding for flagship projects covers a wide range of disease areas, including HIV and AIDS, tuberculosis, malaria, cardiovascular and metabolic disease, alcohol and drug abuse, women's health,

and the burden of disease. It is anticipated that the flagship projects will produce 154 peer reviewed publications over the medium term, as well as fund 64 masters students, 39 doctoral candidates, and 28 postdoctoral fellows. As many of these projects are funded through research grants implemented at universities, the number of personnel in the council is expected to remain unchanged over the medium term. However, the budget for compensation of employees is likely to increase over the medium term at an average annual rate of 8 per cent, which will allow for the recruitment of highly skilled researchers.

The national health scholars programme was developed as part of the department's human resources for health strategy. The purpose is to support the education and training of 1 000 doctoral candidates in the health sciences over 10 years, and the council will contribute to this programme by enrolling at least 50 candidates by March 2015. This initiative is implemented through the capacity development programme and is to receive R10 million per year over the MTEF period from the public health enhancement fund.

## Programmes/objectives/activities

**Table 16.38 South African Medical Research Council expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	143 962	156 463	175 327	161 793	4.0%	23.9%	171 666	187 978	181 215	3.9%	18.1%
Core research	423 423	406 011	471 099	549 329	9.1%	68.6%	597 911	655 893	640 139	5.2%	62.8%
Innovation and technology	4 951	7 752	59 015	83 247	156.2%	5.1%	215 296	161 612	151 242	22.0%	15.4%
Capacity development	8 207	6 726	22 311	34 231	61.0%	2.4%	35 201	37 261	38 444	3.9%	3.7%
<b>Total</b>	<b>580 543</b>	<b>576 952</b>	<b>727 752</b>	<b>828 600</b>	<b>12.6%</b>	<b>100.0%</b>	<b>1 020 074</b>	<b>1 042 744</b>	<b>1 011 040</b>	<b>6.9%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 16.39 South African Medical Research Council statements of historical financial performance and position**

Statement of financial position	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2011/12 - 2014/15
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>316 050</b>	<b>326 216</b>	<b>331 750</b>	<b>282 754</b>	<b>349 135</b>	<b>315 825</b>	<b>308 056</b>	<b>338 269</b>	<b>96.8%</b>
Sale of goods and services other than capital assets	290 000	303 481	305 000	257 569	321 885	287 804	283 006	306 839	96.3%
<i>of which:</i>									
Sales by market establishment	290 000	303 481	305 000	257 569	321 885	287 804	283 006	306 839	96.3%
Other non-tax revenue	26 050	22 735	26 750	25 185	27 250	28 021	25 050	31 430	102.2%
<b>Transfers received</b>	<b>271 205</b>	<b>237 899</b>	<b>279 690</b>	<b>249 003</b>	<b>416 460</b>	<b>416 460</b>	<b>460 638</b>	<b>446 331</b>	<b>94.5%</b>
<b>Total revenue</b>	<b>587 255</b>	<b>564 115</b>	<b>611 440</b>	<b>531 757</b>	<b>765 595</b>	<b>732 285</b>	<b>768 694</b>	<b>784 600</b>	<b>95.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>579 868</b>	<b>580 543</b>	<b>634 511</b>	<b>576 952</b>	<b>767 406</b>	<b>676 608</b>	<b>808 694</b>	<b>773 787</b>	<b>93.5%</b>
Compensation of employees	271 558	312 493	312 087	316 120	330 722	298 099	235 811	280 783	105.0%
Goods and services	296 309	252 967	309 573	244 503	417 483	356 021	553 358	474 504	84.2%
Depreciation	11 801	15 001	12 750	16 176	19 100	16 556	19 500	18 000	104.1%
Interest, dividends and rent on land	200	82	101	153	101	5 932	25	500	1 561.4%
<b>Total expenses</b>	<b>579 868</b>	<b>580 543</b>	<b>634 511</b>	<b>576 952</b>	<b>767 406</b>	<b>727 752</b>	<b>808 694</b>	<b>828 600</b>	<b>97.3%</b>
<b>Surplus/(Deficit)</b>	<b>7 387</b>	<b>(16 428)</b>	<b>(23 071)</b>	<b>(45 195)</b>	<b>(1 811)</b>	<b>4 533</b>	<b>(40 000)</b>	<b>(44 000)</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	108 718	139 241	132 371	130 559	137 000	124 093	142 000	125 321	99.8%
<i>of which:</i>									
Acquisition of assets	(15 830)	30 696	21 961	9 431	27 800	25 602	24 500	21 652	149.5%
Investments	55 420	36 922	37 000	5 225	42 200	5 884	44 440	5 735	30.0%
Inventory	303	202	130	-	140	-	-	-	35.3%
Receivables and prepayments	56 000	31 498	36 000	29 385	37 000	35 740	37 500	34 205	78.6%
Cash and cash equivalents	420 000	314 349	386 615	368 162	282 761	335 127	237 660	360 361	103.8%
Taxation	-	-	-	1 619	-	8 294	-	-	-
<b>Total assets</b>	<b>640 441</b>	<b>522 212</b>	<b>592 116</b>	<b>534 950</b>	<b>499 101</b>	<b>509 138</b>	<b>461 600</b>	<b>525 622</b>	<b>95.4%</b>
Accumulated surplus/(deficit)	320 040	286 552	269 657	241 358	245 493	245 892	206 640	201 891	93.7%
Capital and reserves	-	-	1 848	-	2 859	-	3 330	-	-
Capital reserve fund	-	166 866	-	209 238	180 000	122 717	180 000	175 840	187.4%
Finance lease	-	135	160	8	-	-	-	-	89.4%
Deferred income	255 000	-	255 000	-	1 099	-	1 130	-	-
Trade and other payables	58 068	52 188	57 288	50 479	58 000	97 476	58 500	115 858	136.3%
Taxation	-	1 464	-	-	1 250	-	1 300	12 995	567.0%
Provisions	6 024	15 007	700	33 867	10 400	43 053	10 700	19 038	398.8%
Managed funds (e.g. poverty alleviation fund)	1 109	-	1 109	-	-	-	-	-	-
Derivatives financial instruments	200	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>640 441</b>	<b>522 212</b>	<b>585 762</b>	<b>534 950</b>	<b>499 101</b>	<b>509 138</b>	<b>461 600</b>	<b>525 622</b>	<b>95.7%</b>

## Statements of estimates of financial performance and position

**Table 16.40 South African Medical Research Council statements of estimates of financial performance and position**

Statement of financial position		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>		<b>338 269</b>	<b>1.2%</b>	<b>49.3%</b>	<b>396 182</b>	<b>385 154</b>	<b>396 079</b>	<b>5.4%</b>	<b>39.5%</b>
Sale of goods and services other than capital assets		306 839	0.4%	45.2%	356 981	348 080	357 224	5.2%	35.7%
of which:									
Sales by market establishment		306 839	0.4%	45.2%	356 981	348 080	357 224	5.2%	35.7%
Other non-tax revenue		31 430	11.4%	4.1%	39 201	37 074	38 855	7.3%	3.8%
<b>Transfers received</b>		<b>446 331</b>	<b>23.3%</b>	<b>50.7%</b>	<b>623 892</b>	<b>657 590</b>	<b>614 961</b>	<b>11.3%</b>	<b>60.5%</b>
<b>Total revenue</b>		<b>784 600</b>	<b>11.6%</b>	<b>100.0%</b>	<b>1 020 074</b>	<b>1 042 744</b>	<b>1 011 040</b>	<b>8.8%</b>	<b>100.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>		<b>773 787</b>	<b>10.1%</b>	<b>96.6%</b>	<b>943 457</b>	<b>961 987</b>	<b>935 520</b>	<b>6.5%</b>	<b>100.0%</b>
Compensation of employees		280 783	-3.5%	45.9%	301 915	336 757	353 603	8.0%	32.7%
Goods and services		474 504	23.3%	48.0%	622 542	604 730	560 917	5.7%	57.9%
Depreciation		18 000	6.3%	2.5%	19 000	20 500	21 000	5.3%	2.0%
Interest, dividends and rent on land		500	82.7%	0.2%	-	-	-	-100.0%	-
<b>Total expenses</b>		<b>828 600</b>	<b>12.6%</b>	<b>100.0%</b>	<b>1 020 074</b>	<b>1 042 744</b>	<b>1 011 040</b>	<b>6.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>(44 000)</b>	<b>38.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets		125 321	-3.5%	24.8%	126 313	122 400	124 165	-0.3%	23.0%
of which:									
Acquisition of assets		21 652	-11.0%	4.2%	17 913	15 662	21 915	0.4%	3.6%
Investments		5 735	-46.2%	2.6%	6 500	6 800	7 000	6.9%	1.2%
Receivables and prepayments		34 205	2.8%	6.3%	37 984	39 450	40 533	5.8%	7.0%
Cash and cash equivalents		360 361	4.7%	65.8%	372 755	378 522	380 929	1.9%	68.8%
<b>Total assets</b>		<b>525 622</b>	<b>0.2%</b>	<b>100.0%</b>	<b>543 552</b>	<b>547 172</b>	<b>552 627</b>	<b>1.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		201 891	-11.0%	46.7%	201 891	201 891	201 891	-	37.2%
Capital reserve fund		175 840	1.8%	32.2%	187 082	195 620	200 300	4.4%	35.0%
Trade and other payables		115 858	30.5%	15.2%	120 584	118 781	121 375	1.6%	22.0%
Taxation		12 995	107.1%	0.7%	13 500	12 450	9 761	-9.1%	2.2%
Provisions		19 038	8.3%	5.3%	20 495	18 430	19 300	0.5%	3.6%
<b>Total equity and liabilities</b>		<b>525 622</b>	<b>0.2%</b>	<b>100.0%</b>	<b>543 552</b>	<b>547 172</b>	<b>552 627</b>	<b>-2.6%</b>	<b>100.0%</b>

## Personnel information

**Table 16.41 South African Medical Research Council personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2015		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		2016/17		2017/18				2014/15 - 2017/18			
South African Medical Research Council		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	635	609	607	298.1	0.5	635	280.8	0.4	635	301.9	0.5	635	336.8	0.5	635	353.6	0.6	8.0%	100.0%
1 – 6	201	195	193	52.5	0.3	201	29.2	0.1	201	31.5	0.2	201	34.1	0.2	201	36.8	0.2	8.0%	31.7%
7 – 10	327	311	311	146.4	0.5	327	160.9	0.5	327	172.4	0.5	327	196.9	0.6	327	202.6	0.6	8.0%	51.5%
11 – 12	59	58	58	46.5	0.8	59	42.6	0.7	59	46.0	0.8	59	49.7	0.8	59	53.6	0.9	8.0%	9.3%
13 – 16	46	43	43	48.5	1.1	46	43.7	0.9	46	47.2	1.0	46	50.9	1.1	46	55.0	1.2	8.0%	7.2%
17 – 22	2	2	2	4.3	2.1	2	4.5	2.2	2	4.8	2.4	2	5.2	2.6	2	5.6	2.8	8.0%	0.3%

1. Rand million.

## Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Conditional allocations to provinces</b>							
<b>National Health Insurance, Health Planning and Systems Enablement</b>							
National health insurance grant	–	150 000	50 953	70 000	72 042	75 433	80 157
<b>HIV and AIDS, Tuberculosis, and Maternal and Child Health</b>							
Comprehensive HIV and AIDS grant	7 312 376	8 573 184	10 334 687	12 102 108	13 737 312	15 466 603	17 440 333
<b>Hospitals, Tertiary Health Services and Human Resource Development</b>							
Health professions training and development grant	1 977 310	2 075 248	2 190 366	2 321 788	2 374 722	2 476 724	2 631 849
National tertiary services grant	8 048 878	8 878 010	9 620 357	10 168 235	10 398 035	10 846 778	11 526 145
Health facility revitalisation grant	5 925 252	4 289 595	5 290 816	5 501 981	5 275 762	5 472 680	5 817 010
Health Infrastructure grant	–	1 800 981	–	–	–	–	–
Nursing colleges grant	–	100 000	–	–	–	–	–
Forensic pathology services grant	590 380	–	–	–	–	–	–
2013 African Cup of Nations medical services grant	–	15 000	–	–	–	–	–
Infrastructure grant to provinces	135 132	–	–	–	–	–	–
<b>Total</b>	<b>23 989 328</b>	<b>25 882 018</b>	<b>27 487 179</b>	<b>30 164 112</b>	<b>31 857 873</b>	<b>34 338 218</b>	<b>37 495 494</b>

1. Detail provided in the Division of Revenue Act (2015).

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
<b>Departmental infrastructure</b>										
R thousand										
Gauteng: Shoshanguve Hospital	Building of new hospital	Feasibility	1 400 000	-	-	-	1 000	20 639	86 049	99 499
Limpopo: Tshidzini Hospital	Replacement of hospital	Feasibility	1 400 000	-	-	1 000	2 376	30 420	89 994	96 105
Eastern Cape: Bambisana Hospital	Replacement of hospital	Feasibility	800 000	-	-	1 000	5 000	30 420	80 000	85 290
Eastern Cape: Zithulele Hospital	Replacement of hospital	Feasibility	968 000	-	-	1 000	5 000	33 420	80 000	97 860
Free State: Dhlhlabeng Hospital	Upgrade and maintenance of facility	Feasibility	400 000	-	-	1 000	1 000	11 542	18 493	73 369
Limpopo: Sibam Hospital	Replacement of hospital (main hospital and staff accommodation)	Design	1 200 000	-	-	10 338	43 000	100 780	119 998	126 087
Limpopo: Elim Hospital	Replacement of hospital	Feasibility	1 200 000	-	-	1 000	2 000	30 204	90 370	92 207
Eastern Cape: Nolutha Clinic	Replacement of clinic	Tender	18 232	-	-	2 693	7 000	10 148	-	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Tender	8 089	-	-	2 693	7 000	10 148	-	-
Eastern Cape: Luthhebeni Clinic	Replacement of clinic	Tender	8 089	-	-	2 693	7 000	10 148	-	-
Eastern Cape: Maxhwele Clinic	Replacement of clinic	Tender	8 089	-	-	2 693	7 000	10 148	-	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Tender	8 089	-	-	2 693	7 000	10 148	-	-
Eastern Cape: Lusikisik Clinic	Replacement of clinic	Tender	8 089	-	-	2 693	7 000	10 148	-	-
Mpumalanga: Musukaligwa community health centre	Replacement of community health centre	Design	140 000	-	-	1 500	14 681	27 051	53 268	10 000
Mpumalanga: Mkhondo community health centre	Replacement of community health centre	Design	140 000	-	-	1 500	14 681	27 051	53 268	10 000
Mpumalanga: Vukuzakhe community health centre	Replacement of community health centre	Design	140 000	-	-	1 500	14 681	27 051	53 268	10 000
Mpumalanga: Balfour community health centre	Replacement of community health centre	Design	140 000	-	-	1 500	14 681	47 051	53 268	10 000
Mpumalanga: Nhlazathse community health centre	Replacement of community health centre	Design	140 000	-	-	1 500	14 681	27 051	53 268	10 000
Limpopo: Magwedzha Clinic	Replacement of clinic	Feasibility	18 232	-	-	1 500	6 198	12 034	-	-
Limpopo: Thengwe Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	6 198	12 034	-	-
Limpopo: Mulenzhe Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	6 198	12 034	-	-
Limpopo: Makonde Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	6 198	12 034	-	-
Limpopo: Kutama Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	6 198	12 034	-	-
Free State: Bolata Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	5 225	13 007	-	-
Free State: Kokelong Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	5 225	13 007	-	-
Free State: Excelsior Clinic	Replacement of clinic	Feasibility	18 232	-	-	2 693	5 225	13 007	-	-
Eastern Cape: Buttenworth Nursing College	Upgrade of existing facility	Tender	20 800	-	-	2 686	10 800	8 000	-	-
Gauteng: Baragwanath Nursing College	Upgrade of existing facility	Tender	20 500	-	-	2 472	10 500	10 000	-	9 098
Limpopo: Thohoyandou Nursing College	Upgrade of existing facility	Tender	22 500	-	-	1 450	11 500	11 000	-	9 504
Mpumalanga: Middleburg Nursing School	Upgrade of existing facility	Tender	14 500	-	-	3 384	6 500	8 000	-	-
Northern Cape: Henrietta Nursing College	Upgrade of existing facility	On hold	14 396	-	-	5 230	6 396	8 000	-	-

Table 16.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13		2013/14	2015/16	2016/17
R thousand									
Doctors consulting rooms in national health insurance districts	Provision of mobile doctors consulting rooms to primary health care facilities	Hand over	280 708	-	-	218 000	62 708	-	-
Eastern Cape: Gengqo clinic	Replacement of existing clinic	Design	18 232	-	-	-	7 000	10 732	-
Eastern Cape: Sakhele Clinic	Replacement of existing clinic	Design	18 232	-	-	-	7 000	10 732	-
Current (maintenance, provincial management support unit, project management information system and in loco supervision)	Maintenance of clinics in national health insurance districts	Construction	225 000	-	-	-	200 000	273 927	-
Conditional Assessment of national health insurance districts	conditional assessment in all national health insurance facilities	Feasibility	14 350	-	-	-	14 350	-	-
Five academic hospital projects	Development of feasibility study and funding model	Feasibility	23 108	-	-	-	46 659	-	-
Infrastructure Planning and Support	Infrastructure planning for various projects	Various	-	-	-	-	-	121 838	289 930
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
Eastern Cape: Cecilia Makiwane Hospital	Construction of main hospital (phase 4)	Construction	1 348 921	293 716	242 970	274 744	318 741	66 000	75 000
Gauteng: Natalspruit Hospital	Construction of main hospital	Hand over	1 089 095	456 236	250 720	232 139	150 000	-	-
KwaZulu-Natal: King George V Hospital	Upgrading of and additions to existing hospital	Construction	1 245 358	181 994	109 308	113 099	14 960	12 127	12 733
KwaZulu-Natal: Ngwalezane Hospital and Lower Umfolozi War Memorial Hospital	Construction of hospital complex	Construction	1 495 606	219 473	233 820	187 346	145 805	177 335	259 428
KwaZulu-Natal: Dr Pixley ka Seme Memorial Hospital	Construction of new hospital	Tender	1 450 342	28 866	82 910	24 940	271 000	341 848	358 940
Eastern Cape: Frontier Hospital	Upgrade of existing facility	Construction	476 874	47 994	23 566	92 985	71 000	28 075	29 479
Eastern Cape: St Elizabeth's Hospital	Upgrade of existing facility	Construction	724 177	79 349	58 807	100 000	48 569	66 328	100 887
Eastern Cape: Dr Malizo Mpehle Memorial Hospital	Upgrading of emergency medical services centre, Frere Gateway Clinic and helpad for the hospital	Hand over	378 144	28 827	6 606	8 000	-	-	-
Eastern Cape: St Patrick's Hospital	Construction of remaining components of hospital at new site	Construction	447 622	28 827	76 593	46 814	27 601	6 200	6 510
Free State: Boitumelo Hospital	Revitalisation of existing hospital	Construction	840 224	95 395	120 344	85 000	62 646	-	-
Free State: Palomoni Regional Hospital	Revitalisation of existing hospital	Construction	604 240	66 523	14 506	98 000	100 491	80 000	84 000
Free State: Free State Psychiatric Complex	Upgrade of existing hospital	Design	614 378	24 020	1 081	-	100 973	128 207	175 657
Free State: Mantsope Hospital (Ladybrand)	Construction of hospital	Handed over	439 436	119 910	163 718	80 000	-	-	-
Free State: Trompsburg Hospital	Construction of new hospital	Construction	327 920	65 824	175 244	70 665	16 187	-	-
Free State: National Hospital (Mangaung)	Construction of new hospital	Feasibility	626 595	19 120	12 999	43 638	100 365	147 696	155 081
Gauteng: Mamelodi Hospital	Maintenance and repairs of hospital	Handed over	388 163	29 150	-	-	-	-	-
Gauteng: Zola Hospital	Construction of new hospital	Handed over	716 485	251 000	132 761	10 000	-	-	-

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R thousand										
Gauteng: Chris Hani Baragwanath	Construction of pharmacy, outpatient and x-ray departments completed	Handed over	753 254	142 531	81	-	-	-	-	-
Gauteng: Kalafoing Hospital	Review of business cases and development of project brief	Feasibility	571 441	-	-	98 000	120 000	107 441	120 000	126 000
Gauteng: Germiston Hospital	Renovation of existing facilities	Hand over	626 960	101 270	23 323	-	-	-	-	-
Gauteng: Sebokeng Hospital	Replacement of existing hospital	Feasibility	451 652	-	286	129 000	61 664	85 476	85 476	89 750
Gauteng: Khayalami Hospital	Upgrading of existing hospital	Feasibility	384 518	-	-	80 000	50 000	80 000	80 000	84 000
Gauteng: Jubilee Hospital	Replacement of existing hospital	Feasibility	655 222	-	-	80 000	51 961	171 561	171 561	180 139
Gauteng: Construction of clinics and community health centres	Construction of 4 clinics and 3 community health centres	Various	436 544	-	824	-	100 674	109 851	109 851	115 344
KwaZulu-Natal: Hlabisa Hospital	Upgrading of existing hospital	Various	315 611	19 513	14 424	9 448	31 500	25 840	25 840	27 132
KwaZulu-Natal: Rivier Hospital	Upgrading and additions to existing hospital	Construction	490 473	46 879	50 192	107 935	46 879	57 441	70 000	73 500
KwaZulu-Natal: Edenburg Hospital	Upgrading of existing hospital	Various	284 951	26 871	76 369	81 560	48 665	3 108	3 108	3 263
Limpopo: Thabazimbi Hospital	Replacement of existing hospital	Feasibility	366 361	76 968	106 793	82 600	100 000	-	-	-
Limpopo: Enabling works programme for hospitals	Upgrading of 9 hospitals	Construction	379 751	100 763	177 968	86 020	15 000	-	-	-
Limpopo: Letaba Hospital	Upgrading of existing hospital	Construction	381 492	30 374	44 754	23 000	80 000	13 994	19 553	20 631
Limpopo: Maphuta L Malaji Hospital	Upgrading of existing hospital	Construction	164 336	21 586	5 396	30 945	80 000	4 626	10 626	11 157
Mpumalanga: Rob Ferreira Hospital	Upgrading of existing hospital	Construction	887 716	142 418	102 649	36 093	41 500	-	-	-
Mpumalanga: Thembu Hospital	Upgrading of existing hospital	Construction	645 247	70 762	56 273	47 216	59 000	40 000	40 000	42 000
Mpumalanga: Ermelo Hospital	Upgrading of existing hospital	Construction	473 000	27 059	35 888	95 200	49 000	72 000	72 000	75 600
Mpumalanga: Hospital projects in planning stages	Construction and upgrades of various hospitals	Construction	414 235	12 043	2 550	25 000	39 313	57 127	97 507	102 382
Northern Cape: Mental health hospital in Kimberley	Construction of the hospital	Feasibility	796 358	12 658	95 115	13 000	223 998	269 252	88 944	93 391
Northern Cape: Upington Hospital	Construction of new hospital	Construction	852 439	227 976	148 320	101 515	13 293	5 000	5 000	5 250
Northern Cape: De Aar Hospital	Construction of new hospital	Construction	626 637	126 843	111 205	196 759	39 330	50 000	50 000	52 500
Northern Cape: Kuruman Hospital	Construction of new hospital	Construction	608 191	-	-	6 000	81 000	162 441	175 000	183 750
North West: Vryburg Hospital	Construction of new hospital	Feasibility	503 623	18 562	6 839	-	-	-	-	-
North West: Moses Kotane Hospital	Construction of new hospital	Construction	664 463	14 180	17 808	53 253	45 000	13 731	13 731	14 418
North West: Brits Hospital	Construction of new hospital	Construction	779 858	254 897	148 850	142 000	19 000	5 000	5 000	5 250
North West: Bophelong Hospital	Construction of new hospital	Construction	979 480	69 111	104 289	148 005	131 362	160 929	178 431	187 353
Western Cape: Worcester Hospital	Upgrading of existing hospital	Construction	472 834	9 752	24 886	78 227	6 835	-	-	-
Western Cape: Paarl Hospital	Upgrading of existing hospital	Construction	631 353	34 524	11 989	34 199	3 336	-	-	-
Western Cape: Khayelitsha Hospital	Construction of new hospital	Handed over	607 423	125 388	14 138	-	-	-	-	-
Western Cape: Mitchells Plain Hospital	Construction of new hospital	Handed over	583 751	141 226	271 803	20 656	-	-	-	-
Western Cape: Vredenburg Hospital	Rehabilitation of hospital	Construction	327 330	12 347	30 605	83 414	48 182	3 000	3 000	3 150
Western Cape: Valkenberg Hospital	Rehabilitation of hospital	Feasibility	1 155 614	5 056	10 869	221 930	165 751	246 560	246 560	258 888
Western Cape: GF Jooste Hospital	Rehabilitation of hospital	Construction	710 516	-	-	25 000	114 000	178 941	191 500	201 075
Eastern Cape: Madwatani Hospital	Upgrading of existing hospital	Feasibility	382 931	5 631	3 250	18 992	47 560	85 823	149 999	157 499
Gauteng: Tambo Memorial Hospital	Replacement and renovations of existing hospital	Various	188 377	-	-	40 000	16 000	39 715	45 201	47 461
Gauteng: Dr Yusuf Dadoo Hospital	Replacement and renovations of existing hospital	Pre-feasibility	178 000	-	-	40 000	16 000	40 000	40 000	42 000

Table 16.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2011/12	2012/13	2013/14		2015/16	2016/17
R thousand									
Limpopo: Thabamopo Hospital	Upgrading of existing hospital	Construction	244 558	17 839	9 989	5 765	1 500	-	-
Limpopo: Musina Hospital	Development of project brief and design	Feasibility	704 862	-	-	15 000	40 000	145 853	258 146
Northern Cape: Prof ZK Mathews Hospital	Rebuilding of the pharmacy	Hand over	91 105	423	-	-	-	-	-
North West: Lichtenburg Hospital	Replacement of hospital	Feasibility	426 881	-	7 531	28 000	65 000	107 000	112 350
North West: Rustenburg Hospital	Review of business case and development of project brief	Feasibility	172 000	-	-	-	50 000	40 000	42 000
North West: Klerksdorp Hospital	Review of business case and development of project brief	Feasibility	177 000	-	-	5 000	50 000	40 000	42 000
Western Cape: George Hospital	Rehabilitation and upgrading of hospital	Handed over	237 411	29 198	17 413	5 600	-	-	-
Western Cape: Brooklyn Chest Hospital	Rehabilitation and construction of new wards	Feasibility	282 052	-	-	6 500	61 000	70 345	73 862
KwaZulu-Natal: King Edward VIII Hospital	Upgrading and renovation of existing facilities	Construction	295 850	34 931	38 083	19 836	52 675	49 287	51 751
KwaZulu-Natal: Madadeni Hospital	Construction of new psychiatric hospital	On hold	59 895	8 112	25 810	23 000	-	-	-
Limpopo: Dlokong Hospital	Additions to and upgrade of existing hospital	Handed over	134 566	210	-	-	-	-	-
Limpopo: New hospitals in planning	Developments of business cases, project brief and design	Various	90 612	10 612	-	30 000	40 103	-	-
Limpopo: Other hospital revitalisation grant projects	Construction and upgrading of hospitals and other health facilities	Various	269 943	14 325	-	165 112	44 269	16 801	14 359
Mpumalanga: Other hospital revitalisation grant projects	Provision of equipments in various facilities and other enabling work	Various	32 528	-	32 528	-	-	-	-
North West: Other hospital revitalisation grant projects	Provision of equipments in various facilities and other enabling work	Various	53 252	-	53 252	-	-	-	-
Western Cape: Other Hospital Revitalisation Grant Projects	Provision of equipments in various facilities and other enabling work	Various	59 907	-	59 907	-	-	-	-
Eastern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 119 535	328 912	306 177	-	60 000	150 000	130 044
Limpopo: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	984 270	253 093	266 729	-	40 000	150 000	130 048
Free State: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	824 668	75 052	81 950	147 417	48 305	165 573	145 617
Gauteng - Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	744 758	136 957	110 361	61 894	80 000	70 000	50 044
KwaZulu-Natal: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	3 059 186	364 758	572 520	373 570	483 884	380 078	427 571
Mpumalanga: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	980 126	129 152	114 394	80 000	134 924	181 202	162 243
Northern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	703 812	104 891	101 038	104 154	59 807	120 320	100 364
North West: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 000 263	136 695	121 622	119 863	108 139	179 502	159 546

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
R thousand				2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
Western Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	981 263	124 836	128 981	139 296	219 732	111 881	121 308	135 229	
KwaZulu-Natal: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	163 797	-	16 480	23 896	29 454	30 809	30 809	32 349	
Limpopo: Nursing college	Upgrading and maintenance of nursing colleges	Various	142 093	-	11 777	18 980	26 570	27 792	27 792	29 182	
Northern Cape: Nursing schools	Upgrading and maintenance of nursing colleges	Various	4 977	-	977	-	4 000	-	-	-	
Gauteng: Nursing colleges and schools	Upgrading and maintenance of nursing colleges and schools	Various	130 442	-	7 702	19 096	24 734	25 872	25 872	27 166	
Western Cape: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	108 464	-	5 712	14 964	20 950	21 914	21 914	23 010	
Free State: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	101 291	-	3 265	14 242	19 995	20 915	20 914	21 960	
Eastern Cape: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	120 334	-	12 394	-	25 760	26 945	26 944	28 291	
Mpumalanga: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	54 577	-	5 391	14 123	19 772	-	-	-	
North West: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	48 637	-	8 680	12 586	17 620	-	-	-	
<b>Total</b>			<b>56 495 286</b>	<b>5 683 398</b>	<b>5 524 352</b>	<b>5 442 820</b>	<b>5 844 840</b>	<b>6 188 912</b>	<b>6 425 762</b>	<b>6 845 959</b>	

Table 16.C Summary of donor funding

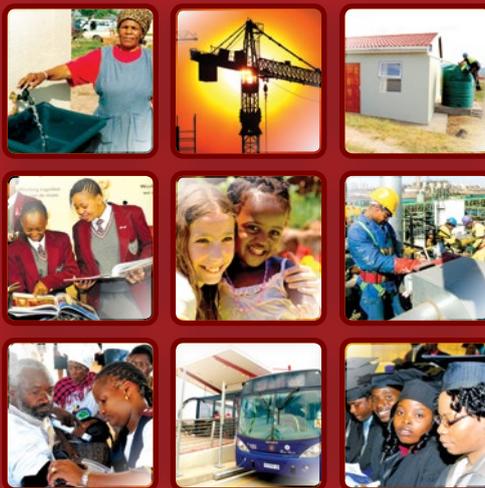
Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2014/15	Medium-term expenditure estimate	
							2011/12	2012/13		2013/14	2015/16
Foreign In cash United States: Centres for Disease Control	Cooperation in the prevention and control of HIV and AIDS, and other related infectious diseases	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2009 - 2012	122 500	Goods and services	Strengthen HIV and AIDS programmes and capacity building	18 171	22 433	-	-	-
United States: Disease Control	Implementation of a primary health care programme in South Africa under the US President's Emergency Plan for AIDS Relief	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2012 - 2014	50 452	Goods and services	Strengthen the capacity of the Department of Health to scale up primary health care services to improve the management of HIV and AIDS services	-	5 924	8 342	36 186	50 833
European Union	Expanded partnership for the delivery of primary health care including treatment for HIV and AIDS	Primary Health Care Services	2007 - 2013	502 065	Compensation of Employees	Provide access to primary health care through funding non-governmental organisations	5 662	2 648	-	-	-
European Union	Primary health care sector policy support programme	National Health Insurance, Health Planning and Systems Enablement	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.	-	158 050	164 601	329 000	270 000
European Union	Masibambane	Primary Health Care Services	2009 - 2011	858	Goods and services	Collaboration with the Department of Water Affairs	276	196	238	1 117	230
Belgium	Knowledge translation contract	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2008 - 2011	16 976	Goods and services	Strengthen capacity building with the support of technical assistants	529	1 295	-	-	-
Canada	Strengthening the non-governmental organisation coordination unit	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2006 - 2012	24 545	Goods and services	Strengthen the non-governmental organisation coordination unit within the HIV and AIDS, tuberculosis directorate within the Department of Health	2 774	-	-	-	-
Canada	Human resources for health implementation	Hospitals, Tertiary Health Services and Human Resource Development	2008 - 2012	19 446	Compensation of Employees	Strengthen health workforce planning and management capacity	15	1 459	-	-	-
Denmark	Urban environmental management programme	Primary Health Care Services	2006 - 2010	6 300	Goods and services	Roll out the national health and hygiene education strategy to all 9 provinces	1	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 2	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2006 - 2014	200 043	Goods and services	Reduce the rate of new HIV infections in South Africa by 50per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	7 576	-	-	-	-

Table 16.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2014/15	Medium-term expenditure estimate		
							2011/12	2012/13		2013/14	2015/16	2016/17
R thousand							57 116	-	-	-	-	
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 6	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2008 - 2011	762 646	Non-profit institutions	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	-	-	-	-	-	
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 9	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2010 - 2011	194 591	Goods and services	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	328	-	-	-	-	
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2011 - 2013	852 297	Goods and services	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	17 810	228 926	-	-	-	
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2013 - 2016	1 893 892	Goods and services	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	-	-	460 747	658 118	775 025	
<b>Foreign In kind</b>												
Belgium	Consolidation of the health capacity building in the national Department of Health	Hospitals, Tertiary Health Services and Human Resource Development	2009 - 2011	1 232	Goods and services	Increase the efficiency, effectiveness and quality of care in South Africa's health sector. Improve the management capacity of government hospitals in preparation for the rollout of the national health insurance scheme	847	-	-	-	-	
U N Population Fund	Sexual and reproductive health and rights and HIV prevention	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2013 - 2014	31 804	Goods and services	Donation of reproductive health commodities, such as female condoms, lubricant sachets and sub-dermal implants	-	-	31 804	-	-	
<b>Local In cash</b>												
Health and Welfare Sector Education and Training Authority	National skills fund growth and development strategy	Hospitals, Tertiary Health Services and Human Resource Development	2010 - 2014	6 488.0	Goods and services	Improve the skills of data capturers at health facilities	1 603	1 796	534	628	-	
<b>Total</b>				<b>5 786 135</b>			<b>112 708</b>	<b>422 727</b>	<b>666 266</b>	<b>1 025 049</b>	<b>1 096 088</b>	<b>250 833</b>



Photos provided by GCIS.



# BUDGET 2015

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**national treasury**

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