

# Vote 16

## Health

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R8 386 520 000	R9 240 144 000	R9 904 783 000
Statutory amounts	-	-	-
Responsible Minister	Minister of 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.*

### Programme purpose and measurable objectives

#### Programme 1: Administration

**Purpose:** Provide for the overall management of the Department, and provide legislative and communication services and centralised administrative support.

#### Programme 2: Strategic Health Programmes

**Purpose:** Co-ordinate a range of strategic national health programmes through the development of policy, systems and monitoring; and manage and fund key programmes.

#### Measurable objectives:

- To continuously strengthen policies and programmes for: HIV/Aids prevention and care, including those for sexually transmitted diseases and tuberculosis; child health; reproductive and women's health; occupational and environmental health; and nutrition.
- To ensure that all medicines used are safe and affordable, and that 90 per cent of essential medicines are available at all times in the public health sector.
- To monitor and evaluate health trends, through relevant research and epidemiological surveillance, to ensure that national health policies and programmatic interventions are having their desired impact.
- To support the development of affordable health services, and coherent service provision and financing in the private health sector.

#### Programme 3: Health Service Delivery

**Purpose:** Support the delivery of services, primarily in the provincial and local spheres of Government.

#### Measurable objectives:

- To co-ordinate and support the development of a sustainable network of hospitals – completely upgrading or replacing 27 hospitals over the MTEF – to provide appropriate health care.

- To develop and assist provinces to implement a comprehensive national health human resources plan that will ensure an equitable distribution of health professionals.

## **Strategic overview and key policy developments: 1999/00 – 2005/06**

Key functions of the national Department of Health (DOH) are to lead and co-ordinate the national health system through the development of policy, legislation and national health programmes, and to support and monitor the implementation of policy by provincial and local governments. A relatively small core budget of about R582 million for 2003/04 funds this co-ordinating and support role in relation to a range of departmental transfers to public entities and provinces as well as broader public sector health spending funded from provincial equitable share allocations. The total public sector health budget, including provincial and national public health spending, will exceed R43 billion in 2005/06.

Departmental activities are guided by the White Paper on the Transformation of the Health System adopted in 1997 and the Health Sector Strategic Framework 1999–2004 adopted after the last elections. These outline key objectives such as 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, reforming legislation, and strengthening human resource development. Over the medium term, the Department will build on key successes in a range of areas.

### *Primary health care*

A major early success of health sector reform has been increased access to primary services through the building of 692 new clinics and the upgrading of 2 298, and the removal of user charges for primary health care services. To improve the quality of services and consistency of their availability, a comprehensive package of primary health care services has been developed and costed, and is being progressively implemented in all health districts, now realigned with the new municipal boundaries. Negotiations around the appropriate definition of municipal health services, and therefore clarity about the division of responsibility for primary health care services between provincial and local government, are continuing.

### *Nutrition*

Nutrition is key to health status, and in 2002 the Department completed an intensive review of the Primary School Nutrition Programme and advised Cabinet on it. The report led to a number of recommendations being accepted. These covered the frequency of feeding, standardisation of menus, and the inclusion of grade R pupils in the programme. These recommendations, together with a realisation of the impact of escalating food prices and a more general focus on mechanisms to impact on poverty in the context of HIV/Aids, see strong increases on the baseline allocations in the 2003 Budget. A revised formula for allocating the grant between provinces will also ensure more appropriate targeting according to poverty levels. In 2003/04, planning for the shifting of responsibility for the Primary School Nutrition Programme (currently a subsection of the Integrated Nutrition Programme) to the Department of Education in 2004/05 will take place. Given that the locus of delivery of the programme is schools, placing responsibility for it in education departments will enable increased reliance on school administration and governance systems, and improved monitoring of implementation.

### *Hospital services*

Ongoing programmes are in place to improve the quality of hospital services. These span the areas of infrastructure improvement, management improvement, norms and standards for service delivery, and the increased use of public-private partnerships in the operation of hospitals. There

has been significant progress with implementing the hospital revitalisation programme, leading to substantially increased allocations over the medium term. A number of large infrastructure projects – notably the Inkosi Albert Luthuli Hospital in Durban, which is being managed through an innovative public-private partnership – have been completed or will soon reach completion. Additions over baseline to the Revitalisation Grant will address backlogs, and will provide for substantially upgrading or replacing a further 18 hospitals over the medium term, while the provincial allocations to health infrastructure will provide for maintenance and rehabilitation of a more ongoing nature.

The new National Tertiary Services Grant (NTSG), through which financing higher level care was restructured, was introduced in 2002/03. The NTSG funds 27 hospitals in all the provinces, ensuring more equitable funding of higher level services. A long-term plan for the funding and delivery of tertiary care (the Modernisation of Tertiary Services Project) is being developed. This will provide a 10-year framework, a set of minimum tertiary services that should be provided in each province, and a set of central and quaternary services that will be provided in selected hospitals.

#### *HIV/Aids*

In 2002 the Enhanced Response to HIV/Aids, a budgeting strategy to support the HIV/Aids and STI Strategic Plan for South Africa 2000–2005, was reviewed in order to identify areas where further strengthening is required. As a result we see additional allocations of R3,3 billion over the medium term to strengthen the national HIV/Aids programme via the budget of the national Department, conditional grants to provinces, and through provincial equitable shares. While baseline budgets already grew strongly to expand a range of services – such as life-skills education in schools, condom distribution, prevention and community mobilisation programmes, voluntary counselling and testing, and home and community-based care programmes – increased baselines provide specifically for the faster rollout of mother-to-child transmission prevention programmes. Provincial allocations are strengthened over the medium term to ensure not only that health services generally can cope with increased demand as a result of the disease, but also that appropriate treatment and care can be provided as policy develops. Investigations on the introduction of a national anti-retroviral programme are far advanced, and recommendations are close to finalisation. Interdepartmental co-ordination and intersectoral collaboration on HIV/Aids policies and interventions continue to be strengthened.

#### *Personnel*

The unequal distribution of medical personnel between and within provinces, seriously obstructs equitable access to health services. To address this matter partly, the Health Professions Training and Development Grant was restructured in 2002/03 to include a developmental component (R227 million) to recruit and train medical specialists in under-served provinces. Further strategic interventions are being implemented to improve access to health professionals. The 2003 Budget allocations to the provincial sphere took into account the need to fund adjustments to the existing rural allowance and to increase remuneration for scarce health professional skills. Measures to increase recruitment and retention of skilled health professionals, not only in under-served and rural areas but also generally across the public health system, will be negotiated through the appropriate bodies as a matter of priority.

Community service will be expanded in 2003 to include allied health professionals such as clinical psychologists, and various therapists. Proposals on the need for mid-level workers have been finalised, and discussions with professional councils are under way to finalise them. Professional bodies for the health sector are in the process of being transformed.

*Non-personnel inputs*

The last financial year was characterised by sharp increases in the prices of medical consumables and equipment as the currency depreciated, which threatened service delivery levels in provincial health departments. Detailed analysis of the problem and recommendations by the national Department saw significant budgetary adjustments in provinces to protect and strengthen allocations to non-personnel current items such as medicines, laboratory services and maintenance. These are reflected by significant increases in provincial health budgets in 2002/03.

*Legislation*

A groundbreaking piece of legislation in mental health, the Mental Health Care Act (17 of 2002), was passed in 2002. The Act promotes the provision of mental health care services in a manner which promotes the maximum well-being of users of these services. It provides, among other things, for the care, treatment and rehabilitation of people who are mentally ill and for the procedures to be followed in admitting such people to health establishments.

In November 2001, the National Health Bill was gazetted for comment. A revised version was approved by Cabinet in 2002. It is expected that the National Health Bill will pass through Parliament and become an Act during the first six months of the 2003/04 financial year. When passed, it will replace the National Health Act (9 of 1977) as the primary piece of health legislation. It will provide the framework for governance of the health sector, including the relationship between national, provincial and local governments.

*Broader health financing initiatives*

The Public Sector Co-ordinating Bargaining Council is investigating alternative medical coverage for civil servants. The objectives are to widen access to coverage, to attempt to negotiate discounts through bulk purchasing, and, given the potential size of the scheme, to attempt to design innovative contractual, reimbursement and other arrangements.

The appropriateness and viability of a social health insurance system for South Africa and the tax status of medical aid contributions were reviewed as part of the work of the Committee of Inquiry into a Comprehensive Social Security System. During 2003/04 the Department of Health will further develop policy proposals on these issues and approaches.

**Expenditure estimates**

Table 16.1: Health

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	70 688	70 443	111 009	98 201	98 201	106 927	108 903	132 207
2 Strategic Health Programmes	962 596	1 022 790	1 141 303	1 340 212	1 340 212	1 793 688	2 110 969	2 279 064
3 Health Service Delivery	4 825 537	5 574 193	5 484 129	6 215 584	6 170 584	6 485 905	7 020 272	7 493 512
Total	5 858 821	6 667 426	6 736 441	7 653 997	7 608 997	8 386 520	9 240 144	9 904 783
Change to 2002 Budget Estimate				468 867	423 867	730 012	1 054 122	

	Expenditure outcome			Adjusted appropriation	Revised Estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02	2002/03				
R thousand								
Economic classification								
Current	5 452 554	5 788 832	6 034 177	6 912 731	6 867 731	7 556 226	8 308 960	8 856 626
Personnel	131 920	141 117	156 506	174 121	174 121	191 544	206 887	219 234
Transfer payments	5 064 794	5 324 917	5 543 232	6 433 831	6 388 831	6 974 487	7 682 140	8 203 477
Other current	255 840	322 798	334 439	304 779	304 779	390 195	419 933	433 915
Capital	406 267	878 594	702 264	741 266	741 266	830 294	931 184	1 048 157
Transfer payments	383 556	866 191	653 800	719 000	719 000	809 984	911 856	1 027 427
Acquisition of capital assets	22 711	12 403	48 464	22 266	22 266	20 310	19 328	20 730
Total	5 858 821	6 667 426	6 736 441	7 653 997	7 608 997	8 386 520	9 240 144	9 904 783
Standard items of expenditure								
Personnel	131 920	141 117	156 506	174 121	174 121	191 544	206 887	219 234
Administrative	45 394	57 590	89 719	94 382	94 382	135 630	139 447	149 255
Inventories	93 461	127 632	73 173	89 512	89 512	135 412	147 649	154 489
Equipment	29 094	17 805	20 936	22 131	22 131	30 157	30 347	30 815
Land and buildings	177	616	35 640	7 841	7 841	-	-	-
Professional and special services	108 399	130 227	163 092	113 179	113 179	109 306	121 818	120 086
Transfer payments	5 448 350	6 191 108	6 197 032	7 152 831	7 107 831	7 784 471	8 593 996	9 230 904
Miscellaneous	2 026	1 331	343	-	-	-	-	-
Total	5 858 821	6 667 426	6 736 441	7 653 997	7 608 997	8 386 520	9 240 144	9 904 783

## Expenditure trends

Continuing the trend of the three years to 2002/03, the Department of Health's expenditure is projected to grow by an annual average of about 9 per cent per year over the medium term. Capital expenditure grows significantly faster than current expenditure, due primarily to an increase in capital transfers for the Hospital Revitalisation Grant. Growth in personnel expenditure caters for increasing functional and legal responsibilities in a wide range of areas including HIV/Aids, medicines regulatory affairs, pharmaceutical procurement, internal audit, and radiation control. Provision is also made for the recently appointed Deputy Minister and for restructuring and expanding the senior management structures of the Department.

Increases on the 2002 Budget baselines are significant, with the biggest items being:

- An increase of R160 million in 2003/04 and R319 million in 2004/05 for hospital revitalisation
- Strengthening of the Primary School Nutrition Programme by R211 million in 2003/04 and R315 million in 2004/05.

Smaller additions to the Budget 2002 baseline allocations cater for a range of aspects, such as increased condom distribution, contributions to the Global Aids and Health Fund, and expansion of the fixed establishment of the Department.

## Departmental receipts

The Department generates revenue (which is deposited into the National Revenue Fund) from the registration of medicines, the sale of vaccines, charges for pathological examinations, and other administrative sources. The decline in revenue between 1999/00 and 2002/03 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 and interest charges on debt. The State Vaccine Institute is in the process of being converted into a public-private partnership, and vaccine

sales dropped because the facility is being re-engineered to produce more modern vaccines. The Department projects reduced annual income between 2003/04 and 2005/06 due to the likely establishment of the Medicines Regulatory Authority as a public entity in the near future.

Table 16.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02					
Tax revenue	-	-	-	-	-	-	-	
Non-tax revenue	8 990	8 082	9 783	7 048	2 377	2 519	2 670	
Interest	76	119	93	38	68	72	76	
Dividends	-	-	-	-	-	-	-	
Rent	-	-	-	-	-	-	-	
Sales of goods and services	8 911	7 955	9 689	7 009	2 308	2 446	2 593	
Fines, penalties and forfeits	-	-	-	-	-	-	-	
Miscellaneous	3	8	1	1	1	1	1	
Sales of capital assets (capital revenue)	-	-	-	-	-	-	-	
Financial transactions (recovery of loans and advances)	1 454	438	742	1 062	838	889	942	
<b>Total departmental receipts</b>	<b>10 444</b>	<b>8 520</b>	<b>10 525</b>	<b>8 110</b>	<b>3 215</b>	<b>3 408</b>	<b>3 612</b>	

## Programme 1: Administration

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

### Expenditure estimates

Table 16.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02					
Minister <sup>1</sup>	577	525	630	691	746	791	835	
Deputy Minister <sup>2</sup>	-	-	-	-	607	643	679	
Management	8 408	3 382	4 850	5 708	7 426	9 165	9 677	
Corporate Services	61 703	66 536	105 529	91 802	98 148	98 304	121 016	
<b>Total</b>	<b>70 688</b>	<b>70 443</b>	<b>111 009</b>	<b>98 201</b>	<b>106 927</b>	<b>108 903</b>	<b>132 207</b>	
Change to 2002 Budget Estimate				11 001	20 776	17 094		

<sup>1</sup> Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

<sup>2</sup> Payable as from 1 April 2002. Salary: R449 460. Car allowance: R112 365.

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Economic classification</b>							
Current	68 076	67 508	74 124	87 415	103 540	106 491	128 656
Personnel	30 565	31 814	38 788	45 634	56 190	59 561	62 908
Transfer payments	-	-	-	-	-	-	-
Other current	37 511	35 694	35 336	41 781	47 350	46 930	65 748
Capital	2 612	2 935	36 886	10 786	3 387	2 412	3 551
Transfer payments	384	-	-	-	-	-	-
Acquisition of capital assets	2 228	2 935	36 886	10 786	3 387	2 412	3 551
<b>Total</b>	<b>70 688</b>	<b>70 443</b>	<b>111 010</b>	<b>98 201</b>	<b>106 927</b>	<b>108 903</b>	<b>132 207</b>

## Standard items of expenditure

Personnel	30 565	31 814	38 788	45 634	56 190	59 561	62 908
Administrative	10 889	19 634	18 100	18 116	28 409	30 414	34 592
Inventories	1 702	2 563	2 380	2 932	3 252	3 349	2 635
Equipment	5 222	4 666	4 967	7 418	8 493	7 555	8 650
Land and buildings	177	616	35 640	7 841	-	-	-
Professional and special services	21 315	10 678	10 792	16 260	10 583	8 024	23 422
Transfer payments	384	-	-	-	-	-	-
Miscellaneous	434	472	343	-	-	-	-
<b>Total</b>	<b>70 688</b>	<b>70 443</b>	<b>111 010</b>	<b>98 201</b>	<b>106 927</b>	<b>108 903</b>	<b>132 207</b>

## Transfer payments per subprogramme

<b>Corporate Services</b>							
Policy Analysis	384	-	-	-	-	-	-
<b>Total</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Expenditure trends

Exceptionally high expenditure in 2001/02 is explained by once-off capital expenditures, related in particular to the National Health Laboratory Service. Excluding this exceptional expenditure there has been steady growth between 1999/00 and 2002/03, which continues over the medium term. This growth is explained primarily by increased allocations to Corporate Services, which also sees expenditure on personnel grow strongly. Personnel expenditure growth is partly due to growing average remuneration per employee, and partly to the filling of posts to meet additional governance and administration requirements. These follow from the implementation of the Public Finance Management Act (PFMA) (1 of 1999), the Skills Development Act (97 of 1998), and the Employment Equity Act (55 of 1998), among others. Units such as internal audit have been considerably strengthened. During 2002/03 a Deputy Minister was appointed, and this is now accommodated in the budget.

## Programme 2: Strategic Health Programmes

*Strategic Health Programmes* co-ordinates a range of strategic national health programmes through the development of policy, systems and monitoring, and the management and funding of key programmes.

The programme accommodates a large number of subprogrammes to deal with key policy areas:

- District Health Systems promotes and co-ordinates the development of the district health system and activities related to the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme initiated by the Presidency.
- International Health Liaison (IHL) liaises with the international health community, manages participation in international organisations, co-ordinates regional health co-operation 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 the SADC's health structure, and plays a key role in malaria and cholera control, and other health programmes in the region.
- Health Monitoring and Evaluation deals with the development, implementation and maintenance of a national information system, research and epidemiology, and with facilitating improvements in the quality of health care services. 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.
- Medicines Regulatory Affairs includes support for the Medicines Control Council, and ensures that medicines are safe and effective, and meet approved standards and specifications.
- Mental Health and Substance Abuse administers mental health legislation, prepares guidelines and manuals on mental health care, and monitors care in psychiatric hospitals.
- HIV/Aids and Tuberculosis develops policy, administers the national HIV/Aids/STIs programme, and supports research and disease surveillance. This includes co-ordination of the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids Conditional Grant.
- Pharmaceutical Policy and Planning regulates and co-ordinates the procurement of pharmaceutical supplies to ensure that essential drugs are made affordable and available, promotes rational drug use by consumers and health workers, and administers legislation on food safety and related matters.
- Medical Schemes is responsible for transfers to and overseeing the Council for Medical Schemes, a public entity reporting to the Minister of Health.

## Expenditure estimates

Table 16.4: Strategic Health Programmes

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
District Health Systems	5 846	3 589	2 487	2 555	3 233	2 820	2 958
International Health Liaison	20 705	20 531	35 759	36 092	41 840	41 662	48 133
SADC	1 281	1 751	1 977	2 079	-	-	-
Health Monitoring and Evaluation	99 484	121 464	145 373	164 213	183 130	185 019	197 365
Maternal, Child and Women's Health	732 195	654 706	616 227	631 241	843 921	973 741	1 066 220
Medicines Regulatory Affairs	11 509	15 105	15 843	19 967	23 012	23 691	25 112
Mental Health and Substance Abuse	4 563	4 649	6 033	6 060	6 221	6 989	7 408
HIV/Aids and Tuberculosis	74 480	181 148	265 839	458 628	665 721	850 968	903 344
Pharmaceutical Policy and Planning	10 220	10 630	49 180	16 704	23 937	23 246	25 521
Medical Schemes	2 313	9 217	2 585	2 673	2 673	2 833	3 003
Total	962 596	1 022 790	1 141 303	1 340 212	1 793 688	2 110 969	2 279 064
Change to 2002 Budget Estimate				73 489	374 490	513 409	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Economic classification</b>							
Current	953 095	1 021 863	1 137 143	1 338 240	1 791 483	2 108 790	2 276 608
Personnel	39 565	45 692	49 218	57 369	71 774	79 931	84 451
Transfer payments	806 189	746 640	838 198	1 063 378	1 422 151	1 707 055	1 869 650
Other current	107 341	229 531	249 727	217 493	297 558	321 804	322 507
Capital	9 501	927	4 159	1 972	2 205	2 179	2 456
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	9 501	927	4 159	1 972	2 205	2 179	2 456
<b>Total</b>	<b>962 596</b>	<b>1 022 790</b>	<b>1 141 302</b>	<b>1 340 212</b>	<b>1 793 688</b>	<b>2 110 969</b>	<b>2 279 064</b>

## Standard items of expenditure

Personnel	39 565	45 692	49 218	57 369	71 774	79 931	84 451
Administrative	26 277	24 605	59 062	56 286	88 049	90 323	96 143
Inventories	31 430	110 794	57 872	75 573	123 837	133 638	140 891
Equipment	10 906	2 632	5 664	3 592	4 160	5 242	4 691
Land and buildings	-	-	-	-	-	-	-
Professional and special services	47 615	92 067	131 288	84 014	83 717	94 780	83 238
Transfer payments	806 189	746 640	838 198	1 063 378	1 422 151	1 707 055	1 869 650
Miscellaneous	614	360	-	-	-	-	-
<b>Total</b>	<b>962 596</b>	<b>1 022 790</b>	<b>1 141 302</b>	<b>1 340 212</b>	<b>1 793 688</b>	<b>2 110 969</b>	<b>2 279 064</b>

## Transfer payments per subprogramme

<b>Health Monitoring and Evaluation</b>							
Medical Research Council	79 566	108 661	127 221	145 498	156 695	163 388	173 304
Health Systems Trust	1 500	2 000	2 970	2 000	2 000	2 120	2 247
South African Institute for Medical Research	287	287	287	287	287	304	322
<b>Maternal, Child and Women's Health</b>							
Integrated Nutrition Programme	710 923	582 411	582 411	592 411	808 660	950 418	1 041 543
Poverty Relief	3 784	3 316	3 487	18 513	15 000	-	-
South African Vaccine Producers	2 439	4 000	4 052	-	-	-	-
Financial Assistance to NGO's	60	150	-	310	350	370	392
<b>Mental Health and Substance Abuse</b>							
Financial Assistance to NGO's	722	1 152	978	1 377	1 080	960	1 018
<b>HIV/AIDS and Tuberculosis</b>							
South African Tuberculosis Association	25	-	-	-	-	-	-
HIV/AIDS (NGO's)	2 070	5 000	5 001	47 600	43 250	40 250	49 745
Government AIDS Action Plan	4 813	14 013	29 808	-	-	-	-
South African National AIDS Council	-	-	-	10 000	10 000	15 000	10 000
HIV/AIDS Conditional Grant	-	16 819	54 398	210 209	333 556	481 612	535 108
Love Life	-	-	25 000	25 000	25 000	25 000	25 000
Tuberculosis: Financial Assistance to NGOs	-	-	-	2 500	2 600	2 800	2 968
South African AIDS Vaccine Initiative	-	-	-	5 000	10 000	10 000	10 000
Life Line	-	-	-	-	11 000	12 000	15 000
<b>Medical Schemes</b>							
Medical Schemes Council	-	8 831	2 585	2 673	2 673	2 833	3 003
<b>Total</b>	<b>806 189</b>	<b>746 640</b>	<b>838 198</b>	<b>1 063 378</b>	<b>1 422 151</b>	<b>1 707 055</b>	<b>1 869 650</b>

## Expenditure trends

Allocations to *Strategic Health Programmes* grow rapidly over the medium term, with a notably large upward adjustment of 33,8 per cent in 2003/04. The main reasons for this strong growth are:

- Increased allocations to the Integrated Nutrition Programme for school feeding, which increases the total allocation for this purpose in 2005/06 to more than R1 billion
- A further strengthening of spending on the HIV/Aids and Tuberculosis subprogramme with the result that it is projected to grow from a modest R75 million in 1999/00 to R903 million by 2005/06. Increases relate to increased allocations in the conditional grant to provinces (primarily to fund the rollout of prevention of mother-to-child transmission) and for the national programme (for the procurement of male and female condoms, contributions to the Global Fund for HIV/Aids, and partnerships with loveLife and other non-governmental organisations (NGOs)). Payments to the South African Aids Vaccine initiative double to R10 million in 2003/04.

After doubling between 1999/00 and 2002/03, the allocation to the Medical Research Council grows more slowly over the next three years. A range of prioritised activities also see significant growth in allocations, namely to the Health Monitoring and Evaluation subprogramme to strengthen the Department's evaluation of the national health system, and for support to and regulation of the pharmaceutical industry in order to supply the South African public with cheaper and safer medicines.

## Service delivery objectives and indicators

### Recent outputs

#### *Local government*

The role of local government in the provision of primary health care services has been receiving ongoing attention, specifically in relation to reaching agreement about the definition of municipal health services, strengthening the District Health Information System, and developing district health plans that are synchronised with municipal integrated development plans (IDPs) and provincial Medium Term Strategic Plans. Significant amounts of Overseas Development Assistance for this area have been secured, and are being directed to the provinces but managed by the national Department.

#### *HIV/Aids*

A conditional grant to provinces funds the Integrated Plan for Children and Youth Infected and Affected by HIV/Aids, a set of prevention and care activities driven by the departments of Health, Education, and Social Development. The initial three areas funded through the grant were: promoting voluntary counselling and testing, life-skills training in schools, and home- and community-based care. Since 2002/03, the grant is also used to support provinces with the rollout of prevention of mother-to-child-transmission (PMTCT) programmes.

Spending and implementation is now gathering momentum. Provincial co-ordinators have been appointed to manage the voluntary counselling and testing, PMTCT programmes, and home-based care initiatives, and guidelines for implementation and quality assurance are in place. By December 2002 there were 982 operational voluntary counselling and testing sites and 2 228 counsellors had been trained to operationalise the voluntary counselling and testing, PMTCT programmes, and home-based care initiatives.

It is estimated that approximately 466 home-based care projects exist countrywide and that half of these receive government support through the conditional grant. More than 5 000 people have been trained to provide home-based care and 1 430 home-based care kits have been distributed to

counsellors. The kits contain items such as multi-vitamin syrup, calamine lotion, bandages, soaps, anti-septic and surgical gloves.

#### *Other activities*

International Health Liaison played a significant role in co-ordinating the development of the health agenda of the New Partnership for Africa's Development (NEPAD).

A Monitoring and Evaluation Unit was established to oversee the progress of the health system towards the goals that have been identified while an Investigations Unit was established under Medicines Regulatory Affairs to strengthen enforcement.

A Confidential Inquiry into Maternal Deaths was established to investigate causes of maternal deaths so as to implement corrective measures to reduce preventable mortality.

The Mental Health Care Act (17 of 2002) was passed and signed into law in 2002, and represents a major step forward in ensuring appropriate mental health care in the public sector.

### **Medium-term output targets**

#### **Strategic Health Programmes**

Measurable objectives:			
<ul style="list-style-type: none"> <li>To continuously strengthen policies and programmes for: HIV/Aids prevention and care, including those for sexually transmitted diseases and tuberculosis; child health; reproductive and women's health; occupational and environmental health; and nutrition;</li> <li>To ensure that all medicines used are safe and affordable, and that 90 per cent of essential medicines are available at all times in the public health sector;</li> <li>To monitor and evaluate health trends, through relevant research and epidemiological surveillance, to ensure that national health policies and programmatic interventions are having their desired impact; to support the development of affordable health services, and coherent service provision and financing in the private health sector;</li> <li>To support the development of affordable health services, and coherent service provision and financing in the private health sector.</li> </ul>			
Subprogramme	Output	Measure/Indicator	Target
District Health Systems	Equitable access to and quality of primary health care services	Number of health districts and health sub-districts that render the full package of essential services	Full implementation of package by all health sub-districts by 2004
		Number of facilities with adequate supply of water, sanitation, electricity and access roads	All facilities by end of March 2005
		Percentage of facilities with full complement of staff	80% of facilities by end of 2004
	Service delivery agreements between local and provincial governments	Number of municipalities rendering health services in terms of service agreements	Service agreements signed by all municipalities rendering health services by end of 2004
Health Monitoring and Evaluation	District health information system (DHIS)	Proportion of health districts providing minimum data for planning from DHIS	80% by end of 2004
	Registration of births and deaths	Percentage of births and deaths registered	50% of births registered in first year of life by 2004; 90% of deaths registered by 2004
	Studies and surveys on health and health sector	Progress with surveys and studies	South African Demographic Health Survey fieldwork completed by end 2003 Antenatal Survey draft report completed by March 2004

Subprogramme	Output	Measure/Indicator	Target
Health Monitoring and Evaluation (continued)	Studies and surveys on health and health sector (continued)	Progress with surveys and studies (continued)	Study on impact of HIV/Aids on health sector completed by December 2003  Fieldwork for National Behavioural Surveillance Survey completed by December 2003
Maternal, Child and Women's Health	Immunisation coverage	Number of cases of indigenous measles	No confirmed cases in 2003/04
	Improved child health	Immunisation coverage of under-1-year-olds Number of districts implementing Integrated Management of Child Illnesses (IMCI) Percentage of children under 5 that are wasted, stunted, and underweight	90% coverage of under-1-year-olds by 2004 (minimum 80% in each province) IMCI implemented in all health districts  Reduce prevalence of wasting to less than 2%, stunting to less than 18%, underweight to less than 8%, and severely underweight to less than 1% by 2005/6
	Improved youth and adolescent health	Percentage of infants exclusively breastfed for 6 months Percentage of new-born babies with Road to Health Charts Percentage of baby-friendly maternity facilities Guideline for youth and adolescent health published and distributed Strategies to reduce teenage pregnancies Strategies to reduce alcohol and substance abuse among the youth	More than 10% by 2005/6 100% by 2005/6 15% by 2005/6 Guidelines implemented in all provinces Strategies developed and provinces proceed with implementation Strategies developed and provinces proceed with implementation
	Improved women's health and reduced maternal mortality	Implementation of national programme for cervical and breast cancer awareness and screening Number of facilities that have implemented antenatal clinic protocols Number of health districts with intersectoral plans to tackle poor nutrition	Programme implemented in all health districts by 2004 Implemented by all facilities by 2004 Plans in all health districts
	Nutrition programmes	Number of health districts implementing Integrated Nutrition Programme Number of ISRDP nodes with nutrition activities such as nutrition education and growth monitoring and promotion Legislation to ensure food fortification promulgated	All health districts by 2004 All 13 nodes Regulations in place by December 2003
HIV/Aids and Tuberculosis	Improved strategies to deal with the HIV/Aids epidemic	Percentage of public health facilities offering voluntary counselling and testing (VCT) Number of male condoms distributed Care and support strategy developed and implemented	80% of public health facilities offer VCT services by 2004 400 million in 2003/04 Priority components of the care and support strategy implemented in all provinces

Subprogramme	Output	Measure/Indicator	Target
	Strengthen the tuberculosis programme	Percentage of new smear-positive tuberculosis cases cured at the first attempt Smear conversion rate (sputum test change from positive to negative) Percentage of health districts with DOTS programme Percentage decline in Multi-Drug Resistant TB	85% At least 85% in new cases by December 2003 100% Reduce Multi-Drug Resistant TB to less than 1% of all new cases
Pharmaceutical Policy and Planning	Essential Drugs Lists and Standard Treatment Guidelines	Regular review and updates	Completion and distribution of revised Essential Drugs Lists for primary health care, hospitals and paediatrics by December 2003
	Pharmaceutical management information system functional	Minimum standards for pharmaceutical inventory management developed	September 2003
	Drug supply management strengthened	Norms and guidelines developed and implemented	April 2003
	Food regulations updated	Number of regulations submitted for finalisation of legal drafting	8 regulations by March 2004
	Pricing system in place	System in place and dispensing, wholesaling and distribution fees determined	October 2003
	System to license health care professionals who are not pharmacists to compound or dispense pharmaceuticals and own pharmacies	Functional system in place	July 2003

### Programme 3: Health Service Delivery

*Health Service Delivery* supports the delivery of health services, primarily in the provincial and local spheres of government.

- 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. The subprogramme is also responsible for the transfer of mortuaries from the South African Police Service (SAPS) to provincial 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.
- Human Resources is responsible for the development of human resource policies, and norms and standards for the health sector.
- Non-Personal Health Services is responsible for ensuring sound environmental health, including monitoring, public awareness, guidelines, and water and sanitation provision in rural communities. It is also responsible for promoting health and preventing ill 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.

**Expenditure estimates**

Table 16.5: Health Service Delivery

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Disease Prevention and Control	100 152	51 273	58 333	261 098	125 013	160 175	169 005
Hospital Services	4 664 518	5 455 550	5 360 623	5 884 943	6 291 730	6 781 638	7 245 173
Human Resources	11 304	8 419	9 988	6 532	6 651	7 328	7 768
Non-Personal Health Services	49 563	57 937	53 204	60 605	60 741	68 432	68 705
Health and Welfare Bargaining Sector Negotiations	–	1 014	1 981	2 406	1 770	2 699	2 861
<b>Total</b>	<b>4 825 537</b>	<b>5 574 193</b>	<b>5 484 129</b>	<b>6 215 584</b>	<b>6 485 905</b>	<b>7 020 272</b>	<b>7 493 512</b>
Change to 2002 Budget Estimate				384 377	334 746	523 619	
<b>Economic classification</b>							
Current	4 431 383	4 699 461	4 822 910	5 487 076	5 661 203	6 093 679	6 451 362
Personnel	61 790	63 611	68 500	71 118	63 580	67 395	71 875
Transfer payments	4 258 605	4 578 277	4 705 034	5 370 453	5 552 336	5 975 085	6 333 827
Other current	110 988	57 573	49 376	45 505	45 287	51 199	45 660
Capital	394 154	874 732	661 219	728 508	824 702	926 593	1 042 150
Transfer payments	383 172	866 191	653 800	719 000	809 984	911 856	1 027 427
Acquisition of capital assets	10 982	8 541	7 419	9 508	14 718	14 737	14 723
<b>Total</b>	<b>4 825 537</b>	<b>5 574 193</b>	<b>5 484 129</b>	<b>6 215 584</b>	<b>6 485 905</b>	<b>7 020 272</b>	<b>7 493 512</b>
<b>Standard items of expenditure</b>							
Personnel	61 790	63 611	68 500	71 118	63 580	67 395	71 875
Administrative	8 228	13 351	12 557	19 980	19 172	18 710	18 520
Inventories	60 329	14 275	12 921	11 007	8 323	10 662	10 963
Equipment	12 966	10 507	10 305	11 121	17 504	17 550	17 474
Land and buildings	–	–	–	–	–	–	–
Professional and special services	39 469	27 482	21 012	12 905	15 006	19 014	13 426
Transfer payments	4 641 777	5 444 468	5 358 834	6 089 453	6 362 320	6 886 941	7 361 254
Miscellaneous	978	499	–	–	–	–	–
<b>Total</b>	<b>4 825 537</b>	<b>5 574 193</b>	<b>5 484 129</b>	<b>6 215 584</b>	<b>6 485 905</b>	<b>7 020 272</b>	<b>7 493 512</b>
<b>Transfer payments per subprogramme</b>							
Disease Prevention and Control							
Council for the Blind	250	350	350	400	510	424	449
National Health Laboratory Services	–	–	–	8 294	23 704	24 336	30 796
Medical Legal	–	–	–	45 000	52 000	86 600	91 796
Malaria LSDI	–	–	–	5 000	5 000	5 000	–
Cholera Epidemic - KwaZulu-Natal (conditional grant)	–	–	–	147 000	–	–	–
Hospital Services							
Hospital Revitalisation	153 455	423 139	500 000	649 000	717 628	911 856	1 027 427
Hospital Construction: Durban Academic Hospital	188 776	331 200	103 800	–	–	–	–
Hospital Construction: Umtata Hospital	40 941	111 852	–	–	–	–	–
Hospital Construction: Pretoria Academic Hospital	–	–	50 000	70 000	92 356	–	–
National Tertiary Services	3 130 055	3 391 041	3 459 594	3 727 077	3 994 774	4 273 005	4 529 386
Health Professionals Training and Development	1 118 000	1 174 000	1 234 090	1 299 248	1 333 499	1 434 132	1 520 180
Hospital Management and Quality Improvement	–	–	–	126 000	133 404	141 832	150 342

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06
	1999/00	2000/01	outcome 2001/02				
Transfer payments per subprogramme (continued)							
Non-Personal Health Services							
Compensation Fund	9 000	12 000	11 000	11 434	8 805	9 000	10 000
Health Promotion	1 300	886	-	1 000	600	700	800
Environmental Health NGO	-	-	-	-	40	56	78
<b>Total</b>	<b>4 641 777</b>	<b>5 444 468</b>	<b>5 358 834</b>	<b>6 089 453</b>	<b>6 362 320</b>	<b>6 886 941</b>	<b>7 361 254</b>

## Expenditure trends

After annual average growth of 8,8 per cent between 1999/000 and 2002/03, growth on this programme slows to an annual average 6,4 per cent over the medium term. However, average growth rates underestimate the extent of growth in key programmes because of large once-off payments in 2002/03 (specifically the refund to KwaZulu-Natal of malaria-related expense), the transfer in 2002/03 of the National Institute of Virology to the National Health Laboratory Services, and the completion of funding for a number of large hospital capital projects between 2001/02 and 2003/04.

In particular over the MTEF, there is strong growth in allocations to medico-legal mortuaries and hospital rehabilitation, both of which are conditional grants to provinces. The allocation to hospital rehabilitation increases to more than R1 billion in 2005/06. Funding for the Lubombo malaria initiative has been allocated for a further three years (R5 million per year) given the great successes in reducing malaria in South Africa, Swaziland, and southern Mozambique. R50 million has been allocated to update and transform the equipment stock of the health sector to decrease the average age of the equipment, and this includes allocations for health technology audits, technology systems and management tools.

The large conditional grants have been reconfigured with the introduction of the new National Tertiary Services Grant and Health Professions Training and Development Grant. 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.

## Service delivery outputs and indicators

### Recent outputs

#### *Modernising tertiary services*

Initial restructuring of the funding for tertiary services through the National Tertiary Services Grant in 2002/03 is being followed up by the Modernisation of Tertiary Services (MTS) project, which is aimed at the development of a long-term vision of tertiary and quaternary care within the South African public hospital system. This is to ensure that such services are optimally reconfigured to provide equitable access to efficient, high quality, cost-effective care, in a manner that is affordable and sustainable in the medium and long term. The MTS project will be developed as part of the Integrated Health Planning Framework. The primary output, an agreed upon service development and relocation plan should be delivered by March 2003.

#### *Hospital services*

A charter of patients' rights has been developed and implemented, as well as systems to lodge and respond to complaints and suggestions. A service package with norms and standards has been

developed for district hospitals and is currently being costed. A standardised package of services to be rendered at regional hospitals is being developed. Important sectoral planning tools with targets, the Integrated Health Planning Framework, and provincial strategic position statements have progressed substantially. These will increasingly provide a sound basis for health and hospital service planning.

The major initiative to improve hospital infrastructure, the Hospitalisation Revitalisation programme launched in 1998, sees rapid growth over the medium term to exceed R1 billion per year by 2005/06. This reflects significant progress with implementation, a strengthening of planning and monitoring frameworks, and growing capacity for dealing with health infrastructure. Three large hospitals funded by separate construction grants, the Nelson Mandela (Umtata) the Inkosi Albert Luthuli (Durban), and the Pretoria Academic hospitals have been completed or are close to completion. The Inkosi Albert Luthuli hospital is being managed through a ground-breaking public-private partnership agreement in terms of which the private sector takes responsibility for the management and maintenance of the hospital. Other significant public-private partnerships are under investigation in the Free State, and will be boosted by the drive for differential amenities in public hospitals to use capacity more effectively by providing services to private medical scheme patients.

In addition to a focus on infrastructure, the Hospital Revitalisation programme is increasingly incorporating management and quality considerations and programmes, partly funded from the separate Hospital Management and Quality Improvement Grant. As part of the drive for greater decentralisation of management and management autonomy, there has been progress with the appointment of CEOs to hospitals and ensuring that delegations are in place for them to manage hospital services effectively and efficiently.

### *Support services*

There has also been progress with regard to a range of support services:

- The transfer of ambulance services to the provinces has taken place in eight provinces and regulations for pre-hospital emergency care have been passed. A national review of emergency services is currently being undertaken and development of norms and standards for emergency medical services will be fast-tracked.
- The National Health Laboratory Service, which incorporated unifying 234 government laboratories managed by a range of entities, was established in 2001, and is now delivering services to provinces on a preferred provider basis.
- The transfer of mortuaries from the SAPS to provincial health departments (previously approved by Cabinet) has proceeded more slowly than anticipated. Funding is contained in this budget to support the transfer and to improve conditions in mortuaries.

### **Medium-term output targets**

#### Health Service Delivery

Measurable objectives:

- To co-ordinate and support the development of a sustainable network of hospitals – completely upgrading or replacing 27 hospitals over the MTEF – to provide appropriate health care;
- To develop and assist provinces to implement a comprehensive national health human resources plan that will ensure an equitable distribution of health professionals.

Subprogramme	Output	Measure/Indicator	Target
Disease Prevention and Control	Management of chronic diseases	Number of provinces implementing the national guidelines on: asthma in adults; epilepsy in children; palliative care in children and adults; prostate cancer screening; strategy for management of children with chronic diseases	National guidelines implemented in all provinces by December 2003

Subprogramme	Output	Measure/Indicator	Target
Disease Prevention and Control (continued)	Management of chronic diseases (continued)	Reduction in cataract surgery backlog	Increase cataract surgery rate to 1 per 1 000 people by 2005
		Improved access of disabled to health facilities	60% health facilities accessible by 2003
	Malaria control	Malaria case fatality rate reduced	Case fatality rate of less than 0,5
		Annual plans for each province Co-ordination of plans with neighbouring countries	Plans for all provinces Implementation of control in Lubombo Spatial Development Initiative
	Oral health services	Oral health strategy	Approved by MinMec by March 2004
	Laboratory services	Degree to which the National Centre for Occupational Health (NCOH) is integrated into the National Health Laboratory Service (NHLS)	Full integration of NCOH into the NHLS
Medico-legal mortuary services Care for older persons	Percentage of former SAPS mortuaries under provincial health departments Percentage of provinces implementing the Dignity Programme	100% 100%	
Hospital Services	Integrated health planning framework	Finalised framework and guidance to provinces  Long-term provincial plans to achieve sustainable service delivery	Framework finalised by June 2003  Provincial Strategic Position Statements complete by March 2004
	Hospital infrastructure	Implementation of plans for management and infrastructure development in 27 hospitals Approved business cases and funding for an additional 18 hospitals	Implementation of projects according to plan Approved business cases by July 2003 for project implementation in 2004/05
Human Resources	Strengthened human resource development and management	Planning norms for staffing requirements developed n implemented Reduced vacancy rate in prioritised areas	Developed and implemented in all provinces by December 2004 Vacancies less than 30%
		Resolution of disputes and grievance cases lodged with the Director-General Dental Technicians Bill and Allied Health Workers Bill passed	100% of cases resolved successfully internally 2004
	Regulatory framework		

## Public entities reporting to the Minister

### Medical Research Council

The Medical Research Council (MRC) undertakes scientific research on clinical health issues. There is close co-operation with the Department of Health in setting research priorities. A critical task is research into a vaccine against the strain of HIV that affects sub-Saharan Africa. After nearly doubling between 1999/00 and 2002/03, the allocation to the Council increases from R156,7 million in 2003/04 to R173,3 in 2005/06.

### National Health Laboratory Service

The National Health Laboratory Service Act (37 of 2000) came into operation in May 2001. The entity is now fully operational as the legislated preferred provider of laboratory services to public health facilities. The National Health Laboratory Service's major source of funding will be from the sale of analytical laboratory services, but it also receives a transfer from the Department. The 2002/03 financial year will be the first full financial year for reporting of the entity.

### Council for Medical Schemes

The Council for Medical Schemes regulates the private medical scheme industry in terms of the Medical Schemes Act (131 of 1998), and is funded mainly through levies on the industry in terms of the Council for Medical Schemes Levies Act (58 of 2000). In addition, it receives a small transfer from the Department, increasing from R2,6 million in 2002/03 to R3,0 million in 2005/06.

Table 16.6: Summary of revenue and expenditure for the Council for Medical Schemes

R thousand	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary	Estimated			
	1999/00	2000/01	2001/02				
				2002/03	2003/04	2004/05	2005/06
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	6 851	25 566	12 850	31 638	32 424	35 018
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	-	8 831	2 585	2 673	2 673	2 833	3 003
<b>Total Revenue</b>	<b>-</b>	<b>15 682</b>	<b>28 151</b>	<b>15 523</b>	<b>34 311</b>	<b>35 257</b>	<b>38 021</b>
<b>Expenditure</b>							
Current expenditure	-	8 986	18 966	7 396	33 962	34 880	37 614
Compensation of employees	-	4 218	9 980	3 829	17 756	19 176	20 170
Goods and services	-	4 761	8 823	3 567	16 206	15 704	17 444
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	-	7	163	-	-	-	-
Capital expenditure	-	2 974	1 275	67	349	377	407
Transfer payments	-	-	-	-	-	-	-
Fixed assets	-	2 974	1 275	67	349	377	407
Land and subsoil assets	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>-</b>	<b>11 960</b>	<b>20 241</b>	<b>7 463</b>	<b>34 311</b>	<b>35 257</b>	<b>38 021</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>3 722</b>	<b>7 910</b>	<b>8 060</b>	<b>-</b>	<b>-</b>	<b>-</b>

Data provided by the Council for Medical Schemes

### Mines and Works Compensation Fund

The Compensation Commissioner for Occupational Diseases (CCOD) is responsible for the payment of benefits to miners and ex-miners who have been certified to be suffering from lung-related diseases as a result of the risk work at the mines or works. The Mines and Works Compensation Fund derives funding from levies (Mine Account, Works Account, Research Account, State Account) collected from controlled mines and works, as well as appropriations from Parliament. Payments to beneficiaries are made in terms of Occupational Diseases in Mines and Works Act (78 of 1973).

Table 16.7: Summary of revenue and expenditure for the Mines and Works Compensation Fund

R thousand	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary	Estimated			
	1999/00	2000/01	2001/02				
				2002/03	2003/04	2004/05	2005/06
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	8	12	7	14	14	15	16
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	9 000	12 000	11 000	11 434	8 805	9 000	10 000
<b>Total Revenue</b>	<b>9 008</b>	<b>12 012</b>	<b>11 007</b>	<b>11 448</b>	<b>8 819</b>	<b>9 015</b>	<b>10 016</b>

R thousand	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary Outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Expenditure							
Current expenditure	9 385	8 322	11 803	9 245	7 119	7 752	8 457
Compensation of employees	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	9 385	8 322	11 803	9 245	7 119	7 752	8 457
Capital expenditure	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Total Expenditure	9 385	8 322	11 803	9 245	7 119	7 752	8 457
Surplus/(Deficit)	(377)	3 690	(796)	2 203	1 700	1 263	1 559

Data provided by the Mines and Works Compensation Fund

## **Annexure**

### **Vote 16: Health**

Table 16.8: Summary of expenditure trends and estimates per programme

Table 16.9: Summary of expenditure trends and estimates per economic classification

Table 16.10: Summary of expenditure trends and estimates per standard item

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 16.15: Summary of expenditure on infrastructure

Table 16.8: Summary of expenditure trends and estimates per programme

R thousand	Expenditure outcome			Medium-term expenditure estimate								
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate					
	1999/00	2000/01	2001/02					2003/04	2004/05	2005/06		
1 Administration	70 688	70 443	111 009	87 200	11 001	98 201	98 201	103 540	3 387	106 927	108 903	132 207
2 Strategic Health Programmes	962 596	1 022 790	1 141 303	1 266 723	73 489	1 340 212	1 340 212	1 791 483	2 205	1 793 688	2 110 969	2 279 064
3 Health Service Delivery	4 825 537	5 574 193	5 484 129	5 831 207	384 377	6 215 584	6 170 584	5 661 203	824 702	6 485 905	7 020 272	7 493 512
Total	5 858 821	6 667 426	6 736 441	7 185 130	468 867	7 653 997	7 608 997	7 556 226	830 294	8 386 520	9 240 144	9 904 783
Change to 2002 Budget Estimate						468 867	423 867			730 012	1 054 122	

Table 16.9: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Current					Capital	Total		
	1999/00	2000/01	2001/02								2003/04	2004/05
R thousand	5 452 554	5 788 832	6 034 177	6 575 711	337 020	6 912 731	6 867 731	7 556 226	-	7 556 226	8 308 960	8 856 626
Personnel	131 920	141 117	156 506	169 245	4 876	174 121	174 121	191 544	-	191 544	206 887	219 234
Salaries and wages	101 591	108 674	156 506	118 980	4 876	123 856	123 856	191 544	-	191 544	206 887	219 234
Other	30 329	32 443	-	50 265	-	50 265	50 265	-	-	-	-	-
Transfer payments	5 064 794	5 324 917	5 543 232	6 115 083	318 748	6 433 831	6 388 831	6 974 487	-	6 974 487	7 682 140	8 203 477
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	9 000	12 000	11 000	11 434	-	11 434	11 434	8 805	-	8 805	9 000	10 000
social security funds	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	79 566	108 661	127 221	145 498	5 000	150 498	150 498	161 695	-	161 695	171 221	175 873
extra-budgetary institutions	4 958 978	5 164 271	5 330 493	5 809 710	292 235	6 101 945	6 101 945	6 603 893	-	6 603 893	7 280 999	7 776 559
provincial government	-	-	-	-	-	-	-	-	-	-	-	-
local government	17 250	39 985	74 518	148 441	21 513	169 954	124 954	200 094	-	200 094	220 920	241 045
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other	255 840	322 798	334 439	291 383	13 396	304 779	304 779	390 195	-	390 195	419 933	433 915
Capital	406 267	878 594	702 264	609 419	131 847	741 266	741 266	830 294	-	830 294	931 184	1 048 157
Transfer payments	383 556	866 191	653 800	590 000	129 000	719 000	719 000	809 984	-	809 984	911 856	1 027 427
Other levels of government	383 172	866 191	653 800	590 000	129 000	719 000	719 000	809 984	-	809 984	911 856	1 027 427
Other capital transfers	384	-	-	-	-	-	-	-	-	-	-	-
Movable capital	22 534	11 787	12 900	14 140	285	14 425	14 425	20 310	-	20 310	19 328	20 730
Motor vehicles (transport)	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Other office equipment	-	4 159	-	-	-	-	-	-	-	-	-	-
Other	22 534	11 787	8 741	14 140	285	14 425	14 425	20 310	-	20 310	19 328	20 730
Fixed capital	177	616	35 564	5 279	2 562	7 841	7 841	-	-	-	-	-
Land	-	-	35 564	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	5 279	2 562	7 841	7 841	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	177	616	-	-	-	-	-	-	-	-	-	-
Total	5 858 821	6 667 426	6 736 441	7 185 130	468 867	7 653 997	7 608 997	7 556 226	830 294	8 386 520	9 240 144	9 904 783

Table 16.10: Summary of expenditure trends and estimates per standard item

R thousand	Expenditure outcome				Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Main appropriation		Additional appropriation	Adjusted appropriation	Revised estimate	Total
	1999/00	2000/01	2001/02						
Personnel	131 920	141 117	156 506	169 245	174 121	174 121	191 544	206 887	219 234
Administrative	45 394	57 590	89 719	93 300	94 382	94 382	135 630	139 447	149 255
Inventories	93 461	127 632	73 173	87 912	1 600	89 512	135 412	147 649	154 489
Equipment	29 094	17 805	20 936	21 846	285	22 131	9 847	30 347	30 815
Land and buildings	177	616	35 640	5 279	2 562	7 841	-	-	-
Professional and special services	108 399	130 227	163 092	102 465	10 714	113 179	109 306	121 818	120 086
Transfer payments	5 448 350	6 191 108	6 197 032	6 705 083	447 748	7 152 831	6 974 487	8 593 996	9 230 904
Miscellaneous	2 026	1 331	343	-	-	-	-	-	-
Total	5 858 821	6 667 426	6 736 441	7 185 130	468 867	7 653 997	7 556 226	8 302 94	9 240 144

Table 16.11: Summary of personnel numbers and costs<sup>1</sup>

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	337	337	390	390	319
2 Strategic Health Programmes	348	427	351	351	471
3 Health Service Delivery	669	624	735	735	696
Total	1 354	1 388	1 476	1 476	1 486
Total personnel cost (R thousand)	131 920	141 117	156 506	174 121	191 544
Unit cost (R thousand)	97.4	101.7	106.0	118.0	128.9

<sup>1</sup> Full-time equivalent

Table 16.12: Summary of expenditure on training

	Expenditure outcome						Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Audited	Preliminary outcome	Adjusted appropriation		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2001/02	2001/02	2002/03	2003/04	2004/05	2005/06	
1 Administration	151	267	630	630	630	1 616	562	596	629	
2 Strategic Health Programmes	106	207	513	513	513	704	718	799	845	
3 Health Service Delivery	147	244	670	670	670	1 231	636	674	718	
Total	404	718	1 813	1 813	1 813	3 551	1 916	2 069	2 192	

Table 16.13: Summary of information and communications technology expenditure

	Expenditure outcome			Medium-term expenditure estimate		
	2001/02	Adjusted appropriation	2003/04	2004/05	2005/06	2005/06
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2005/06
1 Administration	1 573	1 813	2 122	1 560	1 700	1 700
Technology	1 373	1 555	614	480	484	484
IT services	200	258	1 508	1 080	1 216	1 216
2 Strategic Health Programmes	395	205	2 033	1 368	1 600	1 600
Technology	395	205	527	308	275	275
IT services	-	-	1 506	1 060	1 325	1 325
3 Health Service Delivery	102	85	654	957	614	614
Technology	102	85	243	159	147	147
IT services	-	-	411	798	467	467
Total	2 070	2 103	4 809	3 885	3 914	3 914

Table 16.14: Summary of conditional grants to provinces<sup>1</sup>

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation		Medium-term expenditure estimate		
	1999/00	2000/01	2001/02			2003/04	2004/05	2005/06
R thousand				2002/03	2003/04	2004/05	2005/06	
2 Strategic Health Programmes								
Integrated Nutrition Programme	710 923	582 411	582 411	592 411	808 660	950 418	1 041 543	
HIV/AIDS	-	16 819	54 398	210 209	333 556	481 612	535 108	
3 Health Service Delivery								
Hospital Revitalisation	153 455	423 139	500 000	649 000	717 628	911 856	1 027 427	
Hospital Construction	229 717	443 052	153 800	70 000	92 356	-	-	
Health Professional Training and Development	1 118 000	1 174 000	1 234 090	1 299 248	1 333 499	1 434 132	1 520 180	
National Tertiary Services Grant	3 130 055	3 391 041	3 459 594	3 727 077	3 994 774	4 273 005	4 529 386	
Hospital Management Improvement Grant	-	-	-	126 000	133 404	141 832	150 342	
Cholera Epidemic - KwaZulu-Natal	-	-	-	147 000	-	-	-	
<b>Total</b>	<b>5 342 150</b>	<b>6 030 462</b>	<b>5 984 293</b>	<b>6 820 945</b>	<b>7 413 877</b>	<b>8 192 855</b>	<b>8 803 986</b>	

<sup>1</sup> Detail provided in the Division of Revenue Act, 2003.

Table 16.15: Summary of expenditure on infrastructure

R thousand	Projects	Description	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
			1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
	Infrastructure programmes or large infrastructure projects									
	Small project groups									
	Infrastructure transfers		153 410	347 280	466 539	537 000	717 628	911 860	1 027 428	
	Eastern Cape	153 HR&R hospital projects. 80 completed, 73 on going	26 182	51 800	69 000	84 000	90 751	116 354	121 008	
	Free State	27 HR&R hospital projects. 3 completed, 24 on going	17 342	21 630	16 000	29 000	50 356	52 370	54 466	
	Gauteng	352 HR&R hospital projects. 227 completed, 125 on going	18 040	48 400	102 000	120 000	87 939	155 126	232 871	
	KwaZulu-Natal	158 HR&R hospital projects. 89 completed, 69 on going	19 473	69 000	76 778	80 000	129 860	178 058	190 292	
	Limpopo Province	127 HR&R hospital projects. 43 completed, 84 on going	36 256	52 000	88 000	110 000	96 239	106 463	110 722	
	Mpumalanga	68 HR&R hospital projects. 19 completed, 9 on going	17 820	34 450	39 059	30 000	65 666	68 292	71 025	
	Northern Cape	10 HR&R hospital projects. 2 completed, 8 on going	4 175	7 000	10 000	12 000	54 939	57 135	59 421	
	North West	39 HR&R hospital projects. 12 completed, 27 on going	3 417	37 000	36 702	42 000	59 939	92 845	98 998	
	Western Cape	32 HR&R hospital projects. 17 completed, 15 on going	10 705	26 000	29 000	30 000	81 939	85 217	88 625	
	Sub-total		153 410	347 280	466 539	537 000	717 628	911 860	1 027 428	
	Fixed installations transferred to households									
	Maintenance on infrastructure									
	Total		153 410	347 280	466 539	537 000	717 628	911 860	1 027 428	