

Estimates of Public Expenditure

2009

Health

**National Treasury
Republic of South Africa**



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Vote 14

Health

Budget summary

R thousand	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	236 596	230 768	300	5 528	260 101	280 916
Strategic Health Programmes	4 692 328	407 639	4 269 285	15 404	5 587 215	5 980 459
Health Planning and Monitoring	357 084	96 175	258 153	2 756	382 852	398 158
Health Human Resources Management and Development	1 786 224	25 715	1 759 799	710	1 894 153	2 007 791
Health Services	9 898 865	91 504	9 804 302	3 059	11 388 933	12 081 730
International Relations, Health Trade and Health Product Regulation	86 997	86 126	-	871	100 773	113 741
Total expenditure estimates	17 058 094	937 927	16 091 839	28 328	19 614 027	20 862 795
Executive authority	Minister of Health					
Accounting officer	Director-General of Health					
Website address	www.doh.gov.za					

Aim

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

Programme purposes

Programme 1: Administration

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

Programme 2: Strategic Health Programmes

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

Programme 3: Health Planning and Monitoring

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

Programme 4: Health Human Resources Management and Development

Purpose: Plan and coordinate human resources for health.

Programme 5: Health Services

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

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

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

Strategic overview: 2005/06 – 2011/12

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

Recent progress and developments

Over the past year, several important sectoral reviews have been conducted and a number of policy making processes have been initiated. A new health minister has been appointed and a national health insurance working group established giving emphasis to health sector priorities. Reviews have been conducted by the Presidency culminating in the Towards a Fifteen Year Review: Synthesis Report, an extensive health sector review has been coordinated by the Development Bank of South Africa, and the Department of Health has commissioned an external evaluation of development and performance in the health sector between 1994 and 2008.

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

Current challenges

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

Addressing the challenges over the medium term

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

services will be strengthened and methods to improve coordination and address weaknesses of fiscal federalism (such as the differential implementation of priorities across provinces) are being designed.

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

Selected performance and operations indicators

Table 14.1 Health

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Percentage of national immunisation coverage	Strategic Health Programmes	82%	84%	86.8%	86%	90%	90%	90%
Number of health districts with more than 90% full immunisation coverage	Health Services	12/52 (23%)	19/52 (37%)	37/52 (70%)	41/52 (80%)	47/52 (90%)	52/52 (100%)	52/52 (100%)
Percentage of primary health care facilities saturated with health workers trained in management of childhood illnesses (saturated = 60 % of health workers who managing children trained in Integrated Management of Childhood Illnesses (IMCI))	Health Human Resources Management and Development	64%	60%	71%	71%	70%	75%	80%
Tuberculosis cure rate	Strategic Health Programmes	50.8%	57.7%	60%	60%	65%	70%	70%
Tuberculosis treatment defaulter rate	Strategic Health Programmes	10.3%	10.4%	7%	7%	6%	6%	5%
Percentage of multi-drug resistant tuberculosis cases among new tuberculosis patients	Strategic Health Programmes	–	1%	<1%	<1%	<1%	<1%	<1%
Percentage of extensively drug resistant cases among all multi-drug resistant tuberculosis patients	Strategic Health Programmes	–	5%	4.5%	4%	3%	2%	1%
Number of malaria cases each year	Strategic Health Programmes	12 337	4 916	4 184	3 981	3 582	3 223	2 900
Rate of malaria case fatality	Strategic Health Programmes	0.8%	0.8%	0.8%	0.5%	0.4%	0.4%	0.2%

Expenditure estimates

Table 14.2 Health

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	163 173	175 592	213 628	246 678	246 678	236 596	260 101	280 916
2. Strategic Health Programmes	1 915 256	2 658 776	3 096 269	4 189 941	4 169 941	4 692 328	5 587 215	5 980 459
3. Health Planning and Monitoring	259 852	301 296	309 126	334 128	321 128	357 084	382 852	398 158
4. Health Human Resources Management and Development	1 531 151	1 575 979	1 613 578	1 712 766	1 707 766	1 786 224	1 894 153	2 007 791
5. Health Services	6 024 692	6 566 675	7 465 843	9 287 331	9 025 331	9 898 865	11 388 933	12 081 730
6. International Relations, Health Trade and Health Product Regulation	42 960	59 729	64 290	80 325	80 325	86 997	100 773	113 741
Total	9 937 084	11 338 047	12 762 734	15 851 169	15 551 169	17 058 094	19 614 027	20 862 795
Change to 2008 Budget estimate				750 324	450 324	439 127	699 462	816 398

Table 14.2 Health (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
Economic classification								
Current payments	600 349	658 561	729 036	943 721	915 721	937 927	1 027 106	1 082 233
Compensation of employees	209 138	231 729	258 605	287 674	287 674	299 901	322 986	342 184
Goods and services	390 433	423 309	470 340	656 047	628 047	638 026	704 120	740 049
of which:								
Administrative fees	279	154	224	2 451	2 451	2 513	2 909	3 182
Advertising	92 490	45 406	30 633	113 898	113 898	96 681	103 791	108 457
Assets less than R5 000	2 884	3 337	2 653	10 819	10 819	11 144	12 786	13 567
Audit costs: External	5 044	6 265	6 131	8 771	8 771	9 182	10 214	11 034
Bursaries: Employees	916	543	529	750	750	784	869	948
Catering: Departmental activities	134	3 438	2 797	5 473	5 473	5 447	6 291	6 718
Communication	14 881	15 750	14 092	14 895	14 895	15 534	17 442	18 544
Computer services	13 816	2 887	12 442	8 716	8 716	9 220	10 345	10 969
Consultants and professional services: Business and advisory services	27 955	21 372	118 192	43 913	29 913	40 726	45 973	46 097
Consultants and professional services: Laboratory service	5 057	1 219	970	170	170	169	189	206
Consultants and professional services: Legal costs	4 805	3 630	5 843	9 913	9 913	10 382	11 529	12 516
Contractors	4 111	10 411	4 811	13 888	13 888	13 792	15 263	15 985
Agency and support / outsourced services	–	–	–	10 784	10 784	11 128	12 431	12 438
Entertainment	2 932	96	209	1 113	1 113	1 144	1 302	1 402
Inventory: Fuel, oil and gas	39	45	35	510	510	494	531	556
Inventory: Materials and supplies	864	503	795	585	585	602	674	702
Inventory: Medical supplies	72 146	133 781	80 979	140 224	140 224	134 503	143 749	150 723
Inventory: Other consumables	290	479	357	4 325	4 325	4 322	4 752	4 923
Inventory: Stationery and printing	12 256	18 924	17 046	33 186	33 186	33 405	37 049	38 429
Lease payments	35 151	36 301	42 323	48 526	48 526	50 555	56 294	61 356
Owned and leasehold property expenditure	726	1 428	721	–	–	–	–	–
Transport provided: Departmental activities	148	165	176	–	–	–	–	–
Travel and subsistence	62 883	72 459	89 899	110 600	110 600	113 311	128 107	134 296
Training and development	4 030	4 868	3 230	5 040	5 040	5 266	5 836	6 364
Operating expenditure	17 011	26 303	19 951	48 519	34 519	49 072	55 269	59 474
Venues and facilities	9 585	13 545	15 302	18 978	18 978	18 650	20 525	21 163
Financial transactions in assets and liabilities	778	3 523	91	–	–	–	–	–
Transfers and subsidies	9 307 632	10 610 188	12 011 728	14 859 529	14 587 529	16 091 839	18 556 206	19 747 543
Provinces and municipalities	8 907 992	10 206 711	11 552 732	14 362 786	14 090 786	15 578 392	18 012 773	19 171 822
Departmental agencies and accounts	249 854	282 711	301 884	312 917	312 917	329 586	348 551	369 146
Universities and technikons	4 000	–	400	1 000	1 000	1 000	1 060	1 124
Foreign governments and international organisations	1 000	–	–	–	–	–	–	–
Non-profit institutions	143 417	120 067	156 033	182 526	182 526	182 861	193 822	205 451
Households	1 369	699	679	300	300	–	–	–
Payments for capital assets	29 103	69 298	21 970	47 919	47 919	28 328	30 715	33 019
Buildings and other fixed structures	6 193	265	–	–	–	–	–	–
Machinery and equipment	13 770	24 126	21 684	47 919	47 919	28 328	30 715	33 019
Software and other intangible assets	9 140	44 907	286	–	–	–	–	–
Total	9 937 084	11 338 047	12 762 734	15 851 169	15 551 169	17 058 094	19 614 027	20 862 795

Expenditure trends

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

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

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

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

Savings and reprioritisation

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

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

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

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

Departmental receipts

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

Table 14.3 Departmental receipts

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

Programme 1: Administration

Expenditure estimates

Table 14.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Minister ¹	837	885	951	1 019	1 709	1 811	1 913
Deputy Minister ¹	680	719	275	828	1 407	1 492	1 575
Management	14 449	16 381	19 690	24 847	25 942	27 819	29 543
Corporate Services	115 083	123 769	154 523	178 418	161 072	177 418	193 230
Property Management	32 124	33 838	38 189	41 566	46 466	51 561	54 655
Total	163 173	175 592	213 628	246 678	236 596	260 101	280 916
Change to 2008 Budget estimate				31 031	8 976	15 435	21 776

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

Economic classification

	151 958	171 331	206 184	220 321	230 768	252 994	272 918
Current payments							
Compensation of employees	61 470	67 875	75 572	84 321	88 695	95 534	101 224
Goods and services	90 443	103 387	130 575	136 000	142 073	157 460	171 694
of which:							
Administrative fees	154	82	59	372	389	431	476
Advertising	4 881	8 747	11 285	5 914	6 179	6 843	7 459
Assets less than R5 000	1 249	857	725	2 958	3 093	3 428	3 738
Audit costs: External	4 779	5 775	5 438	8 134	8 498	9 418	10 269
Bursaries: Employees	719	543	529	750	784	869	948
Catering: Departmental activities	–	1 356	1 038	1 193	1 246	1 381	1 506
Communication	9 214	9 824	9 379	9 548	9 976	11 056	12 055
Computer services	2 285	2 378	7 970	6 046	6 317	7 001	7 634
Consultants and professional services: Business and advisory services	2 066	2 834	6 842	3 926	4 102	4 546	4 957
Consultants and professional services: Laboratory service	–	–	8	–	–	–	–
Consultants and professional services: Legal costs	4 413	3 630	5 835	9 550	9 978	11 059	12 059
Contractors	1 133	1 790	1 519	740	773	857	934
Agency and support / outsourced services	–	–	–	1 271	1 328	1 472	1 605
Entertainment	644	48	134	424	443	491	535
Inventory: Fuel, oil and gas	39	45	29	30	31	34	37
Inventory: Materials and supplies	626	344	605	263	275	305	333
Inventory: Medical supplies	15	18	3	37	39	43	47

Table 14.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	151 958	171 331	206 184	220 321	230 768	252 994	272 918
<i>Inventory: Other consumables</i>	116	300	163	711	743	823	897
<i>Inventory: Stationery and printing</i>	4 172	6 624	5 466	5 654	5 907	6 547	7 139
<i>Lease payments</i>	33 617	34 235	39 162	42 974	44 899	49 762	54 260
<i>Owned and leasehold property expenditure</i>	31	958	174	–	–	–	–
<i>Transport provided: Departmental activities</i>	105	67	13	–	–	–	–
<i>Travel and subsistence</i>	16 874	18 519	29 100	23 930	24 980	27 691	30 191
<i>Training and development</i>	687	714	861	5 040	5 266	5 836	6 364
<i>Operating expenditure</i>	1 500	1 711	1 957	3 825	3 996	4 429	4 829
<i>Venues and facilities</i>	1 124	1 988	2 281	2 710	2 831	3 138	3 422
Financial transactions in assets and liabilities	45	69	37	–	–	–	–
Transfers and subsidies	599	393	426	279	300	320	343
Provinces and municipalities	192	51	–	–	–	–	–
Departmental agencies and accounts	209	240	252	279	300	320	343
Households	198	102	174	–	–	–	–
Payments for capital assets	10 616	3 868	7 018	26 078	5 528	6 787	7 655
Buildings and other fixed structures	6 193	265	–	–	–	–	–
Machinery and equipment	2 916	2 738	6 972	26 078	5 528	6 787	7 655
Software and other intangible assets	1 507	865	46	–	–	–	–
Total	163 173	175 592	213 628	246 678	236 596	260 101	280 916

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	192	51	–	–	–	–	–
Regional Services Council levies	192	51	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	209	240	252	279	300	320	343
Services Sector Education and Training Authority	209	240	252	279	300	320	343
Households							
Social benefits							
Current	198	102	174	–	–	–	–
Leave gratuity	198	102	174	–	–	–	–

Expenditure trends

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

Programme 2: Strategic Health Programmes

- *Maternal, Child and Women's Health and Nutrition* formulates and monitors policies, guidelines, and norms and standards for maternal, child and youth, and women's health and nutrition.

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

Objectives and measures

- Reduce infant, child and youth morbidity and mortality by:
 - improving immunisation coverage from 84 per cent in 2006/07 to 90 per cent in 2011/12
 - implementing dual therapy to prevent mother to child transmission of HIV, increasing the number of pregnant women who are tested for HIV from 80 per cent in 2009/10 to 95 per cent in 2010/11, and increasing the percentage of HIV positive mothers and their infants who receive dual therapy from 80 per cent in 2009/10 to 95 per cent in 2011/12
 - ensuring that all districts achieve more than 90 per cent full immunisation coverage by 2010/11
 - ensuring that primary health care staff are trained to implement the Reach Every District strategy.
- Reduce maternal mortality by ensuring that 100 per cent of institutions implement recommendations from the Saving Mothers Saving Babies report by March 2012. (The recommendations include: making clinical protocols widely available, improving information available to mothers, staffing and equipping to appropriate normative levels, and improving anaesthetic, blood and contraceptive availability.)
- Reduce HIV prevalence among antenatal attendees from 28 per cent in 2007 to 15 per cent in 2011 (as per the target of the national strategic plan for HIV and AIDS for 2007 to 2011) by scaling up prevention programmes.
- Increase the national tuberculosis cure rate from 60 per cent in 2008 to 70 per cent in 2010 by improving interventions for tuberculosis control and management.
- Improve access to essential medicines by:
 - maintaining zero stock out levels of drugs annually on the essential drugs list, TB drugs and ARV medicines
 - ensuring that 100 per cent of applications that meet requirements are licensed to dispense medicines in terms of section 22C of the Medicines and Related Substances Act (1965).
- Ensure compliance with relevant legislation by inspecting 30 per cent of licensed prescribers per year.
- Reduce alcohol abuse by ensuring that all nine provinces implement the strategy to reduce harmful use of alcohol by March 2012 by:
 - screening patients for alcohol abuse at 100 per cent of primary health care facilities
 - introducing the mandatory labelling of alcohol beverages with health messages.

Service delivery and spending focus

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

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

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

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

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

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

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

Expenditure estimates

Table 14.5 Strategic Health Programmes

Subprogramme	Audited outcome			Adjusted appropriation 2008/09	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand							
Maternal, Child and Women's Health and Nutrition	16 397	19 305	19 967	25 005	26 541	28 130	29 810
HIV and Aids and STIs	1 511 802	1 953 312	2 385 117	3 410 789	3 962 202	4 820 743	5 174 356
Communicable Diseases	4 636	5 806	5 254	8 449	60 938	12 437	14 003
Non-Communicable Diseases	373 520	669 198	676 705	732 829	620 746	693 767	735 379
TB Control and Management	8 901	11 155	9 226	12 869	21 901	32 138	26 911
Total	1 915 256	2 658 776	3 096 269	4 189 941	4 692 328	5 587 215	5 980 459
Change to 2008 Budget estimate				476 856	229 136	311 888	390 622

Table 14.5 Strategic Health Programmes (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	286 360	291 711	300 466	434 477	407 639	435 868	457 606
Compensation of employees	51 916	55 854	63 184	68 903	70 604	76 108	80 517
Goods and services	233 936	235 677	237 282	365 574	337 035	359 760	377 089
of which:							
Administrative fees	43	40	5	676	654	712	740
Advertising	81 231	30 123	11 197	100 395	82 706	87 948	92 101
Assets less than R5 000	729	600	732	1 594	1 528	1 633	1 712
Audit costs: External	–	–	–	17	16	17	18
Bursaries: Employees	39	–	–	–	–	–	–
Catering: Departmental activities	–	1 018	730	1 506	1 444	1 543	1 618
Communication	3 053	3 110	2 012	1 391	1 334	1 426	1 495
Computer services	8 459	45	1 417	522	500	534	560
Consultants and professional services: Business and advisory services	16 721	6 842	93 139	10 347	9 923	10 605	11 110
Consultants and professional services: Laboratory service	3 785	473	88	120	115	123	129
Consultants and professional services: Legal costs	9	–	–	10	9	10	10
Contractors	1 929	6 478	2 826	9 111	8 738	9 338	9 791
Agency and support / outsourced services	–	–	–	4 575	4 387	4 688	4 915
Entertainment	1 013	13	26	204	195	208	218
Inventory: Fuel, oil and gas	–	–	6	460	441	471	494
Inventory: Materials and supplies	104	110	57	129	123	131	137
Inventory: Medical supplies	71 906	133 525	80 819	140 137	134 405	143 638	150 614
Inventory: Other consumables	157	162	130	2 638	2 530	2 704	2 835
Inventory: Stationery and printing	3 409	6 649	5 959	17 140	16 438	17 567	18 419
Lease payments	373	363	388	2 026	1 943	2 076	2 177
Owned and leasehold property expenditure	693	468	534	–	–	–	–
Transport provided: Departmental activities	26	38	5	–	–	–	–
Travel and subsistence	18 139	21 281	24 767	35 418	33 969	36 303	38 064
Training and development	2 210	1 168	838	–	–	–	–
Operating expenditure	13 892	16 814	2 623	26 201	25 129	26 855	28 157
Venues and facilities	6 016	6 357	8 984	10 957	10 508	11 230	11 775
Financial transactions in assets and liabilities	508	180	–	–	–	–	–
Transfers and subsidies	1 613 462	2 350 282	2 783 748	3 740 801	4 269 285	5 135 024	5 505 551
Provinces and municipalities	1 422 163	2 177 930	2 558 045	3 490 104	4 017 848	4 868 719	5 223 342
Departmental agencies and accounts	60 216	54 920	72 071	70 623	71 411	75 477	79 931
Universities and technikons	4 000	–	400	1 000	1 000	1 060	1 124
Foreign governments and international organisations	1 000	–	–	–	–	–	–
Non-profit institutions	125 737	117 252	153 055	178 874	179 026	189 768	201 154
Households	346	180	177	200	–	–	–
Payments for capital assets	15 434	16 783	12 055	14 663	15 404	16 323	17 302
Machinery and equipment	7 873	15 501	11 878	14 663	15 404	16 323	17 302
Software and other intangible assets	7 561	1 282	177	–	–	–	–
Total	1 915 256	2 658 776	3 096 269	4 189 941	4 692 328	5 587 215	5 980 459

Details of transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	1 422 011	1 942 687	2 259 453	3 287 006	4 017 848	4 868 719	5 223 342
Comprehensive HIV and AIDS grant	1 150 108	1 616 214	2 006 223	2 885 423	3 476 186	4 311 757	4 632 962
Forensic pathology services grant	271 903	326 473	253 230	401 583	491 662	556 962	590 380
Disaster management: Cholera	–	–	–	–	50 000	–	–
Capital	–	235 203	298 592	203 098	–	–	–
Forensic pathology services grant	–	235 203	298 592	203 098	–	–	–

Table 14.5 Strategic Health Programmes (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	152	40	-	-	-	-	-
Regional Services Council levies	152	40	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	60 216	54 920	72 071	70 623	71 411	75 477	79 931
Human Sciences Research Council	-	5 600	3 000	400	-	-	-
National Health Laboratory Services	60 216	49 320	69 071	70 223	71 411	75 477	79 931
Universities and technikons							
Current	4 000	-	400	1 000	1 000	1 060	1 124
Medical University of Southern Africa	2 000	-	400	500	500	530	562
University of Cape Town	2 000	-	-	500	500	530	562
Foreign governments and international organisations							
Current	1 000	-	-	-	-	-	-
Southern African Development Community Regional HIV and Aids Trust Fund	1 000	-	-	-	-	-	-
Non-profit institutions							
Current	125 737	117 252	153 055	178 874	179 026	189 768	201 154
Council for the Blind	449	476	500	525	552	585	620
HIV and AIDS: Non-governmental organisations	49 593	52 277	53 616	60 141	61 444	65 131	69 038
Life Line	13 000	14 000	15 000	11 000	11 550	12 243	12 978
loveLife	36 999	35 000	40 000	76 000	73 000	77 380	82 023
Mental Health: Non-governmental Organisations	96	-	-	261	285	302	320
Soul City	12 000	11 078	17 000	14 000	16 000	16 960	17 977
South African Aids Vaccine Initiative	10 000	-	23 000	12 000	11 000	11 660	12 359
South African Community Epidemiology Network on Drug Use	200	200	200	200	200	212	225
South African Federation for Mental Health	200	212	223	234	246	261	277
Tuberculosis: Non-governmental organisations	2 950	3 074	2 869	3 483	3 665	3 885	4 119
Maternal, child and Women's Health: Non-governmental organisations	250	935	647	1 030	1 084	1 149	1 218
Households							
Other transfers to households							
Current	346	180	177	200	-	-	-
Donation and gifts	-	-	-	-	-	-	-
Leave gratuity	346	180	177	-	-	-	-
South African Spinal Cord Association	-	-	-	100	-	-	-
Foundation for Professional Development	-	-	-	100	-	-	-

Expenditure trends

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

Public entity

National Health Laboratory Service

Strategic overview: 2005/06 – 2011/12

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

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

The National Health Laboratory Service has three specialised institutes:

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

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

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

Selected performance and operations indicators

Table 14.6 National Health Laboratory Service

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

Service delivery and spending focus

Key areas of focus include providing cost effective and efficient health laboratory services, supporting health research, and providing health science education. Achievements in these areas include: the National Health Laboratory Service price list being on average 46 per cent lower than the national reference price list; the appointment of 182 scientists and 32 additional intern medical scientists; and the signing of an umbrella

agreement with 9 medical universities and universities of technology to prepare for the conclusion of the bilateral agreements.

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

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

Expenditure Estimates

Table 14.7 National Health Laboratory Service: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	1 351 274	1 787 957	2 275 911	2 544 789	2 755 688	2 775 947	2 970 263
Sale of goods and services other than capital assets of which:	1 323 500	1 745 558	2 232 292	2 438 789	2 625 548	2 631 927	2 816 162
Sales by market establishments	1 323 500	1 745 558	2 232 292	2 438 789	2 625 548	2 631 927	2 816 162
Other non-tax revenue	27 774	42 399	43 619	106 000	130 140	144 020	154 101
Transfers received	74 329	93 317	104 943	70 599	71 803	75 892	80 371
Total revenue	1 425 603	1 881 274	2 380 854	2 615 388	2 827 491	2 851 839	3 050 634
Expenses							
Current expense	1 253 701	1 696 650	2 133 975	2 370 368	2 622 977	2 717 764	2 911 920
Compensation of employees	298 139	337 869	350 451	390 753	451 586	496 745	531 517
Goods and services	937 876	1 327 618	1 737 940	1 947 824	2 134 204	2 177 730	2 329 337
Depreciation	15 703	30 496	44 923	31 091	36 436	42 489	50 166
Interest, dividends and rent on land	1 983	667	661	700	750	800	900
Transfers and subsidies	1 479	1 390	1 695	1 800	2 299	2 529	2 706
Total expenses	1 255 180	1 698 040	2 135 670	2 372 168	2 625 276	2 720 293	2 914 626
Surplus / (Deficit)	170 423	183 234	245 184	243 220	202 215	131 546	136 008
Statement of financial position							
Carrying value of assets	225 045	356 334	433 753	472 853	703 785	882 260	1 013 847
of which: Acquisition of assets	56 641	165 356	126 538	75 496	272 954	226 998	188 269
Inventory	18 857	29 583	51 666	81 666	78 666	78 666	78 666
Receivables and prepayments	324 542	586 811	856 642	956 642	956 642	956 642	956 642
Cash and cash equivalents	288 509	296 948	256 160	406 525	468 980	514 885	562 075
Total assets	856 953	1 269 676	1 598 221	1 917 686	2 208 073	2 432 453	2 611 230
Accumulated surplus / deficit	152 580	339 647	589 638	887 858	1 131 214	1 306 780	1 489 888
Capital and reserves	146 963	181 840	178 007	174 174	170 341	166 508	162 675
Post-retirement benefits	256 313	346 143	356 930	356 930	376 930	401 820	376 919
Trade and other payables	228 949	329 957	399 237	424 237	434 237	444 237	454 237
Liabilities not classified elsewhere	72 148	72 089	74 409	74 487	95 351	113 108	127 510
Total equity and liabilities	856 953	1 269 676	1 598 221	1 917 686	2 208 073	2 432 453	2 611 229
Contingent liabilities	32 310	32 310	32 310	32 310	-	-	-

Expenditure trends

Total revenue grew from R1.4 billion in 2005/06 to R2.6 billion in 2008/09 at an average annual rate of 22.4 per cent. Total revenue over the MTEF period increases from R2.6 billion in 2008/09 to R3.1 billion in 2011/12, at an average annual rate of 5.3 per cent. Over the MTEF period, the National Health Laboratory

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

The largest expenditure item is goods and services, which increased from R938 million in 2005/06 to R1.9 billion in 2008/09 at an average annual rate of 27.6 per cent, due to the steep increase in test volumes associated with HIV and AIDS and tuberculosis. Compensation of employees is expected to increase from R390.8 million in 2008/09 to R531.5 million at an average annual rate of 10.8 per cent in 2011/12.

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

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

Programme 3: Health Planning and Monitoring

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

Objectives and measures

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

Service delivery and spending focus

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

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

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

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

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

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

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

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

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

Expenditure estimates

Table 14.8 Health Planning and Monitoring

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand							
Health Information Research and Evaluation	210 833	233 360	251 386	260 762	277 528	293 581	311 156
Financial Planning and Health Economics	12 684	27 586	16 007	27 350	30 481	34 776	27 203
Pharmaceutical Policy and Planning	12 387	11 923	14 394	15 745	14 592	15 622	16 555
Office of Standards Compliance	23 948	28 427	27 339	30 271	34 483	38 873	43 244
Total	259 852	301 296	309 126	334 128	357 084	382 852	398 158
Change to 2008 Budget estimate				7 601	13 744	18 592	12 241

Table 14.8 Health Planning and Monitoring (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	56 326	68 719	78 271	89 084	96 175	106 729	105 715
Compensation of employees	33 358	38 511	43 233	51 956	52 301	56 244	59 692
Goods and services	22 945	30 205	35 035	37 128	43 874	50 485	46 023
<i>of which:</i>							
Administrative fees	44	4	27	113	132	152	138
Advertising	1 170	1 318	1 280	1 354	1 600	1 741	1 587
Assets less than R5 000	140	588	457	1 495	1 767	2 033	1 853
Bursaries: Employees	5	–	–	–	–	–	–
Catering: Departmental activities	–	238	245	385	455	624	569
Communication	600	808	841	1 115	1 318	1 517	1 384
Computer services	2 881	351	2 838	1 220	1 442	1 659	1 512
Consultants and professional services: Business and advisory services	5 547	8 679	13 004	4 686	5 537	6 371	5 809
Consultants and professional services: Laboratory service	7	–	1	–	–	–	–
Consultants and professional services: Legal costs	279	–	7	143	169	194	178
Contractors	253	1 633	142	120	142	163	149
Agency and support / outsourced services	–	–	–	1 934	2 285	2 629	2 397
Entertainment	129	4	19	75	89	102	90
Inventory: Materials and supplies	6	13	31	60	71	82	75
Inventory: Medical supplies	10	118	70	50	59	68	62
Inventory: Other consumables	7	1	2	87	103	119	108
Inventory: Stationery and printing	1 858	3 362	2 482	4 364	5 157	5 934	5 409
Lease payments	294	272	315	527	623	717	654
Transport provided: Departmental activities	5	30	11	–	–	–	–
Travel and subsistence	8 911	10 182	10 247	16 060	18 978	21 838	19 908
Training and development	304	1 292	745	–	–	–	–
Operating expenditure	170	905	1 170	1 607	1 899	2 185	1 992
Venues and facilities	325	407	1 101	1 733	2 048	2 357	2 149
Financial transactions in assets and liabilities	23	3	3	–	–	–	–
Transfers and subsidies	201 842	229 973	229 641	242 286	258 153	273 056	289 192
Provinces and municipalities	105	27	–	–	–	–	–
Departmental agencies and accounts	184 429	227 451	226 931	239 660	255 396	270 134	286 095
Non-profit institutions	17 247	2 382	2 501	2 626	2 757	2 922	3 097
Households	61	113	209	–	–	–	–
Payments for capital assets	1 684	2 604	1 214	2 758	2 756	3 067	3 251
Machinery and equipment	1 612	2 580	1 184	2 758	2 756	3 067	3 251
Software and other intangible assets	72	24	30	–	–	–	–
Total	259 852	301 296	309 126	334 128	357 084	382 852	398 158
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	105	27	–	–	–	–	–
Regional Services Council levies	105	27	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	184 429	227 451	226 931	239 660	255 396	270 134	286 095
Council for Medical Schemes	4 803	15 000	3 283	6 151	3 865	4 085	4 324
Medical Research Council	179 304	212 110	223 290	233 133	251 139	265 634	281 331
National Health Laboratory Services: Cancer register	322	341	358	376	392	415	440
Non-profit institutions							
Current	17 247	2 382	2 501	2 626	2 757	2 922	3 097
Health Systems Trust	17 247	2 382	2 501	2 626	2 757	2 922	3 097
Households							
Other transfers to households							
Current	61	113	209	–	–	–	–
Leave gratuity	61	113	209	–	–	–	–

Expenditure trends

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

Public entities

South African Medical Research Council

Strategic overview: 2005/06 – 2011/12

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

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

Selected performance and operations indicators

Table 14.9 South African Medical Research Council

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

Service delivery and spending focus

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

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

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

The Medical Research Council's priorities over the medium term include: increasing the council's budget; reducing the salary gap between council employees and the private sector; recruiting and retaining senior black African scientists; improving the morale and motivation of unit directors through flexible remuneration and

other measures; and implementing the council's research strategy by consolidating the three national collaborative research programmes, covering cancer and heart disease, African traditional medicines, and drug discovery.

Expenditure estimates

Table 14.10 South African Medical Research Council: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	194 780	279 097	291 925	290 650	288 865	298 870	308 660
Sale of goods and services other than capital assets	176 547	239 295	264 278	270 000	275 000	285 000	295 000
<i>of which:</i>							
<i>Sales by market establishments</i>	176 547	239 295	264 278	270 000	275 000	285 000	295 000
<i>Other non-tax revenue</i>	18 233	39 802	27 647	20 650	13 865	13 870	13 660
Transfers received	150 891	175 720	221 290	233 133	251 139	265 634	281 331
Total revenue	345 671	454 817	513 215	523 783	540 004	564 504	589 991
Expenses							
Current expense	356 271	424 766	484 698	507 897	537 774	564 184	591 291
Compensation of employees	174 732	205 300	213 509	227 526	255 903	272 535	290 250
Goods and services	171 486	208 059	259 116	270 697	272 161	281 939	291 331
Depreciation	9 441	9 683	11 984	9 674	9 700	9 700	9 700
Interest, dividends and rent on land	612	1 724	89	-	10	10	10
Total expenses	356 271	424 766	484 698	507 897	537 774	564 184	591 291
Surplus / (Deficit)	(10 600)	30 051	28 517	15 886	2 230	320	(1 300)
Statement of financial position							
Carrying value of assets	85 818	89 916	89 644	93 820	98 690	103 540	108 390
<i>of which: Acquisition of assets</i>	19 908	16 646	11 455	13 500	13 600	13 600	13 600
Investments	32 026	2 641	2 670	2 700	2 800	2 800	2 800
Inventory	397	390	362	362	400	420	420
Receivables and prepayments	37 730	49 530	41 151	43 000	45 000	45 000	45 000
Cash and cash equivalents	272 413	301 748	333 669	327 869	321 291	317 441	311 391
Total assets	428 384	444 225	467 496	467 751	468 181	469 201	468 001
Accumulated surplus / deficit	42 066	62 347	90 865	106 751	108 981	109 301	108 101
Capital and reserves	-	1 449	1 416	-	-	-	-
Borrowings	20	11	-	-	-	-	-
Post-retirement benefits	45 229	22 347	3 932	4 000	4 200	4 400	4 400
Trade and other payables	53 580	53 066	64 606	60 000	60 000	60 000	60 000
Provisions	9 873	12 181	17 776	16 000	14 000	14 500	14 500
Managed funds	1 404	878	1 035	1 000	1 000	1 000	1 000
Liabilities not classified elsewhere	276 212	291 946	287 866	280 000	280 000	280 000	280 000
Total equity and liabilities	428 384	444 225	467 496	467 751	468 181	469 201	468 001

Expenditure trends

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

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

Council for Medical Schemes

Strategic overview: 2005/06 – 2011/12

The Council for Medical Schemes is the national regulatory authority established in terms of the Medical Schemes Act (1998) to regulate medical schemes. The medical scheme environment generated more than R64 billion in revenue in 2007/08 and covers more than 7 million beneficiaries. The objective of the council is to protect the interests of members of schemes and to control and coordinate the functioning of medical schemes in a way that is in line with national health policy. The council's vision for the medical scheme industry is that it is effectively regulated to protect the interests of members and promote fair and equitable access to private health financing.

The main strategic objectives of the Council for Medical Schemes over the medium term are to:

- secure an appropriate level of protection for beneficiaries of medical schemes and the public by authorising the conduct of medical scheme businesses, and monitoring the financial performance and soundness of schemes
- provide support and guidance to trustees and promote understanding of the medical schemes environment among trustees, beneficiaries and the public
- foster compliance with the act by medical schemes, administrators, managed care entities and brokers, and initiate enforcement action where required
- investigate and resolve complaints raised by beneficiaries and the public
- monitor the impact of the act, research developments and recommend policy options to improve the regulatory environment
- foster the continued development of the Council for Medical Schemes as an employer of choice
- develop strategic alliances nationally, regionally and internationally.

To give effect to these objectives, the council develops theme projects on an annual basis

The council has developed and institutionalised a financial model that is firmly supported by sound internal controls and is fully compliant with the requirements of the Public Finance Management Act (1999). The internal controls are aligned with the applicable legislation and the supply chain management framework. The financial model also complies with the requirements of the South African generally accepted accounting practice and international financial reporting standards. Over the last four years, the scheme has received unqualified audit reports from the auditor-general.

Selected performance and operations indicators

Table 14.11 Council for Medical Schemes

Indicator	Activity/ Objective/ Programme/ Project	Past			Current 2008/09	Projections		
		2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Number of administrators accredited ¹	Accreditations	36	29	21	20	(100%) 25	(100%) 25	(100%) 25
Percentage of complaints resolved within 30 days	Complaints	24% (440)	26% (575)	27% (781)	28%	29%	30%	31%
Percentage of complaints resolved within 60 days	Complaints	35% (642)	42% (929)	46% (1330)	50%	50%	50%	50%
Percentage of complaints resolved within 90 days	Complaints	22% (403)	20% (442)	15% (434)	22%	21%	20%	19%
Number of medical schemes financial audited each year	Financial supervision	124	122	122	122	122	122	122

1. Number of administrators declined because of amalgamation and exclusion of certain entities

Service delivery and spending focus

Since 2007/08, the council has developed partnerships with other regulators to learn about international regulatory standards; and hopes to close the gap in regulatory best practices.

In 2007/08, the council handled 21 broker related complaints around issues of inappropriate advice given, allegations of fraud and alleged conflicts of interest. Regarding complaints from members of medical schemes; the council received 2 891 complaints, of which 80 per cent were resolved within 90 days. The council's financial services unit, which ensures that medical schemes adhere to accounting requirements, completed a review of all statutory returns.

Over the MTEF period, the council aims to upgrade its IT infrastructure so that schemes will be able to submit their returns in compliance with financial reporting standards. This improved IT system will also enable the council to resolve more complaints within a shorter period.

Expenditure estimates

Table 14.12 Council for Medical Schemes: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	35 936	42 148	46 161	52 972	57 285	68 433	66 963
Sale of goods and services other than capital assets	34 423	37 727	44 141	44 951	48 098	51 465	56 097
<i>of which:</i>							
Administrative fees	34 423	37 727	44 141	44 951	48 098	51 465	56 097
Other non-tax revenue	1 513	4 421	2 020	8 021	9 187	16 968	10 866
Transfers received	4 617	7 678	7 881	6 151	3 865	4 085	4 324
Total revenue	40 553	49 826	54 042	59 123	61 150	72 518	71 287
Expenses							
Current expense	43 668	49 328	52 468	57 038	59 806	63 152	67 085
Compensation of employees	23 181	26 576	29 762	33 179	35 170	37 140	38 997
Goods and services	19 419	21 382	20 484	21 850	23 353	24 976	27 225
Depreciation	897	1 370	2 222	1 830	1 283	1 036	863
Interest, dividends and rent on land	171	–	–	179	–	–	–
Total expenses	43 668	49 328	52 468	57 038	59 806	63 152	67 085
Surplus / (Deficit)	(3 115)	498	1 574	2 085	1 344	9 366	4 202
Statement of financial position							
Carrying value of assets	2 079	6 442	5 909	6 078	5 240	4 662	4 257
<i>of which: Acquisition of assets</i>	983	5 733	1 709	2 030	445	458	458
Receivables and prepayments	214	1 476	484	365	380	580	680
Cash and cash equivalents	7 173	10 387	10 598	12 500	14 249	5 854	6 411
Total assets	9 466	18 305	16 991	18 943	19 869	11 096	11 348
Accumulated surplus / deficit	1 540	2 037	3 612	7 908	9 655	8 194	8 185
Trade and other payables	2 320	2 045	3 190	585	1 284	1 757	1 915
Provisions	1 658	2 952	3 516	3 450	1 930	1 145	1 248
Liabilities not classified elsewhere	3 948	11 271	6 673	7 000	7 000	–	–
Total equity and liabilities	9 466	18 305	16 991	18 943	19 869	11 096	11 348

Expenditure trends

Total revenue increases from R59.1 million in 2008/09 to R71.3 million in 2011/12, at an average annual rate of 6.4 per cent. The council's main source of revenue is levies on medical schemes, which are raised in terms of the Council for Medical Schemes Levies Act (2000). The council has also historically received a transfer from the national Department of Health, which amounts to R3.9 million in 2009/10 and which increases to R4.3 million in 2011/12, representing an average annual increase of 5.8 per cent over the medium term.

Expenditure increased from R43.7 million in 2005/06 to R57 million in 2008/09, at an average annual rate of 9.3 per cent. Expenditure over the MTEF period is expected to increase from R57 million in 2008/09 to R67.1 million in 2011/12, at an average annual rate of 5.6 per cent.

The key spending area is compensation of employees, which accounts for 58.8 per cent of total expenditure in 2009/10. This increases from R23.2 million in 2005/06 to R39 million in 2011/12 at an average rate of 9.1 per cent. The council recruits highly skilled personnel that include accountants, lawyers, economists,

researchers, doctors and administrators. Legal costs tend to be high, at about 8 per cent, due to the challenges in the industry. The remaining expenditure is used to support the council's operational objectives.

Programme 4: Human Resources Management and Development

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

Objectives and measures

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

Service delivery and spending focus

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

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

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

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

Expenditure estimates

Table 14.13 Health Human Resources Management and Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Human Resources Policy, Research and Planning	4 468	3 341	3 882	9 328	9 077	7 922	8 394
Sector Labour Relations and Planning	878	1 935	2 024	4 355	5 080	5 422	5 745
Human Resources Development and Management	1 525 805	1 570 703	1 607 672	1 699 083	1 772 067	1 880 809	1 993 652
Total	1 531 151	1 575 979	1 613 578	1 712 766	1 786 224	1 894 153	2 007 791
Change to 2008 Budget estimate				(1 438)	(250)	(915)	(913)

Economic classification

	10 804	13 487	17 161	32 897	25 715	28 239	29 922
Current payments							
Compensation of employees	5 834	8 888	11 851	11 515	14 281	15 382	16 294
Goods and services	4 970	4 595	5 307	21 382	11 434	12 857	13 628
of which:							
Administrative fees	–	–	(21)	113	65	71	75
Advertising	136	187	200	973	520	585	620
Assets less than R5 000	52	348	66	732	391	440	466
Bursaries: Employees	127	–	–	–	–	–	–
Catering: Departmental activities	–	150	223	509	272	306	324
Communication	54	83	82	295	158	178	189
Computer services	16	87	39	77	41	46	49
Consultants and professional services: Business and advisory services	931	775	223	10 556	5 644	6 347	6 728
Consultants and professional services: Laboratory service	2	–	–	–	–	–	–
Consultants and professional services: Legal costs	4	–	–	–	–	–	–
Contractors	79	63	80	162	86	97	103
Agency and support / outsourced services	–	–	–	201	107	120	127
Entertainment	97	3	6	48	26	29	31
Inventory: Materials and supplies	–	–	–	19	10	11	12
Inventory: Other consumables	–	–	–	24	13	15	16
Inventory: Stationery and printing	490	479	1 438	1 110	593	667	707
Lease payments	173	185	254	279	149	168	178
Transport provided: Departmental activities	–	3	2	–	–	–	–
Travel and subsistence	2 123	1 640	2 049	4 822	2 578	2 898	3 072
Training and development	209	281	223	–	–	–	–
Operating expenditure	46	239	244	369	197	222	235
Venues and facilities	431	72	199	1 093	584	657	696
Financial transactions in assets and liabilities	–	4	3	–	–	–	–
Transfers and subsidies	1 520 205	1 520 188	1 596 199	1 679 061	1 759 799	1 865 387	1 977 310
Provinces and municipalities	1 520 201	1 520 186	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310
Households	4	2	10	–	–	–	–
Payments for capital assets	142	42 304	218	808	710	527	559
Machinery and equipment	142	548	218	808	710	527	559
Software and other intangible assets	–	41 756	–	–	–	–	–
Total	1 531 151	1 575 979	1 613 578	1 712 766	1 786 224	1 894 153	2 007 791

Details of transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	1 520 180	1 520 180	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310
Health professions training and development grant	1 520 180	1 520 180	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310
Municipalities							
Municipal bank accounts							
Current	21	6	–	–	–	–	–
Regional Services Council levies	21	6	–	–	–	–	–
Households							
Other transfers to households							
Current	4	2	10	–	–	–	–
Leave gratuity	4	2	10	–	–	–	–

Expenditure trends

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

Programme 5: Health Services

- *District Health Services* promotes and coordinates the district health system and monitors primary healthcare and activities related to the integrated sustainable rural development programme and the urban renewal programme. It also deals with policy and monitoring for health promotion and environmental health.
- *Environmental Health Promotion and Nutrition* provides technical support and monitors the delivery of municipal health services by local government, provides port health services, and supports poison information centres.
- *Occupational Health* promotes occupational health and safety in public health institutions, and ensures the training of occupational health practitioners in risk assessment.
- *Hospital and Health Facilities Management* deals with national policy on hospital and emergency medical services. It is also responsible for the conditional grant for the revitalisation of hospitals.

Objectives and measures

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

Service delivery and spending focus

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

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

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

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

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

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

Expenditure estimates

Table 14.14 Health Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
District Health Services	7 991	9 036	7 898	18 395	27 632	35 400	30 019
Environmental Health Promotion and Nutrition	15 049	18 190	18 658	19 832	19 002	19 978	22 076
Occupational Health	26 159	20 292	24 887	29 630	30 505	32 467	34 405
Hospitals and Health Facilities Management	5 975 493	6 519 157	7 414 400	9 219 474	9 821 726	11 301 088	11 995 230
Total	6 024 692	6 566 675	7 465 843	9 287 331	9 898 865	11 388 933	12 081 730
Change to 2008 Budget estimate				234 874	182 776	341 348	371 595

Economic classification

	52 759	54 954	63 181	87 312	91 504	103 279	103 154
Current payments							
Compensation of employees	28 596	29 920	32 189	37 374	37 680	40 585	42 998
Goods and services	23 981	21 805	30 944	49 938	53 824	62 694	60 156
of which:							
Administrative fees	30	16	107	215	232	270	259
Advertising	4 924	4 693	6 421	4 261	4 593	5 350	5 136
Assets less than R5 000	478	392	337	1 360	1 466	1 708	1 639
Audit costs: External	265	490	693	620	668	779	747
Bursaries: Employees	11	–	–	–	–	–	–
Catering: Departmental activities	–	349	303	726	782	911	874
Communication	1 470	1 439	1 333	1 525	1 644	1 915	1 837
Computer services	16	26	132	306	330	384	368
Consultants and professional services: Business and advisory services	2 565	1 903	4 857	13 968	15 055	17 536	16 826
Consultants and professional services: Laboratory service	1 260	746	873	–	–	–	–
Consultants and professional services: Legal costs	–	–	–	160	172	200	192
Contractors	78	169	156	2 360	2 544	2 963	2 843
Agency and support / outsourced services	–	–	–	2 748	2 962	3 450	3 310
Entertainment	723	3	8	96	103	120	115
Inventory: Fuel, oil and gas	–	–	–	20	22	26	25
Inventory: Materials and supplies	125	33	82	94	101	118	113
Inventory: Medical supplies	195	104	87	–	–	–	–
Inventory: Other consumables	5	16	47	795	857	998	958
Inventory: Stationery and printing	1 262	689	747	2 523	2 719	3 167	3 039
Lease payments	168	208	227	385	415	483	463
Owned and leasehold property expenditure	2	2	13	–	–	–	–
Transport provided: Departmental activities	1	26	98	–	–	–	–
Travel and subsistence	7 639	7 321	8 280	11 716	12 628	14 709	14 113
Training and development	386	989	290	–	–	–	–
Operating expenditure	938	1 201	3 850	3 946	4 253	4 954	4 753
Venues and facilities	1 440	990	2 003	2 114	2 278	2 653	2 546
Financial transactions in assets and liabilities	182	3 229	48	–	–	–	–
Transfers and subsidies	5 971 186	6 509 279	7 401 646	9 197 102	9 804 302	11 282 419	11 975 147
Provinces and municipalities	5 965 247	6 508 494	7 398 498	9 193 621	9 800 745	11 278 667	11 971 170
Departmental agencies and accounts	5 000	100	2 630	2 355	2 479	2 620	2 777
Non-profit institutions	433	433	477	1 026	1 078	1 132	1 200
Households	506	252	41	100	–	–	–

Table 14.14 Health Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Payments for capital assets	747	2 442	1 016	2 917	3 059	3 235	3 429
Machinery and equipment	747	1 462	995	2 917	3 059	3 235	3 429
Software and other intangible assets	-	980	21	-	-	-	-
Total	6 024 692	6 566 675	7 465 843	9 287 331	9 898 865	11 388 933	12 081 730
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	4 859 728	4 981 149	5 321 206	6 134 084	6 614 442	7 398 000	7 798 878
Hospital management and quality improvement grant	150 342	-	-	-	-	-	-
National tertiary services grant	4 709 386	4 981 149	5 321 206	6 134 084	6 614 442	7 398 000	7 798 878
Capital	1 105 427	1 527 323	2 077 292	3 059 537	3 186 303	3 880 667	4 172 292
Hospital revitalisation grant	1 105 427	1 527 323	2 077 292	3 059 537	3 186 303	3 880 667	4 172 292
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	92	22	-	-	-	-	-
Regional Services Council Levies	92	22	-	-	-	-	-
Departmental agencies and accounts							
Social security funds							
Current	5 000	-	2 630	2 355	2 479	2 620	2 777
Compensation Commissioner	5 000	-	2 630	2 355	2 479	2 620	2 777
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	100	-	-	-	-	-
Donations	-	100	-	-	-	-	-
Non-profit institutions							
Current	433	433	477	1 026	1 078	1 132	1 200
Health Promotion: Non-governmental organisations	433	433	477	935	982	1 037	1 099
Environmental Health: Non-governmental organisations	-	-	-	91	96	95	101
Households							
Social benefits							
Current	506	252	41	-	-	-	-
Leave gratuity	506	252	41	-	-	-	-
Households							
Other transfers to households							
Current	-	-	-	100	-	-	-
Public Health Association of South Africa	-	-	-	100	-	-	-

Expenditure trends

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

Trading entity

Compensation Commissioner for Occupational Diseases

Strategic overview: 2005/06 – 2011/12

The Compensation Commissioner for Occupational Diseases was established in terms of the Occupational Diseases in Mines and Works Act (1973). Its main statutory functions include:

- administering the Mines and Works Compensation Fund to compensate ex-miners disabled by occupational lung disease
- determining and recovering levies from controlled mines and works
- awarding benefits to miners and ex-miners suffering from lung related diseases due to risky work
- investing levies collected and interest earned from investments

The entity has a staff complement of 42 employees. The entity has been facing a number of challenges in relation to management, financial management, actuarial deficits and performance. The range of problems in its revenue systems include the fact that levies need to be paid according to registered mines and numbers of shifts worked by the mine. The systems that have been in place to confirm the risk shifts and reconcile what is paid by the mine with what is owed have been weak. In an attempt to address problems with levy collection, the commissioner appointed a firm of accountants to review the new levies systems, which was completed and implemented in July 2007. The process covered the following:

- developing and implementing the accounting and internal control systems in relation to revenue from debtors
- computerising all information on levies received from all controlled mines.

Inspectors conduct visits to the mines as part of the process of setting and checking income from levies, which are part of the council's mandate to:

- check if payments made by the mines are as per determined rates and numbers of shifts worked by risk grouping performed
- update its registers and records of controlled mines, and remove closed mines from the register
- ensure that all mines are paying their levies
- inspect the record of risk shifts performed and check that the payments made were calculated correctly.

Selected performance and operations indicators

Table 14.15 Compensation Commissioner for Occupational Diseases

Indicator	Past			Current 2008/09	Projections		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Number of persons compensated per year	–	–	–	3 000	3 300	3 700	4 000
Number of mines visited each year	50	135	196	220	240	240	240
Number of additional inspectors each year	–	2	2	3	4	5	5
Number of fingerprint verification files attended to per day	–	–	–	10	75	100	100
Number of provinces in which workshops are conducted	–	–	–	5	8	9	9

Service delivery and spending focus

In 2007/08, the commissioner visited 196 controlled mines, and plans to cover 240 mines in 2008/09 and annually over the MTEF period. It processed about 3 000 cases in 2008/09 and plans to increase this to 4 000 per year over MTEF period.

The main challenges for the entity are reducing the turnaround time for compensation and educating ex-miners, the public and health workers on requirements, processes and procedures of the Commissioner and the Medical Bureau of Occupational Diseases. To address these challenges the spending focus over the medium term includes:

- creating more positions for mine inspectors
- conducting workshops in all provinces to educate the public about the work of the commissioner
- introducing the new fingerprint verification system to reduce turnaround time for compensation.
- strengthening the management of the fund.

Expenditure estimates

Table 14.16 Compensation Commissioner for Occupational Diseases (Mines and Works Compensation Fund):

Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Tax revenue	30 748	66 440	82 225	143 894	181 306	228 446	287 842
Non-tax revenue	72 916	85 750	110 526	119 351	126 989	139 337	149 015
Other non-tax revenue	72 916	85 750	110 526	119 351	126 989	139 337	149 015
Transfers received	32	4 006	3 592	2 355	2 479	2 620	2 777
Total revenue	103 696	156 196	196 343	265 600	310 774	370 403	439 634
Expenses							
Current expense	49	45	56	53	54	59	64
Interest, dividends and rent on land	49	45	56	53	54	59	64
Transfers and subsidies	118 427	112 489	131 726	171 477	186 052	201 867	219 205
Total expenses	118 476	112 534	131 782	171 530	186 106	201 926	219 269
Surplus / (Deficit)	(14 780)	43 662	64 561	94 070	124 668	168 477	220 365
Statement of financial position							
Investments	1 067 882	1 112 004	1 147 578	1 338 426	1 405 348	1 475 615	1 549 396
Receivables and prepayments	5 688	6 070	14 208	10 232	5 878	5 600	4 300
Cash and cash equivalents	16 900	15 308	32 590	25 600	28 416	31 541	34 380
Total assets	1 090 470	1 133 382	1 194 376	1 374 258	1 439 642	1 512 756	1 588 076
Capital and reserves	1 085 046	1 127 799	1 166 057	1 326 878	1 417 966	1 495 804	1 573 498
Trade and other payables	5 424	5 583	28 319	47 380	21 676	16 952	14 578
Total equity and liabilities	1 090 470	1 133 382	1 194 376	1 374 258	1 439 642	1 512 756	1 588 076

Expenditure trends

The commissioner derives its revenue mainly from:

- controlled mines: paid levies (R143.9 million in 2008/09)
- interest earned on investment (R119.4 million in 2008/09)
- transfer from the Department of Health (R2.4 million in 2008/09).

Total revenue increased at an average annual rate of 36.8 per cent between 2005/06 and 2008/09, due to increased levies and increase in the number of mines inspected. Levies increased by R0.75 per risk shift between 2006/07 and 2007/08, reflecting an average annual rate of 26.6 per cent for this period.

Total assets, consisting primarily of savings investments, are projected to increase from R1.4 billion in 2008/09 to R1.6 billion in 2011/12, at an average annual increase of 4.9 per cent.

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

- *Multilateral Relations* develops and implements bilateral and multilateral agreements to strengthen the national health system, concludes agreements on the recruitment of health workers from other countries, and mobilises international resources to support the implementation of priority health programmes. It further

provides technical capacity to South Africa in fields such as health technology management and surveillance systems.

- *Food Control and Non-Medical Health Product Regulation* ensures food safety by developing and implementing food control policies, norms and standards, and regulations.
- *Pharmaceutical and Related Product Regulation and Management* regulates trade in medicines and pharmaceutical products to ensure access to safe and affordable medicines.

Objectives and measures

- Support the reconstruction of the health systems in the Democratic Republic of the Congo, Sudan, Zimbabwe and Burundi by developing agreements and implementation plans with these countries by March 2010.
- Strengthen the South African health sector by coordinating the recruitment of health professionals from India, Uruguay, Cuba and Tunisia by March 2010.
- Accelerate the registration and re-registration of medicines by completing the configuration of software for specialist processes by March 2010.
- Improve patient safety and adherence by developing a pharmaco-vigilance plan for monitoring extremely drug resistant tuberculosis drugs by 2010. (This project is funded only in the 2009 Budget and was not implemented in 2008.)
- Improve regulation of medicines and health products by establishing the South African Health Products Regulatory Authority by March 2010. The regulatory authority will replace the Medicines Control Council and cover a broader range of products (veterinary, agricultural and medical equipment).

Service delivery and spending focus

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

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

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

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

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

Expenditure estimates

Table 14.17 International Relations, Health Trade and Health Product Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Multilateral Relations	18 834	31 419	36 682	44 554	43 633	46 629	49 719
Food Control and Non-Medical Health Product Regulation	3 737	3 514	4 338	7 402	6 463	6 585	6 977
Pharmaceutical and Related Product Regulation and Management	20 389	24 796	23 270	28 369	36 901	47 559	57 045
Total	42 960	59 729	64 290	80 325	86 997	100 773	113 741
Change to 2008 Budget estimate				1 400	4 745	13 114	21 077
Economic classification							
Current payments	42 142	58 359	63 773	79 630	86 126	99 997	112 918
Compensation of employees	27 964	30 681	32 576	33 605	36 340	39 133	41 459
Goods and services	14 158	27 640	31 197	46 025	49 786	60 864	71 459
<i>of which:</i>							
<i>Administrative fees</i>	8	12	47	962	1 041	1 273	1 494
<i>Advertising</i>	148	338	250	1 001	1 083	1 324	1 554
<i>Assets less than R5 000</i>	236	552	336	2 680	2 899	3 544	4 159
<i>Bursaries: Employees</i>	15	–	–	–	–	–	–
<i>Catering: Departmental activities</i>	134	327	258	1 154	1 248	1 526	1 827
<i>Communication</i>	490	486	445	1 021	1 104	1 350	1 584
<i>Computer services</i>	159	–	46	545	590	721	846
<i>Consultants and professional services: Business and advisory services</i>	125	339	127	430	465	568	667
<i>Consultants and professional services: Laboratory service</i>	3	–	–	50	54	66	77
<i>Consultants and professional services: Legal costs</i>	100	–	1	50	54	66	77
<i>Contractors</i>	639	278	88	1 395	1 509	1 845	2 165
<i>Agency and support / outsourced services</i>	–	–	–	55	59	72	84
<i>Entertainment</i>	326	25	16	266	288	352	413
<i>Inventory: Materials and supplies</i>	3	3	20	20	22	27	32
<i>Inventory: Medical supplies</i>	20	16	–	–	–	–	–
<i>Inventory: Other consumables</i>	5	–	15	70	76	93	109
<i>Inventory: Stationery and printing</i>	1 065	1 121	954	2 395	2 591	3 167	3 716
<i>Lease payments</i>	526	1 038	1 977	2 335	2 526	3 088	3 624
<i>Transport provided: Departmental activities</i>	11	1	47	–	–	–	–
<i>Travel and subsistence</i>	9 197	13 516	15 456	18 654	20 178	24 668	28 948
<i>Training and development</i>	234	424	273	–	–	–	–
<i>Operating expenditure</i>	465	5 433	10 107	12 571	13 598	16 624	19 508
<i>Venues and facilities</i>	249	3 731	734	371	401	490	575
Financial transactions in assets and liabilities	20	38	–	–	–	–	–
Transfers and subsidies	338	73	68	–	–	–	–
Provinces and municipalities	84	23	–	–	–	–	–
Households	254	50	68	–	–	–	–
Payments for capital assets	480	1 297	449	695	871	776	823
Machinery and equipment	480	1 297	437	695	871	776	823
Software and other intangible assets	–	–	12	–	–	–	–
Total	42 960	59 729	64 290	80 325	86 997	100 773	113 741

Table 14.17 International Relations, Health Trade and Health Product Regulation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	84	23	-	-	-	-	-
Regional Services Council Levies	84	23	-	-	-	-	-
Households							
Other transfers to households							
Current	254	50	68	-	-	-	-
Leave gratuities	254	50	68	-	-	-	-

Expenditure trends

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

Provincial expenditure

Consolidated national and provincial spending on health has grown strongly over the past three years from 2005/06 to 2008/09, at an average annual rate of 16 per cent. Budgeted amounts continue to grow over the MTEF period, at an average annual rate of 10.3 per cent, and in 2011/12 exceeds R100 billion for the first time.

Provincial spending has grown strongly over the past three years, at an average annual rate of 16.1 per cent, and by more than R19.9 billion in the past two years, from R53.6 billion in 2006/07 to R73.6 billion in 2008/09. In line with government's commitment to improve access to quality health services, the provincial health budgets increase from R73.6 billion in 2008/09 to R99.1 billion in 2011/12, showing average annual growth of 10.4 per cent. To address health priorities, R5.2 billion, R5.9 billion and R7.9 billion have been added to provincial health budgets in the 2009 Budget, a total addition of R19 billion. For all provinces except Eastern Cape, funding for the occupation specific dispensation for doctors, dentists emergency medical services personnel and other medical professionals is still in provincial treasuries and will be allocated to departments of health once the matter is finalised in the Public Service Coordinating Bargaining Council.

Table 14.18 Consolidated national and provincial departments of health

R thousand	Audited outcome			Adjusted appropriation ¹	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Provincial departments of health	47 015 959	53 647 693	62 582 788	73 581 215	82 359 073	91 998 966	99 139 786
National Department of Health: Core expenditure	1 029 738	1 131 505	1 210 002	1 488 383	1 479 702	1 601 254	1 690 973
Total	48 045 697	54 779 198	63 792 790	75 069 598	83 838 775	93 600 220	100 830 759

1. Based on adjusted budgets

Source: Estimates of Provincial Expenditure 2009 (2009 Provincial Budget Statements)

Table 14.19 National Department of Health core expenditure estimates¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
National Department of Health expenditure estimate	9 937 084	11 338 047	12 762 734	15 851 169	17 058 094	19 614 027	20 862 795
Less: Conditional grants to provinces	8 907 346	10 206 542	11 552 732	14 362 786	15 578 392	18 012 773	19 171 822
Comprehensive HIV and AIDS grant	1 150 108	1 616 214	2 006 223	2 885 423	3 476 186	4 311 757	4 632 962
Forensic pathology services grant	271 903	561 676	551 822	604 681	491 662	556 962	590 380
Disaster management: Cholera	–	–	–	–	50 000	–	–
Health professions training and development grant	1 520 180	1 520 180	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310
Hospital revitalisation grant	1 105 427	1 527 323	2 077 292	3 059 537	3 186 303	3 880 667	4 172 292
National tertiary services grant	4 709 386	4 981 149	5 321 206	6 134 084	6 614 442	7 398 000	7 798 878
Hospital management and quality improvement grant	150 342	–	–	–	–	–	–
National Department of Health: Core expenditure¹	1 029 738	1 131 505	1 210 002	1 488 383	1 479 702	1 601 254	1 690 973

1. Defined as total less conditional grants

Source: Estimates of Provincial Expenditure 2009 (2009 Provincial Budget Statements)

Expenditure by province

Provincial budgets have received additional allocations to address particular national priorities, which are discussed earlier in the chapter. In order to address these and other priorities, amounts of R5.2 billion, R5.9 billion and R7.9 billion have been added to provincial health budgets in the 2009 Budget.

Table 14.20 2009 Budget additions to the baseline per province

Provinces	2009/10	2010/11	2011/12	Total
R thousand	5 195 033	5 895 669	7 870 291	18 960 992
Eastern Cape	1 346 803	1 185 807	1 568 738	4 101 348
Free State	318 662	354 027	436 688	1 109 377
Gauteng	958 945	1 293 162	1 795 937	4 048 044
KwaZulu-Natal	926 186	1 144 493	1 516 444	3 587 123
Limpopo	481 977	482 281	616 638	1 580 896
Mpumalanga	275 432	283 442	389 797	948 672
Northern Cape	141 776	142 218	150 506	434 500
North West	322 878	435 742	602 902	1 361 522
Western Cape	422 374	574 497	792 640	1 789 511
Doctor occupation specific dispensation	500 000	1 000 000	1 500 000	3 000 000
Total	5 695 033	6 895 669	9 370 291	21 960 992

As at January 2009 provinces were anticipating to overspend by R2.9 billion in 2008/09. For all provinces except for Eastern Cape, the allocations for the doctors occupation specific dispensation have not yet been included here (as these amounts are still being held in provincial treasuries). This will add a further R500 million, R1 billion and R1.5 billion to the amounts budgeted over the MTEF.

Table 14.21 Expenditure estimates by province¹

Provinces	Audited outcome			Adjusted appropriation	Revised estimate ²	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
Eastern Cape	6 120 970	7 257 127	8 013 008	10 639 117	10 544 480	11 328 346	12 108 034	13 146 299
Free State	3 121 275	3 461 337	3 833 997	4 469 305	4 462 896	5 197 838	5 883 355	6 297 776
Gauteng	9 974 183	11 114 978	13 085 137	14 908 327	16 442 186	16 589 941	18 351 041	19 877 289
KwaZulu-Natal	10 555 752	11 663 951	14 959 441	15 782 985	17 198 141	17 769 956	20 668 416	22 211 802
Limpopo	4 788 257	5 831 895	6 131 640	7 952 100	8 085 700	9 017 772	10 076 408	10 786 413
Mpumalanga	2 671 975	3 013 110	3 657 799	4 655 979	4 600 240	5 429 452	5 874 337	6 316 146
Northern Cape	1 096 575	1 406 473	1 556 594	1 857 473	1 830 982	2 213 662	2 533 334	2 685 089
North West	2 968 160	3 479 307	3 847 304	4 445 124	4 526 329	4 919 308	5 578 772	6 054 514
Western Cape	5 718 812	6 419 515	7 497 868	8 870 805	8 745 734	9 892 798	10 925 269	11 764 458
Total	47 015 959	53 647 693	62 582 788	73 581 215	76 436 688	82 359 073	91 998 966	99 139 786

1. For all provinces except Eastern Cape, the allocations for the doctors occupation specific dispensation have not yet been included, as these amounts are still being held in provincial treasuries. This will add a further R500 million, R1 billion and R1.5 billion from 2009/10 to 2011/12.

2. Based on the January 2009 in-year monitoring report

Source: Estimates of Provincial Expenditure 2009 (2009 Provincial Budget Statements)

Comparing expenditure projection for 2008/09 to the budget for 2009/10, five provinces receive increases of more than 10 per cent in 2009/10: Free State (16.5 per cent), Limpopo (11.5 per cent), Northern Cape (20.9 per cent), Mpumalanga (18 per cent) and Western Cape (13.1 per cent).

In 2009/10 growth rates are projected to be lowest in Gauteng (0.9 per cent) and Kwazulu-Natal (3.3 per cent). These two provinces are anticipated to over-spend by significant amounts in 2008/09. The budget to budget comparisons for these two provinces are 11.3 per cent and 12.6 per cent respectively. In addition Gauteng has made large once-off expenditures for information technology in 2008/09, which for proper comparison should be excluded from the baseline.

Despite the large additions to baseline, the overall budgetary increase in 2009/10 of 7.7 per cent may appear low for three reasons:

The budgetary increase in 2009/10 of 7.7 per cent may appear low for three reasons:

- The global financial crisis has been associated with reduced estimates of national revenue and has necessitated a budget deficit and increased borrowing. While health services have been relatively protected, the additional funding available is constrained.
- Several provinces had large once-off expenses in 2008/09, including Eastern Cape (R697 million), Limpopo (R397 million) and Gauteng (R600 million). If these are taken into account, the increase in 2009/10 is 10.1 per cent.
- The large adjustment budget in 2008/09 and overspending projections have raised the spending baseline for 2008/09 (by R7 billion compared to the original budget). Thus despite the additional allocation of R5.2 billion in 2009/10 the year on year spending growth appears limited.

Expenditure by provincial programme

Table 14.22 Expenditure estimates by provincial programme

Provincial programme	Audited outcome			Adjusted appropriation	Revised estimate ¹	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	1 628 014	1 922 752	1 987 115	2 550 008	2 922 017	2 825 414	2 856 238	3 057 498
2. District Health Services	18 397 349	21 075 912	26 295 325	30 428 696	31 735 744	33 902 554	38 023 267	41 062 576
3. Emergency Medical Services	1 757 599	2 059 388	2 316 737	2 931 166	2 986 672	3 449 331	3 838 415	4 062 456
4. Provincial Hospital Services	11 695 793	13 055 210	14 966 158	16 800 140	17 784 035	18 587 966	20 440 234	22 028 180
5. Central Hospital Services	8 133 813	8 726 185	9 630 061	10 305 277	11 065 022	11 006 130	12 573 628	13 434 953
6. Health Sciences and Training	1 495 411	1 709 940	1 937 902	2 654 351	2 643 225	2 882 911	3 067 794	3 258 811
7. Health Care Support Services	848 968	895 396	863 238	1 209 495	1 432 490	1 427 593	1 643 987	1 720 629
8. Health Facilities Management	3 103 280	4 251 128	4 628 464	6 754 582	5 919 983	8 333 774	9 615 263	10 578 454
9. Internal Charges	(57 777)	(51 343)	(43 400)	(52 500)	(52 500)	(56 600)	(59 861)	(63 772)
10. Other	13 509	3 125	1 188	-	-	-	-	-
Total	47 015 959	53 647 693	62 582 788	73 581 215	76 436 688	82 359 073	91 998 966	99 139 786

¹ Based on the January 2009 in-year monitoring report

Source: Estimates of Provincial Expenditure 2009 (2009 Provincial Budget Statements)

The *Administration* programme increased at an average annual rate of 21.5 per cent between 2005/06 and 2008/09, and this is expected to slow to an average annual rate of 1.5 per cent over the medium term. The *Administration* programme comprises on average 3.4 per cent of total expenditure, which mainly covers the provincial administrative offices.

The *District Health Services* programme is the largest. Expenditure increases from R18.4 billion in 2005/06 to R31.7 billion in 2008/09, showing average annual growth of 19.9 per cent. Spending is expected to increase at an average annual rate of 9 per cent over the MTEF period to R41.1 billion in 2011/12, driven mainly by the increased spending on policy priorities of primary health care and HIV and AIDS. Increases for new vaccines, TB defaulter tracing programmes and improved mother-to-child prevention programmes reflecting other key priorities of Budget 2009 are mainly reflected in this programme.

Expenditure in the *Emergency Medical Services* programme increases from R1.8 billion in 2005/06 to R2.9 billion in 2008/09 at an average annual rate of 19.3 per cent. The increase in emergency medical service

budgets from 2005/06 to 2010/11 was in part to prepare for the 2010 FIFA World Cup and to the increased provisions for ambulance services, driven by the new ambulance model which includes a shift to two-person crews, provincialisation, and vehicle replacement.

Between 2005/06 and 2008/09, spending in the *Provincial and Central Hospital Services* programme increased at an average annual rate of 15 per cent and 10.8 per cent respectively. Modernisation of tertiary services, remuneration improvements and high medical inflation have contributed to the increases. Spending on these programmes is expected to increase at an average annual rate of 7.4 per cent and 6.7 per cent respectively over the medium term.

The *Health Care Support Services* programme mainly contains small spending areas, such as orthotic and prosthetic services, and laundry services. However, Limpopo shows all its medicine expenditure in its medicines trading account, and growth in this spending area in 2008/09 is the major reason for this programme's growth.

Expenditure in the *Health Facilities Management* programme increased at an average annual rate of 24 per cent between 2005/06 and 2008/09. The increases of 40.8 per cent in 2009/10 and the average annual increase of 21.3 per cent over the medium term are partly because of the hospital revitalisation programme. Provinces need to improve delivery capacity in this area, noting historical under-spending in this programme. Gauteng's information technology expenditure is located within this programme in 2009/10.

Provincial expenditure by economic classification

Table 14.23 Expenditure estimates by economic classification

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate ¹	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
Current payments	40 272 518	46 702 749	55 007 107	63 176 808	66 943 146	71 193 605	79 056 710	85 086 401
Compensation of employees	25 422 061	28 739 450	35 021 705	40 773 449	42 886 160	46 003 829	50 742 402	54 339 225
Goods and services	14 829 551	17 952 323	19 890 203	22 403 359	24 052 156	25 189 777	28 314 307	30 747 176
Financial transactions in assets and liabilities	20 906	10 966	7 917	–	4 826	–	–	–
Unauthorised expenditure	–	10	87 282	–	4	–	–	–
Transfers and subsidies	2 899 426	2 259 528	2 401 555	3 171 507	3 001 736	3 392 256	3 675 880	3 913 339
Provinces and municipalities	1 119 614	921 762	832 424	988 767	844 338	1 094 531	1 115 001	1 182 088
Departmental agencies and accounts	464 327	64 846	256 081	325 540	376 505	403 763	553 488	602 462
Universities and technikons	120 932	2 016	2 076	120 108	93 670	106 964	99 012	103 536
Public corporations and private enterprises	25 168	93 292	48 458	7 331	7 000	4 000	4 000	5 000
Foreign governments and international organisations	10	–	–	–	–	–	–	–
Non-profit institutions	862 445	866 667	980 091	1 253 869	1 255 353	1 367 352	1 504 316	1 595 409
Households	306 930	310 945	282 425	475 892	424 870	415 646	400 063	424 845
Payments for capital assets	3 844 015	4 685 416	5 174 126	7 232 900	6 491 796	7 773 212	9 266 376	10 140 045
Buildings and other fixed structures	1 973 880	2 992 132	3 744 480	4 729 601	4 543 702	5 227 373	6 382 754	7 060 043
Machinery and equipment	1 867 175	1 665 528	1 405 950	2 454 360	1 902 579	2 535 277	2 872 210	3 067 905
Cultivated assets	–	–	–	–	74	–	–	–
Software and other intangible assets	2 040	27 756	23 696	48 939	45 441	10 562	11 412	12 097
Land and subsoil assets	920	–	–	–	–	–	–	–
Total	47 015 959	53 647 693	62 582 788	73 581 215	76 436 678	82 359 073	91 998 966	99 139 786

¹ Based on the January 2009 in-year monitoring report

Source: Estimates of Provincial Expenditure 2009 (2009 Provincial Budget Statements)

The largest share of provincial health expenditure goes to compensation of employees over the entire seven-year period, which comprises 55.4 per cent of the budget in 2008/09. Spending increased from 25.4 billion in 2005/06 to R42.9 billion in 2008/09, at an average annual rate of 19 per cent, partly because of the employment

of 37 059 additional health workers over three years. The largest increases were in KwaZulu-Natal and Gauteng, which employed an additional 14 080 and 7 629 personnel over the three years from September 2005 to September 2008. In September 2008, provincial health departments employed 265 848 people in total. The nursing occupation specific dispensation, improvements in conditions of service, and improved medical aid, housing, overtime and other benefits have also increased personnel costs. The compensation of employees' budget increases at an average annual rate of 8.2 per cent over the medium term.

Goods and services increased at an annual average rate of 17.5 per cent between 2005/06 and 2008/09, mainly due to significant expenditure on medicines, medical and surgical consumables, maintenance, laboratory services and patients' food. The budget for goods and services increases from R24.1 billion in 2008/09 to R30.7 billion in 2011/12 at an average annual rate of 8.5 per cent.

Transfers to municipalities have been declining, as some provinces have provincialised primary care and emergency services.

The payments for capital assets budget increased from R3.8 billion in 2005/06 to R10.1 billion in 2011/12 at an average annual rate of 17.5 per cent. The strong growth is mainly due to capital investments in hospital revitalisation and forensic pathology services and the rollout of the national emergency medical services.

National Department additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2007/08		2007/08	2008/09			2008/09
1. Administration	210 309	210 201	213 628	215 647	31 031	246 678	246 678
2. Strategic Health Programmes	3 125 073	3 413 836	3 096 269	3 713 085	476 856	4 189 941	4 169 941
3. Health Planning and Monitoring	313 705	9 396 249	309 126	326 527	7 601	334 128	321 128
4. Health Human Resources Management and Development	1 617 081	70 850	1 613 578	1 714 204	(1 438)	1 712 766	1 707 766
5. Health Services	7 316 222	–	7 465 843	9 052 457	234 874	9 287 331	9 025 331
6. International Relations, Health Trade and Health Product Regulation	72 742	–	64 290	78 925	1 400	80 325	80 325
Total	12 655 132	13 091 136	12 762 734	15 100 845	750 324	15 851 169	15 551 169

Economic classification

Current payments	860 193	860 267	729 036	919 256	24 465	943 721	915 721
Compensation of employees	251 826	251 826	258 605	278 395	9 279	287 674	287 674
Goods and services	608 367	608 441	470 340	640 861	15 186	656 047	628 047
Financial transactions in assets and liabilities	–	–	91	–	–	–	–
Transfers and subsidies	11 760 745	12 186 334	12 011 728	14 155 522	704 007	14 859 529	14 587 529
Provinces and municipalities	11 320 982	11 736 678	11 552 732	13 686 597	676 189	14 362 786	14 090 786
Departmental agencies and accounts	289 476	299 351	301 884	302 150	10 767	312 917	312 917
Universities and technikons	1 000	1 000	400	1 000	–	1 000	1 000
Non-profit institutions	149 287	149 287	156 033	165 775	16 751	182 526	182 526
Households	–	18	679	–	300	300	300
Payments for capital assets	34 194	44 535	21 970	26 067	21 852	47 919	47 919
Buildings and other fixed structures	–	4 734	–	–	–	–	–
Machinery and equipment	34 194	39 801	21 684	26 067	21 852	47 919	47 919
Software and intangible assets	–	–	286	–	–	–	–
Total	12 655 132	13 091 136	12 762 734	15 100 845	750 324	15 851 169	15 551 169

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R thousand)	208 735	230 087	256 021	284 372	296 255	319 340	338 538
Unit cost (R thousand)	169	187	212	217	226	243	258
Personnel numbers (head count)	1 233	1 233	1 205	1 313	1 313	1 313	1 313
Interns							
Compensation of interns (R thousand)	403	1 642	2 584	3 302	3 646	3 646	3 646
Unit cost (R thousand)	14	22	29	29	29	29	29
Number of interns	28	76	90	115	127	127	127
Total for department							
Compensation (R thousand)	209 138	231 729	258 605	287 674	299 901	322 986	342 184
Unit cost (R thousand)	166	177	200	201	208	224	238
Personnel numbers (head count)	1 261	1 309	1 295	1 428	1 440	1 440	1 440

Table 14.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R thousand)	209 138	231 729	258 605	287 674	299 901	322 986	342 184
Training expenditure (R thousand)	5 550	5 456	9 513	6 264	6 598	7 115	7 734
Training as percentage of compensation	2.7%	2.4%	3.7%	2.2%	2.2%	2.2%	2.3%
Total number trained in department (head count)	1 152	539	625	261			
<i>of which:</i>							
Employees receiving bursaries (head count)	54	101	115	217			
Learnerships trained (head count)	–	2	–	–			
Internships trained (head count)	26	44	28	81			

Table 14.D Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Conditional grants to provinces							
2. Strategic Health Programmes							
Comprehensive HIV and AIDS grant	1 150 108	1 616 214	2 006 223	2 885 423	3 476 186	4 311 757	4 632 962
Forensic pathology services grant	271 903	561 676	551 822	604 681	491 662	556 962	590 380
Disaster management: Cholera	–	–	–	–	50 000	–	–
4. Health Human Resources Management and Development							
Health professions training and development grant	1 520 180	1 520 180	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310
5. Health Services							
Hospital revitalisation grant	1 105 427	1 527 323	2 077 292	3 059 537	3 186 303	3 880 667	4 172 292
National tertiary services grant	4 709 386	4 981 149	5 321 206	6 134 084	6 614 442	7 398 000	7 798 878
Hospital management and quality improvement grant	150 342	–	–	–	–	–	–
Total	8 907 346	10 206 542	11 552 732	14 362 786	15 578 392	18 012 773	19 171 822

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

Table 14.E Summary of departmental public private partnership projects

Project description: National fleet project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate			
			2008/09	2009/10	2010/11	2011/12
R thousand						
Projects signed in terms of Treasury Regulation 16	5 219	13 081	13 866	14 698	9 738	
PPP unitary charge ¹	5 219	13 081	13 866	14 698	9 738	
Total	5 219	13 081	13 866	14 698	9 738	

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 14.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate			
						2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand												
Foreign												
In cash												
France	Human resource management	Health Human Resources Management and Development	-	Universities and technikons	Funding of developmental work to be implemented by the universities of the Witwatersrand and KwaZulu-Natal	760	40	-	900	-	-	-
CDC / PEPFAR	HIV and AIDS	Strategic Health Programmes	-	Goods and services	Achieving primary prevention of HIV and AIDS infections through confidential counselling and testing programmes and building programmes to reduce mother to child transmission	1 023	610	60	106	-	-	-
CDC / PEPFAR	HIV and AIDS	Strategic Health Programmes	-	Non-profit institutions	Increased number of youth serving non-governmental organisations promoting HIV and AIDS prevention	1 423	3 833	-	31	-	-	-
CDC / PEPFAR	HIV and AIDS	Strategic Health Programmes	-	Households	Strengthening the capacity to collect and use surveillance data and manage the national HIV and AIDS programme by expanding surveillance programmes	500	-	-	7	-	-	-
CDC / PEPFAR	Maternal, child and women's health	Strategic Health Programmes	-	Goods and services	Achieving primary prevention of HIV and AIDS infections through expanding confidential counselling and testing programmes, and building programmes to reduce mother to child transmission	55	-	-	1 935	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Households	Strengthening national and provincial capacity for the prevention, treatment and support related to HIV and AIDS, and tuberculosis	37 935	-	-	-	-	-	-
Belgium	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	1 670	1 980	1 728	49	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand Belgium	HIV and AIDS	Strategic Health Programmes	-	Goods and services	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	458	595	901	2 703	-	-	-	
Belgium	HIV and AIDS	Strategic Health Programmes	-	Provinces and municipalities	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	477	2	-	-	-	-	-	
Belgium	HIV and AIDS	Strategic Health Programmes	-	Machinery and equipment	Expansion of tuberculosis, HIV and AIDS and sexually transmitted diseases prevention, care and support by implementing capacity building programmes	11	-	-	-	-	-	-	
European Union	HIV and AIDS	Strategic Health Programmes	-	Goods and services	Funds were channelled to non-governmental organisations to carry out implementation of programmes	2	-	-	-	-	-	-	
European Union	Pharmaceutical and related product management	International Relations, Health Trade and Health Product Regulation	-	Compensation of employees	Improve capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	-	-	-	2 888	-	-	-	
European Union	Pharmaceutical and related product management	International Relations, Health Trade and Health Product Regulation	-	Goods and services	Improve capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	-	-	-	2 976	-	-	-	

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate			
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12	
R thousand														
European Union	Pharmaceutical and related product management	International relations, Health trade and health product regulation	-	Machinery and equipment	Improve capacity and effectiveness of the South African Health Products Regulatory Authority through procuring 40 computers and a printer/copier/scanner to implement the electronic data management system	-	-	-	1 906	-	-	-	-	-
Global Fund round six	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response, also strengthening capacity	-	-	-	896	-	-	-	-	-
European Union	Health economics	Health Planning and Monitoring	-	Goods and services	Built capacity in health economics and provided incidence benefit analysis, an expenditure tracking matrix and a national health reference price list	3	1 272	1 804	-	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	Compensation of employees	Improve the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increase tuberculosis cure rates by reducing tuberculosis defaulter rates	804	1 152	6 065	23 145	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	Goods and services	Provide access to primary health care services through funding non-governmental organisations	5 648	11 086	15 855	15 705	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	Provinces and municipalities	Improved the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increasing tuberculosis cure rates by reducing tuberculosis defaulter rates	2	1	-	-	-	-	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome				Estimate	Medium-term expenditure estimate			
						2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12	
R thousand														
European Union	Primary health care district health and development	Health Services	-	Households	Improved the delivery of primary health care by strengthening research and epidemiology skills and the quality improvement programme, implementing a district hospital referral system and increasing tuberculosis cure rates by reducing tuberculosis defaulter rates	7	90	-	-	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	Machinery and equipment	Implement cost centre management and provide IT capacity in selected hospitals	208	89	107	315	-	-	-	-	-
European Union	Hospital services	Health Services	-	Goods and services	Implement cost centre management and provide IT capacity in selected hospitals	282	791	1 277	6 713	-	-	-	-	-
France	Human resource management	Health Human Resources Management and Strategic Health Programmes	-	Goods and services	Strengthen hospital management training in South Africa	539	-	15	840	-	-	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	142	363	228	-	-	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Goods and services	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	4 103	6 075	15 369	-	-	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Non-profit institutions	Strengthen national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	1 023	2 479	2 421	-	-	-	-	-
Global Fund	HIV and AIDS	Strategic Health Programmes	-	Machinery and equipment	Strengthened national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	7	-	-	-	-	-	-	-

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate				
						2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	
R thousand													
Global Fund round six	HIV and AIDS	Strategic Health Programmes	-	- Goods and services	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response and strengthen capacity	-	-	-	98	-	-	-	-
Global Fund round six	HIV and AIDS	Strategic Health Programmes	-	- Machinery and equipment	Address major gaps in the national response to HIV and AIDS by expanding and strengthening the role of non-governmental organisations and faith based organisations to support national response and strengthen capacity	-	-	-	465	-	-	-	-
European Union	Medicines regulatory affairs	International Relations, Health Trade and Health Product Regulation	-	- Machinery and equipment	Improved capacity and effectiveness of the South African Health Products Regulatory Authority by supporting the implementation of an electronic documents and workflow management system according to policies	-	131	256	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	- Non-profit institutions	Provided access to primary health care services through funding of non-governmental organisations	-	17	-	-	-	-	-	-
European Union	Primary health care district health and development	Health Services	-	- Software and other intangible assets	Implemented cost centre management and provided IT capacity in selected hospitals.	-	15	-	-	-	-	-	-
European Union	Health economics	Health Planning and Monitoring	-	- Goods and services	Build capacity in health economics and provide incidence benefit analysis, an expenditure tracking matrix and a national health reference price list	-	-	-	4 082	-	-	-	-
European Union	Human resource management	Health Human Resources Management and Development	-	- Compensation of employees	Improve capacity in health care management by training of hospital managers, awards for service excellence, establishing a service placement call centre	-	266	481	1 178	-	-	-	-

Table 14.F Summary of donor funding (continued)

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

Table 14.F Summary of donor funding (continued)

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

Table 14.F Summary of donor funding (continued)

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

Table 14.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
						2005/06	2006/07		2007/08	2008/09	2009/10
R thousand Canada	HIV and AIDS	Strategic Health Programmes	-	Compensation of employees	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	1 508	-	-	-
CDC / PEPFAR	Maternal, child and women's health	Strategic Health Programmes	-	Machinery and equipment	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organizations and community based organisations with quality gender sensitivity	-	-	120	-	-	-
CDC / PEPFAR	Health information evaluation and research	Health Planning and Monitoring	-	Compensation of employees	Improved capacity of national and provincial non-governmental organisation coordination units to increase access to government funding by non-governmental organisations. Increased access to HIV and AIDS services by communities with nodal points. Increased number of non-governmental organisations and community based organisations with quality gender sensitivity	-	-	261	-	-	-

Table 14.F Summary of donor funding (continued)

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

Table 14.G Summary of expenditure on infrastructure

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)										
	Hospitals	downscale to 859 beds	Various stages	1 114 838	45 934	44 680	50 000	62 848	109 160	116 000	148 209
	Hospitals	620 bed revitalisation	Various stages	1 096 425	-	-	-	5 000	6 500	30 000	65 000
	-	-	-	10 577 869	-	-	-	2 000	55 578	362 266	531 886
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)										
	Hospitals	downscale to 960 beds	Various stages	874 581	132 662	129 045	260 000	133 289	151 025	77 108	10 000
	Hospitals	upgrade to 310 beds	Various stages	843 113	30 000	98 788	150 000	167 364	37 000	-	-
	Hospitals	422 beds	Various stages	817 950	-	-	-	-	1 000	34 743	98 000
	Hospitals	revitalise and downscale to 1500 beds	Various stages	812 579	-	118 376	195 000	171 723	51 000	-	-
	Hospitals	downscale to 250 beds	Various stages	773 267	28 000	38 545	110 000	70 038	150 000	150 729	-
	Hospitals	downscale to 246 beds	Various stages	762 140	25 681	39 867	50 000	96 255	101 270	80 000	60 725
	Hospitals	downscale to 346 beds	Various stages	745 496	30 500	7 859	18 147	58 462	65 757	90 000	111 603
	Hospitals	upgrade to 231 beds	Various stages	678 756	20 000	-	15 000	6 000	140 000	145 000	100 000
	Hospitals	upgrade to 149 beds	Various stages	484 686	-	21 165	42 000	60 000	160 000	201 521	-
	Hospitals	365 beds	Various stages	627 306	-	-	-	-	3 000	55 000	88 000
	Hospitals	420 beds	Various stages	618 920	11 000	5 159	5 000	11 300	-	-	-
	New hospitals	355 beds	Various stages	613 825	-	-	-	-	1 500	-	-
	Hospitals	250 beds	Various stages	606 638	-	-	-	-	4 000	50 000	60 000
	Hospitals	new 308 bed	Various stages	597 894	-	51 952	12 466	30 783	110 000	117 000	121 000
	Hospitals	upgrade to 175 beds	Various stages	585 465	15 000	6 167	17 015	55 030	100 000	130 000	123 060
	Hospitals	new 230 beds	Various stages	546 052	-	-	-	59 000	98 000	110 000	100 000
	Hospitals	230 beds	Various stages	509 342	-	-	-	33 265	90 000	105 000	100 000
	New hospitals	155 beds	Various stages	495 220	-	-	-	-	2 000	4 000	40 000
	Hospitals	new 250 beds	Various stages	10 011	-	161	9 850	-	-	-	-
	Hospitals	444 beds	Various stages	8 393	-	-	-	8 393	-	-	-
	Hospitals	upgrade to 120 beds	Various stages	460 945	30 000	81 521	75 685	129 540	78 000	-	-
	Hospitals	downscale 212 beds	Various stages	456 299	21 932	20 841	32 140	104 386	115 000	75 300	-
	Hospitals	downscale	Various stages	455 359	50 000	92 956	89 266	62 053	75 000	-	-
	New hospitals	420 beds	Various stages	452 000	-	-	-	-	5 000	50 000	120 000
	New hospitals	-	Various stages	450 000	-	-	-	-	9 000	95 380	140 000
	Hospitals	upgrade to 326 beds	Various stages	427 929	49 010	45 610	81 640	118 378	100 987	17 000	-
	Hospitals	upgrade to 250 beds	Various stages	335 904	51 929	89 665	100 000	36 000	11 000	-	-

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

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)										
	Hospitals	upgrade to 190 beds	Various stages	331 626	17 000	37 941	8 000	6 000	100 000	85 348	80 000
	Hospitals	upgrade to 735 beds	Various stages	306 830	28 000	13 894	34 824	–	79 000	67 233	85 000
	St Elizabeth's	upgrade to 410 beds	Various stages	301 039	19 000	13 902	85 000	107 612	55 300	48 000	10 000
	Worcester	upgrade to 315 beds	Various stages	294 479	37 245	31 836	73 944	51 000	20 420	–	–
	St Lucy's	downscale to 154 beds	Various stages	278 554	26 000	67 468	94 125	68 600	27 000	10 000	–
	Hospitals	downscale to 212 beds	Various stages	272 461	12 835	9 777	23 900	59 652	105 000	33 000	–
	Hospitals	upgrade to 400 beds	Various stages	229 292	35 500	29 185	61 000	62 860	45 319	63 000	5 237
	Lady Brand	60 beds	Various stages	223 170	–	–	–	–	26 000	32 723	56 000
	New hospitals	new 220 beds	Various stages	222 403	–	–	–	23 574	50 000	47 164	62 020
	George	upgrade to 265 beds	Various stages	218 844	14 712	1 737	15 639	13 300	42 000	–	–
	Trompsburg	new 45 beds	Various stages	209 060	–	–	–	25 000	45 834	55 000	18 000
	Rietvllei	downscale to 205 beds	Various stages	200 127	20 050	12 498	–	26 396	15 600	–	–
	Postmasburg	upgrade to 55 beds	Planning	173 736	–	5 196	–	–	–	–	–
	Dllokong	downscale to 252 beds	Various stages	166 547	56 800	28 171	5 750	11 419	–	–	–
	St Patrick's	downscale to 245 beds	Various stages	162 096	–	24 696	29 000	45 366	57 026	45 500	13 767
	Thabazimbi	112 beds	Various stages	162 094	–	–	–	2 000	60 620	41 657	38 296
	Letaba	upgrade to 400 beds	Various stages	161 188	–	16 487	52 150	81 362	12 715	–	–
	Ditsobotla	108 beds	Various stages	156 116	–	–	–	–	5 000	45 000	63 000
	Nkhensani	upgrade to 363 beds	Various stages	154 352	36 300	36 568	16 628	14 900	–	–	–
	Natalspruit	downscale to 500 beds	Various stages	–	1 345	162 305	198 000	172 576	–	–	–
	Other	–	–	772 654	20 000	146	–	14 900	83 148	99 839	114 000

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

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
	Small projects or programmes (costing less than R50 million per annum)										
	Hospitals	1152 beds	Various stages	144 305	–	9 119	47 579	–	–	–	–
	Hospitals	upgrade to 80 beds	Various stages	144 165	13 574	5 484	15 992	20 384	25 335	69 965	–
	Hospitals	downscale to 93 beds	Various stages	124 744	55 000	6 178	12 750	57 867	39 512	5 914	–
	New hospitals	–	Various stages	103 432	–	–	–	3 000	60 306	27 100	11 758
	New hospitals	–	Various stages	69 540	–	–	–	–	1 000	2 000	42 022
	Hospitals	upgrade to 55 beds	Various stages	50 052	12 000	25 181	14 000	4 000	–	–	–
	Hospitals	upgrade to 267 beds	Various stages	–	41 750	16 949	7 000	12 830	–	–	–
	New hospitals	–	Various stages	–	–	–	–	–	1 500	44 000	72 000
	New hospitals	–	Various stages	–	–	–	–	–	1 000	5 800	47 000
	New hospitals	–	Various stages	–	–	–	–	–	1 000	5 500	58 304
	New hospitals	–	Various stages	–	–	–	–	–	1 000	43 000	58 000
	New hospitals	–	Various stages	–	–	–	–	–	1 000	43 000	48 000
	New hospitals	–	Various stages	–	–	–	–	–	1 000	2 000	70 000
	–	upgrade to 241 beds	Various stages	–	3 500	6 363	–	–	–	–	–
	–	downscale to 252 beds	Various stages	–	20 800	13 416	–	–	–	–	–
	–	downscale 140 beds	Various stages	–	–	10 803	10 000	–	–	–	–
	–	upgrade to 35 beds	Completed	–	–	1 930	–	–	–	–	–
	–	downscale to 35 beds	Various stages	–	–	704	–	–	–	–	–
	New hospitals	–	Various stages	–	–	–	–	–	1 000	4 000	46 000
	New hospitals	–	Various stages	–	–	–	–	–	–	–	6 000
	New hospitals	–	Various stages	–	–	–	–	–	–	–	5 000
	Hospitals	new 210 beds	Various stages	–	7 000	18 585	–	–	–	–	–
	Total			33 472 168	1 020 059	1 498 876	2 118 490	2 438 697	2 813 962	3 021 790	3 026 887

Provincial additional tables

Table 14.H Expenditure estimates: Eastern Cape

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Health Administration	249 184	332 494	375 558	531 219	524 844	710 789	494 154	527 923
2. District Health Services	2 812 011	3 237 762	3 712 566	4 776 681	5 103 104	4 935 518	5 397 295	5 878 736
3. Emergency Medical Services	219 052	321 586	318 793	434 008	514 189	484 641	533 370	565 900
4. Provincial Hospital Services	2 043 109	2 287 346	2 637 418	2 593 388	2 789 639	2 831 727	3 087 589	3 315 421
5. Central Hospital Services	–	–	–	508 674	473 378	509 429	557 137	588 135
6. Health Science and Training	327 406	364 582	375 126	633 473	582 532	526 067	548 227	593 552
7. Health Care and Support Services	36 049	20 930	24 126	67 602	45 979	89 159	118 841	131 350
8. Health Facilities Development and Maintenance	434 159	692 427	569 421	1 094 072	1 107 252	1 241 016	1 371 421	1 545 282
Total	6 120 970	7 257 127	8 013 008	10 639 117	11 140 917	11 328 346	12 108 034	13 146 299
Economic classification								
Current payments	5 029 438	6 406 152	6 788 192	8 908 325	9 476 194	9 307 184	10 003 409	10 805 468
Compensation of employees	3 445 574	3 860 061	4 562 518	5 872 082	6 044 864	6 066 040	7 024 581	7 509 902
Goods and services	1 583 864	2 546 091	2 225 674	3 036 243	3 431 330	3 241 144	2 978 828	3 295 566
Transfers and subsidies	733 308	288 743	422 420	629 260	634 169	755 682	913 024	976 591
Payments for capital assets	358 224	562 232	802 396	1 101 532	1 030 554	1 265 480	1 191 601	1 364 240
Total	6 120 970	7 257 127	8 013 008	10 639 117	11 140 917	11 328 346	12 108 034	13 146 299

Table 14.I Expenditure estimates: Free State

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	146 548	160 757	189 997	201 648	183 860	222 787	231 916	245 805
2. District Health Services	1 137 573	1 290 966	1 408 370	1 585 676	1 739 708	1 852 863	2 085 485	2 229 904
3. Emergency Medical Services	146 339	164 704	191 585	220 631	225 247	257 313	286 386	297 185
4. Provincial Hospital Management	856 209	951 962	997 366	1 170 717	1 246 092	1 296 510	1 453 279	1 553 594
5. Central Hospital Services	543 235	599 443	693 694	781 154	816 863	976 082	1 057 681	1 130 431
6. Health Science and Training	95 873	98 150	98 727	131 238	101 448	129 199	150 855	155 776
7. Health Care Support Services	55 050	62 547	64 001	66 673	66 361	81 694	90 777	95 831
8. Health Facilities Management	170 953	157 387	210 947	336 568	336 568	409 990	558 837	623 022
Internal Charges	(30 505)	(24 579)	(20 690)	(25 000)	(25 000)	(28 600)	(31 861)	(33 772)
Total	3 121 275	3 461 337	3 833 997	4 469 305	4 691 147	5 197 838	5 883 355	6 297 776
Economic classification								
Current payments	2 799 903	3 141 519	3 458 875	3 959 988	4 211 718	4 667 399	5 165 333	5 523 777
Compensation of employees	1 849 533	2 012 009	2 351 744	2 706 811	2 900 615	3 048 360	3 234 718	3 419 097
Goods and services	946 677	1 123 423	1 103 584	1 253 177	1 310 389	1 619 039	1 930 615	2 104 680
Transfers and subsidies	92 533	73 837	72 422	87 897	73 282	90 457	105 248	107 134
Payments for capital assets	228 839	245 981	302 700	421 420	406 147	439 982	612 774	666 865
Total	3 121 275	3 461 337	3 833 997	4 469 305	4 691 147	5 197 838	5 883 355	6 297 776

Table 14.J Expenditure estimates: Gauteng

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
1. Administration	239 996	310 861	346 765	568 944	996 967	432 168	473 005	513 547
2. District Health Services	2 152 883	2 479 485	3 293 189	3 899 424	4 097 933	4 209 772	4 975 895	5 467 843
3. Emergency Medical Services	329 451	295 818	363 053	530 990	480 980	597 950	642 498	675 010
4. Provincial Hospitals Services	2 645 825	2 940 538	3 343 530	3 434 086	3 900 913	3 851 667	4 110 901	4 397 276
5. Central Hospital Services	3 656 071	3 802 607	4 094 738	4 210 625	4 732 109	4 414 571	5 074 529	5 435 931
6. Health Sciences and Training	220 818	272 149	348 280	488 604	504 870	586 841	640 317	676 346
7. Health Care Support Services	100 818	105 803	114 237	123 901	123 901	138 080	146 195	154 135
8. Health Facilities Management	642 084	931 356	1 202 867	1 679 253	1 907 984	2 386 892	2 315 701	2 587 201
Special functions	13 509	3 125	1 188	-	-	-	-	-
Internal charges	(27 272)	(26 764)	(22 710)	(27 500)	(27 500)	(28 000)	(28 000)	(30 000)
Total	9 974 183	11 114 978	13 085 137	14 908 327	16 718 157	16 589 941	18 351 041	19 877 289

Economic classification

Current payments	8 132 461	9 451 383	11 220 225	12 450 071	14 122 849	14 141 147	15 463 482	16 730 765
Compensation of employees	4 688 666	5 347 243	6 519 005	7 533 405	8 170 038	9 037 304	9 702 080	10 366 354
Goods and services	3 429 466	4 101 011	4 700 002	4 916 666	5 952 811	5 103 843	5 761 402	6 364 411
Transfers and subsidies	872 481	742 689	780 069	925 082	925 905	988 773	1 088 723	1 157 557
Payments for capital assets	969 241	920 906	1 084 843	1 533 174	1 669 403	1 460 021	1 798 836	1 988 967
Total	9 974 183	11 114 978	13 085 137	14 908 327	16 718 157	16 589 941	18 351 041	19 877 289

Table 14.K Expenditure estimates: KwaZulu-Natal

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
1. Administration	192 917	225 035	279 730	289 484	277 948	310 415	345 490	367 401
2. District Health Services	4 924 947	5 370 301	7 209 609	7 362 903	8 311 453	8 394 655	9 705 201	10 477 374
3. Emergency Medical Services	420 604	474 023	548 796	641 235	651 235	760 404	862 974	915 458
4. Provincial Hospital Services	2 796 081	3 138 945	3 883 814	4 085 278	4 436 186	4 523 489	5 079 442	5 449 703
5. Central Hospital Services	1 068 606	1 191 810	1 407 703	1 494 624	1 787 230	1 673 626	2 036 748	2 167 255
6. Health Sciences and Training	408 227	421 069	524 333	592 875	679 102	663 594	716 117	758 855
7. Health Care Support Services	7 600	29 560	12 649	34 130	34 130	27 528	20 764	23 971
8. Health Facilities Management	736 770	813 208	1 092 807	1 282 456	1 015 687	1 416 245	1 901 680	2 051 785
Total	10 555 752	11 663 951	14 959 441	15 782 985	17 192 971	17 769 956	20 668 416	22 211 802

Economic classification

Current payments	9 228 051	10 359 501	13 542 527	14 003 334	15 652 531	15 899 764	18 484 450	19 845 741
Compensation of employees	5 866 764	6 628 829	8 643 767	9 118 823	10 132 215	10 362 138	11 875 430	12 751 563
Goods and services	3 361 287	3 730 540	4 898 719	4 884 511	5 520 316	5 537 626	6 609 020	7 094 178
Transfers and subsidies	384 568	366 242	345 978	481 420	421 519	504 014	481 204	512 451
Payments for capital assets	943 133	938 208	1 070 936	1 298 231	1 118 921	1 366 178	1 702 762	1 853 610
Total	10 555 752	11 663 951	14 959 441	15 782 985	17 192 971	17 769 956	20 668 416	22 211 802

Table 14.L Expenditure estimates: Limpopo

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
1. Administration	305 922	346 522	161 337	202 915	202 915	243 641	336 757	356 964
2. District Health Services	2 366 331	2 900 127	3 303 974	4 166 770	4 228 584	4 760 089	5 103 122	5 492 508
3. Emergency Medical Services	115 586	204 106	196 746	272 749	272 749	343 556	399 705	423 687
4. Provincial Hospital Services	620 139	722 432	884 923	984 388	984 388	1 065 547	1 034 098	1 094 730
5. Central Hospital Services	431 189	496 655	559 264	720 173	720 173	800 210	918 082	971 314
6. Health Sciences and Training	182 571	242 695	210 397	330 219	330 219	374 478	368 085	390 169
7. Health Care Support Services	365 630	365 332	391 677	578 893	604 544	666 908	799 897	819 938
8. Health Facilities Management	400 889	554 026	423 322	695 993	695 993	763 343	1 116 661	1 237 102
Total	4 788 257	5 831 895	6 131 640	7 952 100	8 039 564	9 017 772	10 076 408	10 786 413

Table 14.L Expenditure estimates: Limpopo (continued)

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
Economic classification								
Current payments	4 299 819	4 958 107	5 497 245	6 842 731	6 930 196	7 832 385	8 471 991	9 061 086
Compensation of employees	2 854 781	3 310 633	4 044 354	4 782 971	4 779 482	5 380 928	5 761 472	6 268 553
Goods and services	1 445 038	1 647 474	1 452 891	2 059 760	2 150 714	2 451 457	2 710 518	2 792 533
Transfers and subsidies	97 097	132 137	118 404	306 975	306 975	279 508	264 616	280 494
Payments for capital assets	391 341	741 651	515 991	802 394	802 394	905 879	1 339 801	1 444 833
Total	4 788 257	5 831 895	6 131 640	7 952 100	8 039 565	9 017 772	10 076 408	10 786 413

Table 14.M Expenditure estimates: Mpumalanga

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
Economic classification								
Current payments	2 336 886	2 690 260	3 328 834	4 026 691	4 074 080	4 668 962	5 095 235	5 464 327
Compensation of employees	1 452 548	1 627 812	1 991 724	2 601 230	2 653 033	2 926 128	3 197 733	3 418 762
Goods and services	884 338	1 062 435	1 249 810	1 425 461	1 420 909	1 742 835	1 897 502	2 045 565
Transfers and subsidies	88 954	77 973	105 293	93 311	78 957	116 960	100 486	103 298
Payments for capital assets	246 135	244 877	223 672	535 977	505 660	643 530	678 616	748 521
Total	2 671 975	3 013 110	3 657 799	4 655 979	4 658 697	5 429 452	5 874 337	6 316 146

Table 14.N Expenditure estimates: Northern Cape

Programme	Audited outcome			Adjusted appropriation 2008/09	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08			2009/10	2010/11	2011/12
R thousand								
Economic classification								
Current payments	906 661	1 079 267	1 304 555	1 520 274	1 637 869	1 750 892	1 991 070	2 158 900
Compensation of employees	522 587	620 209	786 438	949 898	918 286	1 050 683	1 108 100	1 163 489
Goods and services	383 090	458 858	518 117	570 376	717 237	700 209	882 970	995 411
Transfers and subsidies	20 071	28 891	24 592	32 478	32 487	38 901	48 845	51 335
Payments for capital assets	169 843	298 315	227 447	304 721	234 392	423 869	493 419	474 854
Total	1 096 575	1 406 473	1 556 594	1 857 473	1 904 748	2 213 662	2 533 334	2 685 089

Table 14.O Expenditure estimates: North West

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	135 173	138 038	174 375	184 216	197 585	225 104	235 490	249 559
2. District Health Services	1 585 270	1 793 451	1 880 116	2 226 186	2 349 637	2 494 797	2 700 016	2 839 099
3. Emergency Medical Services	92 245	106 084	131 805	155 320	179 460	184 115	209 373	215 583
4. Provincial Hospital Services	743 845	839 267	978 457	1 095 309	1 095 306	1 175 428	1 451 096	1 664 994
5. Central Hospital Services	71 283	69 602	80 119	118 433	118 433	134 416	179 280	189 648
6. Health Sciences and Training	83 651	99 628	124 818	145 577	145 577	164 719	171 432	176 091
7. Health Care Support Services	77 304	93 809	93 915	129 023	129 023	136 038	143 273	158 973
8. Health Facilities Management	179 389	339 428	383 699	391 060	391 060	404 691	488 812	560 567
Total	2 968 160	3 479 307	3 847 304	4 445 124	4 606 081	4 919 308	5 578 772	6 054 514

Economic classification

Current payments	2 668 286	2 989 339	3 253 999	3 793 943	3 954 917	4 287 565	4 772 548	5 185 776
Compensation of employees	1 764 998	1 913 612	1 983 390	2 374 603	2 516 113	2 767 277	2 933 313	3 097 579
Goods and services	903 288	1 075 727	1 270 609	1 419 340	1 438 804	1 520 288	1 839 235	2 088 197
Transfers and subsidies	107 816	170 660	121 388	140 159	140 159	112 676	118 257	125 351
Payments for capital assets	192 058	319 308	471 917	511 022	511 005	519 067	687 967	743 387
Total	2 968 160	3 479 307	3 847 304	4 445 124	4 606 081	4 919 308	5 578 772	6 054 514

Table 14.P Expenditure estimates: Western Cape

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	167 291	162 125	205 333	275 250	275 250	313 813	345 909	372 615
2. District Health Services	1 629 951	1 922 792	2 707 578	3 102 808	3 128 808	3 503 630	3 898 758	4 185 738
3. Emergency Medical Services	255 851	277 844	341 877	392 735	407 318	488 136	538 061	579 603
4. Provincial Hospital Services	1 295 905	1 397 635	1 306 027	2 358 641	2 358 641	2 621 311	2 889 410	3 112 495
5. Central Hospital Services	1 980 705	2 123 000	2 349 884	1 859 539	1 859 539	1 911 422	2 106 917	2 269 586
6. Health Sciences and Training	79 009	98 858	133 706	179 110	179 110	191 334	210 904	227 187
7. Health Care Support Services	93 075	92 906	81 785	97 938	97 938	177 978	198 100	199 605
8. Health Facilities Management	217 025	344 355	371 678	604 784	439 130	685 174	737 210	817 629
Total	5 718 812	6 419 515	7 497 868	8 870 805	8 745 734	9 892 798	10 925 269	11 764 458

Economic classification

Current payments	4 871 013	5 627 221	6 612 655	7 671 451	7 720 927	8 638 307	9 609 192	10 310 561
Compensation of employees	2 976 610	3 419 042	4 138 765	4 833 626	4 852 708	5 364 971	5 904 975	6 343 926
Goods and services	1 892 503	2 206 764	2 470 797	2 837 825	2 866 587	3 273 336	3 704 217	3 966 635
Transfers and subsidies	502 598	378 356	410 989	474 925	475 032	505 285	555 477	599 129
Payments for capital assets	345 201	413 938	474 224	724 429	549 775	749 206	760 600	854 768
Total	5 718 812	6 419 515	7 497 868	8 870 805	8 745 734	9 892 798	10 925 269	11 764 458