

◀ 2020 ▶
BUDGET

VOTE
18

HEALTH



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2020

**National Treasury
Republic of South Africa**



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The 2020 Estimates of National Expenditure is 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 at www.treasury.gov.za. Compared to the abridged Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities, transfers and subsidies and information on programme specific personnel expenditure.

Foreword

The Estimates of National Expenditure (ENE) publications remain an integral part of the annual budgeting process. In light of the prevailing economic climate, which requires careful consideration around the management of public funds, it has become necessary to focus our efforts on reprioritising existing government resources to areas where the most value can be derived for the benefit of all South Africans. To alleviate fiscal pressures, reductions have been effected on the baseline budgets of departments and public entities. The budgets unpacked in this document reflect the outcome of a robust negotiation process, which was led by a committee of senior officials in central government departments under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, the budgetary proposals emanating from these negotiations and consultations were considered and approved by Cabinet.

The abridged ENE provides a comprehensive account of the priorities, spending plans and service delivery commitments of the 41 national government votes, and for selected public entities. The e-publications for each vote, which are available on National Treasury's website, contain further details on goods and services, transfers and subsidies, other public entities, and lower-level spending information on service delivery. In addition, the Vulekamali online portal serves as a transparent, user-friendly source of information that includes supplementary detailed data as contained in the ENE publications. The portal is a valuable resource for anyone to learn about how government compiles its budget and spends public funds.

The Open Budget Survey, which is published biannually by the International Budget Partnership, assesses and ranks countries based on the availability of 8 key budget documents and the comprehensiveness of the data presented in these documents. In the latest survey, published in 2017, South Africa ranked joint first out of 102 countries with a score of 89 per cent. The next survey is expected to be published in 2020/21 and hopefully South Africa will retain that first position.

All information presented in the ENE publications and Vulekamali promotes a culture of public engagement, accountability in state institutions, and the appropriate spending of public funds to achieve the outcomes as envisaged in the National Development Plan.

A special thanks is extended to all contributors and government colleagues who assisted in making this possible, especially the political leadership shown by the executive and the spirited efforts of the National Treasury team.



Dondo Mogajane
Director-General: National Treasury

Introduction

Estimates of National Expenditure publications

Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2020 MTEF period is from 2020/21 to 2022/23.

The ENE publications contain detailed information regarding the allocations set out in the Appropriation Bill, for the current financial year. Government's proposed spending plans for the full MTEF period, are shown. Information on how government institutions have spent their budgets in previous years is also included. Explanations are provided on how institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes to which their spending is expected to lead. Tables present non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification, and programme personnel data tables for each vote and all entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. An in-depth narrative analyses the institution's expected expenditure over the MTEF period.

Additional data tables containing information on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure spending and information at the level of site service delivery, where applicable, are available on the National Treasury website and the Vulekamali online portal.

A separate 2020 ENE Overview publication is also available on the National Treasury website and summarises the ENE information across all votes. The 2020 ENE Overview contains a narrative explanation and budget-wide summary tables; and it 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 18

Health

Budget summary

R million	2020/21				2021/22	2022/23
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	672.2	662.1	3.4	6.7	727.6	722.1
National Health Insurance	1 392.4	1 046.7	288.8	56.8	1 499.5	1 525.3
Communicable and Non-communicable Diseases	25 188.4	588.7	24 598.7	1.0	28 782.9	30 279.3
Primary Health Care	238.3	237.1	–	1.1	254.2	265.4
Hospital Systems	21 774.7	195.7	20 436.5	1 142.5	22 863.1	23 953.0
Health System Governance and Human Resources	6 250.0	278.4	5 944.4	27.2	6 511.1	6 745.8
Total expenditure estimates	55 516.0	3 008.7	51 271.9	1 235.4	60 638.3	63 491.0
Executive authority	Minister of Health					
Accounting officer	Director-General of Health					
Website	www.doh.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available at www.treasury.gov.za. These publications provide more comprehensive coverage of vote-specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

Vote purpose

Lead and coordinate 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 that the department provides a framework for a structured and uniform health system for South Africa. The act sets out the responsibilities of the three levels of government in the provision of health services. The department contributes directly to the realisation of priority 2 (education, skills and health) of government's 2019-2024 medium-term strategic framework, and the vision articulated in chapter 10 of the National Development Plan.

Selected performance indicators

Table 18.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total number of individuals registered on the national health insurance patient beneficiary registry	National Health Insurance	Priority 2: Education, skills and health	– ¹	20.7 million	39.8 million	40 million	46 million	49 million	54 million
Total number of health facilities reporting stock availability at the national surveillance centre	National Health Insurance		3 349	3 492	3 598	3 725	3 765	3 790	3 830
Total number of patients registered to receive medicines through the centralised chronic medicine dispensing and distribution system	National Health Insurance		1.3 million	2.2 million	2.5 million	3.2 million	3.5 million	4 million	4.5 million
Total clients remaining on antiretroviral treatment in the public sector at the end of the year	Communicable and Non-communicable Diseases		3.8 million	4.1 million	4.6 million	5.8 million	6.1 million	6.3 million	6.5 million

Table 18.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of infant polymerase chain reaction test positive around 10 weeks rate per year	Communicable and Non-communicable Diseases	Priority 2: Education, skills and health	1.3% (2 013/ 151 246)	0.9% (1 636/ 180 790)	0.7% (1 371/ 185 318)	0.9%	0.4%	0.3%	0.2%
Number of primary health care facilities that qualify as ideal clinics per year	Primary Health Care		786	1 507	1 920	1 800	2 100	2 250	2 500
Number of metropolitan and district municipalities assessed for adherence to environmental norms and standards per year	Primary Health Care		35	20	22	31	16	18	18
Number of points of entry where port health services comply with international health regulations per year	Primary Health Care		- ¹	10	12	20	25	30	35

1. No historical data available.

Expenditure analysis

As the custodian of South Africa's national health system, the Department of Health contributes to the goals, indicators and actions of chapter 10 of the National Development Plan, such as reducing the burden of disease and strengthening the provision of health care to improve the lives and lifespans of the country's citizens. In terms of the National Health Act (2003), provincial departments of health are mandated to provide health care services, whereas the national department is responsible for policy formulation, coordination and support to provincial departments, as well as the monitoring, evaluation and oversight of the sector. For carrying out the department's core responsibilities through the provision of health care, conditional grants to provinces comprise an estimated 88.9 per cent (R159.7 billion) of the department's total budget over the MTEF period.

Cabinet-approved budget reductions to lower the national aggregate expenditure ceiling have resulted in decreases to the department's allocation of R1.2 billion in 2020/21, R1.3 billion in 2021/22 and R1.4 billion in 2022/23. These are effected in areas such as conditional grants to provinces, goods and services, transfers to public entities, and compensation of employees. They are not expected to lead to significant disturbances in service delivery as most of the affected areas were identified based on historical financial and non-financial performance, which was lower than anticipated. Despite the reductions, the department's expenditure is expected to increase at an average annual rate of 7.4 per cent, from R51.2 billion in 2019/20 to R63.5 billion in 2022/23, largely driven by an increase in the HIV and AIDS component and the community outreach services component of the *HIV, TB, malaria and community outreach grant* and allocations towards national health insurance.

Over the medium term, the department will focus on implementing the phased implementation of national health insurance, investing in health infrastructure, preventing and treating communicable and non-communicable diseases, and financing tertiary hospital services.

Phased implementation of national health insurance

The 2017 National Health Insurance White Paper, outlines the design and functioning of national health insurance, and the department is preparing the legal foundation of this reform. Once the National Health Insurance Bill, which was submitted to Parliament in 2019, is enacted, it will reconfigure the way health services, both public and private, are financed. One of the central aspects of the bill is the establishment of the National Health Insurance Fund as a public entity. To build a capable national health insurance unit, R55.6 million over the MTEF period in the *National Health Insurance* programme is reprioritised for building capacity within the department, to be transferred to the new entity when it is created. This allocation brings the total amount earmarked for this purpose to R102.8 million over the medium term, to be periodically reviewed according to progress made in implementing national health insurance.

Prior to the formation of the National Health Insurance Fund, national health insurance will largely be funded through the *national health insurance indirect grant*, which is managed and spent by the national department

on behalf of provinces. The grant comprises three components. The non-personal services component funds initiatives to strengthen the health system in preparation for national health insurance. These include information systems, the ideal clinic initiative, the centralised dispensing and distribution of chronic medicines, including antiretroviral drugs, and the piloting of the national quality health improvement plan. This component is allocated R2.2 billion over the MTEF period, and is expected to ensure that, by 2022/23, 54 million patients are registered on the national health insurance beneficiary registry, 4.5 million patients are registered to collect chronic medicines at their pick-up point of choice, and 3 830 facilities electronically report on medicines stock through the national stock surveillance system. In 2020/21, R25 million is reprioritised towards this component to fund the pilot implementation of the national quality health improvement plan developed in collaboration between the Presidency and the department. Allocations for this purpose in subsequent years will be determined by progress made in the pilot phase.

The personal services component funds the contracting of health care services and is allocated R935.9 million over the MTEF period. This amount is mainly used to contract private general practitioners to provide primary health care services in their own practices. These practitioners will be paid according to the number and risk profile of the patients for whom they care. The allocations and scope of the component has been significantly narrowed, as R1.4 billion over the MTEF period is reallocated towards direct conditional grants, which are transferred to provinces. These reallocations include R900.1 million to the direct *national health insurance grant* to fund the contracting of general practitioners to do session work in public primary health care facilities, and R452 million to provinces to strengthen provision of mental health and oncology services.

The third part of the *national health insurance indirect grant* is the health facility revitalisation component.

Investing in health infrastructure

The department is working with National Treasury and other stakeholders to develop strategies to accelerate the delivery of infrastructure in the health sector for the implementation of national health insurance. Although the details of these proposals are still being finalised, they are likely to draw on the budget facility for infrastructure and the Infrastructure Fund to complement existing budgets for health infrastructure, such as the two conditional grants for this purpose. The direct *health facility revitalisation grant* is the largest source of funds for public health infrastructure with an allocation of R20.1 billion over the MTEF period, and is transferred to provincial departments of health through the *Health Facilities Infrastructure Management* subprogramme in the *Hospital Systems* programme. This subprogramme also houses the health facility revitalisation component of the *national health insurance indirect grant*, which is allocated R4.3 billion over the MTEF period and includes allocations for planning and building the Limpopo Central Hospital in Polokwane, which is planned to be completed in 2025/26.

Financing strategic disease programmes

Some health programmes are funded through conditional grants allocated to the national department. The *HIV, TB, malaria and community outreach grant* is the main vehicle for funding such programmes, with seven components over the medium term. The largest is the HIV and AIDS component, which is allocated R70.9 billion over the MTEF period in the *HIV, AIDS and STIs* subprogramme in the *Communicable and Non-communicable Diseases* programme. The bulk of the funding in this component is used for antiretroviral treatment, with the intention of ensuring it reaches 6.5 million people by 2022/23, but also includes considerable allocations for prevention activities such as condom distribution, medical male circumcision and HIV testing.

The community outreach services component was introduced in 2018/19 to ensure that the training, remuneration and monitoring and evaluation of the performance of community health workers, who play a pivotal role in ensuring access to health care to the most vulnerable people in South Africa, is more uniformly standardised. Accordingly, R800 million is reprioritised from the HIV and AIDS component to the community outreach services component in 2020/21 to ensure that the standardised stipend of R3 500 per month is implemented throughout the country for all community health workers. The TB component is allocated R1.6 billion over the MTEF period, and the malaria elimination component is allocated R345.4 million.

Three new components are introduced in the 2020 Budget. From 2020/21, the human papillomavirus vaccine

programme will be integrated as a component within the *HIV, TB, malaria and community outreach grant*. It is allocated R701.7 million over the MTEF period. Similarly, the allocations for mental health and oncology are shifted from the *national health insurance indirect grant* to new components within the *HIV, TB, malaria and community outreach grant* from 2021/22, each receiving R110.4 million in 2021/22 and R115.7 million in 2022/23.

Supporting tertiary health care services

Highly specialised referral services are offered at 29 tertiary hospitals throughout South Africa. However, these services are not equally distributed, which results in patients being referred to facilities in other provinces. This requires strong national coordination and funding mechanisms that compensate provinces for providing services to patients from elsewhere. The department subsidises tertiary services through the *national tertiary services grant*, which is allocated R14.1 billion in 2020/21, R14.7 billion in 2021/22 and R15.3 billion in 2022/23 in the *Hospital Systems* programme. To increase equitable access to tertiary service across the country, a developmental allocation within the grant is introduced from 2020/21. This is expected to reduce referrals to other provinces by bringing tertiary services closer to the patients in provinces where these services are relatively underdeveloped, such as Eastern Cape, Limpopo, Mpumalanga and North West.

Expenditure trends and estimates

Table 18.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. National Health Insurance											
3. Communicable and Non-communicable Diseases											
4. Primary Health Care											
5. Hospital Systems											
6. Health System Governance and Human Resources											
Programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23		
Programme 1	515.4	527.8	551.2	660.2	8.6%	1.3%	672.2	727.6	722.1	3.0%	1.2%
Programme 2	508.3	641.5	1 192.3	1 094.9	29.1%	1.9%	1 392.4	1 499.5	1 525.3	11.7%	2.4%
Programme 3	16 029.9	18 351.0	20 688.3	22 797.1	12.5%	43.6%	25 188.4	28 782.9	30 279.3	9.9%	46.4%
Programme 4	182.9	208.1	199.4	220.9	6.5%	0.5%	238.3	254.2	265.4	6.3%	0.4%
Programme 5	16 834.4	18 043.1	19 189.9	20 435.2	6.7%	41.7%	21 774.7	22 863.1	23 953.0	5.4%	38.6%
Programme 6	4 425.3	4 653.2	4 773.5	5 986.9	10.6%	11.1%	6 250.0	6 511.1	6 745.8	4.1%	11.0%
Total	38 496.2	42 424.7	46 594.6	51 195.2	10.0%	100.0%	55 516.0	60 638.3	63 491.0	7.4%	100.0%
Change to 2019 Budget estimate				(265.5)			(1 170.3)	(1 301.6)	(1 417.6)		
Economic classification											
Current payments	2 234.7	2 481.8	2 582.0	2 503.0	3.9%	5.5%	3 008.7	3 227.6	3 281.5	9.4%	5.2%
Compensation of employees	837.3	856.3	793.2	859.3	0.9%	1.9%	905.8	958.7	991.2	4.9%	1.6%
Goods and services ¹	1 397.5	1 625.6	1 788.8	1 643.6	5.6%	3.6%	2 102.9	2 268.9	2 290.3	11.7%	3.6%
of which:											
Consultants: Business and advisory services	142.7	272.8	289.3	338.6	33.4%	0.6%	295.0	385.6	434.4	8.7%	0.6%
Contractors	363.8	561.9	509.8	329.8	-3.2%	1.0%	808.2	777.4	782.4	33.4%	1.2%
Agency and support/outsourced services	135.6	34.9	351.4	138.2	0.7%	0.4%	192.2	262.7	236.9	19.7%	0.4%
Inventory: Medical supplies	132.5	83.2	74.1	93.8	-10.9%	0.2%	115.6	119.5	117.6	7.8%	0.2%
Operating leases	134.9	134.1	121.6	181.4	10.4%	0.3%	185.2	194.7	179.3	-0.4%	0.3%
Travel and subsistence	92.7	90.4	79.8	110.0	5.9%	0.2%	113.3	122.4	124.3	4.2%	0.2%
Transfers and subsidies¹	35 660.0	39 254.6	43 247.0	47 523.1	10.0%	92.7%	51 271.9	56 004.5	58 697.2	7.3%	92.5%
Provinces and municipalities	33 981.0	37 570.2	41 364.1	45 524.1	10.2%	88.7%	49 267.2	53 916.6	56 537.0	7.5%	88.9%
Departmental agencies and accounts	1 497.3	1 518.5	1 719.6	1 822.7	6.8%	3.7%	1 811.0	1 880.0	1 943.8	2.2%	3.2%
Foreign governments and international organisations	16.0	-	-	-	-100.0%	0.0%	0.4	-	-	0.0%	0.0%
Non-profit institutions	161.7	155.4	161.2	175.1	2.7%	0.4%	193.4	207.9	216.4	7.3%	0.3%
Households	3.9	10.5	2.2	1.2	-32.6%	0.0%	-	-	-	-100.0%	0.0%

Table 18.2 Vote expenditure trends and estimates by programme and economic classification

R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Payments for capital assets	600.8	688.0	765.6	1 169.1	24.8%	1.8%	1 235.4	1 406.1	1 512.3	9.0%	2.3%
Buildings and other fixed structures	574.0	577.1	591.0	814.1	12.4%	1.4%	892.1	1 044.6	1 176.4	13.1%	1.7%
Machinery and equipment	24.6	110.9	174.6	354.5	143.4%	0.4%	343.2	361.5	335.9	-1.8%	0.6%
Software and other intangible assets	2.2	-	-	0.5	-38.8%	0.0%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.7	0.2	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Total	38 496.2	42 424.7	46 594.6	51 195.2	10.0%	100.0%	55 516.0	60 638.3	63 491.0	7.4%	100.0%

1. Tables that detail expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.
2. Historical trends adjusted following budget structure change in 2018/19

Transfers and subsidies expenditure trends and estimates

Table 18.3 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 493 807	1 514 688	1 715 720	1 818 644	6.8%	3.9%	1 806 912	1 875 775	1 939 431	2.2%	3.5%
Health and Welfare Sector Education and Training Authority	2 808	2 259	2 487	2 683	-1.5%	-	3 019	3 196	3 304	7.2%	-
South African National AIDS Council	16 711	17 547	17 108	18 066	2.6%	-	18 106	18 901	19 380	2.4%	-
South African Medical Research Council	660 270	617 211	624 829	686 666	1.3%	1.6%	715 058	751 066	778 854	4.3%	1.4%
National Health Laboratory Service	711 871	746 464	810 759	785 497	3.3%	1.8%	761 069	798 255	824 147	1.6%	1.5%
Office of Health Standards Compliance	100 535	125 711	129 678	136 471	10.7%	0.3%	143 970	151 889	157 509	4.9%	0.3%
Council for Medical Schemes	1 612	5 496	5 670	5 987	54.9%	-	6 538	6 181	6 272	1.6%	-
South African Health Products Regulatory Authority	-	-	125 189	183 274	-	0.2%	159 152	146 287	149 965	-6.5%	0.3%
Households											
Social benefits											
Current	3 669	3 539	2 145	1 203	-31.0%	-	-	-	-	-100.0%	-
Employee social benefits	3 669	3 539	2 145	1 203	-31.0%	-	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	16 031	-	-	-	-100.0%	-	375	-	-	-	-
World Health Organisation	-	-	-	-	-	-	375	-	-	-	-
International AIDS Society	14 370	-	-	-	-100.0%	-	-	-	-	-	-
International Hospital Federation	1 661	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	260	6 999	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	260	-	-	-	-100.0%	-	-	-	-	-	-
University of the Witwatersrand	-	6 999	-	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	161 670	155 374	161 167	175 080	2.7%	0.4%	193 393	207 897	216 434	7.3%	0.4%
Non-governmental organisations: LifeLine	20 953	22 000	23 276	24 579	5.5%	0.1%	27 150	29 186	30 385	7.3%	0.1%
Non-governmental organisations: loveLife	57 808	61 200	64 750	68 376	5.8%	0.2%	75 527	81 192	84 526	7.3%	0.1%
Non-governmental organisations: Soul City	14 465	19 226	20 270	21 336	13.8%	-	23 567	25 334	26 375	7.3%	-
Non-governmental organisations: HIV and AIDS	41 439	41 530	49 740	57 482	11.5%	0.1%	63 494	68 256	71 059	7.3%	0.1%
South African Renal Registry	-	350	370	391	-	-	433	465	484	7.4%	-
Public Universities South Africa	-	8 500	-	-	-	-	-	-	-	-	-
South African Federation for Mental Health	353	371	393	415	5.5%	-	459	493	513	7.3%	-
South African National Council for the Blind	792	832	880	929	5.5%	-	1 026	1 104	1 149	7.3%	-
South African Medical Research Council	496	520	550	581	5.4%	-	642	690	718	7.3%	-
National Council Against Smoking	-	845	938	991	-	-	1 095	1 177	1 225	7.3%	-
Wits University Foundation	650	-	-	-	-100.0%	-	-	-	-	-	-
Health information systems programme	12 745	-	-	-	-100.0%	-	-	-	-	-	-
Health Systems Trust	11 969	-	-	-	-100.0%	-	-	-	-	-	-

Table 18.3 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Provinces and municipalities											
Provincial revenue funds											
Current	28 708 332	31 885 731	35 306 896	39 517 135	11.2%	81.7%	42 899 509	47 258 606	49 503 083	7.8%	83.9%
National health insurance grant	94 227	–	–	289 288	45.3%	0.2%	288 840	300 089	311 147	2.5%	0.6%
Human papillomavirus vaccine grant	–	–	200 000	157 200	–	0.2%	–	–	–	-100.0%	0.1%
HIV, TB, malaria and community outreach grant: Malaria elimination component	–	–	–	90 425	–	0.1%	117 198	111 188	117 027	9.0%	0.2%
HIV, TB, malaria and community outreach grant: Community outreach services component	–	–	–	1 500 000	–	0.9%	2 384 000	2 582 500	2 722 790	22.0%	4.3%
Comprehensive HIV/AIDS and TB conditional grant	15 290 603	17 577 737	19 921 697	–	-100.0%	31.9%	–	–	–	–	–
National tertiary services grant	10 846 778	11 676 145	12 400 703	13 185 528	6.7%	29.0%	14 068 863	14 694 223	15 293 501	5.1%	26.8%
Statutory human resources, training and development grant	2 476 724	2 631 849	2 784 496	3 846 124	15.8%	7.1%	4 154 604	4 333 452	4 493 852	5.3%	7.9%
HIV, TB, malaria and community outreach grant: Human papillomavirus vaccine component	–	–	–	–	–	–	222 816	235 071	243 810	–	0.3%
HIV, TB, malaria and community outreach grant: HIV and AIDS component	–	–	–	19 963 270	–	12.0%	21 151 199	24 241 222	25 521 136	8.5%	42.6%
HIV, TB, malaria and community outreach grant: TB component	–	–	–	485 300	–	0.3%	511 989	540 151	568 516	5.4%	1.0%
HIV, TB, malaria and community outreach grant: Mental health services component	–	–	–	–	–	–	–	110 355	115 652	–	0.1%
HIV, TB, malaria and community outreach grant: Oncology services component	–	–	–	–	–	–	–	110 355	115 652	–	0.1%
Capital	5 272 680	5 684 495	6 057 202	6 006 973	4.4%	13.9%	6 367 652	6 658 028	7 033 913	5.4%	12.2%
Health facility revitalisation grant (direct)	5 272 680	5 684 495	6 057 202	6 006 973	4.4%	13.9%	6 367 652	6 658 028	7 033 913	5.4%	12.2%
Departmental agencies and accounts											
Social security funds											
Current	3 541	3 718	3 836	4 050	4.6%	–	4 058	4 237	4 344	2.4%	–
Compensation Commissioner	3 541	3 718	3 836	4 050	4.6%	–	4 058	4 237	4 344	2.4%	–
Total	35 659 990	39 254 544	43 246 966	47 523 085	10.0%	100.0%	51 271 899	56 004 543	58 697 205	7.3%	100.0%

Personnel

Table 18.4 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² 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 (%) 2019/20 - 2022/23	Average: Salary level/Total (%)				
		2018/19			2019/20			2020/21		2021/22		2022/23							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost	
Health	1 466	–	1 468	793.2	0.5	1 488	859.1	0.6	1 465	905.8	0.6	1 465	958.7	0.7	1 434	991.2	0.7	-1.2%	100.0%
Salary level																			
1 – 6	558	–	560	156.9	0.3	572	163.1	0.3	557	168.2	0.3	565	181.5	0.3	561	192.7	0.3	-0.6%	38.5%
7 – 10	634	–	634	334.9	0.5	636	362.8	0.6	646	399.4	0.6	642	422.9	0.7	626	439.4	0.7	-0.5%	43.6%
11 – 12	166	–	166	158.3	1.0	167	174.8	1.0	147	164.1	1.1	144	170.6	1.2	140	175.7	1.3	-5.7%	10.2%
13 – 16	106	–	106	138.3	1.3	111	153.5	1.4	113	168.9	1.5	112	178.2	1.6	105	177.4	1.7	-1.8%	7.5%
Other	2	–	2	4.8	2.4	2	4.9	2.5	2	5.2	2.6	2	5.5	2.8	2	5.9	2.9	–	0.1%
Programme	1 466	–	1 468	793.2	0.5	1 488	859.1	0.6	1 465	905.8	0.6	1 465	958.7	0.7	1 434	991.2	0.7	-1.2%	100.0%
Programme 1	469	–	471	239.8	0.5	483	252.9	0.5	470	268.5	0.6	457	282.5	0.6	450	297.0	0.7	-2.3%	31.8%
Programme 2	60	–	60	45.1	0.8	63	48.8	0.8	60	48.8	0.8	60	51.3	0.9	60	53.9	0.9	-1.6%	4.2%
Programme 3	221	–	221	122.7	0.6	233	176.7	0.8	224	181.7	0.8	220	191.3	0.9	218	201.2	0.9	-2.2%	15.3%
Programme 4	364	–	364	176.4	0.5	381	201.6	0.5	387	211.8	0.5	385	223.1	0.6	381	234.6	0.6	–	26.2%
Programme 5	47	–	47	21.1	0.4	48	25.8	0.5	55	31.3	0.6	55	32.9	0.6	56	34.5	0.6	5.3%	3.7%
Programme 6	305	–	305	188.0	0.6	280	153.3	0.5	269	163.7	0.6	288	177.8	0.6	269	169.9	0.6	-1.3%	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 18.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2016/17	2017/18	2018/19					2019/20	2020/21	2021/22		
Departmental receipts	59 233	76 056	6 013	5 788	5 155	-55.7%	100.0%	6 235	6 815	8 247	17.0%	100.0%
Sales of goods and services produced by department	54 298	67 149	3 572	3 024	2 397	-64.7%	87.0%	3 222	3 452	4 834	26.3%	52.6%
Sales by market establishments	172	153	142	144	120	-11.3%	0.4%	115	115	120	-	1.8%
of which:												
Parking	172	153	142	144	120	-11.3%	0.4%	115	115	120	-	1.8%
Administrative fees	53 627	66 617	3 040	2 484	1 884	-67.2%	85.5%	2 600	2 800	4 300	31.7%	43.8%
of which:												
Medical (drug control) licences	2 217	2 316	2 075	1 500	1 500	-12.2%	5.5%	1 600	1 600	3 000	26.0%	29.1%
Drug control	50 262	63 203	-	-	-	-100.0%	77.5%	-	-	-	-	-
Inspection fees	1 148	1 097	965	984	384	-30.6%	2.5%	1 000	1 200	1 300	50.2%	14.7%
Request: Promotion of Access to information Act (2000)	-	1	-	-	-	-	-	-	-	-	-	-
Other sales	499	379	390	396	393	-7.7%	1.1%	507	537	414	1.8%	7.0%
of which:												
Yellow fever: Sale of vaccines	114	2	-	-	-	-100.0%	0.1%	100	120	-	-	0.8%
Replacement of security cards	10	6	-	3	-	-100.0%	-	4	4	-	-	-
Commission on insurance	375	371	387	390	390	1.3%	1.0%	400	410	410	1.7%	6.1%
Replacement: Lost office property	-	-	3	3	3	-	-	3	3	4	10.1%	-
Sales of scrap, waste, arms and other used current goods	-	31	1	-	-	-	-	1	1	1	-	-
of which:												
Scrap paper	-	3	1	-	-	-	-	1	1	1	-	-
Scrap	-	28	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	3 627	4 568	1 853	2 500	2 500	-11.7%	8.6%	2 700	3 000	3 000	6.3%	42.3%
Interest	3 627	4 568	1 853	2 500	2 500	-11.7%	8.6%	2 700	3 000	3 000	6.3%	42.3%
Transactions in financial assets and liabilities	1 308	4 308	587	264	258	-41.8%	4.4%	312	362	412	16.9%	5.1%
Total	59 233	76 056	6 013	5 788	5 155	-55.7%	100.0%	6 235	6 815	8 247	17.0%	100.0%

1. Revenue decrease in 2018/19 is due to the Medicines Control Council function shift to the South African Health Products Regulatory Authority

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 18.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Ministry	29.0	26.5	29.0	33.2	4.5%	5.2%	43.7	47.3	48.6	13.5%	6.2%
Management	9.9	8.7	9.0	11.2	4.2%	1.7%	10.9	11.9	12.2	2.7%	1.7%
Corporate Services	251.5	260.1	289.8	304.4	6.6%	49.0%	306.7	334.9	344.5	4.2%	46.4%
Property Management	143.0	147.1	136.3	186.0	9.2%	27.2%	186.4	196.7	177.0	-1.6%	26.8%
Financial Management	82.0	85.3	87.1	125.4	15.2%	16.8%	124.5	136.9	139.9	3.7%	18.9%
Total	515.4	527.8	551.2	660.2	8.6%	100.0%	672.2	727.6	722.1	3.0%	100.0%
Change to 2019				(1.1)			4.0	(18.6)	4.1		
Budget estimate											

Table 18.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Current payments	505.3	522.9	546.0	649.4	8.7%	98.6%	662.1	717.4	711.2	3.1%	98.5%
Compensation of employees	224.6	195.4	239.8	248.2	3.4%	40.3%	268.5	282.5	297.0	6.2%	39.4%
Goods and services ¹	280.7	327.6	306.2	401.2	12.7%	58.4%	393.7	434.9	414.2	1.1%	59.1%
of which:											
Audit costs: External	21.8	22.2	17.2	27.1	7.5%	3.9%	29.5	34.4	33.1	6.9%	4.5%
Communication	10.5	6.2	8.0	11.8	4.1%	1.6%	11.7	17.2	16.9	12.7%	2.1%
Operating leases	131.2	122.4	109.7	174.7	10.0%	23.9%	178.0	187.0	171.2	-0.7%	25.5%
Travel and subsistence	25.5	34.1	27.8	49.5	24.7%	6.1%	51.1	59.1	58.4	5.7%	7.8%
Training and development	4.6	4.8	2.9	23.9	73.4%	1.6%	19.8	23.7	24.6	1.0%	3.3%
Operating payments	24.2	30.9	31.1	37.7	15.9%	5.5%	34.3	38.7	38.6	0.8%	5.4%
Transfers and subsidies¹	3.1	3.2	2.8	3.0	-1.8%	0.5%	3.4	3.2	3.3	3.6%	0.5%
Departmental agencies and accounts	2.8	2.3	2.5	2.7	-1.5%	0.5%	3.0	3.2	3.3	7.2%	0.4%
Foreign governments and international organisations	-	-	-	-	-	-	0.4	-	-	-	-
Households	0.3	0.9	0.3	0.3	-4.2%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	6.9	1.6	2.4	7.8	4.3%	0.8%	6.7	7.0	7.6	-0.8%	1.0%
Machinery and equipment	4.7	1.6	2.4	7.8	18.4%	0.7%	6.7	7.0	7.6	-0.8%	1.0%
Software and other intangible assets	2.2	-	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	515.4	527.8	551.2	660.2	8.6%	100.0%	672.2	727.6	722.1	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.2%	1.2%	1.3%	-	-	1.2%	1.2%	1.1%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.3	0.9	0.3	0.3	-4.2%	0.1%	-	-	-	-100.0%	-
Employee social benefits	0.3	0.9	0.3	0.3	-4.2%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.8	2.3	2.5	2.7	-1.5%	0.5%	3.0	3.2	3.3	7.2%	0.4%
Health and Welfare Sector	2.8	2.3	2.5	2.7	-1.5%	0.5%	3.0	3.2	3.3	7.2%	0.4%
Education and Training Authority	-	-	-	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 18.7 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2020		Number and cost ² 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 (%)	Average Salary level/ Total (%)
			2018/19			2019/20			2020/21			2021/22			2022/23			2019/20 - 2022/23				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	469	-	471	239.8	0.5	483	252.9	0.5	470	268.5	0.6	457	282.5	0.6	450	297.0	0.7	-2.3%	100.0%			
1-6	244	-	246	62.9	0.3	254	67.1	0.3	244	68.5	0.3	232	70.2	0.3	228	74.1	0.3	-3.5%	51.5%			
7-10	137	-	137	74.5	0.5	139	78.1	0.6	136	83.2	0.6	135	88.2	0.7	133	93.0	0.7	-1.5%	29.2%			
11-12	48	-	48	47.3	1.0	50	50.8	1.0	45	48.5	1.1	45	51.4	1.1	45	54.5	1.2	-3.5%	9.9%			
13-16	38	-	38	50.4	1.3	38	52.0	1.4	43	63.0	1.5	43	67.0	1.6	42	69.4	1.7	3.4%	8.9%			
Other	2	-	2	4.8	2.4	2	4.9	2.5	2	5.2	2.6	2	5.5	2.8	2	5.9	2.9	-	0.4%			

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

Programme purpose

Achieve universal health coverage by improving the quality and coverage of health services through the development and implementation of policies and health financing reforms.

Objectives

- Ensure that the National Health Insurance Fund is operational and makes purchases only from accredited health service providers by:
 - enabling Parliament's enactment of the National Health Insurance Bill by March 2021
 - facilitating the establishment of the National Health Insurance Fund by March 2022.
- Strengthen governance for the provision of care in the private sector by:
 - publishing a national licensing framework for all health establishments for implementation by March 2022
 - using a database of all private health facilities for contracting private establishments by March 2022.
- Monitor the provision of care and health care outcomes in the public and private sectors by gazetting regulations for the reporting of prescribed data to the department in terms of section 74 of the National Health Act (2003) for implementation by March 2022.
- Retain chronic patients and improve health outcomes by ensuring that 4 million patients have been registered on the centralised chronic medicine dispensing and distribution system by March 2022.
- Improve the monitoring of the availability of medicine by ensuring that the national stock management surveillance centre reports on stock availability at all 3 830 health facilities by March 2023.

Subprogrammes

- *Programme Management* provides leadership to the programme to improve access to quality health care services by developing and implementing universal health coverage policies and health financing reform.
- *Affordable Medicine* is responsible for developing systems to ensure access to essential pharmaceutical commodities. This is achieved through the selection of essential medicines, the development of standard treatment guidelines, the administration of health tenders, and the licensing of people and premises that deliver pharmaceutical services and related policies.
- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks to achieve universal health coverage by designing and implementing national health insurance. This subprogramme commissions research on health financing, develops policy for the medical schemes industry, provides technical oversight of the Council for Medical Schemes, and manages the *national health insurance indirect grant*.

Expenditure trends and estimates

Table 18.8 National Health Insurance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23		
R million											
Programme Management	3.6	3.3	4.2	5.1	12.3%	0.5%	6.2	6.6	6.8	9.6%	0.4%
Affordable Medicine	26.6	39.5	76.7	43.6	17.9%	5.4%	54.7	57.5	59.7	11.0%	3.9%
Health Financing and National Health Insurance	478.1	598.8	1 111.4	1 046.1	29.8%	94.1%	1 331.6	1 435.4	1 458.9	11.7%	95.6%
Total	508.3	641.5	1 192.3	1 094.9	29.1%	100.0%	1 392.4	1 499.5	1 525.3	11.7%	100.0%
Change to 2019				(1 016.8)			(1 387.7)	(1 524.2)	(1 598.5)		
Budget estimate											
Economic classification											
Current payments	413.4	641.1	1 073.3	719.2	20.3%	82.8%	1 046.7	1 137.8	1 163.9	17.4%	73.8%
Compensation of employees	41.1	41.3	45.1	47.7	5.1%	5.1%	48.8	51.3	53.9	4.1%	3.7%
Goods and services ¹	372.3	599.9	1 028.1	671.5	21.7%	77.7%	998.0	1 086.6	1 110.0	18.2%	70.1%
of which:											
Minor assets	0.1	0.2	4.1	11.9	398.3%	0.5%	14.4	15.2	15.8	10.0%	1.0%
Computer services	0.0	3.8	24.9	9.0	1550.0%	1.1%	8.8	9.4	9.7	2.5%	0.7%
Consultants: Business and advisory services	3.8	31.5	78.4	269.5	313.0%	11.2%	62.9	208.4	216.4	-7.1%	13.7%
Contractors	358.0	548.7	493.8	265.4	-9.5%	48.5%	747.2	701.3	710.2	38.8%	44.0%
Agency and support/outsourced services	–	–	343.0	83.6	–	12.4%	96.2	107.6	111.5	10.1%	7.2%
Travel and subsistence	6.8	6.1	11.9	15.1	30.2%	1.2%	22.5	22.7	23.5	16.0%	1.5%

Table 18.8 National Health Insurance expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Transfers and subsidies¹	94.4	–	0.0	289.4	45.3%	11.2%	288.8	300.1	311.1	2.4%	21.6%
Provinces and municipalities	94.2	–	–	289.3	45.3%	11.2%	288.8	300.1	311.1	2.5%	21.6%
Households	0.2	–	0.0	0.1	-7.4%	–	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.4	119.0	86.2	464.6%	6.0%	56.8	61.5	50.3	-16.5%	4.6%
Machinery and equipment	0.5	0.4	119.0	86.2	464.6%	6.0%	56.8	61.5	50.3	-16.5%	4.6%
Payments for financial assets	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Total	508.3	641.5	1 192.3	1 094.9	29.1%	100.0%	1 392.4	1 499.5	1 525.3	11.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.5%	2.6%	2.1%	–	–	2.5%	2.5%	2.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.2	–	0.0	0.1	-7.4%	–	–	–	–	-100.0%	–
Employee social benefits	0.2	–	0.0	0.1	-7.4%	–	–	–	–	-100.0%	–
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	94.2	–	–	1 195.0	133.2%	37.5%	288.8	300.1	311.1	-36.1%	38.0%
National health insurance grant	94.2	–	–	289.3	45.3%	11.2%	288.8	300.1	311.1	2.5%	21.6%
Human resources capacitation grant	–	–	–	905.7	–	26.4%	–	–	–	-100.0%	16.4%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 18.9 National Health Insurance personnel numbers and cost by salary level¹

National Health Insurance	Number of posts estimated for 31 March 2020		Number and cost ² 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 (%) 2019/20 - 2022/23	Average Salary level/ Total (%)			
			2018/19	2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
National Health Insurance	60	–	60	45.1	0.8	63	48.8	0.8	60	48.8	0.8	60	51.3	0.9	60	53.9	0.9	-1.6%	100.0%
Salary level																			
1 – 6	15	–	15	4.8	0.3	15	4.8	0.3	14	4.9	0.3	14	5.2	0.4	14	5.6	0.4	-2.3%	23.5%
7 – 10	24	–	24	13.1	0.5	25	14.1	0.6	25	15.0	0.6	26	16.5	0.6	27	18.2	0.7	2.6%	42.4%
11 – 12	12	–	12	12.8	1.1	13	14.0	1.1	12	13.7	1.1	11	13.4	1.2	10	12.9	1.3	-8.4%	18.9%
13 – 16	9	–	9	14.4	1.6	10	15.8	1.6	9	15.2	1.7	9	16.1	1.8	9	17.1	1.9	-3.5%	15.2%

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

2. Rand million.

Programme 3: Communicable and Non-communicable Diseases

Programme purpose

Develop and support the implementation of national policies, guidelines, norms and standards, and the achievement of targets for the national response needed to decrease morbidity and mortality associated with communicable and non-communicable diseases. Develop strategies and implement programmes that reduce maternal and child mortality.

Objectives

- Increase health service coverage to 75 per cent on the universal health coverage index by developing service benefit packages for all levels of care by March 2023.
- Strengthen intersectoral collaboration and address social determinants of health by conducting national health wellness and healthy lifestyle campaigns each year over the medium term.
- Protect girls by reducing the risk of cervical cancer in later life by vaccinating 80 per cent of eligible girls in grade 5 against the human papilloma virus each year over the medium term.

- Support the effective implementation of the national strategic plan on malaria elimination over the medium term by:
 - ensuring that malaria-endemic municipalities achieve at least 95 per cent indoor residual spray coverage
 - conducting information and communication campaigns for malaria prevention
 - investigating and classifying confirmed cases within 72 hours.
- Reduce mother-to-child HIV transmission to 0.2 per cent by 2022/23 by supporting and monitoring the implementation of guidelines on the prevention of mother-to-child transmission on an ongoing basis.
- Achieve a TB treatment success rate of 95 per cent by 2024/25 by improving the screening of patients for TB and ensuring that they initiate and complete their treatment on an ongoing basis.
- Increase the number of HIV-positive people accessing antiretroviral treatment to 6.5 million by 2022/23 by implementing the universal test-and-treat policy on an ongoing basis.
- Reduce new HIV infections by implementing a combination of prevention interventions such as HIV counselling and testing, medical male circumcision and condom distribution over the medium term.
- Re-orientate the health system towards primary health care through community-based health programmes by ensuring that all community health workers receive training in line with their revised scope of work by March 2022.

Subprogrammes

- *Programme Management* is responsible for ensuring that efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of provincial departments of health, development partners, donors, academic and research organisations, non-governmental and civil society organisations all contribute in a coherent, integrated way.
- *HIV, AIDS and STIs* is responsible for policy formulation, coordination, and the monitoring and evaluation of HIV and sexually transmitted disease services. This entails ensuring the implementation of the health sector components of the 2017-2022 national strategic plan on HIV, TB and STIs. Other important functions of this subprogramme are the management and oversight of the HIV and AIDS component of the *HIV, TB, malaria and community outreach grant* implemented by provinces, and the coordination and direction of donor funding for HIV and AIDS, in particular the United States President's Emergency Plan for AIDS Relief; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the United States Centres for Disease Control.
- *Tuberculosis Management* develops national policies and guidelines, sets norms and standards for TB services, and monitors their implementation in line with the vision of achieving zero infections, mortality, stigma and discrimination from TB and HIV and AIDS, as outlined in the 2017-2022 national strategic plan on HIV, TB and STIs.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines and sets norms and standards for maternal and women's health services, and monitors the implementation of these services.
- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and the monitoring and evaluation of child, youth and school health services. This subprogramme is also responsible for the management and oversight of the human papillomavirus vaccination programme, and coordinates stakeholders outside of the health sector to play key roles in promoting improved health and nutrition for children and young people.
- *Communicable Diseases* develops policies and supports provinces in ensuring the control of infectious diseases with the support of the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. It improves surveillance for disease detection; strengthens preparedness and core response capacity for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control programmes, tropical disease prevention and control programmes, and malaria elimination.
- *Non-communicable Diseases* establishes policy, legislation and guidelines, and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, eye care, oral health, mental health and substance abuse.

- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease (HIV and AIDS and TB, maternal and child mortality, non-communicable diseases, and violence and injury), it implements the health promotion strategy to reduce risk factors for disease, and promotes an integrated approach to working towards an optimal nutritional status for all South Africans.

Expenditure trends and estimates

Table 18.10 Communicable and Non-communicable Diseases expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Programme Management	4.4	5.3	5.1	5.4	6.4%	–	5.4	5.7	5.8	3.0%	–
HIV, AIDS and STIs	15 712.5	18 014.1	20 336.9	22 430.1	12.6%	98.2%	24 928.2	28 491.7	29 994.8	10.2%	98.9%
Tuberculosis Management	24.3	25.5	21.6	26.7	3.2%	0.1%	29.0	30.6	31.2	5.2%	0.1%
Women's Maternal and Reproductive Health	11.6	14.2	14.3	16.8	13.2%	0.1%	19.1	20.5	21.1	7.8%	0.1%
Child, Youth and School Health	212.4	220.8	248.9	183.6	-4.7%	1.1%	29.4	31.4	32.6	-43.8%	0.3%
Communicable Diseases	17.6	18.4	15.6	24.1	11.0%	0.1%	25.4	27.3	27.9	5.1%	0.1%
Non-communicable Diseases	19.4	21.2	28.5	67.6	51.5%	0.2%	112.9	133.6	122.1	21.8%	0.4%
Health Promotion and Nutrition	27.7	31.4	17.4	42.9	15.7%	0.2%	39.1	42.2	43.7	0.7%	0.2%
Total	16 029.9	18 351.0	20 688.3	22 797.1	12.5%	100.0%	25 188.4	28 782.9	30 279.3	9.9%	100.0%
Change to 2019 Budget estimate				(210.1)			(348.7)	(203.0)	(211.6)		
Economic classification											
Current payments	570.4	584.6	387.5	407.2	-10.6%	2.5%	588.7	624.1	637.6	16.1%	2.1%
Compensation of employees	122.7	130.3	122.7	154.8	8.0%	0.7%	181.7	191.3	201.2	9.1%	0.7%
Goods and services ¹	447.7	454.3	264.8	252.4	-17.4%	1.8%	407.0	432.8	436.4	20.0%	1.4%
of which:											
Consultants: Business and advisory services	70.3	115.4	91.1	5.6	-56.9%	0.4%	104.3	91.1	114.5	172.7%	0.3%
Contractors	0.0	0.3	5.9	29.8	1 852.2%	–	44.2	57.7	50.2	19.0%	0.2%
Agency and support/outsourced services	24.9	31.9	5.5	20.0	-7.0%	0.1%	33.3	46.4	34.0	19.4%	0.1%
Inventory: Medical supplies	132.2	81.4	74.0	92.1	-11.4%	0.5%	113.7	117.5	115.4	7.8%	0.4%
Travel and subsistence	23	21	21	23	0.8%	0.1%	22	24	24	0.7%	0.1%
Operating payments	32	44	30	22	-12.0%	0.2%	23	25	25	4.9%	0.1%
Transfers and subsidies¹	15 458	17 751	20 301	22 389	13.1%	97.5%	24 599	28 158	29 640	9.8%	97.9%
Provinces and municipalities	15 291	17 578	20 122	22 196	13.2%	96.6%	24 387	27 931	29 405	9.8%	97.1%
Departmental agencies and accounts	17	18	17	18	2.6%	0.1%	18	19	19	2.4%	0.1%
Foreign governments and international organisations	14	–	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	136	155	161	175	8.7%	0.8%	193	208	216	7.3%	0.7%
Households	0	0	1	0	-38.8%	–	–	–	–	-100.0%	–
Payments for capital assets	1	15	0	0	-20.1%	–	1	1	1	39.6%	–
Machinery and equipment	1	15	0	0	-20.1%	–	1	1	1	39.6%	–
Payments for financial assets	0	0	–	–	-100.0%	–	–	–	–	–	–
Total	16 030	18 351	20 688	22 797	12.5%	100.0%	25 188	28 783	30 279	9.9%	100.0%
Proportion of total programme expenditure to vote expenditure	41.6%	43.3%	44.4%	44.5%	–	–	45.4%	47.5%	47.7%	–	–
Details of transfers and subsidies											
Non-profit institutions											
Current	136.3	155.4	161.2	175.1	8.7%	0.8%	193.4	207.9	216.4	7.3%	0.7%
Non-governmental organisations: LifeLine	21.0	22.0	23.3	24.6	5.5%	0.1%	27.2	29.2	30.4	7.3%	0.1%
Non-governmental organisations: loveLife	57.8	61.2	64.8	68.4	5.8%	0.3%	75.5	81.2	84.5	7.3%	0.3%
Non-governmental organisations: Soul City	14.5	19.2	20.3	21.3	13.8%	0.1%	23.6	25.3	26.4	7.3%	0.1%
Non-governmental organisations: HIV and AIDS	41.4	41.5	49.7	57.5	11.5%	0.2%	63.5	68.3	71.1	7.3%	0.2%
South African Renal Registry	–	0.4	0.4	0.4	–	–	0.4	0.5	0.5	7.4%	–
Public universities South Africa	–	8.5	–	–	–	–	–	–	–	–	–
South African Federation for Mental Health	0.4	0.4	0.4	0.4	5.5%	–	0.5	0.5	0.5	7.3%	–

Table 18.10 Communicable and Non-communicable Diseases expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/ Total (%)	2020/21	2021/22	2022/23		
South African National Council for the Blind	0.8	0.8	0.9	0.9	5.5%	-	1.0	1.1	1.1	7.3%	-
South African Medical Research Council	0.5	0.5	0.6	0.6	5.4%	-	0.6	0.7	0.7	7.3%	-
National Council Against Smoking	-	0.8	0.9	1.0	-	-	1.1	1.2	1.2	7.3%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16.7	17.5	17.1	18.1	2.6%	0.1%	18.1	18.9	19.4	2.4%	0.1%
South African National AIDS Council	16.7	17.5	17.1	18.1	2.6%	0.1%	18.1	18.9	19.4	2.4%	0.1%
Foreign governments and international organisations											
Current	14.4	-	-	-	-100.0%	-	-	-	-	-	-
International AIDS Society	14.4	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	15 290.6	17 577.7	20 121.7	22 196.2	13.2%	96.6%	24 387.2	27 930.8	29 404.6	9.8%	97.1%
HIV, TB, malaria and community outreach grant: Human papillomavirus vaccine component	-	-	-	-	-	-	222.8	235.1	243.8	-	0.7%
Human papillomavirus vaccine grant	-	-	200.0	157.2	-	0.5%	-	-	-	-100.0%	0.1%
HIV, TB, malaria and community outreach grant: HIV and AIDS component	-	-	-	19 963.3	-	25.6%	21 151.2	24 241.2	25 521.1	8.5%	84.9%
HIV, TB, malaria and community outreach grant: Malaria elimination component	-	-	-	90.4	-	0.1%	117.2	111.2	117.0	9.0%	0.4%
HIV, TB, malaria and community outreach grant: Community outreach services component	-	-	-	1 500.0	-	1.9%	2 384.0	2 582.5	2 722.8	22.0%	8.6%
HIV, TB, malaria and community outreach grant: Tuberculosis component	-	-	-	485.3	-	0.6%	512.0	540.2	568.5	5.4%	2.0%
Comprehensive HIV/AIDS and TB conditional grant	15 290.6	17 577.7	19 921.7	-	-100.0%	67.8%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Mental health services component	-	-	-	-	-	-	-	110.4	115.7	-	0.2%
HIV, TB, malaria and community outreach grant: Oncology services component	-	-	-	-	-	-	-	110.4	115.7	-	0.2%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 18.11 Communicable and Non-communicable Diseases personnel numbers and cost by salary level¹

Communicable and Non-communicable Diseases	Salary level	Number of posts estimated for 31 March 2020	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled/planned for on funded establishment												Number			
					Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)		
					2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23	
					Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
		221	-	221	122.7	0.6	233	176.7	0.8	224	181.7	0.8	220	191.3	0.9	218	201.2	0.9	-2.2%	100.0%
	1-6	34	-	34	8.1	0.2	37	12.0	0.3	33	11.6	0.4	30	11.3	0.4	29	11.7	0.4	-7.8%	14.4%
	7-10	114	-	114	52.2	0.5	116	72.2	0.6	118	80.2	0.7	118	85.7	0.7	119	92.5	0.8	0.9%	52.6%
	11-12	49	-	49	39.7	0.8	53	58.2	1.1	48	56.0	1.2	48	59.6	1.2	48	63.3	1.3	-3.2%	22.0%
	13-16	24	-	24	22.7	0.9	27	34.4	1.3	25	34.0	1.4	24	34.7	1.4	22	33.8	1.5	-6.6%	10.9%

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

Programme purpose

Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform, well-functioning district health system, including for emergency, environmental and port health services.

Objectives

- Improve the quality of care at clinics by ensuring that 2 500 primary health care facilities qualify as ideal clinics by March 2023.
- Improve quality and safety of care by providing quality improvement support and training to 25 per cent of public health facilities in 2020/21 and 2021/22.
- Improve environmental health services by assessing all 52 district and metropolitan municipalities for adherence to environmental health norms and standards by March 2022.
- Mitigate the spread of communicable diseases by ensuring that 35 points of entry are compliant with international health regulations by March 2023.
- Strengthen accountability mechanisms at the national, provincial and institutional levels by:
 - reviewing the patient experience of care survey protocol and developing a mobile application to measure patient perspectives on the quality of care by March 2021
 - ensuring that all public health care facilities monitor feedback from patient experience of care surveys by March 2022.

Subprogrammes

- *Programme Management* supports and provides leadership for the development and implementation of legislation, policies, systems, and norms and standards for a uniform district health system, and emergency, environmental and port health systems.
- *District Health Services* promotes, coordinates and institutionalises the district health system, integrates programme implementation using the primary health care approach by improving the quality of care, and coordinates the traditional medicine programme.
- *Environmental and Port Health Services* coordinates the delivery of environmental health services, including the monitoring and delivery of municipal health services, and ensures compliance with international health regulations by coordinating and implementing port health services at all of South Africa's points of entry.
- *Emergency Medical Services and Trauma* is responsible for improving the governance, management and functioning of emergency medical services in South Africa by formulating policies, guidelines, and norms and standards; strengthening the capacity and skills of emergency medical services personnel; identifying needs and service gaps; and providing oversight to provinces.

Expenditure trends and estimates

Table 18.12 Primary Health Care expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million					2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23	
Programme Management	9.3	4.0	4.7	4.4	-21.9%	2.8%	4.1	4.3	4.4	-0.6%	1.8%
District Health Services	19.6	43.2	15.0	20.0	0.8%	12.0%	30.8	32.8	34.1	19.4%	12.0%
Environmental and Port Health Services	146.7	153.9	173.1	187.5	8.5%	81.5%	194.3	207.5	217.1	5.0%	82.4%
Emergency Medical Services and Trauma	7.3	7.1	6.6	8.9	6.7%	3.7%	9.0	9.6	9.9	3.7%	3.8%
Total	182.9	208.1	199.4	220.9	6.5%	100.0%	238.3	254.2	265.4	6.3%	100.0%
Change to 2019 Budget estimate				(0.9)			8.9	(1.5)	10.1		

Table 18.12 Primary Health Care expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2016/17	2019/20	2020/21	2021/22	2022/23		
	2019/20	2019/20	2019/20		2019/20	2019/20	2019/20	2019/20	2019/20		
R million											
Current payments	181.4	201.8	198.3	219.8	6.6%	98.8%	237.1	253.0	264.1	6.3%	99.5%
Compensation of employees	150.2	160.2	176.4	193.4	8.8%	83.9%	211.8	223.1	234.6	6.7%	88.2%
Goods and services ¹	31.2	41.5	21.9	26.4	-5.4%	14.9%	25.4	29.9	29.5	3.8%	11.4%
<i>of which:</i>											
Communication	1.3	1.9	1.6	0.9	-12.1%	0.7%	1.3	2.0	2.1	33.2%	0.6%
Consultants: Business and advisory services	0.3	0.6	0.2	0.8	36.0%	0.2%	1.4	1.4	1.3	17.2%	0.5%
Science and technological services	–	–	–	–	–	–	1.0	1.6	1.7	–	0.4%
Fleet services (including government motor transport)	10.8	9.0	10.0	7.7	-10.5%	4.6%	6.9	8.4	7.9	0.9%	3.2%
Travel and subsistence	8.7	12.8	5.7	4.5	-19.9%	3.9%	2.7	3.2	3.1	-11.4%	1.4%
Venues and facilities	3.2	3.7	1.0	2.1	-13.2%	1.2%	1.8	2.1	2.0	-2.3%	0.8%
Transfers and subsidies¹	0.8	0.3	0.4	0.3	-27.2%	0.2%	–	–	–	-100.0%	–
Departmental agencies and accounts	–	0.0	–	–	–	–	–	–	–	–	–
Households	0.8	0.2	0.4	0.3	-27.2%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	0.7	6.1	0.6	0.7	1.6%	1.0%	1.1	1.2	1.3	19.5%	0.4%
Machinery and equipment	0.7	6.1	0.6	0.7	1.6%	1.0%	1.1	1.2	1.3	19.5%	0.4%
Payments for financial assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	182.9	208.1	199.4	220.9	6.5%	100.0%	238.3	254.2	265.4	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.4%	0.4%	–	–	0.4%	0.4%	0.4%	–	–

Details of transfers and subsidies

Households											
Social benefits											
Current	0.8	0.2	0.4	0.3	-27.2%	0.2%	–	–	–	-100.0%	–
Employee social benefits	0.8	0.2	0.4	0.3	-27.2%	0.2%	–	–	–	-100.0%	–

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information**Table 18.13 Primary Health Care personnel numbers and cost by salary level¹**

Primary Health Care	Number of posts estimated for 31 March 2020	Number of posts funded	Number of posts additional to the establishment	Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
				2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost	
Salary level	364	–	–	364	176.4	0.5	381	201.6	0.5	387	211.8	0.5	385	223.1	0.6	381	234.6	0.6	–	100.0%
1 – 6	80	–	–	80	18.1	0.2	87	21.4	0.2	96	25.2	0.3	98	27.3	0.3	98	29.1	0.3	4.0%	24.7%
7 – 10	243	–	–	243	118.4	0.5	248	131.6	0.5	254	144.2	0.6	250	150.7	0.6	247	159.0	0.6	-0.1%	65.1%
11 – 12	27	–	–	27	23.9	0.9	30	28.8	1.0	21	21.4	1.0	21	22.8	1.1	21	24.2	1.2	-11.2%	6.1%
13 – 16	14	–	–	14	16.0	1.1	16	19.7	1.2	16	21.0	1.3	16	22.3	1.4	15	22.3	1.5	-2.1%	4.1%

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

2. Rand million.

Programme 5: Hospital Systems**Programme purpose**

Develop national policies and plans for all levels of hospital services to strengthen the referral system and facilitate the improvement of hospitals. Ensure that the planning, coordination, delivery and oversight of health infrastructure meet the country's health needs.

Objectives

- Improve the quality and safety of health care by ensuring that 30 per cent of hospitals qualify as ideal hospitals by March 2023.

- Strengthen the leadership and governance of tertiary, regional and specialised hospitals by implementing the governance and delegation frameworks over the medium term.
- Improve the financing and delivery of infrastructure projects by ensuring that 300 health facilities are completed by March 2023.

Subprogrammes

- *Programme Management* supports and provides leadership for the development of national policy on hospital services, including the management of health facility infrastructure and hospital systems.
- *Health Facilities Infrastructure Management* coordinates and funds health care 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 the direct *health facility revitalisation grant* and the health facility revitalisation component of the *national health insurance indirect grant*.
- *Hospital Systems* focuses on the modernised and reconfigured provision of tertiary hospital services, 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*.

Expenditure trends and estimates

Table 18.14 Hospital Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Programme Management	2.6	1.0	1.0	1.6	-14.8%	–	1.3	1.4	1.3	-7.7%	–
Health Facilities Infrastructure Management	5 973.5	6 356.3	6 779.7	7 236.8	6.6%	35.4%	7 692.3	8 154.5	8 645.0	6.1%	35.6%
Hospital Systems	10 858.3	11 685.8	12 409.2	13 196.8	6.7%	64.6%	14 081.1	14 707.2	15 306.8	5.1%	64.4%
Total	16 834.4	18 043.1	19 189.9	20 435.2	6.7%	100.0%	21 774.7	22 863.1	23 953.0	5.4%	100.0%
Change to 2019 Budget estimate				54.1			(297.2)	(462.1)	(490.7)		
Economic classification											
Current payments	132.1	105.1	105.2	195.1	13.9%	0.7%	195.7	197.9	198.9	0.7%	0.9%
Compensation of employees	19.9	20.0	21.1	25.8	9.0%	0.1%	31.3	32.9	34.5	10.2%	0.1%
Goods and services ¹	112.1	85.1	84.2	169.3	14.7%	0.6%	164.4	165.1	164.5	-1.0%	0.7%
of which:											
Minor assets	4.0	0.1	0.9	85.0	178.0%	0.1%	6.0	6.3	6.6	-57.4%	0.1%
Communication	0.2	0.2	0.2	2.5	131.9%	–	2.6	2.8	2.9	4.9%	–
Consultants: Business and advisory services	0.8	80.1	78.4	18.7	188.6%	0.2%	80.6	35.7	51.8	40.4%	0.2%
Contractors	–	–	0.2	15.8	–	–	2.7	2.9	3.0	-42.7%	–
Agency and support/outsourced services	100.2	0.1	–	27.6	-34.9%	0.2%	56.5	102.7	84.7	45.3%	0.3%
Travel and subsistence	5.3	3.8	3.9	8.2	15.8%	–	6.6	4.8	5.3	-13.2%	–
Transfers and subsidies¹	16 121.1	17 360.6	18 457.9	19 192.7	6.0%	95.5%	20 436.5	21 352.3	22 327.4	5.2%	93.6%
Provinces and municipalities	16 119.5	17 360.6	18 457.9	19 192.5	6.0%	95.5%	20 436.5	21 352.3	22 327.4	5.2%	93.6%
Foreign governments and international organisations	1.7	–	–	–	-100.0%	–	–	–	–	–	–
Households	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Payments for capital assets	581.2	577.3	626.8	1 047.5	21.7%	3.8%	1 142.5	1 312.9	1 426.7	10.8%	5.5%
Buildings and other fixed structures	574.0	577.1	591.0	814.1	12.4%	3.4%	892.1	1 044.6	1 176.4	13.1%	4.4%
Machinery and equipment	7.2	0.1	35.8	233.4	219.6%	0.4%	250.3	268.3	250.3	2.4%	1.1%
Payments for financial assets	–	0.0	–	–	–	–	–	–	–	–	–
Total	16 834.4	18 043.1	19 189.9	20 435.2	6.7%	100.0%	21 774.7	22 863.1	23 953.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	43.7%	42.5%	41.2%	39.9%	–	–	39.2%	37.7%	37.7%	–	–
Details of transfers and subsidies											
Foreign governments and international organisations											
Current	1.7	–	–	–	-100.0%	–	–	–	–	–	–
International Hospital Federation	1.7	–	–	–	-100.0%	–	–	–	–	–	–

Table 18.14 Hospital Systems expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2016/17 - 2019/20	2020/21	2021/22	2022/23			
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	10 846.8	11 676.1	12 400.7	13 185.5	6.7%	64.6%	14 068.9	14 694.2	15 293.5	5.1%	64.3%
National tertiary services grant	10 846.8	11 676.1	12 400.7	13 185.5	6.7%	64.6%	14 068.9	14 694.2	15 293.5	5.1%	64.3%
Capital	5 272.7	5 684.5	6 057.2	6 007.0	4.4%	30.9%	6 367.7	6 658.0	7 033.9	5.4%	29.3%
Health facility revitalisation grant (direct)	5 272.7	5 684.5	6 057.2	6 007.0	4.4%	30.9%	6 367.7	6 658.0	7 033.9	5.4%	29.3%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 18.15 Hospital Systems personnel numbers and cost by salary level¹

Hospital Systems	Salary level	Number of posts estimated for 31 March 2020	Number of posts funded	Number of posts additional to the establishment	Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
					Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
					2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
					Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost	
		47	–	–	47	21.1	0.4	48	25.8	0.5	55	31.3	0.6	55	32.9	0.6	56	34.5	0.6	5.3%	100.0%
	1–6	13	–	–	13	3.0	0.2	13	3.6	0.3	13	3.7	0.3	13	3.8	0.3	15	4.5	0.3	4.9%	25.2%
	7–10	27	–	–	27	12.0	0.4	28	15.0	0.5	37	22.4	0.6	37	23.5	0.6	36	24.0	0.7	8.7%	64.5%
	11–12	5	–	–	5	4.1	0.8	5	4.9	1.0	5	5.2	1.0	5	5.6	1.1	5	5.9	1.2	–	9.3%
	13–16	2	–	–	2	1.9	1.0	2	2.3	1.2	–	–	–	–	–	–	–	–	–	-100.0%	0.9%

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

2. Rand million.

Programme 6: Health System Governance and Human Resources

Programme purpose

Develop policies and systems for the planning, managing and training of health sector human resources, and for planning, monitoring, evaluation and research in the sector. Provide oversight to all public entities in the sector and statutory health professional councils in South Africa. Provide forensic laboratory services.

Objectives

- Enhance governance in the health sector by improving planning, monitoring and evaluation, and establishing an effective and integrated information system that operates across the public and private sectors over the medium term.
- Ensure South Africa has an adequate number of trained human resources who are well distributed across the country and levels of care by monitoring the implementation of the human resources for health plan over the medium term.
- Strengthen accountability mechanisms by implementing performance information dashboards at the national, provincial and district levels by March 2023.
- Standardise coding systems for health diagnostics and procedures by adopting a policy on the use of clinical codes in public health facilities and implementing it in central, tertiary and regional hospitals by March 2023.
- Improve the audit outcomes of provincial departments of health by developing a national policy on human resource and finance delegations for district managers and hospital chief executive officers by March 2021.
- Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol tests in forensic chemistry laboratories by March 2021, and reducing turnaround times on an ongoing basis.

Subprogrammes

- *Programme Management* supports and provides leadership for health workforce programmes, key governance functions such as planning and monitoring, public entity oversight, and forensic chemistry laboratories.
- *Policy and Planning* provides advisory and strategic technical assistance on policy and planning, coordinates the planning system of the health sector, and supports policy analysis and implementation.
- *Public Entities Management and Laboratories* supports the executive authority's oversight function and provides guidance to health entities and statutory councils that fall within the mandate of health legislation with regards to planning and budget procedures, performance and financial reporting, remuneration, governance and accountability. It is also responsible for ante- and post-mortem analyses of blood alcohol levels for drunk driving, toxicology analyses of biological fluids and human organs in the event of unnatural deaths such as murder and suicide, and foodstuff analyses.
- *Nursing Services* develops and monitors the implementation of a policy framework for the development of required nursing skills and capacity to deliver effective nursing services.
- *Health Information, 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.
- *Human Resources for Health* is responsible for medium-term to long-term human resources for health policy, planning and management. This entails developing and monitoring the implementation of 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 effective planning and monitoring.

Expenditure trends and estimates

Table 18.16 Health System Governance and Human Resources expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Programme Management	4.3	6.3	5.7	6.8	16.5%	0.1%	5.1	5.4	5.5	-6.7%	0.1%
Policy and Planning	10.8	82.8	6.0	7.1	-13.0%	0.5%	7.6	8.1	8.3	5.2%	0.1%
Public Entities Management and Laboratories	1 806.0	1 810.6	1 897.7	2 037.3	4.1%	38.1%	1 977.6	2 052.9	2 123.4	1.4%	32.1%
Nursing Services	7.3	8.0	8.4	9.4	9.0%	0.2%	9.5	10.0	10.4	3.2%	0.2%
Health Information, Monitoring and Evaluation	81.6	56.0	54.3	53.9	-12.9%	1.2%	69.9	73.9	76.0	12.1%	1.1%
Human Resources for Health	2 515.3	2 689.5	2 801.2	3 872.3	15.5%	59.9%	4 180.3	4 360.8	4 522.2	5.3%	66.4%
Total	4 425.3	4 653.2	4 773.5	5 986.9	10.6%	100.0%	6 250.0	6 511.1	6 745.8	4.1%	100.0%
Change to 2019 Budget estimate				909.3			850.5	907.8	869.1		
Economic classification											
Current payments	432.2	426.2	271.7	312.2	-10.3%	7.3%	278.4	297.5	305.7	-0.7%	4.7%
Compensation of employees	278.7	309.0	188.0	189.5	-12.1%	4.9%	163.7	177.8	169.9	-3.6%	2.7%
Goods and services ¹	153.5	117.2	83.6	122.7	-7.2%	2.4%	114.7	119.7	135.8	3.4%	1.9%
of which:											
Consultants: Business and advisory services	61.7	40.0	34.9	39.8	-13.6%	0.9%	41.3	43.9	45.2	4.3%	0.7%
Contractors	5.0	7.7	6.4	11.9	34.0%	0.2%	8.3	9.4	12.8	2.2%	0.2%
Fleet services (including government motor transport)	10.4	6.3	3.9	5.6	-18.6%	0.1%	5.5	5.5	6.2	3.6%	0.1%
Inventory: Other supplies	9.2	9.4	10.8	9.1	-0.2%	0.2%	10.0	10.6	12.6	11.3%	0.2%
Travel and subsistence	23.4	13.1	9.9	9.3	-26.5%	0.3%	7.9	8.5	10.0	2.4%	0.1%
Operating payments	8.3	5.1	3.9	7.2	-4.9%	0.1%	5.2	5.6	6.4	-3.7%	0.1%
Transfers and subsidies¹	3 982.1	4 139.6	4 485.1	5 648.3	12.4%	92.0%	5 944.4	6 191.4	6 414.9	4.3%	94.9%
Provinces and municipalities	2 476.7	2 631.8	2 784.5	3 846.1	15.8%	59.2%	4 154.6	4 333.5	4 493.9	5.3%	66.0%
Departmental agencies and accounts	1 477.8	1 498.6	1 700.0	1 801.9	6.8%	32.7%	1 789.8	1 857.9	1 921.1	2.2%	28.9%
Non-profit institutions	25.4	–	–	–	-100.0%	0.1%	–	–	–	–	–
Households	2.1	9.2	0.6	0.2	-54.0%	0.1%	–	–	–	-100.0%	–

Table 18.16 Health System Governance and Human Resources expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Payments for capital assets	10.6	87.3	16.7	26.4	35.4%	0.7%	27.2	22.3	25.2	-1.5%	0.4%
Machinery and equipment	10.6	87.3	16.7	25.9	34.5%	0.7%	27.2	22.3	25.2	-0.9%	0.4%
Software and other intangible assets	-	-	-	0.5	-	-	-	-	-	-100.0%	-
Payments for financial assets	0.4	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	4 425.3	4 653.2	4 773.5	5 986.9	10.6%	100.0%	6 250.0	6 511.1	6 745.8	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	11.0%	10.2%	11.7%	-	-	11.3%	10.7%	10.6%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	1.9	2.2	0.6	0.2	-51.9%	-	-	-	-	-100.0%	-
Employee social benefits	1.9	2.2	0.6	0.2	-51.9%	-	-	-	-	-100.0%	-
Non-profit institutions											
Current	24.7	-	-	-	-100.0%	0.1%	-	-	-	-	-
Health information systems programme	12.7	-	-	-	-100.0%	0.1%	-	-	-	-	-
Health Systems Trust	12.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households											
Other transfers to households											
Current	0.3	7.0	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.3	-	-	-	-100.0%	-	-	-	-	-	-
University of the Witwatersrand	-	7.0	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 474.3	1 494.9	1 696.1	1 797.9	6.8%	32.6%	1 785.8	1 853.7	1 916.7	2.2%	28.8%
South African Medical Research Council	660.3	617.2	624.8	686.7	1.3%	13.1%	715.1	751.1	778.9	4.3%	11.5%
National Health Laboratory Service	711.9	746.5	810.8	785.5	3.3%	15.4%	761.1	798.3	824.1	1.6%	12.4%
Office of Health Standards Compliance	100.5	125.7	129.7	136.5	10.7%	2.5%	144.0	151.9	157.5	4.9%	2.3%
Council for Medical Schemes	1.6	5.5	5.7	6.0	54.9%	0.1%	6.5	6.2	6.3	1.6%	0.1%
South African Health Products Regulatory Authority	-	-	125.2	183.3	-	1.6%	159.2	146.3	150.0	-6.5%	2.5%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	2 476.7	2 631.8	2 784.5	2 940.4	5.9%	54.6%	4 154.6	4 333.5	4 493.9	15.2%	62.5%
Health professions training and development grant	2 476.7	2 631.8	2 784.5	2 940.4	5.9%	54.6%	-	-	-	-100.0%	11.5%
Statutory human resources, training and development grant	-	-	-	-	-	-	4 154.6	4 333.5	4 493.9	-	50.9%
Departmental agencies and accounts											
Social security funds											
Current	3.5	3.7	3.8	4.1	4.6%	0.1%	4.1	4.2	4.3	2.4%	0.1%
Compensation Commissioner	3.5	3.7	3.8	4.1	4.6%	0.1%	4.1	4.2	4.3	2.4%	0.1%

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 18.17 Health System Governance and Human Resources personnel numbers and cost by salary level¹

Health System Governance and Human Resources	Number of posts estimated for 31 March 2020		Number and cost ² 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 (%) 2019/20 - 2022/23	Average: Salary level/ Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	305	-	305	188.0	0.6	280	153.3	0.5	269	163.7	0.6	288	177.8	0.6	269	169.9	0.6	-1.3%	100.0%
1 - 6	172	-	172	60.1	0.3	166	54.2	0.3	157	54.3	0.3	178	63.7	0.4	177	67.6	0.4	2.2%	61.3%
7 - 10	89	-	89	64.5	0.7	80	51.8	0.6	76	54.5	0.7	76	58.2	0.8	64	52.6	0.8	-7.2%	26.8%
11 - 12	25	-	25	30.5	1.2	16	18.1	1.1	16	19.2	1.2	14	17.9	1.3	11	14.9	1.4	-11.7%	5.2%
13 - 16	19	-	19	32.9	1.7	18	29.2	1.6	20	35.7	1.8	20	38.0	1.9	17	34.8	2.0	-1.9%	6.8%

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

2. Rand million.

Entities

National Health Laboratory Service

Selected performance indicators

Table 18.18 National Health Laboratory Service performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of CD4 tests performed within the specified turnaround time per year	Laboratory tests	Priority 2: Education, skills and health	94% (3.2 million/ 3.4 million) within 48 hours	91% (2.7 million/ 3 million) within 40 hours	91% (2.5 million/ 2.8 million) within 40 hours	90% within 48 hours	80% within 48 hours	85% within 48 hours	90% within 48 hours
Percentage of viral load tests performed within 96 hours per year	Laboratory tests		87% (3.9 million/ 4.5 million)	82% (4.1 million/ 4.9 million)	86% (4.4 million/ 5.1 million)	80%	80%	85%	90%
Percentage of TB microscopy/GeneXpert tests performed within the specified timeframe per year	Laboratory tests		97% (2.3 million/ 2.4 million) within 48 hours	91% (1.9 million/ 2.1 million) within 40 hours	94% (2 million/ 2.1 million) within 40 hours	90% within 40 hours	80% within 40 hours	85% within 40 hours	90% within 40 hours
Percentage of HIV polymerase chain reaction tests performed within 96 hours per year	Laboratory tests		82% (465 627/ 568 571)	77% (442 765/ 576 145)	76% (447 438/ 591 523)	85%	70%	75%	80%
Percentage of cervical smear tests performed within 5 weeks per year	Laboratory tests		97% (883 168/ 911 720)	90% (768 317/ 849 968)	84% (1.6 million/ 1.9 million)	90%	80%	85%	90%
Number of National Central laboratories that are accredited by the South African National Accreditation System per year	Research		- ¹	49	50	53	53	53	53
Percentage of laboratories achieving proficiency testing schemes performance standards of 80% per year	Research		87% (214/246)	92% (233/254)	96% (240/251)	90%	95%	98%	98%
Number of peer-reviewed articles published annually	Research		570	588	593	600	650	700	750
Percentage of occupational and environmental health laboratory tests conducted within predefined turnaround time per year	Occupational health		93% (4 366/ 4 712)	86% (7 052/ 8 200)	75% (13 195/ 17 617)	90%	90%	90%	90%
Percentage of outbreaks responded to within 24 hours after notification per year	Surveillance of communicable diseases		100% (1 212/ 1 212)	100% (1 341/ 1 341)	100% (1 116/ 1 116)	100%	100%	100%	100%

1. No historical data available.

Entity overview

The National Health Laboratory Service was established in terms of the National Health Laboratory Service Act (2002) to provide cost-effective, high-quality diagnostic laboratory services primarily to public health facilities. The service also trains pathologists and other health professionals, monitors communicable and non-communicable diseases, and conducts research. It houses the National Institute for Communicable Diseases and the National Institute for Occupational Health.

Over the medium term, the service will continue to focus on improving laboratory testing, particularly for HIV, TB and cervical cancer. Rapidly increasing access to HIV and TB care, and a predicted increase in the prevalence of cancer by at least 30 per cent by 2030, is expected to place increased demand on the service. To accommodate this demand, the service will seek to further automate, modernise and consolidate its laboratory platforms and services to ensure affordability and sufficient capacity. Performing laboratory tests, mainly for public health facilities, accounts for an estimated 81.2 per cent (R24.9 billion) of the service's projected expenditure over the medium term and is the source of 90.5 per cent (R28 billion) of its total revenue.

To train pathologists, medical scientists and medical technologists, and increase research output, an allocation of R1 billion is made available over the MTEF period. This is expected to ensure that 57 registrars are admitted to be trained as pathologists, and that 36 intern medical scientists and 248 intern medical technologists are also trained. This allocation is also expected to ensure that the service publishes 2 050 peer-reviewed articles over the medium term, and that 95 per cent of national central laboratories are accredited by the South African National Accreditation System.

The service will aim to strengthen its disease surveillance through the National Institute for Communicable Diseases, and its research and training outputs to support occupational and environmental health through the National Institute for Occupational Health. Both institutes are largely funded through transfers from the department, which are projected to decrease at an average annual rate of 6 per cent, from R785.5 million in 2019/20 to R824.1 million in 2022/23. These transfers will be used mainly for operations to enable the institutes to respond to all outbreaks within 24 hours of notification, and conduct 90 per cent of occupational and environmental health laboratory tests within specified turnaround times.

Programmes/Objectives/Activities

Table 18.19 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
					2016/17 - 2019/20					2019/20 - 2022/23	
Administration	667.5	691.3	717.8	984.7	13.8%	9.1%	945.1	1 006.7	1 065.6	2.7%	10.0%
Surveillance of communicable diseases	342.2	326.2	403.8	370.0	2.6%	4.3%	394.8	420.7	453.8	7.0%	4.1%
Occupational health	93.1	114.0	126.0	131.3	12.1%	1.4%	140.3	149.8	161.9	7.2%	1.5%
Laboratory tests	8 106.1	5 472.6	6 567.5	7 311.7	-3.4%	81.1%	7 863.3	8 288.1	8 752.1	6.2%	80.6%
Research	219.2	438.4	196.8	486.1	30.4%	4.1%	315.0	343.2	365.1	-9.1%	3.8%
Total	9 428.1	7 042.6	8 011.8	9 283.8	-0.5%	100.0%	9 658.5	10 208.4	10 798.5	5.2%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.20 National Health Laboratory Service statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2016/17	Budget	2017/18	Budget	2018/19			
									2016/17 - 2019/20
Revenue									
Non-tax revenue	6 599.1	6 802.6	7 142.5	7 692.7	7 909.0	8 218.5	8 594.9	8 594.9	103.5%
Sale of goods and services other than capital assets	6 463.6	6 379.6	6 751.1	7 169.4	7 613.6	7 712.2	8 032.2	8 032.2	101.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 463.6	6 379.6	6 751.1	7 169.4	7 613.6	7 712.2	8 032.2	8 032.2	101.5%
Other non-tax revenue	135.4	423.0	391.4	523.3	295.4	506.2	562.7	562.7	145.5%
Transfers received	711.9	715.3	746.5	746.5	810.8	789.8	785.5	785.5	99.4%
Total revenue	7 310.9	7 517.9	7 889.0	8 439.2	8 719.8	9 008.3	9 380.4	9 380.4	103.1%
Expenses									
Current expenses	6 941.4	9 428.1	7 616.5	7 042.6	8 483.7	8 011.8	9 283.8	9 283.8	104.5%
Compensation of employees	3 064.7	3 228.5	3 454.9	3 326.2	3 856.9	3 660.5	4 193.8	4 193.8	98.9%
Goods and services	3 746.2	6 060.0	4 026.9	3 507.6	4 479.1	4 091.0	4 939.1	4 939.1	108.2%
Depreciation	130.3	127.6	134.4	192.8	135.8	249.5	139.4	139.4	131.4%
Interest, dividends and rent on land	0.2	12.0	0.2	16.0	12.0	10.8	11.5	11.5	210.1%
Total expenses	6 941.4	9 428.1	7 616.5	7 042.6	8 483.7	8 011.8	9 283.8	9 283.8	104.5%
Surplus/(Deficit)	369.5	(1 910.2)	272.5	1 396.6	236.0	996.4	96.6	96.6	
Cash flow statement									
Cash flow from operating activities	168.1	(102.3)	406.6	930.9	488.1	1 240.3	743.1	743.1	155.7%
Receipts									
Non-tax receipts	5 942.8	6 044.4	6 483.5	7 289.2	6 899.2	8 416.3	7 197.7	7 197.7	109.1%
Sales of goods and services other than capital assets	5 738.9	5 890.5	6 418.5	7 186.2	6 852.2	8 229.7	7 089.6	7 089.6	108.8%
<i>Sales by market establishment</i>	5 738.9	5 890.5	6 418.5	7 186.2	6 852.2	8 229.7	7 089.6	7 089.6	108.8%
Other tax receipts	203.9	153.9	65.0	102.9	47.0	186.6	108.1	108.1	130.1%
Transfers received	711.9	715.3	746.5	746.5	810.8	694.3	785.5	785.5	96.3%
Total receipts	6 654.6	6 759.7	7 230.0	8 035.6	7 710.0	9 110.5	7 983.2	7 983.2	107.8%
Payment									
Current payments	6 486.5	6 862.0	6 823.4	7 104.1	7 221.9	7 869.3	7 240.1	7 240.1	104.7%
Compensation of employees	3 064.7	3 149.1	3 291.5	3 358.5	3 456.1	3 623.6	3 499.8	3 499.8	102.4%
Goods and services	3 420.0	3 712.8	3 530.0	3 745.5	3 763.9	4 245.3	3 738.1	3 738.1	106.8%
Interest and rent on land	1.8	0.0	1.9	0.1	2.0	0.4	2.3	2.3	35.3%
Total payments	6 486.5	6 862.0	6 823.4	7 104.8	7 221.9	7 870.2	7 240.1	7 240.1	104.7%

Table 18.20 National Health Laboratory Service statements of historical financial performance, cash flow and financial position

R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2016/17 - 2019/20
Net cash flow from investing activities	(200.0)	(187.6)	(235.0)	(128.5)	(320.0)	(102.5)	(225.0)	(225.0)	65.7%
Acquisition of property, plant, equipment and intangible assets	(200.0)	(183.8)	(235.0)	(128.1)	(300.0)	(102.5)	(210.0)	(210.0)	66.1%
Acquisition of software and other intangible assets	–	(3.7)	–	(0.4)	(20.0)	(0.0)	(15.0)	(15.0)	54.8%
Proceeds from the sale of property, plant, equipment and intangible assets	–	–	–	–	–	0.0	–	–	–
Net cash flow from financing activities	–	(57.1)	–	(75.3)	(71.7)	(48.9)	(59.5)	(59.5)	183.4%
Repayment of finance leases	–	(57.1)	–	(75.3)	(71.7)	(48.9)	(59.5)	(59.5)	183.4%
Net increase/(decrease) in cash and cash equivalents	(31.9)	(347.0)	171.6	727.2	96.3	1 088.9	458.6	458.6	
Statement of financial position									
Carrying value of assets	784.8	1 240.4	1 114.3	1 257.2	1 569.7	1 126.3	1 500.7	1 500.7	103.1%
Acquisition of assets	(200.0)	(183.8)	(235.0)	(128.1)	(300.0)	(102.5)	(210.0)	(210.0)	66.1%
Inventory	110.3	116.8	118.0	124.4	119.2	160.0	120.4	120.4	111.5%
Receivables and prepayments	3 090.9	1 736.9	1 813.2	2 546.7	1 599.5	2 435.1	1 650.0	1 195.8	97.1%
Cash and cash equivalents	707.1	392.0	563.6	1 119.1	1 215.5	2 208.1	1 674.0	3 297.0	168.7%
Taxation	–	–	–	0.0	–	0.0	–	–	–
Total assets	4 693.1	3 486.1	3 609.1	5 047.5	4 503.8	5 929.5	4 945.1	6 113.9	115.9%
Accumulated surplus/(deficit)	2 292.0	(0.4)	262.1	1 673.0	1 500.6	2 669.4	1 597.2	2 766.0	125.8%
Capital and reserves	0.3	597.6	0.3	688.4	0.3	688.4	0.3	0.3	148 702.5%
Finance lease	–	81.6	86.0	70.3	75.4	55.1	91.8	91.8	118.0%
Deferred income	58.2	12.3	12.9	20.3	13.6	28.7	14.4	14.4	76.3%
Trade and other payables	932.4	961.9	1 204.6	718.3	856.7	551.3	915.3	915.3	80.5%
Benefits payable	24.8	23.6	26.4	26.5	29.5	30.9	33.1	33.1	100.1%
Taxation	–	10.7	–	–	–	1.9	–	–	–
Provisions	1 385.4	1 713.1	1 970.1	1 827.4	1 980.0	1 899.5	2 244.4	2 244.4	101.4%
Derivatives financial instruments	–	85.8	46.7	23.3	47.6	4.2	48.5	48.5	113.4%
Total equity and liabilities	4 693.1	3 486.1	3 609.1	5 047.5	4 503.8	5 929.5	4 945.1	6 113.9	115.9%

Statements of estimates of financial performance, cash flow and financial position**Table 18.21 National Health Laboratory Service statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23	
Revenue									
Non-tax revenue	8 594.9	8.1%	91.1%	9 113.7	9 715.1	10 360.9	6.4%	92.2%	
Sale of goods and services other than capital assets	8 032.2	8.0%	85.3%	8 623.9	9 196.4	9 811.5	6.9%	87.0%	
<i>Sales by market establishment</i>	<i>8 032.2</i>	<i>8.0%</i>	<i>85.3%</i>	<i>8 623.9</i>	<i>9 196.4</i>	<i>9 811.5</i>	<i>6.9%</i>	<i>87.0%</i>	
Other non-tax revenue	562.7	10.0%	5.9%	489.8	518.7	549.3	-0.8%	5.2%	
Transfers received	785.5	3.2%	8.9%	761.1	798.3	824.1	1.6%	7.8%	
Total revenue	9 380.4	7.7%	100.0%	9 874.7	10 513.3	11 185.0	6.0%	100.0%	
Current expenses	9 283.8	-0.5%	100.0%	9 658.5	10 208.4	10 798.5	5.2%	100.0%	
Compensation of employees	4 193.8	9.1%	43.1%	4 747.6	5 103.7	5 486.5	9.4%	48.8%	
Goods and services	4 939.1	-6.6%	54.6%	4 620.5	4 786.5	4 977.2	0.3%	48.5%	
Depreciation	139.4	3.0%	2.2%	279.4	306.7	322.6	32.3%	2.6%	
Interest, dividends and rent on land	11.5	-1.3%	0.2%	11.0	11.6	12.2	2.1%	0.1%	
Total expenses	9 283.8	-0.5%	100.0%	9 658.5	10 208.4	10 798.5	5.2%	100.0%	
Surplus/(Deficit)	96.6			216.2	304.9	386.5			
Cash flow statement									
Cash flow from operating activities	743.1	-293.6%	268.5%	1 546.3	1 525.2	1 480.2	35.6%	270.7%	
Receipts									
Non-tax receipts	7 197.7	6.0%	90.7%	9 061.3	9 602.3	10 175.6	12.2%	91.8%	
Sales of goods and services other than capital assets	7 089.6	6.4%	88.9%	8 790.9	9 318.4	9 877.5	11.7%	89.4%	
<i>Sales by market establishment</i>	<i>7 089.6</i>	<i>6.4%</i>	<i>88.9%</i>	<i>8 790.9</i>	<i>9 318.4</i>	<i>9 877.5</i>	<i>11.7%</i>	<i>89.4%</i>	
Other tax receipts	108.1	-11.1%	1.7%	270.4	283.9	298.1	40.2%	2.4%	
Transfers received	785.5	3.2%	9.3%	761.1	798.3	824.1	1.6%	8.2%	
Total receipts	7 983.2	5.7%	100.0%	9 822.4	10 400.6	10 999.8	11.3%	100.0%	
Current payments	7 240.1	1.8%	87.5%	8 276.1	8 875.3	9 519.6	9.6%	100.0%	
Compensation of employees	3 499.8	3.6%	41.0%	4 272.9	4 593.3	4 937.8	12.2%	50.9%	
Goods and services	3 738.1	0.2%	46.5%	4 000.8	4 279.4	4 579.0	7.0%	49.1%	
Interest and rent on land	2.3	322.4%	0.0%	2.4	2.6	2.8	7.0%	0.0%	
Total payment	7 240.1	1.8%	100.0%	8 276.1	8 875.3	9 519.6	9.6%	100.0%	
Net cash flow from investing activities	(225.0)	6.3%	100.0%	(427.0)	(490.0)	(510.0)	31.4%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(210.0)	4.5%	97.8%	(415.0)	(480.0)	(505.0)	34.0%	96.9%	
Acquisition of software and other intangible assets	(15.0)	58.9%	2.3%	(12.0)	(10.0)	(5.0)	-30.7%	3.1%	

Table 18.21 National Health Laboratory Service statements of estimates of financial performance, cash flow and financial position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2019/20	2016/17 - 2019/20	2020/21		
R million								
Net cash flow from financing activities	(59.5)	1.4%	100.0%	(52.6)	(50.8)	(35.0)	-16.2%	100.0%
Repayment of finance leases	(59.5)	1.4%	100.0%	(52.6)	(50.8)	(35.0)	-16.2%	100.0%
Net increase/(decrease) in cash and cash equivalents	458.6	-209.7%	100.0%	1 066.7	984.4	935.2	26.8%	100.0%
Statement of financial position								
Carrying value of assets	1 500.7	6.6%	26.0%	1 551.2	1 730.3	1 851.4	7.3%	23.6%
Acquisition of assets	(210.0)	4.5%	-3.2%	(415.0)	(480.0)	(505.0)	34.0%	-5.6%
Inventory	120.4	1.0%	2.6%	121.6	122.8	131.4	3.0%	1.8%
Receivables and prepayments	1 195.8	-11.7%	40.2%	1 300.1	1 874.2	1 861.9	15.9%	22.0%
Cash and cash equivalents	3 297.0	103.4%	31.1%	3 755.6	3 704.8	3 964.1	6.3%	52.6%
Total assets	6 113.9	20.6%	100.0%	6 728.5	7 432.1	7 808.9	8.5%	100.0%
Accumulated surplus/(deficit)	2 766.0	-2 064.2%	30.8%	2 967.3	3 175.5	3 390.2	7.0%	43.9%
Capital and reserves	0.3	-91.8%	10.6%	0.3	0.3	0.3	-	0.0%
Finance lease	91.8	4.0%	1.5%	101.2	111.5	119.3	9.1%	1.5%
Deferred income	14.4	5.5%	0.4%	15.2	16.0	17.1	6.0%	0.2%
Trade and other payables	915.3	-1.6%	16.5%	976.9	1 068.6	1 143.4	7.7%	14.6%
Benefits payable	33.1	12.0%	0.6%	37.1	41.5	44.4	10.3%	0.6%
Provisions	2 244.4	9.4%	38.5%	2 581.1	2 968.2	3 040.1	10.6%	38.5%
Derivatives financial instruments	48.5	-17.3%	0.9%	49.5	50.5	54.0	3.6%	0.7%
Total equity and liabilities	6 113.9	20.6%	100.0%	6 728.5	7 432.1	7 808.9	8.5%	100.0%

Personnel information**Table 18.22 National Health Laboratory Service personnel numbers and cost by salary level**

National Health Laboratory Service	Number of posts estimated for 31 March 2020		Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	8 113	8 113	7 813	3 660.5	0.5	7 813	4 193.8	0.5	7 963	4 747.6	0.6	7 963	5 103.7	0.6	7 963	5 486.5	0.7	9.4%	100.0%
1 – 6	4 179	4 179	4 159	1 078.4	0.3	4 159	1 182.2	0.3	4 259	1 392.1	0.3	4 259	1 481.8	0.3	4 259	1 585.8	0.4	10.3%	53.4%
7 – 10	3 484	3 484	3 204	1 929.2	0.6	3 204	2 272.7	0.7	3 254	2 550.0	0.8	3 254	2 734.1	0.8	3 254	2 935.9	0.9	8.9%	40.9%
11 – 12	188	188	188	203.0	1.1	188	234.6	1.2	188	271.7	1.4	188	311.2	1.7	188	342.1	1.8	13.4%	2.4%
13 – 16	253	253	253	427.1	1.7	253	479.2	1.9	253	506.7	2.0	253	547.2	2.2	253	591.0	2.3	7.2%	3.2%
17 – 22	9	9	9	22.8	2.5	9	25.2	2.8	9	27.2	3.0	9	29.3	3.3	9	31.7	3.5	8.0%	0.1%

1. Rand million.

South African Medical Research Council**Selected performance indicators****Table 18.23 South African Medical Research Council performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of published journal articles, book chapters and books by authors affiliated to or funded by the council per year	Core research	Priority 2: Education, skills and health	660	865	936	800	800	750	700
Number of published journal articles by council grant holders with acknowledgement of the council per year	Core research		135	197	196	214	200	200	180
Number of published journal articles where the first and/or last author is affiliated to the council per year	Core research		415	490	538	550	500	450	420

Table 18.23 South African Medical Research Council performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of research grants awarded by the council per year	Core research	Priority 2: Education, skills and health	147	168	176	186	130	140	150
Number of scholarships, fellowships and grants awarded by the council for postgraduate study at masters, doctoral and postdoctoral levels per year	Capacity development		156	155	141	106	110	130	140
Number of new innovation and technology projects funded by the council aimed at developing, testing and/or implementing new or improved health solutions	Innovation and technology		-1	-1	-1	-1	4	4	4
Number of ongoing innovation and technology projects funded by the council aimed at developing, testing and/or implementing new or improved health solutions	Innovation and technology		-1	-1	-1	-1	30	30	30

1. No historical data available.

Entity overview

The South African Medical Research Council conducts and funds health research and medical innovation. In terms of the amended South African Medical Research Council Act (1991), the council is mandated to contribute to improved health and quality of life for South Africans through research, development and technology transfer that provides policy-makers with the tools to make informed decisions on health care. Over the medium term, the council will focus on funding and conducting core research; developing innovations and technology; and building South Africa's medium-term and long-term capacity in health research, particularly in relation to risk factors associated with TB, HIV and AIDS, cardiovascular diseases, non-communicable diseases, gender, and alcohol and other drug abuse.

Over the MTEF period, the council will continue to collaborate with the United States National Institutes of Health. Each organisation is expected to contribute R135 million over the medium term towards the collaborative biomedical research programme. Over the same period, the council is also expected to contribute R21 million and the National Institutes of Health R67 million to fund a new project involving multiple clinical and laboratory sites to conduct biomedical and clinical research on TB. Additional research on the burden of mental health, suicide and depression in tertiary institutions is expected to support the priorities of the Department of Higher Education and Training, at an estimated cost of R5 million in 2020/21. Expenditure on core research accounts for an estimated 53.9 per cent (R2.1 billion) of the council's total projected spending over the medium term, increasing at an average annual rate of 5.3 per cent. This spending is expected to enable authors affiliated to or funded by the council to publish 2 250 journal articles, books and book chapters over the MTEF period, and enable the council to award 420 research grants.

The council has also entered into partnerships with the Bill & Melinda Gates Foundation, the Newton Fund, and the United Kingdom Medical Research Council to fund innovation and technology activities. These partnerships address priority research areas in TB, HIV, non-communicable diseases and mental health. For each partnership, the council will invest a targeted R26 million per year over the medium term and each partner will invest a targeted R36 million per year. Another key collaboration is with BGI Genomics China for the first genomics sequencing facility in Africa, which is expected to result in expenditure of R15 million over the period ahead. Total spending in the council's *innovation and technology* programme is expected to increase from R201.9 million in 2019/20 to R312.5 million in 2022/23 at an average annual rate of 15.7 per cent.

The council will continue to support the next generation of scientists by awarding scholarships and creating partnerships to leverage and contribute to the sustainability of health research. Through a partnership with the department and the Public Health Enhancement Fund to support young scientists from all health professions to

acquire PhD degrees, the council aims to increase the number of bursaries, scholarships and fellowships awarded from 106 in 2019/20 to 140 in 2022/23, and the number of masters and doctoral students graduating from 65 to 81 over the same period. Although spending in the *capacity development* programme is expected to decrease at an average annual rate of 0.8 per cent, from R98.2 million in 2019/20 to R95.9 million in 2022/23, this is not expected to affect performance as all of the council's programmes contribute to the capacity development function.

The council is set to derive 57.7 per cent (R2.2 billion) of its revenue over the MTEF period through transfers from the department, and the remainder through contracts with international donors and other research funders, and interest and dividends. Total revenue is expected to increase at an average annual rate of 8 per cent, from R1.1 billion in 2019/20 to R1.4 billion in 2022/23.

Programmes/Objectives/Activities

Table 18.24 South African Medical Research Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	189.4	211.1	195.5	194.0	0.8%	17.5%	208.5	222.0	243.2	7.8%	17.1%
Core research	542.7	639.2	687.1	638.6	5.6%	55.3%	686.6	689.5	746.1	5.3%	54.6%
Innovation and technology	236.6	255.7	248.3	201.9	-5.1%	20.9%	274.7	286.4	312.5	15.7%	21.1%
Capacity development	60.6	67.7	61.8	98.2	17.5%	6.4%	81.7	88.5	95.9	-0.8%	7.2%
Total	1 029.2	1 173.6	1 192.7	1 132.8	3.2%	100.0%	1 251.5	1 286.4	1 397.7	7.3%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.25 South African Medical Research Council statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2016/17 - 2019/20
	Budget	2016/17	Budget	2017/18	Budget	2018/19			
Revenue									
Non-tax revenue	356.2	403.9	372.8	512.2	418.4	564.7	424.3	423.7	121.2%
Sale of goods and services other than capital assets	323.0	366.4	342.4	467.1	387.4	517.3	395.8	395.8	120.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	323.0	366.4	342.4	467.1	387.4	517.3	395.8	395.8	120.6%
Other non-tax revenue	33.2	37.5	30.3	45.1	31.0	47.4	28.4	27.9	128.4%
Transfers received	657.6	657.6	615.0	615.0	624.8	624.8	686.7	687.2	100.0%
Total revenue	1 013.7	1 061.5	987.7	1 127.2	1 043.2	1 189.5	1 110.9	1 110.9	108.0%
Expenses									
Current expenses	955.0	948.5	976.2	1 098.1	1 070.6	1 111.2	1 042.3	1 042.3	103.9%
Compensation of employees	334.6	303.9	337.5	359.1	362.0	372.7	381.5	396.0	101.1%
Goods and services	599.8	625.3	617.6	716.9	687.1	723.6	638.1	623.6	105.8%
Depreciation	20.5	19.0	21.0	21.3	21.5	14.6	22.7	22.7	90.6%
Interest, dividends and rent on land	-	0.2	-	0.8	-	0.3	-	-	-
Total expenses	1 035.7	1 029.2	1 051.6	1 173.6	1 147.3	1 192.7	1 132.8	1 132.8	103.7%
Surplus/(Deficit)	(22.0)	32.3	(63.9)	(46.5)	(104.1)	(3.2)	(21.8)	(21.8)	
Cash flow statement									
Cash flow from operating activities	(45.5)	117.6	(172.9)	(11.9)	(81.6)	17.6	7.8	7.8	-44.9%
Receipts									
Non-tax receipts	309.4	380.7	371.7	415.5	444.6	476.7	428.6	428.6	109.5%
Sales of goods and services other than capital assets	282.1	345.4	347.9	373.2	420.5	442.1	404.6	404.6	107.6%
<i>Sales by market establishment</i>	282.1	345.4	347.9	373.2	420.5	442.1	404.6	404.6	107.6%
Other tax receipts	27.3	35.3	23.8	42.3	24.2	34.5	24.0	24.0	137.1%
Transfers received	657.6	657.6	615.5	615.0	625.4	624.8	687.2	687.2	100.0%
Total receipts	967.0	1 038.3	987.1	1 030.4	1 070.0	1 101.5	1 115.9	1 115.9	103.5%
Payment									
Current payments	1 012.5	920.7	1 160.0	1 042.3	1 151.6	1 083.9	1 108.1	1 108.1	93.7%
Compensation of employees	293.5	298.5	350.0	334.2	378.5	358.5	398.8	398.8	97.8%
Goods and services	717.8	621.9	809.8	707.4	772.9	725.1	709.1	709.1	91.8%
Interest and rent on land	1.3	0.3	0.3	0.7	0.3	0.3	0.3	0.3	79.9%
Total payments	1 012.5	920.7	1 160.0	1 042.3	1 151.6	1 083.9	1 108.1	1 108.1	93.7%

Table 18.25 South African Medical Research Council statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2016/17 - 2019/20
Net cash flow from investing activities	(45.8)	(23.8)	(21.9)	(41.2)	(26.8)	(45.6)	(26.0)	(26.0)	113.3%
Acquisition of property, plant, equipment and intangible assets	(45.1)	(23.1)	(19.4)	(39.0)	(25.0)	(38.6)	(25.0)	(25.0)	109.9%
Acquisition of software and other intangible assets	(0.8)	(1.0)	(2.5)	(2.2)	(1.8)	(7.2)	(1.0)	(1.0)	190.0%
Proceeds from the sale of property, plant, equipment and intangible assets	–	0.3	–	0.1	–	0.2	–	–	–
Other flows from investing activities	–	0.1	–	–	–	–	–	–	–
Net cash flow from financing activities	0.0	0.2	0.0	0.3	0.0	0.1	0.0	0.0	501.5%
Borrowing activities	0.0	0.2	0.0	0.3	0.0	0.1	0.0	0.0	501.5%
Net increase/(decrease) in cash and cash equivalents	(91.3)	94.0	(194.8)	(52.7)	(108.3)	(27.8)	(18.2)	(18.2)	
Statement of financial position									
Carrying value of assets	152.8	148.0	152.1	167.2	174.4	197.7	176.5	176.5	105.1%
Acquisition of assets	(45.1)	(23.1)	(19.4)	(39.0)	(25.0)	(38.6)	(25.0)	(25.0)	109.9%
Investments	6.8	6.4	7.0	6.8	7.6	7.0	7.8	7.8	96.0%
Receivables and prepayments	32.0	41.9	41.0	50.0	38.9	97.2	34.5	34.5	152.9%
Cash and cash equivalents	358.6	543.9	349.2	491.2	382.3	463.4	363.6	363.6	128.1%
Taxation	–	11.8	–	15.1	–	5.6	–	–	–
Total assets	550.2	752.1	549.2	730.3	603.2	770.9	582.3	582.3	124.1%
Accumulated surplus/(deficit)	282.0	336.2	272.3	289.8	185.7	286.6	163.8	163.8	119.1%
Capital reserve fund	165.7	–	–	–	–	–	–	–	–
Deferred income	–	288.9	178.2	279.4	301.5	310.7	306.3	306.3	150.8%
Trade and other payables	73.4	104.0	71.2	118.3	95.6	141.7	88.9	88.9	137.6%
Taxation	12.5	–	9.8	–	10.5	–	12.0	12.0	26.8%
Provisions	16.7	22.9	17.8	42.9	9.9	31.9	11.4	11.4	195.8%
Total equity and liabilities	550.2	752.1	549.2	730.3	603.2	770.9	582.3	582.3	124.1%

Statements of estimates of financial performance, cash flow and financial position**Table 18.26 South African Medical Research Council statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23	
Revenue									
Non-tax revenue	423.7	1.6%	42.3%	499.5	527.7	618.2	13.4%	41.2%	
Sale of goods and services other than capital assets	395.8	2.6%	38.8%	476.1	503.2	591.5	14.3%	39.1%	
<i>Sales by market establishment</i>	395.8	2.6%	38.8%	476.1	503.2	591.5	14.3%	39.1%	
Other non-tax revenue	27.9	-9.4%	3.5%	23.4	24.6	26.7	-1.5%	2.1%	
Transfers received	687.2	1.5%	57.7%	715.7	751.8	779.6	4.3%	58.8%	
Total revenue	1 110.9	1.5%	100.0%	1 215.2	1 279.5	1 397.7	8.0%	100.0%	
Current expenses	1 042.3	3.2%	92.7%	1 158.2	1 193.7	1 301.5	7.7%	92.6%	
Compensation of employees	396.0	9.2%	31.6%	418.9	444.0	470.6	5.9%	34.2%	
Goods and services	623.6	-0.1%	59.4%	716.1	726.0	806.5	9.0%	56.6%	
Depreciation	22.7	6.1%	1.7%	23.3	23.7	24.5	2.5%	1.9%	
Total expenses	1 132.8	3.2%	100.0%	1 251.5	1 286.4	1 397.7	7.3%	100.0%	
Surplus/(Deficit)	(21.8)			(36.4)	(6.9)	–			
Cash flow statement									
Cash flow from operating activities	7.8	-59.5%	112.6%	46.4	63.1	(15.1)	24.8%	112.5%	
Receipts									
Non-tax receipts	428.6	4.0%	39.7%	459.8	454.5	543.3	8.2%	39.1%	
Sales of goods and services other than capital assets	404.6	5.4%	36.5%	431.0	423.8	513.8	8.3%	36.7%	
<i>Sales by market establishment</i>	404.6	5.4%	36.5%	431.0	423.8	513.8	8.3%	36.7%	
Other tax receipts	24.0	-12.0%	3.2%	28.8	30.6	29.5	7.1%	2.3%	
Transfers received	687.2	1.5%	60.3%	715.7	751.8	779.6	4.3%	60.9%	
Total receipts	1 115.9	2.4%	100.0%	1 175.5	1 206.2	1 322.9	5.8%	100.0%	
Current payments	1 108.1	6.4%	91.7%	1 129.1	1 143.2	1 337.9	6.5%	100.0%	
Compensation of employees	398.8	10.1%	30.7%	428.5	455.5	475.7	6.1%	37.3%	
Goods and services	709.1	4.5%	61.0%	700.4	687.4	862.0	6.7%	62.6%	
Interest and rent on land	0.3	-4.4%	0.0%	0.3	0.3	0.3	1.8%	0.0%	
Total payment	1 108.1	6.4%	100.0%	1 129.1	1 143.2	1 337.9	6.5%	100.0%	
Net cash flow from investing activities	(26.0)	3.1%	100.0%	(27.3)	(28.7)	(32.9)	8.2%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(25.0)	2.7%	93.2%	(26.3)	(27.7)	(31.8)	8.3%	96.4%	
Acquisition of software and other intangible assets	(1.0)	-0.9%	7.4%	(1.0)	(1.1)	(1.1)	3.7%	3.6%	
Net cash flow from financing activities	0.0	-39.5%	100.0%	0.0	0.0	–	-100.0%	–	
Borrowing Activities	0.0	-39.5%	100.0%	0.0	0.0	–	-100.0%	–	
Net increase/(decrease) in cash and cash equivalents	(18.2)	-157.8%	100.0%	19.2	34.3	(48.0)	38.2%	100.0%	

Table 18.26 South African Medical Research Council statements of estimates of financial performance, cash flow and financial position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2019/20	2016/17 - 2019/20	2020/21		
R million								
Carrying value of assets	176.5	6.0%	24.6%	180.5	185.5	194.2	3.2%	29.0%
Acquisition of assets	(25.0)	2.7%	-4.4%	(26.3)	(27.7)	(31.8)	8.3%	-4.3%
Investments	7.8	6.4%	1.0%	7.8	7.8	7.8	-	1.2%
Receivables and prepayments	34.5	-6.3%	7.7%	35.5	40.2	44.6	8.9%	6.1%
Cash and cash equivalents	363.6	-12.6%	65.5%	382.8	417.1	465.1	8.6%	63.8%
Total assets	582.3	-8.2%	100.0%	606.5	650.6	711.6	6.9%	100.0%
Accumulated surplus/(deficit)	163.8	-21.3%	37.4%	170.0	183.6	183.6	3.9%	27.5%
Deferred income	306.3	2.0%	42.4%	316.5	339.2	387.8	8.2%	52.8%
Trade and other payables	88.9	-5.1%	15.9%	92.1	99.7	115.4	9.1%	15.5%
Taxation	12.0	-	0.5%	15.0	15.0	14.2	5.7%	2.2%
Provisions	11.4	-20.9%	3.8%	13.0	13.2	10.7	-2.0%	1.9%
Total equity and liabilities	582.3	-8.2%	100.0%	606.5	650.6	711.6	6.9%	100.0%

Personnel information

Table 18.27 South African Medical Research Council personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020	Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)			
			2018/19		Unit cost	2019/20		Unit cost	2020/21		2021/22		2022/23				2019/20 - 2022/23		
South African Medical Research Council	639	639	639	372.7	0.6	639	396.0	0.6	639	418.9	0.7	639	444.0	0.7	639	470.6	0.7	5.9%	100.0%
Salary level																			
1 – 6	185	185	185	36.9	0.2	185	39.2	0.2	185	41.4	0.2	185	43.9	0.2	185	46.4	0.3	5.8%	29.0%
7 – 10	320	320	320	160.1	0.5	320	170.2	0.5	320	180.0	0.6	320	190.8	0.6	320	202.3	0.6	5.9%	50.1%
11 – 12	77	77	77	77.7	1.0	77	82.6	1.1	77	87.3	1.1	77	92.6	1.2	77	98.1	1.3	5.9%	12.1%
13 – 16	54	54	54	88.5	1.6	54	94.0	1.7	54	99.4	1.8	54	105.4	2.0	54	111.7	2.1	5.9%	8.5%
17 – 22	3	3	3	9.5	3.2	3	10.1	3.4	3	10.7	3.6	3	11.3	3.8	3	12.0	4.0	5.9%	0.5%

1. Rand million.

Compensation Commissioner for Occupational Diseases in Mines and Works

Selected performance indicators

Table 18.28 Compensation Commissioner for Occupational Diseases in Mines and Works performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of workers and ex-workers in controlled mines and works accessing benefit medical examinations per year	Compensation of ex-miners	Priority 2: Education, skills and health	18 145	12 644	15 590	10 000	10 000	10 000	11 000
Number of claims processed by the certification committee of the Medical Bureau for Occupational Diseases per year	Compensation of ex-miners		20 149	12 972	10 305	12 000	12 000	12 000	13 200
Number of outreach and awareness activities with service providers, unions, employers, workers and ex-workers conducted per year	Compensation of ex-miners		27	17	9	10	10	10	11
Annual reports, including the financial statements of the Mines and Works Compensation Fund, submitted to the auditor-general per year	Administration		2010/11 and 2011/12 annual reports and financial statements	2012/13 and 2013/14 annual reports and financial statements	2014/15 and 2015/16 annual reports and financial statements	2016/17 and 2017/18 annual reports and financial statements	2018/19 and 2019/20 annual reports and financial statements	2020/21 annual report and financial statements	2021/22 annual report and financial statements

Table 18.28 Compensation Commissioner for Occupational Diseases in Mines and Works performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of claims paid by the Compensation Commissioner (other than pensioners) per year	Compensation of pensioners		5 249	10 324	9 382	7 700	7 700	7 700	8 470
Number of workers in controlled mines and works paid for loss of earnings while undergoing TB treatment per year	Compensation for TB		2 144	6 772	6 568	950	1 045	1 045	1 045

Entity overview

The Compensation Commissioner for Occupational Diseases in Mines and Works derives its mandate from the Occupational Diseases in Mines and Works Act (1973). The act mandates the commissioner to collect levies from controlled mines and works, compensate workers and former workers in controlled mines and works for occupational diseases of cardiorespiratory organs, and reimburse workers for earnings they might have lost while being treated for TB.

Over the medium term, the commissioner will focus on improving its delivery of services to former mineworkers and increasing the amount of funds transferred to households in labour-sending areas. This will be done through increasing access to occupational health service centres in neighbouring countries, one-stop centres within South Africa and other contracted service providers. To fund these initiatives, the commissioner's total expenditure is expected to increase at an average annual rate of 6.5 per cent, from R211.3 million in 2019/20 to R255.4 million in 2022/23.

To pay out compensation claims for former miners, the commissioner is expected to generate 55.2 per cent (R936.5 million) of its estimated revenue over the MTEF period through levies collected from mines and works, and 44 per cent (R747.7 million) through interest earned on investments. The collection of levies is expected to decrease by 0.1 per cent, from R311 million in 2019/20 to R310 million in 2022/23. This is due to an expected decrease in levy rates resulting from an increase in accumulated reserves of funds that are sufficient to pay compensation claims. The commissioner expects to receive R13.5 million over the MTEF period through transfers from the department.

Programmes/Objectives/Activities**Table 18.29 Compensation Commissioner for Occupational Diseases in Mines and Works expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/ Total (%)	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average: Expenditure/ Total (%)
Administration	8.1	8.4	8.5	8.8	2.6%	4.3%	8.9	9.4	8.7	-0.1%	3.8%
Compensation of pensioners	3.2	3.7	3.8	4.1	8.0%	1.9%	4.3	4.5	4.7	4.9%	1.9%
Compensation of ex-miners	141.0	148.0	151.3	159.8	4.3%	77.0%	175.8	185.2	216.0	10.6%	78.0%
Compensation of TB	22.1	34.4	36.7	38.7	20.6%	16.7%	42.6	44.9	26.0	-12.4%	16.3%
Eastern Cape project	–	0.0	0.0	0.0	–	0.0%	0.0	–	–	-100.0%	0.0%
Total	174.4	194.6	200.3	211.3	6.6%	100.0%	231.5	244.0	255.4	6.5%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.30 Compensation Commissioner for Occupational Diseases in Mines and Works statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Revenue									
Tax revenue	311.6	335.3	321.0	315.9	315.0	305.0	311.0	311.0	100.7%
Non-tax revenue	193.1	270.3	183.5	265.0	260.0	270.0	246.0	246.0	119.1%
of which:									
Other non-tax revenue	193.1	270.3	183.5	265.0	260.0	270.0	246.0	246.0	119.1%
Transfers received	3.5	3.5	3.7	3.7	3.8	3.8	4.1	4.1	100.0%
Total revenue	508.3	609.2	508.2	584.6	578.8	578.8	561.1	561.1	108.2%
Expenses									
Current expenses	8.1	8.1	8.4	8.4	8.5	8.5	8.8	8.8	100.0%
Goods and services	7.9	7.9	8.2	8.2	8.3	8.3	8.5	8.5	100.0%
Interest, dividends and rent on land	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	101.7%
Transfers and subsidies	167.2	166.2	186.8	186.2	191.8	191.8	202.5	202.5	99.8%
Total expenses	175.3	174.4	195.2	194.6	200.3	200.3	211.3	211.3	99.8%
Surplus/(Deficit)	333.0	434.8	312.9	390.0	378.5	378.5	349.7	349.7	
Cash flow statement									
Cash flow from operating activities	307.6	434.3	316.5	389.5	378.0	378.0	350.0	350.0	114.8%
Receipts									
Tax receipts	311.6	335.3	321.0	315.9	315.0	305.0	311.0	311.0	100.7%
Non-tax receipts	167.2	270.3	186.8	265.0	260.0	270.0	246.0	246.0	122.2%
Other tax receipts	167.2	270.3	186.8	265.0	260.0	270.0	246.0	246.0	122.2%
Transfers received	3.5	3.5	3.7	3.7	3.8	3.8	4.1	4.1	100.0%
Total receipts	482.4	609.2	511.5	584.6	578.8	578.8	561.1	561.1	109.4%
Payment									
Current payments	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	101.4%
Goods and services	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	101.1%
Interest and rent on land	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	101.7%
Transfers and subsidies	174.4	174.4	194.6	194.6	200.4	200.4	210.5	210.5	100.0%
Total payments	174.8	174.8	195.0	195.0	200.8	200.8	211.0	211.0	100.0%
Net cash flow from investing activities	(83.0)	(719.7)	(87.1)	(285.2)	(194.0)	(194.0)	(162.5)	(162.5)	258.5%
Other flows from investing activities	(83.0)	(719.7)	(87.1)	(285.2)	(194.0)	(194.0)	(162.5)	(162.5)	258.5%
Net cash flow from financing activities	-	3.5	-	-	-	-	-	-	-
Deferred income	-	3.5	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	224.6	(281.8)	229.4	104.3	184.0	184.0	187.6	187.6	
Statement of financial position									
Investments	3 336.3	3 882.7	3 283.5	4 167.9	4 361.9	4 365.7	4 524.4	4 524.4	109.3%
Receivables and prepayments	18.4	1.9	4.2	5.1	14.7	13.5	15.5	15.5	68.2%
Cash and cash equivalents	70.0	21.8	75.0	80.0	85.0	82.0	65.0	65.0	84.3%
Total assets	3 424.6	3 906.4	3 362.7	4 253.0	4 461.6	4 461.2	4 604.8	4 604.8	108.7%
Accumulated surplus/(deficit)	2 467.2	199.0	2 444.7	594.1	972.6	959.6	1 322.4	1 322.4	42.7%
Trade and other payables	16.4	36.3	3.2	3.8	12.5	15.3	13.1	13.1	151.6%
Provisions	941.0	3 671.1	914.8	3 655.1	3 476.5	3 486.4	3 269.3	3 269.3	163.7%
Total equity and liabilities	3 424.6	3 906.4	3 362.7	4 253.0	4 461.6	4 461.2	4 604.8	4 604.8	108.7%

Statements of estimates of financial performance, cash flow and financial position

Table 18.31 Compensation Commissioner for Occupational Diseases in Mines and Works statements of estimates of financial performance, cash flow and financial position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23		
Revenue									
Tax revenue	311.0	-2.5%	54.3%	305.0	321.5	310.0	-0.1%	55.2%	
Non-tax revenue	246.0	-3.1%	45.1%	235.0	247.7	265.0	2.5%	44.0%	
Other non-tax revenue	246.0	-3.1%	45.1%	235.0	247.7	265.0	2.5%	44.0%	
Transfers received	4.1	4.6%	0.7%	4.3	4.5	4.7	4.9%	0.8%	
Total revenue	561.1	-2.7%	100.0%	544.3	573.7	579.7	1.1%	100.0%	
Current expenses	8.8	2.6%	4.3%	8.9	9.4	8.7	-0.1%	3.8%	
Goods and services	8.5	2.5%	4.2%	8.6	9.1	7.5	-3.9%	3.6%	
Interest, dividends and rent on land	0.3	7.9%	0.1%	0.3	0.3	1.2	63.4%	0.2%	
Transfers and subsidies	202.5	6.8%	95.7%	222.6	234.6	246.7	6.8%	96.2%	
Total expenses	211.3	6.6%	100.0%	231.5	244.0	255.4	6.5%	100.0%	
Surplus/(Deficit)	349.7			312.8	329.7	324.3			

Table 18.31 Compensation Commissioner for Occupational Diseases in Mines and Works statements of estimates of financial performance, cash flow and financial position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23	
R million								
Cash flow statement								
Cash flow from operating activities								
Receipts	311 039.0	794.7%	99.3%	305 013.5	321 477.5	310 025.5	2.4%	100.0%
Tax receipts	311 000.0	875.3%	54.3%	305 000.0	321 470.0	310 000.0	-0.1%	99.9%
Non-tax receipts	246.0	-3.1%	45.1%	235.0	247.7	265.0	2.5%	0.1%
Other tax receipts	246.0	-3.1%	45.1%	235.0	247.7	265.0	2.5%	0.1%
Transfers received	4.1	4.6%	0.7%	4.3	4.5	4.7	4.9%	0.0%
Total receipts	311 250.1	699.5%	100.0%	305 239.3	321 722.2	310 269.7	-0.1%	100.0%
Current payments	0.5	3.9%	0.3%	0.6	0.6	1.0	22.9%	0.3%
Goods and services	0.3	0.1%	0.1%	0.3	0.3	0.6	36.3%	0.2%
Interest and rent on land	0.3	7.9%	0.1%	0.3	0.3	0.3	7.0%	0.1%
Transfers and subsidies	210.5	6.5%	99.9%	225.2	244.1	243.3	4.9%	99.7%
Total payment	211.0	6.5%	100.0%	225.7	244.7	244.2	5.0%	100.0%
Net cash flow from investing activities	(162.5)	-39.1%	100.0%	(57.1)	(60.1)	35.0	-159.9%	100.0%
Other flows from investing activities	(162.5)	-39.1%	100.0%	(57.1)	(60.1)	35.0	-159.9%	100.0%
Net increase/(decrease) in cash and cash equivalents	310 876.6	-1 133.3%	100.0%	304 956.5	321 417.4	310 060.5	-0.1%	100.0%
Statement of financial position								
Investments	4 524.4	5.2%	98.4%	4 581.4	4 828.8	4 814.0	2.1%	98.7%
Receivables and prepayments	15.5	100.8%	0.2%	17.0	17.9	26.0	18.9%	0.4%
Cash and cash equivalents	65.0	44.0%	1.4%	42.3	44.5	26.0	-26.3%	0.9%
Total assets	4 604.8	5.6%	100.0%	4 640.7	4 891.3	4 866.0	1.9%	100.0%
Accumulated surplus/(deficit)	1 322.4	88.0%	17.3%	1 635.1	1 964.8	2 047.9	15.7%	36.6%
Trade and other payables	13.1	-28.7%	0.4%	14.5	15.2	24.0	22.2%	0.4%
Provisions	3 269.3	-3.8%	82.3%	2 991.1	2 911.3	2 794.1	-5.1%	63.1%
Total equity and liabilities	4 604.8	5.6%	100.0%	4 640.7	4 891.3	4 866.0	1.9%	100.0%

Council for Medical Schemes

Selected performance indicators

Table 18.32 Council for Medical Schemes performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Percentage of broker and broker organisation applications accredited within 30 working days on receipt of complete information per year	Accreditation	Priority 2: Education, skills and health	— ¹	— ¹	— ¹	80%	80%	80%	80%
Percentage of interim rule amendments processed within 14 working days of receipt of all information per year	Benefit management		87% (88/101)	96.3% (104/108)	96.2% (102/106)	80%	80%	80%	80%
Percentage of enforcement actions undertaken to ensure compliance with the Medical Schemes Act (1998) per year	Compliance and investigation		100% (39)	100% (72)	92% (34/37)	100%	100%	100%	100%
Number of research projects finalised per year	Research and monitoring		10	9	14	12	12	12	12
Percentage of category 1 clinical opinions provided within 30 working days of receipt from complaints adjudication unit per year	Strategy office		40% (164/410)	98% (328/335)	54% (176/325)	90%	90%	90%	90%

1. No historical data available.

Entity overview

The functions of the Council for Medical Schemes, as the regulatory authority responsible for overseeing the medical schemes industry in South Africa, are set out in section 7 of the Medical Schemes Act (1998). These include regulating the medical schemes industry, and protecting the interests of scheme members and beneficiaries in line with the provision of the National Health Act (2003).

Over the MTEF period, the council will continue to ensure that it provides support to the department through activities aimed at strengthening the regulation and management of the private health sector. These activities include: strengthening the system of prescribed minimum benefits, and providing technical support for the

review of prescribed minimum benefits and other related regulatory reviews undertaken by the department; stabilising governance in medical schemes; managing insolvent schemes and instituting legal proceedings to ensure that beneficiaries are protected; and developing and administering the beneficiary registry, which is expected to serve as a central repository containing all funded medical scheme patients in South Africa.

Total expenditure is expected to increase at an average annual rate of 5.9 per cent, from R185.3 million in 2019/20 to R219.9 million in 2022/23. The council expects to generate an estimated 93.9 per cent (R602.1 million) of its revenue over the medium term through levies collected from medical schemes, and derive 3 per cent (R19 million) through transfers from the department.

Programmes/Objectives/Activities

Table 18.33 Council for Medical Schemes expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	72.5	85.6	92.6	94.0	9.0%	50.8%	102.0	108.0	113.2	6.4%	51.2%
Accreditation	8.2	9.3	9.1	9.8	6.2%	5.4%	10.4	11.0	11.5	5.4%	5.3%
Benefit management	5.6	6.5	6.5	6.8	6.4%	3.8%	7.1	7.4	7.8	4.6%	3.6%
Complaints adjudication	6.0	6.5	6.9	8.9	14.2%	4.1%	9.4	10.0	10.5	5.7%	4.8%
Compliance and investigation	8.9	23.7	16.8	21.7	34.4%	10.3%	22.9	24.1	25.3	5.2%	11.6%
Financial supervision	11.1	11.9	13.0	13.2	6.0%	7.3%	14.0	14.7	15.4	5.3%	7.1%
Research and monitoring	6.7	6.4	6.4	7.0	1.6%	4.0%	7.4	7.8	8.2	5.3%	3.8%
Stakeholder relations	12.5	13.1	14.0	12.6	0.3%	7.8%	13.3	14.2	14.9	5.6%	6.8%
Strategy office	8.3	11.5	13.7	11.3	10.8%	6.6%	11.9	12.6	13.2	5.4%	6.0%
Total	139.9	174.5	178.9	185.3	9.8%	100.0%	198.5	209.9	219.9	5.9%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.34 Council for Medical Schemes statements of historical financial performance, cash flow and financial position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%) 2016/17 - 2019/20
	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2019/20	2019/20	2019/20			
R million	2016/17		2017/18		2018/19		2019/20		2019/20		2019/20		
Revenue	139.5	140.0	148.6	159.5	159.3	162.0	183.2	183.2				102.3%	
Non-tax revenue	137.2	133.4	144.0	153.3	152.8	156.7	177.4	177.4				101.6%	
Sale of goods and services other than capital assets	137.2	133.4	144.0	153.3	152.8	156.7	177.4	177.4				101.6%	
of which:													
Administrative fees	2.3	6.6	4.6	6.2	6.5	5.3	5.8	5.8				124.6%	
Other non-tax revenue	1.6	0.7	5.5	6.0	5.7	6.0	6.0	6.0				99.8%	
Transfers received	141.2	140.8	154.1	165.5	164.9	168.1	189.2	189.2				102.2%	
Total revenue	141.2	140.8	154.1	165.5	164.9	168.1	189.2	189.2				102.2%	
Expenses	141.1	139.9	154.1	174.5	161.2	178.9	185.3	185.3				105.8%	
Current expenses	90.8	87.3	98.2	98.2	106.7	106.0	119.9	119.9				99.0%	
Compensation of employees	47.9	48.1	52.4	71.4	54.5	68.3	65.4	65.4				115.1%	
Goods and services	2.4	4.4	3.5	4.9	-	4.6	-	-				233.8%	
Depreciation	0.1	-	-	-	-	-	-	-				-	
Transfers and subsidies	141.2	139.9	154.1	174.5	161.2	178.9	185.3	185.3				105.7%	
Total expenses	141.2	139.9	154.1	174.5	161.2	178.9	185.3	185.3				105.7%	
Surplus/(Deficit)	-	0.9	-	(8.9)	3.8	(10.8)	3.9	3.9					
Cash flow from operating activities	2.4	13.3	3.5	2.8	3.8	(3.1)	3.9	3.9				123.9%	
Receipts	139.5	141.1	148.6	150.5	159.3	162.1	183.2	183.2				101.0%	
Non-tax receipts	137.2	136.6	145.7	145.8	154.8	157.6	178.2	178.2				100.4%	
Sales of goods and services other than capital assets	137.2	136.6	145.7	145.8	154.8	157.6	178.2	178.2				100.4%	
Administrative fees	2.3	4.5	2.8	4.7	4.5	4.5	5.0	5.0				127.6%	
Other tax receipts	1.6	1.6	5.5	5.5	5.7	5.8	6.0	6.0				100.5%	
Transfers received	141.2	142.7	154.1	156.0	164.9	167.8	189.2	189.2				101.0%	
Total receipts	141.2	142.7	154.1	156.0	164.9	167.8	189.2	189.2				101.0%	
Payment	138.7	129.4	150.5	153.2	161.2	171.0	185.3	185.3				100.5%	
Current payments	90.8	87.5	98.2	96.3	106.7	104.3	119.9	119.9				98.2%	
Compensation of employees	47.9	41.9	52.4	57.0	54.5	66.7	65.4	65.4				104.9%	
Goods and services	0.1	-	-	-	-	-	-	-				-	
Transfers and subsidies	138.7	129.4	150.5	153.2	161.2	171.0	185.3	185.3				100.5%	
Total payments	138.7	129.4	150.5	153.2	161.2	171.0	185.3	185.3				100.5%	
Net cash flow from investing activities	(2.4)	(5.5)	(3.5)	(2.9)	(3.8)	(2.6)	(3.9)	(3.9)				109.7%	
Acquisition of property, plant, equipment and intangible assets	(2.4)	(3.8)	(1.9)	(2.9)	(2.1)	(2.3)	(2.4)	(2.4)				128.8%	
Acquisition of software and other intangible assets	-	(1.9)	(1.6)	-	(1.6)	(0.3)	(1.5)	(1.5)				78.8%	
Proceeds from the sale of property, plant, equipment and intangible assets	-	0.2	-	0.0	-	0.0	-	-				-	
Net increase/(decrease) in cash and cash equivalents	0.0	7.8	0.0	(0.1)	(0.0)	(5.7)	0.0	0.0					

Table 18.34 Council for Medical Schemes statements of historical financial performance, cash flow and financial position

Statement of financial position									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2016/17	Budget	2017/18	Budget	2018/19	2019/20	2016/17 - 2019/20	
Carrying value of assets	19.9	20.2	20.2	18.2	22.0	16.2	25.9	25.9	91.6%
Acquisition of assets	(2.4)	(3.8)	(1.9)	(2.9)	(2.1)	(2.3)	(2.4)	(2.4)	128.8%
Loans	-	0.1	0.1	0.1	0.1	-	0.1	0.1	100.0%
Accrued investment interest	-	0.0	0.0	0.0	0.0	-	0.0	0.0	100.0%
Receivables and prepayments	6.8	5.7	5.7	10.5	10.3	3.7	10.3	10.3	91.1%
Cash and cash equivalents	7.7	32.5	32.5	32.4	32.4	26.6	32.4	32.4	118.0%
Total assets	34.4	58.5	58.5	61.2	64.8	46.6	68.7	68.7	103.8%
Accumulated surplus/(deficit)	16.6	28.2	28.2	19.3	27.4	8.4	31.3	31.3	84.2%
Capital reserve fund	-	3.3	3.3	2.8	2.8	2.6	2.8	2.8	129.0%
Trade and other payables	16.8	23.2	23.2	34.4	29.9	31.4	29.9	29.9	119.2%
Provisions	1.0	3.9	3.9	4.6	4.6	4.2	4.6	4.6	122.3%
Total equity and liabilities	34.4	58.5	58.5	61.2	64.8	46.6	68.7	68.7	103.8%

Statements of estimates of financial performance, cash flow and financial position**Table 18.35 Council for Medical Schemes statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23		
Revenue									
Non-tax revenue	183.2	9.4%	97.3%	196.1	208.0	218.1	6.0%	97.0%	
Sale of goods and services other than capital assets	177.4	10.0%	93.6%	190.2	201.1	210.8	5.9%	93.9%	
Administrative fees	177.4	10.0%	93.6%	190.2	201.1	210.8	5.9%	93.9%	
Other non-tax revenue	5.8	-4.3%	3.7%	5.9	6.9	7.4	8.5%	3.1%	
Transfers received	6.0	100.8%	2.7%	6.5	6.2	6.3	1.6%	3.0%	
Total revenue	189.2	10.4%	100.0%	202.6	214.2	224.4	5.9%	100.0%	
Current expenses	185.3	9.8%	100.0%	198.5	209.9	219.9	5.9%	100.0%	
Compensation of employees	119.9	11.1%	60.7%	126.9	133.9	140.3	5.4%	64.0%	
Goods and services	65.4	10.8%	37.2%	71.6	76.0	79.7	6.8%	36.0%	
Total expenses	185.3	9.8%	100.0%	198.5	209.9	219.9	5.9%	100.0%	
Surplus/(Deficit)	3.9			4.1	4.3	4.5			
Cash flow statement									
Cash flow from operating activities	3.9	-33.6%	285.8%	4.1	4.3	4.5	16.8%	285.6%	
Receipts									
Non-tax receipts	183.2	9.1%	97.2%	194.0	205.8	215.8	5.6%	97.0%	
Sales of goods and services other than capital assets	178.2	9.3%	94.3%	188.7	200.2	210.0	5.6%	94.3%	
Administrative fees	178.2	9.3%	94.3%	188.7	200.2	210.0	5.6%	94.3%	
Other tax receipts	5.0	3.7%	2.9%	5.3	5.6	5.8	5.3%	2.6%	
Transfers received	6.0	54.9%	2.8%	6.5	6.2	6.3	1.6%	3.0%	
Total receipts	189.2	9.9%	100.0%	200.5	212.0	222.1	5.5%	100.0%	
Current payments	185.3	12.7%	94.0%	196.4	207.6	217.6	5.5%	100.0%	
Compensation of employees	119.9	11.1%	60.2%	126.9	133.9	140.3	5.4%	64.6%	
Goods and services	65.4	16.0%	33.8%	69.5	73.8	77.3	5.7%	35.4%	
Total payment	185.3	12.7%	100.0%	196.4	207.6	217.6	5.5%	100.0%	
Net cash flow from investing activities	(3.9)	-11.0%	100.0%	(4.1)	(4.3)	(4.5)	4.7%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(2.4)	-13.9%	79.9%	(2.6)	(2.7)	(2.8)	4.4%	62.0%	
Acquisition of software and other intangible assets	(1.5)	-8.6%	21.4%	(1.6)	(1.6)	(1.7)	5.3%	38.0%	
Net increase/(decrease) in cash and cash equivalents	0.0	-100.0%	100.0%	0.0	0.0	(0.0)	-201.4%	100.0%	
Statement of financial position									
Carrying value of assets	25.9	8.6%	34.2%	30.0	34.3	34.0	9.5%	41.7%	
Acquisition of assets	(2.4)	-13.9%	-4.9%	(2.6)	(2.7)	(2.8)	4.4%	-3.5%	
Loans	0.1	-10.8%	0.1%	0.1	0.1	0.1	1.7%	0.1%	
Accrued investment interest	0.0	-2.0%	0.0%	0.0	0.0	0.0	2.0%	0.0%	
Receivables and prepayments	10.3	21.6%	12.5%	10.3	10.3	10.8	1.6%	14.1%	
Cash and cash equivalents	32.4	-0.1%	53.2%	32.4	32.4	33.9	1.6%	44.2%	
Total assets	68.7	5.5%	100.0%	72.8	77.1	78.8	4.7%	100.0%	
Accumulated surplus/(deficit)	31.3	3.6%	35.8%	35.4	39.8	41.7	10.0%	49.7%	
Capital reserve fund	2.8	-5.0%	4.9%	2.8	2.8	0.9	-30.6%	3.2%	
Trade and other payables	29.9	8.9%	51.7%	29.9	29.9	31.3	1.6%	40.8%	
Provisions	4.6	6.0%	7.5%	4.6	4.6	4.9	1.6%	6.3%	
Total equity and liabilities	68.7	5.5%	100.0%	72.8	77.1	78.8	4.7%	100.0%	

Personnel information

Table 18.36 Council for Medical Schemes personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020			Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)			
			2018/19			2019/20			2020/21			2021/22			2022/23							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2019/20 - 2022/23		
Council for Medical Schemes			133	133	122	106.0	0.9	133	119.9	0.9	133	126.9	1.0	133	133.9	1.0	133	140.3	1.1	5.4%	100.0%	
1 – 6	10	10	10	1.1	0.1	10	1.5	0.1	10	1.5	0.2	10	1.6	0.2	10	1.7	0.2	10	1.7	0.2	6.0%	7.5%
7 – 10	56	56	49	28.3	0.6	56	33.3	0.6	56	35.1	0.6	56	37.1	0.7	56	39.0	0.7	56	39.0	0.7	5.3%	42.1%
11 – 12	37	37	34	32.1	0.9	37	35.6	1.0	37	37.3	1.0	37	39.3	1.1	37	41.1	1.1	37	41.1	1.1	4.9%	27.8%
13 – 16	30	30	29	44.5	1.5	30	49.5	1.6	30	53.0	1.8	30	55.9	1.9	30	58.5	1.9	30	58.5	1.9	5.7%	22.6%

1. Rand million.

Office of Health Standards Compliance

Selected performance indicators

Table 18.37 Office of Health Standards Compliance performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of public sector health facilities inspected per year	Compliance inspectorate	Priority 2: Education, skills and health	18.3%	24.2%	19.1%	12%	25%	25%	25%
			(697/3 816)	(923/3 816)	(730/3 816)				
Percentage of private sector health establishments inspected per year	Compliance inspectorate		-1	-1	-1	6%	25%	25%	25%
Number of relevant authorities responsible for supporting health establishments that have received guidance for compliance with norms and standards per year	Health standards design, analysis and support		1	8	15	14	14	14	15
Percentage of certified public health establishments issued with a certificate of compliance within 15 days from the date of the final inspection report per year	Certification and enforcement		-1	-1	-1	-1	100%	100%	100%

1. No historical data available.

Entity overview

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

Over the MTEF period, the office will focus on increasing inspections of private and public health establishments. This will be done to ensure greater adherence to the norms and standards promulgated in 2019 for different categories of health establishments. This is intended to improve oversight on the quality of health care services in South Africa.

The office's expenditure is expected to increase at an average annual rate of 4.9 per cent, from R136.5 million in 2019/20 to R157.5 million in 2022/23. Revenue, which is expected to amount to R453.4 million over the medium term, is entirely derived through transfers from the department.

Programmes/Objectives/Activities

Table 18.38 Office of Health Standards Compliance expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	28.6	40.0	50.1	57.7	26.3%	37.0%	59.8	62.8	63.8	3.4%	41.4%
Compliance inspectorate	42.1	48.5	61.5	48.8	5.0%	43.3%	49.4	52.2	54.6	3.8%	34.8%
Complaints management and office of the ombud	8.8	16.2	15.8	17.5	25.8%	12.3%	19.8	20.9	22.4	8.5%	13.6%
Health standards design, analysis and support	6.0	6.9	9.9	12.5	27.4%	7.4%	12.7	13.6	14.4	5.0%	9.0%
Certification and Enforcement	-	-	-	-	-	-	2.2	2.4	2.4	-	1.2%
Total	85.5	111.6	137.3	136.5	16.9%	100.0%	144.0	151.9	157.5	4.9%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.39 Office of Health Standards Compliance statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2016/17	Budget	2017/18	Budget	2018/19			
Revenue									
Non-tax revenue	-	1.5	-	10.4	-	1.7	-	-	-
of which:									
Other non-tax revenue	-	1.5	-	10.4	-	1.7	-	-	-
Transfers received	100.5	100.2	125.7	125.7	129.7	129.7	136.5	136.5	99.9%
Total revenue	100.5	101.7	125.7	136.1	129.7	131.3	136.5	136.5	102.7%
Expenses									
Current expenses	100.5	85.5	125.7	111.6	129.7	137.3	136.5	136.5	95.6%
Compensation of employees	64.6	55.2	79.2	74.2	85.8	89.4	93.1	92.5	96.4%
Goods and services	35.9	28.6	46.6	34.6	43.9	42.9	43.3	44.0	88.5%
Depreciation	-	1.8	-	2.8	-	4.9	-	-	-
Total expenses	100.5	85.5	125.7	111.6	129.7	137.3	136.5	136.5	95.6%
Surplus/(Deficit)	-	16.2	-	24.5	-	(5.9)	-	-	
Cash flow statement									
Cash flow from operating activities	8.9	16.6	4.6	21.9	2.8	(1.0)	4.3	4.3	202.3%
Receipts									
Non-tax receipts	0.2	1.5	-	1.5	-	1.7	-	-	2 281.1%
Other tax receipts	0.2	1.5	-	1.5	-	1.7	-	-	2 281.1%
Transfers received	100.5	100.2	125.7	125.7	129.7	129.7	136.5	136.5	99.9%
Total receipts	100.7	101.7	125.7	127.3	129.7	131.3	136.5	136.5	100.8%
Payment									
Current payments	91.8	85.1	121.1	105.4	126.8	132.4	132.2	132.2	96.4%
Compensation of employees	64.6	55.0	79.2	71.5	85.8	89.4	93.1	92.5	95.6%
Goods and services	27.2	30.1	42.0	33.9	41.0	42.9	39.1	39.7	98.2%
Total payments	91.8	85.1	121.1	105.4	126.8	132.4	132.2	132.2	96.4%
Net cash flow from investing activities	(8.9)	(5.4)	(4.6)	(3.5)	(2.8)	(8.2)	(4.3)	(4.3)	103.8%
Acquisition of property, plant, equipment and intangible assets	(4.7)	(3.1)	(2.5)	(2.4)	(1.8)	(6.1)	(1.9)	(1.9)	123.6%
Acquisition of software and other intangible assets	(4.2)	(2.3)	(2.1)	(1.1)	(1.1)	(2.1)	(2.4)	(2.4)	81.9%
Net cash flow from financing activities	-	0.2	-	-	-	-	-	-	-
Borrowing activities	-	0.2	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	0.0	11.4	(0.0)	18.3	(0.0)	(9.2)	0.0	0.0	
Carrying value of assets	9.4	7.8	15.9	14.7	25.9	17.9	29.2	29.2	86.6%
Acquisition of assets	(4.7)	(3.1)	(2.5)	(2.4)	(1.8)	(6.1)	(1.9)	(1.9)	123.6%
Receivables and prepayments	0.0	3.4	3.3	1.7	4.0	1.6	4.0	4.0	94.1%
Cash and cash equivalents	32.2	43.5	43.5	61.9	61.9	52.0	61.9	56.0	107.0%
Total assets	41.5	54.7	62.7	78.2	91.8	71.5	95.0	89.1	100.8%
Accumulated surplus/(deficit)	26.5	42.7	42.7	67.2	67.2	61.2	67.2	61.2	114.2%
Trade and other payables	7.6	8.3	10.9	6.0	13.2	3.1	15.7	15.7	69.9%
Provisions	7.2	3.6	8.7	4.7	11.0	6.1	11.7	11.7	67.7%
Derivatives financial instruments	0.3	0.1	0.4	0.3	0.4	1.1	0.5	0.5	125.6%
Total equity and liabilities	41.5	54.7	62.7	78.2	91.8	71.5	95.0	89.1	100.8%

Statements of estimates of financial performance, cash flow and financial position

Table 18.40 Office of Health Standards Compliance statements of estimates of financial performance, cash flow and financial position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2019/20	2016/17 - 2019/20	2020/21		
R million									
Revenue									
Transfers received		136.5	10.8%	97.4%	144.0	151.9	157.5	4.9%	100.0%
Total revenue		136.5	10.3%	100.0%	144.0	151.9	157.5	4.9%	100.0%
Current expenses									
Compensation of employees		92.5	18.9%	66.0%	98.4	104.8	111.4	6.4%	69.0%
Goods and services		44.0	15.4%	32.0%	45.6	47.1	46.1	1.6%	31.0%
Total expenses		136.5	16.9%	100.0%	144.0	151.9	157.5	4.9%	100.0%
Surplus/(Deficit)		-			-	-	-		
Cash flow statement									
Cash flow from operating activities									
Receipts		4.3	-36.3%	1.0%	5.0	4.7	3.1	-	-
Transfers received		136.5	10.8%	99.0%	144.0	151.9	157.5	4.9%	100.0%
Total receipts		136.5	10.3%	100.0%	144.0	151.9	157.5	4.9%	100.0%
Current payments		132.2	15.8%	96.8%	139.0	147.2	154.4	5.3%	100.0%
Compensation of employees		92.5	18.9%	65.3%	100.9	107.4	114.1	7.2%	72.4%
Goods and services		39.7	9.7%	31.5%	38.1	39.8	40.3	0.5%	27.6%
Total payment		132.2	15.8%	100.0%	139.0	147.2	154.4	5.3%	100.0%
Net cash flow from investing activities		(4.3)	-7.4%	100.0%	(5.0)	(4.7)	(3.1)	-10.4%	100.0%
Acquisition of property, plant, equipment and intangible assets		(1.9)	-14.6%	60.8%	(0.9)	(0.8)	(0.5)	-37.1%	23.8%
Acquisition of software and other intangible assets		(2.4)	0.6%	39.2%	(4.1)	(3.9)	(2.6)	3.1%	76.2%
Net increase/(decrease) in cash and cash equivalents		0.0	-100.0%	100.0%	-	0.0	0.0	-24.6%	-
Statement of financial position									
Carrying value of assets		29.2	55.2%	22.7%	28.7	29.9	31.3	2.4%	32.8%
Acquisition of assets		(1.9)	-14.6%	-4.8%	(0.9)	(0.8)	(0.5)	-37.1%	-1.1%
Receivables and prepayments		4.0	6.0%	3.8%	4.1	4.3	4.5	4.2%	4.7%
Cash and cash equivalents		56.0	8.7%	73.5%	56.0	56.0	58.6	1.6%	62.5%
Total assets		89.1	17.7%	100.0%	88.8	90.1	94.5	2.0%	100.0%
Accumulated surplus/(deficit)		61.2	12.8%	79.6%	61.2	61.2	64.2	1.6%	68.4%
Trade and other payables		15.7	23.6%	11.2%	16.2	17.1	17.9	4.4%	18.4%
Provisions		11.7	47.5%	8.6%	10.7	11.3	11.8	0.4%	12.5%
Derivatives financial instruments		0.5	96.7%	0.7%	0.6	0.6	0.6	6.5%	0.6%
Total equity and liabilities		89.1	17.7%	100.0%	88.8	90.1	94.5	2.0%	100.0%

Personnel information

Table 18.41 Office of Health Standards Compliance personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020			Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)							
			2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Office of Health Standards Compliance			125	125		136	89.4	0.7	125	92.5	0.7	135	98.4	0.7	135	104.8	0.8	135	111.4	0.8	6.4%	100.0%	
Salary level																							
1 – 6			-	-		19	4.4	0.2	-	-	-	8	0.6	0.1	8	0.6	0.1	8	0.7	0.1	-	4.4%	
7 – 10			80	80		75	38.0	0.5	80	43.8	0.5	81	46.1	0.6	81	48.8	0.6	81	49.4	0.6	4.1%	61.0%	
11 – 12			27	27		25	24.6	1.0	27	25.4	0.9	27	26.8	1.0	27	29.4	1.1	27	31.5	1.2	7.4%	20.4%	
13 – 16			18	18		17	22.5	1.3	18	23.3	1.3	19	24.9	1.3	19	26.0	1.4	19	29.8	1.6	8.6%	14.2%	

1. Rand million.

South African Health Products Regulatory Authority

Selected performance indicators

Table 18.42 South African Health Products Regulatory Authority performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of new good manufacturing practice licences of local applications finalised within 125 working days per year	Health product authorisation	Priority 2: Education, skills and health	- ¹	- ¹	- ¹	- ¹	75%	85%	85%
Percentage of backlog applications with regulatory decisions taken	Health product authorisation		- ¹	- ¹	- ¹	60%	70%	100%	- ²
Percentage of health product premises/sites inspections finalised with an inspection report submitted to the applicant within 30 working days of conducting a good manufacturing practice inspection	Inspectorate and regulatory compliance		- ¹	- ¹	- ¹	- ¹	65%	75%	85%
Percentage of registration of new chemical entities medicines issued within 275 working days (spent at the regulator) counting from the date the application was received	Medicines evaluation and registration		- ¹	- ¹	- ¹	- ¹	50%	60%	75%
Percentage of registration of generic medicines issued within 180 working days (spent at the regulator) counting from the date the application was received	Medicines evaluation and registration		- ¹	- ¹	- ¹	- ¹	60%	75%	80%

1. No historical data available.

2. Indicator discontinued.

Entity overview

The South African Health Products Regulatory Authority was established in terms of the Medicines and Related Substances Act (1965), as amended, which governs the manufacturing, distribution, sale and marketing of medicines and medical devices. The authority's mandate is to promote the health, wellbeing and safety of the public by ensuring access to safe, effective and quality health products.

Over the medium term, the authority intends to continue focusing on clearing the large backlog of product registration applications inherited from the Medicines Control Council. This will be done by applying the restructured operational framework, which will be aligned with business operations to ensure the timely registration of medicines to prevent the development of further backlogs.

The authority is in the process of placing pre-existing personnel into its approved organisational structure and has begun recruiting new personnel for funded positions, leading to an increase in the number of personnel over the medium term. Accordingly, total expenditure is expected to increase at an average annual rate of 10.7 per cent, from R308.3 million in 2019/20 to R418 million in 2022/23.

The authority expects to generate an estimated 55.6 per cent (R669.8 million) of its revenue over the MTEF period from administrative fees charged for the registration of medicines and 37.8 per cent (R455.5 million) through transfers from the department. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities

Table 18.43 South African Health Products Regulatory Authority expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	-	-	71.8	81.1	-	-	138.0	148.9	159.6	25.3%	34.3%
Health product authorisation	-	-	28.4	68.7	-	-	69.1	56.3	49.9	-10.1%	16.5%
Inspectorate and regulatory compliance	-	-	28.0	56.2	-	-	38.5	41.2	43.9	-7.9%	12.2%
Medicines evaluation and registration	-	-	60.5	65.4	-	-	88.2	95.1	101.8	15.9%	23.0%
Devices and radiation control	-	-	11.4	36.9	-	-	54.0	58.3	62.7	19.4%	13.9%
Total	-	-	200.1	308.3	-	-	387.8	399.8	418.0	10.7%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 18.44 South African Health Products Regulatory Authority statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Budget		Audited outcome		Budget estimate		Average: Outcome/ Budget (%)
	2016/17	2017/18	2017/18	2019/20	2018/19	2019/20	2019/20		
Revenue									
Non-tax revenue	-	-	-	-	90.7	77.0	125.0	125.0	93.6%
Sale of goods and services other than capital assets	-	-	-	-	90.7	72.1	112.0	112.0	90.8%
of which:									
Administrative fees	-	-	-	-	90.7	72.1	112.0	112.0	90.8%
Other non-tax revenue	-	-	-	-	-	4.9	13.0	13.0	137.7%
Transfers received	-	-	-	-	125.2	154.3	183.3	183.3	109.4%
Total revenue	-	-	-	-	215.9	231.3	308.3	308.3	102.9%
Expenses									
Current expenses	-	-	-	-	215.9	171.0	308.3	308.3	91.4%
Compensation of employees	-	-	-	-	149.1	119.1	137.6	137.6	89.5%
Goods and services	-	-	-	-	66.7	51.1	170.7	170.7	93.4%
Depreciation	-	-	-	-	-	0.8	-	-	-
Transfers and subsidies	-	-	-	-	-	29.1	-	-	-
Total expenses	-	-	-	-	215.9	200.1	308.3	308.3	97.0%
Surplus/(Deficit)	-	-	-	-	-	31.2	-	-	-
Cash flow statement									
Cash flow from operating activities	-	-	-	-	5.8	103.8	4.7	4.7	1 039.6%
Receipts									
Non-tax receipts	-	-	-	-	90.7	109.9	125.0	125.0	108.9%
Sales of goods and services other than capital assets	-	-	-	-	90.7	105.0	122.0	122.0	106.7%
of which:									
Administrative fees	-	-	-	-	90.7	105.0	122.0	122.0	106.7%
Sales by market establishment	-	-	-	-	-	0.0	-	0.0	-
Other tax receipts	-	-	-	-	-	4.9	3.0	3.0	263.6%
Transfers received	-	-	-	-	125.2	126.6	183.3	183.3	100.5%
Total receipts	-	-	-	-	215.9	236.5	308.3	308.3	103.9%
Payment									
Current payments	-	-	-	-	210.1	132.7	303.6	303.6	84.9%
Compensation of employees	-	-	-	-	149.1	104.3	137.6	137.6	84.4%
Goods and services	-	-	-	-	61.0	28.4	166.0	166.0	85.6%
Total payments	-	-	-	-	210.1	132.7	303.6	303.6	84.9%
Net cash flow from investing activities	-	-	-	-	(5.8)	(0.2)	(4.7)	(4.7)	46.6%
Acquisition of property, plant, equipment and intangible assets	-	-	-	-	(4.7)	(0.2)	(4.7)	(4.7)	51.9%
Acquisition of software and other intangible assets	-	-	-	-	(1.1)	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	(0.0)	103.7	(0.0)	0.0	
Carrying value of assets									
Carrying value of assets	-	-	-	-	12.7	7.2	13.2	13.2	78.9%
Acquisition of assets	-	-	-	-	(4.7)	(0.2)	(4.7)	(4.7)	51.9%
Receivables and prepayments	-	-	-	-	2.5	3.6	3.0	3.4	128.0%
Cash and cash equivalents	-	-	-	-	-	103.7	-	100.0	-
Total assets	-	-	-	-	15.2	114.5	16.2	116.6	736.3%
Accumulated surplus/(deficit)									
Accumulated surplus/(deficit)	-	-	-	-	-	31.2	-	46.6	-
Capital and reserves	-	-	-	-	-	3.8	-	3.8	-
Deferred income	-	-	-	-	2.2	37.0	1.2	51.2	2 601.1%
Trade and other payables	-	-	-	-	5.0	33.0	6.0	6.0	354.9%
Provisions	-	-	-	-	8.0	9.5	9.0	9.0	108.6%
Total equity and liabilities	-	-	-	-	15.2	114.5	16.2	116.6	736.3%

Statements of estimates of financial performance, cash flow and financial position

Table 18.45 South African Health Products Regulatory Authority statements of estimates of financial performance, cash flow and financial position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2019/20	2020/21	2021/22		
R million									
Revenue									
Non-tax revenue		125.0	–	–	228.6	253.5	268.0	28.9%	56.8%
Sale of goods and services other than capital assets		112.0	–	–	183.8	233.0	253.0	31.2%	50.6%
Administrative fees		112.0	–	–	183.8	233.0	253.0	31.2%	50.6%
Other non-tax revenue		13.0	–	–	44.8	20.5	15.0	4.9%	6.1%
Transfers received		183.3	–	–	159.2	146.3	150.0	-6.5%	43.2%
Total revenue		308.3	–	–	387.8	399.8	418.0	10.7%	100.0%
Current expenses									
Compensation of employees		137.6	–	–	215.8	232.7	251.0	22.2%	54.6%
Goods and services		170.7	–	–	170.1	165.0	164.8	-1.2%	45.0%
Transfers and subsidies		–	–	–	1.9	2.0	2.1	–	0.4%
Total expenses		308.3	–	–	387.8	399.8	418.0	10.7%	100.0%
Surplus/(Deficit)		–			–	–	–		
Cash flow statement									
Cash flow from operating activities		4.7	–	–	3.2	6.8	3.9	29.3%	142.3%
Receipts									
Non-tax receipts		125.0	–	–	144.5	157.4	164.7	9.6%	48.1%
Sales of goods and services other than capital assets		122.0	–	–	141.5	154.4	161.6	9.8%	47.1%
Administrative fees		122.0	–	–	141.5	154.3	161.6	9.8%	47.1%
Sales by market establishment		0.0	–	–	0.0	0.0	0.0	–	0.0%
Other tax receipts		3.0	–	–	3.0	3.0	3.1	1.5%	1.0%
Transfers received		183.3	–	–	159.2	146.3	150.0	-6.5%	51.9%
Total receipts		308.3	–	–	303.6	303.6	314.7	0.7%	100.0%
Current payments									
Compensation of employees		137.6	–	–	152.0	163.7	171.4	7.6%	51.6%
Goods and services		166.0	–	–	148.5	133.1	139.4	-5.7%	48.4%
Total payment		303.6	–	–	300.4	296.8	310.8	0.8%	100.0%
Net cash flow from investing activities		(4.7)	–	–	(3.2)	(6.8)	(7.1)	15.1%	100.0%
Acquisition of property, plant, equipment and intangible assets		(4.7)	–	–	(3.2)	(6.8)	(7.1)	15.1%	100.0%
Net increase/(decrease) in cash and cash equivalents		0.0	–	–	0.0	0.0	(3.2)	-683.7%	100.0%
Statement of financial position									
Carrying value of assets		13.2	–	–	15.0	17.0	19.0	12.8%	13.4%
Acquisition of assets		(4.7)	–	–	(3.2)	(6.8)	(7.1)	15.1%	-4.5%
Receivables and prepayments		3.4	–	–	3.6	3.7	3.9	4.6%	3.0%
Cash and cash equivalents		100.0	–	–	100.0	100.0	100.0	–	83.6%
Total assets		116.6	–	–	118.6	120.7	122.9	1.8%	100.0%
Accumulated surplus/(deficit)		46.6	–	–	47.6	48.9	50.2	2.5%	40.4%
Capital and reserves		3.8	–	–	3.8	3.8	3.8	–	3.2%
Deferred income		51.2	–	–	51.3	51.4	51.4	0.1%	42.9%
Trade and other payables		6.0	–	–	6.3	6.7	7.0	5.2%	5.4%
Provisions		9.0	–	–	9.5	10.0	10.5	5.2%	8.1%
Total equity and liabilities		116.6	–	–	118.6	120.7	122.9	1.8%	100.0%

Personnel information

Table 18.46 South African Health Products Regulatory Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020			Number and cost ¹ 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 (%)	Average: Salary level/ Total (%)			
			2018/19	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23											
South African Health Products Regulatory Authority			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	361	361	207	119.1	0.6	246	137.6	0.6	297	215.8	0.7	297	232.7	0.8	297	251.0	0.8	22.2%	100.0%
1 – 6	2	2	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	6.5%	0.7%
7 – 10	196	196	115	39.8	0.3	154	56.5	0.4	111	39.5	0.4	111	42.5	0.4	111	45.9	0.4	-6.7%	43.7%
11 – 12	123	123	59	46.4	0.8	58	43.3	0.7	147	125.1	0.9	147	135.0	0.9	147	145.6	1.0	49.8%	43.0%
13 – 16	39	39	30	31.4	1.0	31	35.8	1.2	36	48.5	1.3	36	52.3	1.5	36	56.4	1.6	16.4%	12.2%
17 – 22	1	1	1	1.0	1.0	1	1.6	1.6	1	2.3	2.3	1	2.5	2.5	1	2.7	2.7	18.7%	0.4%

1. Rand million.

◀ 2020 ▶
BUDGET

ESTIMATES OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA