

Vote 16

Health

Amount to be appropriated	R7 185 130 000
Statutory appropriations	-
Responsible Minister	Minister for Health
Administering Department	Department of Health
Accounting Officer	Director-General of Health

Aim

The aim of the Department of Health is to promote the health of all people in South Africa through a caring and effective national health system based on the primary health care approach.

Key objectives and programmes

Health policy and services have a key role to play in social and economic development, particularly in the context of HIV/Aids and against the backdrop of the 2002 Budget's theme of reducing poverty and vulnerability. While public sector expenditure on health services will exceed R30 billion in 2002/03, the core budget of the national Department of Health, excluding transfers to other institutions and to provinces, is R483 million, because the majority of health services are delivered by provinces and funded from the provincial budgets. Key functions of the national Department are to lead and coordinate the national health system, develop policy and legislation, and support and monitor implementation.

Key objectives include: reducing morbidity and mortality; improving the quality of care; ensuring equity and access; revitalising public hospitals; improving primary health care and the district health system; reorganising support services; improving the mobilisation, allocation and management of resources; strengthening human resource development; and reforming legislation. Departmental activities are guided by the White Paper on the Transformation of the Health System and the 'Health Sector Strategic Framework 1999–2004'. There are three programmes:

- *Administration* provides for the overall management of the Department and includes the offices of the Minister and Director-General. The Corporate Services subprogramme provides centralised administrative support.
- *Strategic Health Programmes* coordinates strategic health programmes, including developing policy on critical areas such as HIV/Aids and nutrition, and manages programmes such as the national HIV/Aids programme and the Integrated Nutrition Programme, which includes school feeding.
- *Health Service Delivery* supports the delivery of services, primarily in the provincial and local spheres of government. Subprogrammes deal with: disease prevention and the coordination of hospital services (including the large hospital and training conditional grants); human resources; support services such as laboratories and blood transfusion services; bargaining negotiations; and environmental health.

Strategic overview and key policy developments: 1998/99 – 2004/05

Assessment of recent policy developments and progress on service delivery suggest that substantial progress continues to be made in providing primary health care. Primary health care services are

now far more accessible: they have been made free at the point of use, and 495 new clinics have been constructed and 2 298 upgraded. A comprehensive package of primary health care services has been developed and costed, and is being progressively implemented. Audits of existing services will be undertaken and plans made to address service gaps. Health districts have been aligned with municipal boundaries. The role and functions of local government in primary health care are being finalised. Annual surveys of clinics have revealed which areas require improvements. A review of the Primary Schools Nutrition Programme was submitted to Cabinet and a range of steps is being taken to increase its effectiveness.

Ongoing programmes are in place to improve the quality of hospital services. A charter of patients' rights has been developed, as well as complaints and suggestions procedures. A service package with norms and standards has been developed for district hospitals and is being extended to regional hospitals. Funding for tertiary health services has been reformed with the introduction of the new National Tertiary Services Grant, which will fund 27 hospitals in all the provinces in 2002/03. The National Planning Framework and provincial strategic position statements have progressed substantially, providing a sound basis for health service planning and a firmer base for the Health Facilities Revitalisation Grant.

After substantial policy work, significant measures to strengthen the national HIV/Aids programme are contained within this budget. A budgeting strategy – the Enhanced Response to HIV/Aids and Sexually Transmitted Infections – has been developed to accompany the HIV/Aids and Sexually Transmitted Diseases Strategic Plan for South Africa 2000 to 2005, and significantly informs the current budget. Considerably increased allocations have been made to: life-skills education in schools; condom distribution; prevention programmes such as Lovelife; voluntary counselling and testing programmes; mother-to-child prevention programmes; funding for non-governmental organisations (NGO), the syndromic management of sexually transmitted infections; home based and community based care; and step-down care. Inter-departmental coordination and inter-sectoral collaboration on HIV/Aids policies and interventions continue to increase.

Progress in a number of the support services for core hospital and clinic services includes:

- The provincialisation of ambulance services is in process in eight provinces. Regulations for pre-hospital emergency care have been passed. A national review of emergency services are being undertaken.
- The National Health Laboratory Service was established in 2001, unifying 234 laboratories previously managed by a range of entities.
- A human resource plan for the sector has been developed. Revisions to the Health Professions Training and Development Grant will provide R227 million for additional specialists and registrars (trainee specialists) in under-served provinces over three years. Professional bodies for the health sector have been transformed.
- The transfer of medico-legal services (mortuaries) from the South African Police Service (SAPS) to health departments will gather momentum this year. Funding is contained in this budget to improve conditions in mortuaries.

In 2000, the National Health Bill was gazetted for comment. It will replace the Health Act (9 of 1977) as the linchpin of health legislation, providing the framework for governance of the health sector, including the relationship between national, provincial and local governments. Regulation of the private sector also receives attention in the National Health Bill. The Medical Schemes Amendment Act (55 of 2001) clarified issues around reinsurance and waiting periods. New regulations will deal with prescribed minimum benefits, such as for chronic care, among others.

The Public Sector Coordinating Bargaining Council is investigating alternative mechanisms for medical cover for civil servants. The objectives are to widen coverage and to support cost containment in the sector. Broader financing issues, including the viability of social health

insurance and the tax status of medical aid contributions, have been reviewed as part of the work of the Committee of Inquiry into a Comprehensive Social Security System. Sustained inflationary pressures continue in the private financing arena, and will remain a key focus area for policy development and regulation.

Expenditure estimates

Table 16.1: Health

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	67 351	70 688	70 443	114 619	110 884	87 200	86 151	91 809
2 Strategic Health Programmes	553 294	962 596	1 022 790	1 148 094	1 110 297	1 266 723	1 419 198	1 597 560
3 Health Service Delivery	4 498 581	4 825 537	5 574 193	5 497 568	5 485 187	5 831 207	6 151 159	6 496 653
Total	5 119 226	5 858 821	6 667 426	6 760 281	6 706 368	7 185 130	7 656 508	8 186 022
Change to 2001 Budget Estimate				148 912	94 999	417 194	568 674	

Economic classification

Current	4 897 320	5 452 554	5 788 832	6 055 165	6 002 581	6 575 711	7 009 773	7 595 474
Personnel	124 465	131 920	141 117	156 627	155 629	169 245	179 520	186 599
Transfer payments	4 474 791	5 064 794	5 324 917	5 570 154	5 545 350	6 115 083	6 499 582	7 037 612
Other current	298 064	255 840	322 798	328 384	301 602	291 383	330 671	371 263
Capital	221 906	406 267	878 594	705 116	703 787	609 419	646 735	590 548
Transfer payments	212 831	383 556	866 191	653 800	653 800	590 000	633 400	576 004
Acquisition of capital assets	9 075	22 711	12 403	51 316	49 987	19 419	13 335	14 544
Total	5 119 226	5 858 821	6 667 426	6 760 281	6 706 368	7 185 130	7 656 508	8 186 022

Standard items of expenditure

Personnel	124 465	131 920	141 117	156 627	155 629	169 245	179 520	186 599
Administrative	43 885	45 394	57 590	82 314	88 858	93 300	93 287	99 744
Inventories	34 446	93 461	127 632	81 903	73 673	87 912	114 675	109 284
Equipment	12 390	29 094	17 805	18 836	22 759	21 846	22 331	23 058
Land and buildings	2 581	177	616	38 201	34 345	5 279	-	-
Professional and special services	211 982	108 399	130 227	158 446	131 954	102 465	113 713	153 721
Transfer payments	4 687 622	5 448 350	6 191 108	6 223 954	6 199 150	6 705 083	7 132 982	7 613 616
Miscellaneous	1 855	2 026	1 331	-	-	-	-	-
Total	5 119 226	5 858 821	6 667 426	6 760 281	6 706 368	7 185 130	7 656 508	8 186 022

Expenditure trends

Transfers dominate the budget of the Department of Health, totalling 93,3 per cent of expenditure in 2002/03. This reflects the large number of conditional grants to provinces, and transfer payments. Core expenditure (excluding transfers) is R480 million in 2002/03.

In the two years prior to 2001/02, expenditure grew at an average rate of 14,1 per cent a year, largely as a result of the introduction of new activities such as the national HIV/Aids programme and the steady expansion of the conditional grants. Over the medium term, funding grows at an average of 6,6 per cent, and by a larger amount if large construction projects completed in the base year are excluded from the analysis (Inkosi Albert Luthuli Central Hospital in Durban and the Nelson Mandela Hospital in Umtata).

In 2002/03, two important funding initiatives dominate the budget. The first is significantly enhanced funding for HIV/Aids programmes, both through conditional grants and in the provincial budgets. The second is the reconfiguration of the large hospital conditional grants in the Hospital Services subprogramme of *Health Service Delivery*, with the initiation of the National Tertiary Services Grant. Additional funds are made available for medical specialists and registrars in previously under-serviced provinces under the restructured Health Professions Training and Development Grant. The following increases to the baseline announced in the 2001 Budget allocations have been made for 2002/03 and 2003/04. The first amount refers to 2002/03 and the second amount to 2003/04.

- There has been a global adjustment to implement mental health legislation and address personnel and capacity requirements (R5 million and R7 million).
- An additional amount has been earmarked for strengthening mortuary services (R10 million and R12 million) to finalise of the shift of mortuaries from the Safety and Security Vote.
- An increased allocation to the national Department of Health for HIV/Aids programmes (R87,5 million and R106,4 million) has been made. Included in this amount is R25,0 million in each of the MTEF years to fund the partnership with the Kaiser Foundation for the Lovelife programme and increased male and female condom distribution.
- The allocation for the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids Conditional Grant, which was previously announced but not included in estimates, has been included. In addition to the amounts already announced (R104,0 million and R124,3 million), the component of the grant flowing via the Department is further increased by R36,7 million and R121,3 million. Initial amounts provided for the expansion of voluntary counselling and testing, and home based care programmes. The additional amounts are to enable roll-out, in the outer years, of the programmes for the prevention of mother-to-child transmission on the basis of lessons learnt from the research and training sites; to strengthen provincial HIV/Aids management teams; and to facilitate the provision of step-down care in provinces. Amounts of R25,0 million and R26,1 million, which were previously allocated for HIV/Aids spending at the national level, have been included in the grants for the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids and are to be used to support provinces in piloting programmes and researching the prevention of mother-to-child transmission.
- An addition has been made to what is now known as the Health Professions Training and Development Grant (R47,6 million and R64,8 million) to improve medical specialist deployment and training in under-serviced provinces.
- For the first time, the Hospital Management and Quality Improvement Grant is included on the Health Vote. This allocation was previously transferred directly to provincial treasuries. The amount has been increased from R79 million to R124 million, partly to give greater impetus to quality improvements in hospital services.

Departmental receipts

The Department generates revenue (which is deposited into the National Revenue Fund) from the registration of medicines, the sale of vaccines, charges on pathological examinations, and other administrative sources. Differences in the figures reported in the table, from those announced in the 2001 Budget arise from the implementation of Government Financial Statistics standards, in terms of which the classification of revenue changed. The decline in revenue between 1998/99 and 2001/02 was because the National Institute for Virology no longer resides under the Department of Health, and there were declines in loans for the subsidised motor financing scheme, interest charges on debt, and vaccine sales. The Department projects modest annual increases in revenue between 2002/03 and 2004/05.

Table 16.2: Departmental receipts

R thousand	Revenue outcome				Medium-term revenue estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
Non-tax revenue	10 351	8 990	8 082	6 515	5 222	5 535	5 867
Property income	152	76	119	58	61	65	69
Sales of goods and services	10 156	8 911	7 955	6 456	5 159	5 468	5 796
<i>Of which</i>							
- Administrative fees	4 467	4 194	4 586	4 106	4 353	4 614	4 891
- Incidental sales by non-market establishments	5 688	4 717	3 369	2 350	806	854	906
Voluntary transfers	41	-	-	-	-	-	-
Miscellaneous	2	3	8	1	2	2	2
Financial transactions (recovery of loans and advances)	129	205	104	59	62	66	70
Total departmental receipts	10 480	9 195	8 186	6 574	5 284	5 601	5 937

Programme 1: Administration

Administration conducts the overall management of the Department. Activities include policy-making by the offices of the Minister and Director-General, and the provision of centralised support services (including legal, financial and human resource services) to the Department.

Expenditure estimates

Table 16.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
R thousand							
Minister ¹	503	577	525	646	685	722	759
Management	11 249	8 408	3 382	5 234	5 637	5 995	6 352
Corporate Services	55 599	61 703	66 536	108 739	80 878	79 434	84 698
Total	67 351	70 688	70 443	114 619	87 200	86 151	91 809
Change to 2001 Budget Estimate				26 952	4 780	6 983	

¹ Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.

Economic classification

Current	63 536	68 076	67 508	73 907	79 261	83 321	88 745
Personnel	28 534	30 565	31 814	38 952	44 262	47 834	50 808
Transfer payments	-	-	-	-	-	-	-
Other current	35 002	37 511	35 694	34 955	34 999	35 487	37 937
Capital	3 815	2 612	2 935	40 712	7 939	2 830	3 064
Transfer payments	-	384	-	-	-	-	-
Acquisition of capital assets	3 815	2 228	2 935	40 712	7 939	2 830	3 064
Total	67 351	70 688	70 443	114 619	87 200	86 151	91 809

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
Standard items of expenditure								
Personnel	28 534	30 565	31 814	38 952	44 262	47 834	50 808	
Administrative	10 530	10 889	19 634	16 224	17 034	18 719	20 857	
Inventories	2 012	1 702	2 563	2 464	2 932	3 290	3 481	
Equipment	3 320	5 222	4 666	5 217	7 133	7 924	7 145	
Land and buildings	2 581	177	616	38 201	5 279	-	-	
Professional and special services	19 934	21 315	10 678	13 561	10 560	8 384	9 518	
Transfer payments	-	384	-	-	-	-	-	
Miscellaneous	440	434	472	-	-	-	-	
Total	67 351	70 688	70 443	114 619	87 200	86 151	91 809	

Expenditure trends

Expenditure on *Administration* fluctuates over the seven-year period, with average annual growth of 5,3 per cent since 1998/99.

The main variability is in capital expenditure on large projects, particularly the National Health Laboratory Service (R40,6 million in 2001/02 and R7,9 million in 2002/03). Expenditure on land and buildings declines from R38,2 million in 2001/02 to zero in 2004/05 as projects are completed, and laboratories and certain other entities become public entities. Expenditure on personnel, on the other hand, grows at an average annual rate of 9,3 per cent a year over the medium term. This is partly due to growing average remuneration per employee and meeting additional governance and administration requirements.

Programme 2: Strategic Health Programmes

Strategic Health Programmes develops, implements, manages, coordinates and regulates strategic health programmes. The programme accommodates a large number of subprogrammes to deal with key policy areas.

- District Health Systems is involved in the demarcation of district boundaries, the design of packages of services, the development of resource allocation guidelines, and the integration of resources between local and provincial government. In addition, the Department of Health is assisting in the implementation of the Integrated Sustainable Rural Development Programme (ISRDP).
- International Health Liaison liaises with the international health community, manages participation in international organisations, coordinates regional health cooperation with members of the Southern African Development Community (SADC), and identifies resources to support the development of health services in South Africa.
- SADC provides a secretariat for SADC's health structure and plays a key role in malaria, cholera and other health programmes in the region.
- Health Monitoring and Evaluation deals with the development, implementation and maintenance of a national information system. It has responsibility for the National Telemedicine System, and for research and research coordination. The Department has recently developed a Monitoring and Evaluation Unit to oversee the progress of the health system towards the goals that have been identified. It provides financial assistance to the Medical Research Council (MRC), the Health Systems Trust, and the South African Institute for Medical Research.
- Maternal, Child and Women's Health formulates and maintains policy guidelines and norms and standards, for maternal, child and youth health services. It develops guidelines for the

prevention and management of congenital/genetic conditions, other diseases, and injuries, including those related to pregnancy. Other objectives are the prevention of child morbidity and mortality from vaccine-preventable diseases through an effective immunisation programme, and the surveillance of target diseases. The subprogramme is responsible for the Integrated Nutrition Programme, including the food fortification programme, the Primary Schools Nutrition Programme, and income generating projects financed by the poverty relief allocation.

- Medicines Regulatory Affairs includes support for the Medicines Control Council and ensures that medicines are safe, effective and meet approved standards and specifications. It provides clear standards of compliance to the pharmaceutical industry, and addresses public health problems arising from regulated products. The subprogramme is responsible for enforcing laws and regulations and has established an Investigations Unit.
- Mental Health and Substance Abuse administers mental health legislation, prepares guidelines and manuals on aspects of mental health care, and monitors care in psychiatric hospitals.
- The HIV/Aids and Tuberculosis subprogramme develops policy, administers the national HIV/Aids programme, and supports research and disease surveillance. The subprogramme coordinates the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids Conditional Grant.
- Pharmaceutical Policy and Planning regulates and coordinates the procurement of pharmaceutical supplies to make essential drugs available and affordable. It ensures rational drug use by consumers and health workers, and administers legislation on food safety and related matters.
- Medical Schemes developed the new regulatory environment for medical schemes and designed the new regulator, the Council for Medical Schemes, a public entity under the supervision of the Minister of Health. In the past, the subprogramme accommodated the Registrar for Medical Schemes, but this is now part of the Council for Medical Schemes.

Expenditure estimates

Table 16.4: Strategic Health Programmes

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	outcome	appropriation			
District Health Systems	9 502	5 846	3 589	1 947	2 039	2 130	2 258
International Health Liaison	25 302	20 705	20 531	34 561	35 970	37 608	39 115
SADC	623	1 281	1 751	1 987	2 056	2 129	2 257
Health Monitoring and Evaluation	93 365	99 484	121 464	144 625	163 783	171 843	178 869
Maternal, Child and Women's Health	297 418	732 195	654 706	625 301	614 540	618 322	639 499
Medicines Regulatory Affairs	11 755	11 509	15 105	18 503	19 693	21 822	23 071
Mental Health and Substance Abuse	2 584	4 563	4 649	5 531	6 016	6 185	6 889
HIV/Aids and Tuberculosis	101 541	74 480	181 148	265 892	408 205	544 033	689 503
Pharmaceutical Policy and Planning	9 633	10 220	10 630	47 162	11 748	12 453	13 266
Medical Schemes	1 571	2 313	9 217	2 585	2 673	2 673	2 833
Total	553 294	962 596	1 022 790	1 148 094	1 266 723	1 419 198	1 597 560
Change to 2001 Budget Estimate				105 044	231 585	354 670	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2002/03	2003/04	2004/05
R thousand							
Economic classification							
Current	551 809	953 095	1 021 863	1 145 482	1 264 751	1 417 302	1 595 414
Personnel	35 063	39 565	45 692	50 295	55 507	58 060	59 181
Transfer payments	381 475	806 189	746 640	853 426	996 765	1 113 827	1 255 879
Other current	135 271	107 341	229 531	241 761	212 479	245 415	280 354
Capital	1 485	9 501	927	2 612	1 972	1 896	2 146
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	1 485	9 501	927	2 612	1 972	1 896	2 146
Total	553 294	962 596	1 022 790	1 148 094	1 266 723	1 419 198	1 597 560

Standard items of expenditure

Personnel	35 063	39 565	45 692	50 295	55 507	58 060	59 181
Administrative	26 648	26 277	24 605	53 801	56 286	60 529	63 920
Inventories	20 903	31 430	110 794	64 864	75 573	91 995	86 282
Equipment	2 856	10 906	2 632	3 909	3 592	3 310	3 685
Land and buildings	-	-	-	-	-	-	-
Professional and special services	85 867	47 615	92 067	121 799	79 000	91 477	128 613
Transfer payments	381 475	806 189	746 640	853 426	996 765	1 113 827	1 255 879
Miscellaneous	482	614	360	-	-	-	-
Total	553 294	962 596	1 022 790	1 148 094	1 266 723	1 419 198	1 597 560

Policy developments

Central policies are those for establishing the district health system and improving primary health care services. A comprehensive primary health care service package has been developed and costed and will be progressively implemented in all districts. The role of local government and the progressive devolution of primary health care services remains high on the policy agenda. Service agreements with local government are to be developed, and district planning and the implementation of the district health information system are to be strengthened.

Policies on maternal, child and women's health include those for improving immunisation coverage, eradicating polio, eliminating indigenous measles, and further implementing the National Plan of Action for Children and the Integrated Management of Childhood Illnesses Strategy.

Policies for mental health include those for progressively integrating mental health care into comprehensive services, developing community based services, de-institutionalising mental health care, and developing strategies and programmes to address substance abuse, violence and the quality of mental health care services. The framework for these key areas is set out in the Mental Health Care Bill.

Initiatives to improve the Primary Schools Nutrition Programme include standardising menus and feeding days, school boards playing a greater role in programme monitoring, and creating a dedicated subprogramme to monitor expenditure.

HIV/Aids remains the most serious challenge facing the country and the health services. The Department, working closely with the National Treasury, has developed a budget strategy called the Enhanced Response to HIV/Aids and Sexually Transmitted Infections. This strategy complements the HIV/Aids and Sexually Transmitted Diseases Strategic Plan for South Africa 2000 to 2005, which was launched in June 2000, and informs the current budget.

Policy issues include the need to strengthen programme management at the provincial level, and to continue to strengthen educational and information programmes such as life-skills programmes in schools, mass media campaigns, and NGO projects like the Lovelife programme. The voluntary counselling and testing programme, the condom distribution programme, sexually transmitted infection programmes, and the mother-to-child prevention programmes will be progressively strengthened and expanded. Vaccine research is ongoing. Care interventions receiving attention include home based and community based care, new facility based step-down care options, care and referral guidelines, the use of INH and cotrimoxazole for the prevention of TB and pneumonia in HIV-infected persons, and free access to Diflucan for specific opportunistic infections. The widespread use of triple therapy is considered unaffordable at present, but continues to be the subject of various research projects.

Broader health financing issues and the regulation of medical schemes continue to be a high priority, especially in the light of high levels of medical inflation. The following aspects of medical schemes continue to receive attention: residual risk selection practices; attempts to control the escalating costs of scheme administration; prescribed minimum benefits, particularly for chronic medical conditions; and waiting periods. Long-term options for addressing some of these issues within the framework of a social health insurance system have been reviewed by the Committee of Inquiry into a Comprehensive Social Security System. There was particular focus on the potential for a risk equalisation fund across schemes, and a re-examination of the tax treatment of medical scheme contributions. Given the size of the public sector, resolutions from the current investigations by the Public Sector Coordinating Bargaining Council into the medical coverage of civil servants will have an important bearing on the medical scheme industry.

Expenditure trends

In 1999/00, expenditure on *Strategic Health Programmes* increased mainly because of the placement of the Primary Schools Nutrition Programme on the national budget (funds previously flowed directly to provinces). From 2000/01, expenditure increases on HIV/Aids have driven increases in the programme. The programme increases by 10,3 per cent in 2002/03.

International Health Liaison grew significantly in 2001/02 with weaker exchange rates and larger numbers of international health attachés. Health Monitoring and Evaluation grows by 13,3 per cent in 2002/03 because of an increase of 14,4 per cent in the transfer to the Medical Research Council (MRC).

Maternal, Child and Women's Health decreases by 1,7 per cent in 2002/03 since the Haemophilus vaccination is now fully phased into provincial budgets. Over the next three years, expenditure on the Integrated Nutrition Programme Grant remains constant in nominal terms, largely because of outstanding concerns around the programme.

The substantial increase is to HIV/Aids and Tuberculosis, which increases from R265,9 million in 2001/02 to R689,5 million in 2004/05. Increases to the national Department of Health include funding for the increased procurement of male and female condoms, and the partnership with the Lovelife programme, and HIV/Aids and TB NGOs.

The Integrated Plan for Children and Youth Infected and Affected by HIV/Aids Conditional Grant grows significantly, with interventions increasing for voluntary counselling and testing, home based care, the development of step-down care, and improving programme management. Provision is made for the mother-to-child prevention programme to be rolled out from 2003/04. Provincial Health, Education and Welfare departments implement the HIV/Aids plan for children and youth with guidance from the three national departments. Increased provision for life skills and HIV/Aids training in schools and community based care is contained on the Votes for those departments. Further provision for increasing care for infected persons has been made as part of the increased equitable share allocations to provinces. Existing allocations continue for health promotion

campaigns, the control of sexually transmitted infections, and research by the MRC and the South African Aids Vaccine Initiative.

The large once-off increase to Pharmaceutical Policy and Planning in 2001/02 represents an adjustment for monies incorrectly redeposited into the National Revenue Fund in 1995/96. Growth in expenditure on Medicines Regulatory Affairs over the period reflects an increase in activities, partly as a result of the favourable verdict in the Pharmaceutical Manufacturers Association court case. The Council for Medical Schemes was granted a once-off increase in its allocation in 2000/01 when it was established as a public entity.

Key outputs, indicators and targets

Strategic Health Programmes

Subprogramme	Output	Output measure/indicator	Target
District Health Systems	Improved equity in access to primary health care services	Proportion of primary health care facilities that render the full package of essential services	Full implementation by 2003/04
	Fully functional clinics and community health centres	Number of existing and new facilities which have water, sanitation, electricity and roads	All facilities to have services by 2003/04
	Primary health care delivery by local government regulated by service agreements	Number of municipalities rendering comprehensive health services and with service agreements with provinces	Service agreements to be signed by September 2002
Health Monitoring and Evaluation	Full implementation of district health information system	Proportion of districts implementing the health information system	100 % by 2004/05
Maternal, Child and Women's Health	Improved immunisation coverage	Number of cases of indigenous measles	Indigenous measles eliminated
		Immunisation coverage of 1-year-olds	90% coverage of 1-year-olds by 2004 (minimum 80% in each province)
	Improved child health	Schools visited for routine school vaccination	90% coverage by 2004
		Provinces implement the National Plan of Action for Children and Integrated Management of Childhood Illnesses Strategy	Implementation in all 9 provinces
		Prevalence of wasting and stunting among children, and being underweight for their age among children under 6	Reduce prevalence of wasting from 2,6% to 1%, stunting from 23% to 15%, and underweight children from 9% to 5% by 2004
	Improved youth and adolescent health	Guidelines for youth and adolescent health published and distributed	Guidelines implemented in all provinces
		Teenage pregnancy rate	Reduce teenage pregnancies
		Substance abuse rates amongst adolescents	Reduce substance abuse
	Improved women's health and reduced maternal mortality	Number of districts that have implemented the national programme for cervical and breast cancer awareness and screening	Programme implemented in all districts by 2004
		Number of facilities that have implemented antenatal clinic protocols	Antenatal clinic protocols implemented by all facilities by 2002
Number of districts with inter-sectoral plans to tackle the causes of poverty and poor nutrition		All districts to implement inter-sectoral action	
	Legislation to ensure food fortification	Legislation in place by 2002	

Subprogramme	Output	Output measure/indicator	Target
HIV/Aids and Tuberculosis	Improved strategies to deal with the HIV/Aids epidemic	Incidence of HIV	Levelling off of epidemic with fall in number of infected under-20-year olds
		Cases of sexually transmitted infections effectively treated in public and private sectors	50% of cases treated effectively by 2001
		Condoms distributed	472 million annually by 2004/05
	Strengthen the TB programme	Development of packages of affordable care and support for infected and affected persons	Packages available nationally
		Cure rate	85% in new smear positive cases
		Smear conversion rate (sputum test change from positive to negative)	Achieve smear conversion rate of at least 85 % in new cases by December 2003
Pharmaceutical Policy and Planning	Essential Drugs Lists and Standard Treatment Guidelines for all levels of health service delivery	Expansion of short course programme on directly observed treatment	Short courses in all districts
		Percentage decline in Multi Drug Resistant-TB	Reduce Multi Drug Resistant-TB to less than 1% of all new cases
		Completion of Essential Drugs List for primary health care	December 2002

Health district boundaries have been aligned with municipal boundaries. The International Health Liaison and SADC subprogrammes have been successful, with South Africa chairing the SADC and Non Aligned Movement health structures. Health Monitoring and Evaluation's achievements include improvements in vital registration with the implementation of new birth and death registration systems and roll-out of the district health information system to all provinces.

Free health care for children and pregnant women has significantly improved access. The system for the notification of maternal deaths, the release of the 'saving mothers' report and the second interim report into maternal mortality, and the initiation of a system for inquiries into maternal deaths, bode well for improving quality in this area. The implementation of the Choice on Termination of Pregnancy Act (92 of 1996) has enhanced women's rights.

The National Drug Policy's Essential Drug Lists and Standard Treatment Guidelines, and improvements in pharmaceutical supply systems are progressively improving pharmaceutical supplies. The Department overcame the court challenge by 39 multinationals to pharmaceutical legislation. Drug theft has been partly addressed by the compulsory labelling of pharmaceuticals for state use only.

There has been a sustained increase in the demand for condoms, and improvements in logistical systems have been made to ensure more effective distribution and tracking of distribution. The South African National Aids Council and its task teams have been established, as have provincial Aids councils. Diflucan is being made available free of charge to HIV/Aids patients suffering from cryptococcal meningitis or oesophageal candidiasis. The pilot programme providing Niverapine and milk powder to HIV-positive pregnant and lactating women is operating in two pilot sites in each province.

The Medical Schemes Amendment Act was passed in 2001. It improves the regulatory capacity of the Registrar for Medical Schemes and regulates reinsurance. A review of medical schemes was published in the Registrar's annual report. The complaints division of the Council for Medical Schemes dealt with 1 327 complaints in 2000/01.

Programme 3: Health Service Delivery

Health Service Delivery supports, manages and coordinates health service delivery and thus provides a caring and effective health service in South Africa.

- Disease Prevention and Control establishes guidelines on the prevention, management and treatment of a range of chronic diseases, disability, diseases of older persons, and malaria. Until

2000, it also included the National Institute of Virology, which researched viral infections and provided related training. The Institute has since been merged with the National Health Laboratory Service. The subprogramme is also responsible for the transfer of mortuaries from SAPS to health departments, the rationalisation of blood transfusion services, and the establishment of the National Health Laboratory Service.

- Hospital Services deals with policy on the provision and management of hospital services, health technology, radiation control, and emergency medical services. It is also responsible for the large conditional grants related to hospital services. These include the new National Tertiary Services Grant, the Health Professions Training and Development Grant, the Health Facilities Revitalisation Grant and the various grants for hospital construction.
- Human Resources takes responsibility for policies and norms and standards on the development of human resources in the health sector. It includes undertaking capacity-building initiatives, ensuring the equitable allocation of interns and community service doctors, maintaining a national human resource plan, and maintaining sound relations with sector professional bodies.
- Non-Personal Health Services addresses environmental health, including monitoring, public awareness, guidelines, and water and sanitation provision in rural communities. It is also responsible for promoting health and for the Medical Bureau for Occupational Diseases.
- Health and Welfare Bargaining Sector Negotiations provides the resources and expertise for bargaining with employees in the national Health and Welfare Bargaining Council, where conditions of employment in the health and welfare sectors are negotiated.

Expenditure estimates

Table 16.5: Health Service Delivery

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Disease Prevention and Control	49 757	100 152	51 273	65 223	88 810	108 929	146 238
Hospital Services	4 395 872	4 664 518	5 455 550	5 362 039	5 673 522	5 969 777	6 273 607
Human Resources	8 607	11 304	8 419	9 621	6 441	6 703	7 105
Non-Personal Health Services	44 345	49 563	57 937	58 122	60 051	63 261	67 061
Health and Welfare Bargaining Sector Negotiations	-	-	1 014	2 563	2 383	2 489	2 642
Total	4 498 581	4 825 537	5 574 193	5 497 568	5 831 207	6 151 159	6 496 653
Change to 2001 Budget Estimate				16 916	180 829	207 021	

Economic classification

Current	4 281 975	4 431 383	4 699 461	4 835 776	5 231 699	5 509 150	5 911 315
Personnel	60 868	61 790	63 611	67 380	69 476	73 626	76 610
Transfer payments	4 093 316	4 258 605	4 578 277	4 716 728	5 118 318	5 385 755	5 781 733
Other current	127 791	110 988	57 573	51 668	43 905	49 769	52 972
Capital	216 606	394 154	874 732	661 792	599 508	642 009	585 338
Transfer payments	212 831	383 172	866 191	653 800	590 000	633 400	576 004
Acquisition of capital assets	3 775	10 982	8 541	7 992	9 508	8 609	9 334
Total	4 498 581	4 825 537	5 574 193	5 497 568	5 831 207	6 151 159	6 496 653

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	outcome				
			2000/01	2001/02	2002/03	2003/04	2004/05
Standard items of expenditure							
Personnel	60 868	61 790	63 611	67 380	69 476	73 626	76 610
Administrative	6 707	8 228	13 351	12 289	19 980	14 039	14 967
Inventories	11 531	60 329	14 275	14 575	9 407	19 390	19 521
Equipment	6 214	12 966	10 507	9 710	11 121	11 097	12 228
Land and buildings	-	-	-	-	-	-	-
Professional and special services	106 181	39 469	27 482	23 086	12 905	13 852	15 590
Transfer payments	4 306 147	4 641 777	5 444 468	5 370 528	5 708 318	6 019 155	6 357 737
Miscellaneous	933	978	499	-	-	-	-
Total	4 498 581	4 825 537	5 574 193	5 497 568	5 831 207	6 151 159	6 496 653

Policy developments

Key policies on hospital services include the reform of tertiary hospital financing to target funding at specific service units and to provide a more equitable platform for basic tertiary services in all provinces. The new National Tertiary Services Grant replaces the Central Hospitals Grant. In order to improve the distribution of medical specialists and registrars in under-serviced provinces, a new component has been added to the Health Professions Training and Development Grant.

Generating resources for hospitals will be improved by the implementation of the new Uniform Patient Fee Structure, improved billing systems, and increased public-private partnership arrangements, including those arising from reforms to private sector financing, which effectively classify public hospital services as prescribed minimum benefits.

Attempts to improve the quality of hospital care include the wider use of hospital accreditation, complaints and suggestion procedures, patient satisfaction questionnaires, medical audits, peer reviews, and the standardisation of treatment protocols. Standardised service packages have already been developed for district hospitals and should be implemented and extended to regional and other hospitals. Hospital management is to be improved through ongoing training, the development of performance contracts with hospital managers, a well established and clear system of delegation of powers from provincial to hospital level, and greater use of cost centre information systems. To support improvements in management and quality, the Hospital Management and Quality Improvement Grant is moved onto the Department's Vote and is increased. Hospital efficiency is to be improved through the greater use of day surgery, shorter stays, appropriate de-institutionalisation, bed rationalisation, and higher occupancy rates. Clear protocols for HIV care, including care protocols, referral paths, home based and step-down care, will partially protect hospitals from the potentially overwhelming effects of the HIV epidemic.

Emergency medical services will be improved through provincialisation, and the development of norms and standards for aspects of the service such as ambulance numbers, staff, training, equipment and communications. These should be costed and a more equitable emergency ambulance service provided throughout the country. Regulations for pre-hospital and in-hospital emergency care are being finalised.

Improved nationally standardised approaches to control of chronic diseases, such as hypertension, diabetes and asthma, are being developed. Programmes for cataract operations, a highly effective intervention against blindness, are to be accelerated. Support services are to be strengthened, particularly laboratory services through their amalgamation into the National Health Laboratory Service, and blood transfusion services through their amalgamation into the South African Blood Service, also a national entity. Mortuaries will be transferred from SAPS to health departments.

Current human resource policy issues include the optimising the mix of staff, developing and improving sensible human resource plans, developing categories of mid-level workers, and employment equity and affirmative action. Other areas include improving equity in the distribution of doctors and medical specialists, and reviewing the supply of postgraduate medical training and its needs.

Pharmaceutical policies include those for the widespread application of Essential Drug Lists and Standard Treatment Guidelines. Logistical distribution systems need to be progressively improved and instances of running out of stock reduced. Initiatives to reduce the cost of medicines, which is high in South Africa, include prescribing generic medicines. The establishment of a National Pricing Committee and the policy of parallel importation have been legislated but not implemented. Mechanisms to reduce drug theft are being implemented.

Expenditure trends

Expenditure increased by an annual average of 6,9 per cent over the last three years and increases at 5,7 per cent a year over the medium term. The increase for the medium term is higher if expenditure on the Inkosi Albert Luthuli Central Hospital project, for which the last transfer was made in 2001/02, is excluded. The Disease Prevention and Control subprogramme increases by 36,0 per cent in 2002/03 because of a R25 million increase in the transfer for mortuary services.

The Health Facilities Revitalisation Grant increases marginally to R520 million after a significant scaling up over three years. Under-expenditure, with rollovers, is likely in 2001/02.

The reconfiguration of the large conditional grants with the introduction of the new National Tertiary Services Grant and Health Professions Training and Development Grant makes trend comparisons difficult. While the increase in the combined grants (5,4 per cent) is not significant, there is noteworthy inter-provincial redistribution within the National Tertiary Services Grant and through the creation of a developmental component to recruit and train medical specialists in under-serviced provinces. Details of the five-year phasing in of the grant are shown in the 2002 Budget Review and Division of Revenue Bill. In the design of the new grant framework, funds have been shifted from the training grant to the services grant, since the costing methodology for the new National Tertiary Services Grant included a significant proportion of training costs within tertiary cost centres. For the first time, the Hospital Management and Quality Improvement Grant has been put on the Health Vote and its allocation increased from R79 million to R124 million.

Key outputs, indicators and targets

Health Service Delivery

Subprogramme	Output	Output measure/indicator	Target
Disease Prevention and Control	Improved management of chronic diseases	Number of provinces implementing the national guidelines on control of hypertension, diabetes, obesity, and asthma	National guidelines implemented in all provinces by December 2002
		Reduction in cataract surgery backlog	Increase cataract surgery rate to 2 for every 1 000 people by 2004
		Increase access of those with disabilities to health facilities, assistive devices and employment	60% health facilities accessible by 2003 Implement proposals on assistive devices People with disabilities make up 2% of establishment
	Improve malaria control	Annual review of past malaria season using a standard format	Meeting held in June each year to review reports and plans
		Annual plans for each province	Present plans for inter-country review at annual meeting
		Plans coordinated with neighbouring countries, including Spatial Development Initiative projects	Implementation and evaluation of Lubombo Spatial Development Initiative

Subprogramme	Output	Output measure/indicator	Target
Hospital Services	Finalisation of National Planning Framework and provincial strategic position statements	National Planning Framework further developed and used to determine Health Facilities Revitalisation Grant	National Planning Framework finalised by June 2002 Provincial strategic plans completed by June 2002
	Improved management of hospitals and decentralised management	Proportion of hospitals with authority for key functions devolved	Management decentralised to all central, regional, district and specialised hospitals Performance agreements signed with all hospitals by April 2003
Human Resources	Strengthen human resource development	Plan for postgraduate training	Plan in place by April 2003
		Number of primary health care facilities that are supported by a medical doctor	All primary health care facilities to be supported by doctors by 2004
		Incentive plan for scarce personnel	Incentive plan negotiated in Bargaining Council by 2002

The introduction of the National Tertiary Services Grant follows two years of in-depth research into the distribution of and expenditure on tertiary health care. This research enabled better targeting of the grant to specific tertiary health care services and provides a much improved information base for making decisions about tertiary health care services.

The partially reformed Health Professions Training and Development Grant is smaller than its predecessor, given that much training at tertiary level will be funded by the National Tertiary Services Grant. However, a new developmental component of R227 million over three years has been added to encourage the deployment, retention and training of medical specialists in previously disadvantaged provinces.

Substantial progress has been made on the development of the National Planning Framework, which establishes the parameters within which provincial hospital plans can be developed and conditional grants redesigned. All provincial health departments, with most having been completed in 2001, are developing strategic policy statements.

The Hospital Reconstruction and Rehabilitation Conditional Grant has been reformulated into a new grant framework called the Health Facilities Revitalisation Grant. It is a more targeted approach, which focuses on larger projects to rehabilitate and restructure the hospital sector in line with the National Planning Framework and strategic policy statements. It has three main components: physical construction, organisational development, and quality of care. It requires provinces to take responsibility for ongoing maintenance and smaller rehabilitation projects. Expenditure on the grant has increased substantially over the past three years, with a substantial number of hospitals significantly upgraded.

Plans to amalgamate all government laboratory services into a single National Health Laboratory Service came to fruition in 2000 with the promulgation of the National Health Laboratory Service Act (37 of 2000). The Act established the National Health Laboratory Service as a single public entity and legally abolished the South African Institute for Medical Research, the National Institute for Virology and various other national and provincial laboratories. Since implementation is in transition, funding for these laboratories was budgeted in the traditional way. At the time of the 2002/03 adjustments budget, amendments will be made to reflect funding of the National Health Laboratory Service as a public entity.

The Health Meeting of Ministers and provincial Members of the Executive Councils (MinMEC) has adopted a policy change to the community service programme. Originally the legislation on community service related only to doctors, dentists and pharmacists. The new policy proposals seek to expand community service to a wider range of health professionals. During 2002, legislation will be prepared and introduced to Parliament to effect this change.

Tobacco control measures came into effect in January 2001.

Public entities reporting to the Minister

Medical Research Council

The Medical Research Council (MRC) provides scientific research on clinical issues, and the Department of Health supports it in setting research priorities. A critical task is research into a vaccine against the strain of HIV that affects sub-Saharan Africa. The allocation to the Council increases by 14,4 per cent in 2002/03 to R145,5 million. Over the medium term, the allocation grows by an annualised 7,6 per cent.

National Health Laboratory Service

The National Health Laboratory Service Act has been passed and the Chief Executive Officer appointed. The National Health Laboratory Service's major source of funding will be from the sale of services, but it also receives a transfer from the Department. It is the legislated preferred provider for public sector hospitals.

Council for Medical Schemes

The Council for Medical Schemes is now established as a public entity. Its budget is R2,7 million in 2002/03. The Council's annual report is available on its website.

Others

Other public entities reporting to the Minister include the Compensation Commissioner, the Health Professions Council, the Nursing Council, the Pharmaceutical Council and the South African National Blood Service.

Table 16.6: Summary of revenue, expenditure and financing for the Mines and Works Compensation Fund ¹

	Revenue/Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Revenue							
Current revenue	47	8	12	13	14	14	15
Grants received	10 200	9 000	10 500	12 000	12 000	12 500	13 000
Total Revenue	10 247	9 008	10 512	12 013	12 014	12 514	13 015
Expenditure							
Current expenditure	8 961	9 385	8 322	8 788	9 245	9 670	12 500
<i>Remuneration of employees</i>	-	-	-	-	-	-	-
<i>Other goods and services</i>	-	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-	-
<i>Current transfers</i>	8 961	9 385	8 322	8 788	9 245	9 670	12 500
Total Expenditure	8 961	9 385	8 322	8 788	9 245	9 670	12 500
Surplus/(Deficit)	1 286	(377)	2 190	3 225	2 769	2 844	515
Financing							
Change in cash and other balances	(1 286)	377	(2 190)	(3 225)	(2 769)	(2 844)	(515)
Total Financing	(1 286)	377	(2 190)	(3 225)	(2 769)	(2 844)	(515)

¹ Data provided by Mines and Works Compensation Fund.

Annexure: Vote 16: Health

Table 16.7: Summary of expenditure trends and estimates per programme

Table 16.8: Summary of expenditure trends and estimates per economic classification

Table 16.9: Summary of expenditure trends and estimates per standard item

Table 16.10: Summary of transfers and subsidies per programme

Table 16.11: Summary of personnel numbers and costs

Table 16.12: Summary of expenditure on training

Table 16.13: Summary of information and communications technology expenditure

Table 16.14: Summary of conditional grants to provinces

Table 16.7: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01										
R thousand													
1 Administration	67 351	70 688	70 443	87 667	26 001	951	114 619	110 884	79 261	7 939	87 200	86 151	91 809
2 Strategic Health Programmes	553 294	962 596	1 022 790	1 043 050	79 340	25 704	1 148 094	1 110 297	1 264 751	1 972	1 266 723	1 419 198	1 597 560
3 Health Service Delivery	4 498 581	4 825 537	5 574 193	5 480 652	16 571	345	5 497 568	5 485 187	5 231 699	599 508	5 831 207	6 151 159	6 496 653
Total	5 119 226	5 858 821	6 667 426	6 611 369	121 912	27 000	6 760 281	6 706 368	6 575 711	609 419	7 185 130	7 656 508	8 186 022
Change to 2001 Budget Estimate							148 912	94 999			417 194	568 674	

Table 16.8: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments 2001/02	Adjusted appropriation		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01										
R thousand													
Current	4 897 320	5 452 554	5 788 832	5 928 554	99 911	26 700	6 055 165	6 002 581	6 575 711	-	6 575 711	7 009 773	7 595 474
Personnel	124 465	131 920	141 117	152 000	-	4 627	156 627	155 629	169 245	-	169 245	179 520	186 599
Salaries and wages	95 850	101 591	108 674	117 056	-	4 627	121 683	107 351	118 980	-	118 980	126 202	131 179
Other	28 615	30 329	32 443	34 944	-	-	34 944	48 278	50 265	-	50 265	53 318	55 420
Transfer payments	4 474 791	5 064 794	5 324 917	5 522 936	14 651	32 567	5 570 154	5 545 350	6 115 083	-	6 115 083	6 499 582	7 037 612
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	78 472	79 566	108 661	127 221	-	-	127 221	127 221	145 498	-	145 498	152 270	158 406
provincial government	4 365 536	4 958 978	5 164 271	5 303 681	6 514	20 298	5 330 493	5 305 689	5 809 710	-	5 809 710	6 171 311	6 680 544
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	30 783	26 250	51 985	92 034	8 137	12 269	112 440	112 440	159 875	-	159 875	176 001	198 662
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	298 064	255 840	322 798	253 618	85 260	(10 494)	328 384	301 602	291 383	-	291 383	330 671	371 263
Capital	221 906	406 267	878 594	682 815	22 001	300	705 116	703 787	-	609 419	609 419	646 735	590 548
Transfer payments	212 831	383 556	866 191	653 800	-	-	653 800	653 800	-	590 000	590 000	633 400	576 004
Other levels of government	212 831	383 172	866 191	653 800	-	-	653 800	653 800	-	590 000	590 000	633 400	576 004
Other capital transfers	-	384	-	-	-	-	-	-	-	-	-	-	-
Movable capital	6 494	22 534	11 787	12 815	-	300	13 115	15 642	-	14 140	14 140	13 335	14 544
Motor vehicles (transport)	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Other office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	6 494	22 534	11 787	12 815	-	300	13 115	15 642	-	14 140	14 140	13 335	14 544
Fixed capital	2 581	177	616	16 200	22 001	-	38 201	34 345	-	5 279	5 279	-	-
Land	-	-	-	16 200	22 001	-	38 201	34 345	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	5 279	5 279	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	2 581	177	616	-	-	-	-	-	-	-	-	-	-
Total	5 119 226	5 858 821	6 667 426	6 611 369	121 912	27 000	6 760 281	6 706 368	6 575 711	609 419	7 185 130	7 656 508	8 186 022

Table 16.9: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	124 465	131 920	141 117	152 000	-	4 627	156 627	155 629	169 245	-	169 245	179 520	186 599
Administrative	43 885	45 394	57 590	78 207	-	4 107	82 314	88 858	93 300	-	93 300	93 287	99 744
Inventories	34 446	93 461	127 632	100 203	16 338	(34 638)	81 903	73 673	87 912	-	87 912	114 675	109 284
Equipment	12 390	29 094	17 805	18 395	-	441	18 836	22 759	7 706	14 140	21 846	22 331	23 058
Land and buildings	2 581	177	616	16 200	22 001	-	38 201	34 345	-	5 279	5 279	-	-
Professional and special services	211 982	108 399	130 227	69 628	68 922	19 896	158 446	131 954	102 465	-	102 465	113 713	153 721
Transfer payments	4 687 622	5 448 350	6 191 108	6 176 736	14 651	32 567	6 223 954	6 199 150	6 115 083	590 000	6 705 083	7 132 982	7 613 616
Miscellaneous	1 855	2 026	1 331	-	-	-	-	-	-	-	-	-	-
Total	5 119 226	5 858 821	6 667 426	6 611 369	121 912	27 000	6 760 281	6 706 368	6 575 711	609 419	7 185 130	7 656 508	8 186 022

Table 16.10: Summary of transfers and subsidies per programme

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02	2002/03			2003/04	2004/05
R thousand									
1 Administration	-	384	-	-	-	-	-	-	-
Policy Analysis	-	384	-	-	-	-	-	-	-
2 Strategic Health Programmes	381 475	806 189	746 640	853 426	996 765	-	996 765	1 113 827	1 255 879
District Health Systems									
Financial Assistance to NGOs	50	-	-	-	-	-	-	-	-
Health Monitoring and Evaluation									
Medical Research Council	78 472	79 566	108 661	127 221	145 498	-	145 498	152 270	158 406
Health Systems Trust	2 000	1 500	2 000	2 000	2 000	-	2 000	2 000	2 120
South African Institute for Medical Research	287	287	287	287	287	-	287	287	304

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	2001/02		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01			2002/03				
Maternal, Child and Women's Health										
Primary School Nutrition	284 839	714 707	582 411	582 411	582 411	-	582 411	582 411	617 356	
Poverty Relief	-	-	3 316	10 000	12 000	-	12 000	15 000	-	
South African Vaccine Producers	-	2 439	4 000	4 052	-	-	-	-	-	
Financial Assistance to NGOs	-	60	150	100	310	-	310	350	370	
Medicines Regulatory Affairs										
Medicines Control Council	-	-	-	-	-	-	-	-	-	
Mental Health and Substance Abuse										
Financial Assistance to NGOs	500	722	1 152	1 000	1 377	-	1 377	1 410	960	
HIV/Aids and Tuberculosis										
South African Tuberculosis Association	25	25	-	25	-	-	-	-	-	
HIV/Aids (NGOs)	14 722	2 070	5 000	12 190	50 500	-	50 500	43 250	70 250	
Government Aids Action Plan (GAAP) (NGOs)	580	4 813	14 013	22 357	-	-	-	-	-	
South African National Aids Council	-	-	-	10 000	10 000	-	10 000	15 000	15 000	
HIV/Aids Conditional Grant	-	-	16 819	54 198	157 209	-	157 209	266 576	380 480	
Love Life	-	-	-	25 000	25 000	-	25 000	25 000	-	
Tuberculosis - Financial Assistance to NGOs	-	-	-	-	2 500	-	2 500	2 600	2 800	
SA Aids Vaccine Initiative	-	-	-	-	5 000	-	5 000	5 000	5 000	
Medical Schemes										
Medical Schemes Council	-	-	8 831	2 585	2 673	-	2 673	2 673	2 833	
3 Health Service Delivery	4 306 147	4 641 777	5 444 468	5 370 528	5 118 318	590 000	5 708 318	6 019 155	6 357 737	
Disease Prevention and Control										
Council for the Blind	250	250	350	350	400	-	400	400	424	
National Health Laboratory Services	-	-	-	260	394	-	394	407	415	
Medical Legal	-	-	-	10 000	35 000	-	35 000	52 000	86 600	

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	2001/02		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01			2002/03				
Hospital Services										
Hospital Rehabilitation	1 725	153 455	423 139	500 000	-	520 000	520 000	543 400	576 004	
Hospital Construction - Durban Academic Hospital	200 000	188 776	331 200	103 800	-	-	-	-	-	
Hospital Construction - Umtata Hospital	11 106	40 941	111 852	-	-	-	-	-	-	
Hospital Construction - Pretoria Academic Hospital	-	-	-	50 000	-	70 000	70 000	90 000	-	
National Tertiary Services	3 021 389	3 130 055	3 391 041	3 459 594	3 666 842	-	3 666 842	3 892 849	4 151 542	
Health Professionals Training and Development	1 060 000	1 118 000	1 174 000	1 234 090	1 279 248	-	1 279 248	1 299 475	1 393 366	
Hospital Management Improvement Grant	-	-	-	-	124 000	-	124 000	130 000	137 800	
Non-Personal Health Services										
Compensation Commissioner	10 200	9 000	12 000	11 434	11 434	-	11 434	9 624	10 546	
Environmental Health (NGOs)	10	-	-	-	-	-	-	-	-	
Health Promotion (NGOs)	1 467	1 300	886	1 000	1 000	-	1 000	1 000	1 040	
Total	4 687 622	5 448 350	6 191 108	6 223 954	6 115 083	590 000	6 705 083	7 132 982	7 613 616	

Table 16.11: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	340	337	337	390	390
2 Strategic Health Programmes	311	348	427	351	351
3 Health Service Delivery	616	669	624	735	735
Total	1 267	1 354	1 388	1 476	1 476
Total personnel cost (R thousand)	124 465	131 920	141 117	156 627	169 245
Unit cost (R thousand)	98.2	97.4	101.7	106.1	114.7

¹ Full-time equivalent

Table 16.12: Summary of expenditure on training

R thousand	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1999/00	2000/01	2001/02			
1 Administration	151	267	630	1 616	1 713	1 799
2 Strategic Health Programmes	106	207	513	704	746	791
3 Health Service Delivery	147	244	670	1 231	1 305	1 370
Total	404	718	1 813	3 551	3 764	3 960

Table 16.13: Summary of information and communications technology expenditure

R thousand	Adjusted appropriation	Medium-term expenditure estimate		
		2001/02	2002/03	2003/04
1 Administration	1 573	1 813	1 942	2 016
Technology	1 373	1 555	1 657	1 714
Hardware	973	1 110	1 169	1 217
Software and licences	400	445	478	492
Audio-visual equipment	-	-	10	5
Systems	-	-	-	-
IT services	200	258	285	302
Consulting	200	240	254	269
Outsourcing	-	18	31	33
2 Strategic Health Programmes	395	205	216	277
Technology	395	205	216	277
Hardware	365	155	166	190
Software and licences	20	25	25	25
Audio-visual equipment	10	15	15	25
Systems	-	10	10	37
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
	Adjusted	Medium-term expenditure estimate		

R thousand	appropriation			
	2001/02	2002/03	2003/04	2004/05
3 Health Service Delivery	102	85	90	335
Technology	102	85	90	335
Hardware	55	50	50	245
Software and licences	36	25	30	75
Audio-visual equipment	11	10	10	15
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
Total	2 070	2 103	2 248	2 628

Table 16.14: Summary of conditional grants to provinces¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01		2002/03	2003/04	2004/05
2 Strategic Health Programmes							
Integrated Nutrition Programme	284 147	710 923	582 411	582 411	582 411	582 411	617 356
HIV/Aids	-	-	16 819	54 398	157 211	266 576	380 480
3 Health Service Delivery							
Hospital Rehabilitation	1 725	153 455	423 139	500 000	520 000	543 400	576 004
Hospital Construction	211 106	229 717	443 052	153 800	70 000	90 000	-
Health Professional Training and Development	1 060 000	1 118 000	1 174 000	1 234 090	1 279 248	1 299 475	1 393 366
National Tertiary Services Grant	3 021 389	3 130 055	3 391 041	3 459 594	3 666 842	3 892 849	4 151 542
Hospital Management Improvement Grant	-	-	-	-	124 000	130 000	137 800
Total	4 578 367	5 342 150	6 030 462	5 984 293	6 399 712	6 804 711	7 256 548

¹ Detail provided in the Division of Revenue Act, 2002.