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**VOTE 16**  
Health

**ESTIMATES  
OF NATIONAL  
EXPENDITURE** **2011**



**national treasury**

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



# **Estimates of National Expenditure**

## **2011**

**National Treasury**

**Republic of South Africa**

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on [www.treasury.gov.za](http://www.treasury.gov.za)

# Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



**Lesetja Kganyago**  
**Director-General: National Treasury**



# Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at [www.treasury.gov.za](http://www.treasury.gov.za).

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

## Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

#### Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <p><b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path</p> <p><b>Outcome 6:</b> An efficient, competitive and responsive economic infrastructure network</p> <p><b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all</p> <p><b>Outcome 10:</b> Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <p><b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all</p> <p><b>Outcome 8:</b> Sustainable human settlements and improved quality of household life</p> <p><b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p><b>Outcome 1:</b> Improved quality of basic education</p> <p><b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	<b>Outcome 2:</b> A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	<b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p><b>Outcome 3:</b> All people in South Africa are and feel safe</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p> <p><b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p><b>Outcome 3:</b> All people in South Africa are and feel safe</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p><b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p> <p><b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

## Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

### Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
<b>Total</b>	<b>6 359 682</b>	<b>8 794 185</b>	<b>7 862 728</b>	<b>23 016 595</b>

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

## Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

## Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

### Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
<b>For various functions</b>				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
<b>Economic affairs</b>				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	-	-	200 000
: unallocated	-	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	-	-	55 000
<b>Housing and community amenities</b>				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
<b>Education</b>				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
<b>Health</b>				
Public health services	600 000	1 400 000	2 000 000	4 000 000
<b>Public order and safety</b>				
Police capacity and border control	100 000	400 000	900 000	1 400 000
<b>Defence</b>				
Border control	100 000	200 000	300 000	600 000
<b>Total</b>	<b>6 488 990</b>	<b>11 122 188</b>	<b>15 433 595</b>	<b>33 044 773</b>

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

## **Additional allocations**

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

## **Economic affairs**

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

### **Transport**

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

### **Energy and environmental protection**

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

### **Industrial development**

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

### **Agriculture, forestry, fisheries and land affairs**

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

#### Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

#### Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

#### Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

#### Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

#### Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

#### Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

## Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

## General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

## Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.



## Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

**Table 1 Main budget framework 2007/08 to 2013/14**

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment <sup>1</sup>	-	-	-	-2 900.0	-	-	-
<b>Total revenue</b>	<b>560 795.1</b>	<b>608 795.5</b>	<b>579 679.0</b>	<b>666 562.7</b>	<b>729 857.6</b>	<b>806 418.2</b>	<b>904 313.7</b>
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
<b>Expenditure</b>							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments <sup>2</sup>	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets <sup>2</sup>	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
<b>Total expenditure</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
<b>Budget deficit<sup>3</sup></b>	<b>19 351.6</b>	<b>-27 157.8</b>	<b>-167 517.7</b>	<b>-143 360.6</b>	<b>-159 065.7</b>	<b>-161 713.5</b>	<b>-148 714.9</b>
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
<b>GDP</b>	<b>2 078 822.0</b>	<b>2 312 965.0</b>	<b>2 442 593.0</b>	<b>2 666 893.9</b>	<b>2 914 861.7</b>	<b>3 201 299.3</b>	<b>3 536 001.5</b>

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number a deficit.

**Table 2 Additional allocation to national votes 2011/12 to 2013/14<sup>1</sup>**

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
<b>Central Government Administration</b>	<b>1 948.2</b>	<b>2 277.4</b>	<b>2 923.5</b>	<b>7 149.1</b>
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
<b>Financial and Administrative Services</b>	<b>4 067.9</b>	<b>4 190.0</b>	<b>5 261.1</b>	<b>13 519.0</b>
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
<b>Social Services</b>	<b>4 043.4</b>	<b>7 691.7</b>	<b>14 993.2</b>	<b>26 728.2</b>
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
<b>Justice, Crime Prevention and Security</b>	<b>3 740.6</b>	<b>5 760.1</b>	<b>7 583.9</b>	<b>17 084.7</b>
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
<b>Economic Services and Infrastructure</b>	<b>6 550.4</b>	<b>8 755.2</b>	<b>10 874.5</b>	<b>26 180.1</b>
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
<b>Total</b>	<b>20 350.6</b>	<b>28 674.3</b>	<b>41 636.1</b>	<b>90 661.1</b>

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

**Table 3 Expenditure by national vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
<b>Central Government Administration</b>				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
<b>Financial and Administrative Services</b>				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
<b>Social Services</b>				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
<b>Justice, Crime Prevention and Security</b>				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
<b>Economic Services and Infrastructure</b>				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
<b>Total appropriation by vote</b>	<b>309 800.8</b>	<b>370 620.6</b>	<b>436 383.5</b>	<b>466 338.6</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
<b>Total direct charges against the National Revenue Fund</b>	<b>231 642.6</b>	<b>265 332.8</b>	<b>310 813.2</b>	<b>351 040.0</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				<b>Central Government Administration</b>
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				<b>Financial and Administrative Services</b>
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				<b>Social Services</b>
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				<b>Justice, Crime Prevention and Security</b>
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				<b>Economic Services and Infrastructure</b>
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
<b>459 919.7</b>	<b>499 480.9</b>	<b>538 380.2</b>	<b>578 700.1</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
<b>350 003.5</b>	<b>385 312.0</b>	<b>418 016.1</b>	<b>450 423.3</b>	<b>Total direct charges against the National Revenue Fund</b>
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

**Table 4 Expenditure by economic classification 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>				
<b>Compensation of employees</b>	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
<b>Goods and services</b>	32 272.1	38 522.2	41 695.1	47 989.9
<b>Interest and rent on land</b>	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
<b>Total current payments</b>	<b>141 389.1</b>	<b>157 770.1</b>	<b>174 259.2</b>	<b>204 346.3</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	243 233.6	289 395.9	344 774.7	387 557.9
<b>Provinces</b>	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
<b>Municipalities</b>	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
<b>Departmental agencies and accounts</b>	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
<b>Universities and technikons</b>	12 004.1	13 897.7	15 443.5	17 576.1
<b>Foreign governments and international organisations</b>	935.6	1 010.6	1 366.4	1 357.1
<b>Public corporations and private enterprises</b>	19 485.7	20 188.1	21 704.6	20 492.5
<b>Public corporations</b>	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
<b>Private enterprises</b>	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
<b>Non-profit institutions</b>	1 006.7	1 222.2	1 220.3	1 470.9
<b>Households</b>	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
<b>Total transfers and subsidies</b>	<b>391 929.9</b>	<b>458 702.2</b>	<b>532 182.3</b>	<b>582 807.0</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
<b>Machinery and equipment</b>	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
<b>Heritage assets</b>	-	0.1	0.2	-
<b>Specialised military assets</b>	-	-	83.1	19.0
<b>Biological assets</b>	10.6	2.7	2.1	2.0
<b>Land and subsoil assets</b>	27.4	49.0	83.9	0.1
<b>Software and other intangible assets</b>	187.7	198.3	193.2	40.8
<b>Total payments for capital assets</b>	<b>7 018.5</b>	<b>8 508.4</b>	<b>9 202.2</b>	<b>9 336.2</b>
<b>Payments for financial assets</b>	1 105.9	10 972.6	31 553.0	20 889.2
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>817 378.6</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>	<b>Current payments</b>
				<b>Compensation of employees</b>
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
<b>46 980.3</b>	<b>52 944.2</b>	<b>55 829.0</b>	<b>59 536.1</b>	<b>Goods and services</b>
<b>66 579.3</b>	<b>76 606.4</b>	<b>90 838.6</b>	<b>104 067.6</b>	<b>Interest and rent on land</b>
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
<b>201 883.7</b>	<b>224 339.0</b>	<b>247 018.3</b>	<b>270 920.2</b>	<b>Total current payments</b>
				<b>Transfers and subsidies to:</b>
<b>384 334.3</b>	<b>428 131.5</b>	<b>457 512.2</b>	<b>486 602.9</b>	Provinces and municipalities
<b>323 080.3</b>	<b>357 928.6</b>	<b>380 449.6</b>	<b>404 251.4</b>	<b>Provinces</b>
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
<b>61 254.0</b>	<b>70 202.9</b>	<b>77 062.5</b>	<b>82 351.5</b>	<b>Municipalities</b>
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
<b>55 866.1</b>	<b>68 241.9</b>	<b>73 170.5</b>	<b>78 537.2</b>	<b>Departmental agencies and accounts</b>
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
<b>17 571.1</b>	<b>19 365.4</b>	<b>20 766.7</b>	<b>21 953.2</b>	<b>Universities and technikons</b>
<b>1 358.2</b>	<b>1 463.4</b>	<b>1 723.6</b>	<b>1 830.5</b>	<b>Foreign governments and international organisations</b>
<b>20 459.5</b>	<b>23 642.9</b>	<b>25 011.7</b>	<b>25 561.1</b>	<b>Public corporations and private enterprises</b>
<b>18 180.6</b>	<b>20 434.1</b>	<b>21 742.4</b>	<b>22 063.1</b>	<b>Public corporations</b>
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
<b>2 278.9</b>	<b>3 208.8</b>	<b>3 269.3</b>	<b>3 498.0</b>	<b>Private enterprises</b>
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
<b>1 461.7</b>	<b>1 500.4</b>	<b>1 874.8</b>	<b>2 099.0</b>	<b>Non-profit institutions</b>
<b>97 282.0</b>	<b>106 151.3</b>	<b>115 494.5</b>	<b>124 154.6</b>	<b>Households</b>
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
<b>578 332.9</b>	<b>648 496.9</b>	<b>695 554.1</b>	<b>740 738.6</b>	<b>Total transfers and subsidies</b>
				<b>Payments for capital assets</b>
<b>5 615.9</b>	<b>7 845.0</b>	<b>10 560.6</b>	<b>14 057.6</b>	<b>Buildings and other fixed structures</b>
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
<b>3 144.0</b>	<b>3 302.7</b>	<b>3 202.5</b>	<b>3 344.4</b>	<b>Machinery and equipment</b>
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
<b>8 817.0</b>	<b>11 206.9</b>	<b>13 823.7</b>	<b>17 464.5</b>	<b>Total payments for capital assets</b>
<b>20 889.7</b>	<b>750.1</b>	<b>0.1</b>	<b>0.1</b>	<b>Payments for financial assets</b>
<b>809 923.3</b>	<b>884 792.9</b>	<b>956 396.3</b>	<b>1 029 123.4</b>	<b>Total</b>
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

**Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12**

R million	Appropriated (including direct charges) 2010/11	Current payments	Transfers and subsidies	Payments for capital assets 2011/12	Payments for financial assets	To be appropriated	Increase/ Decrease	
<b>Central Government Administration</b>								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
<b>Financial and Administrative Services</b>								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
<b>Social Services</b>								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
<b>Justice, Crime Prevention and Security</b>								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
<b>Economic Services and Infrastructure</b>								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
<b>Total</b>	<b>812 142.9</b>	<b>224 339.0</b>	<b>648 496.9</b>	<b>11 206.9</b>	<b>750.1</b>	<b>884 792.9</b>	<b>72 650.0</b>	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a Conditional grants to provinces 2007/08 to 2013/14<sup>1</sup>

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
<b>Financial and Administrative Services</b>								
10	–	–	4 200.0	–	–	–	–	–
<b>Social Services</b>								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
<b>Economic Services and Infrastructure</b>								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
<b>Total</b>	<b>33 614.6</b>	<b>42 056.3</b>	<b>56 273.0</b>	<b>60 860.7</b>	<b>57 940.8</b>	<b>69 435.8</b>	<b>74 724.2</b>	<b>80 647.0</b>

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14<sup>1</sup>

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
<b>Financial and Administrative Services</b>								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
<b>Social Services</b>								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
<b>Economic Services and Infrastructure</b>								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
<b>Total</b>	<b>17 806.4</b>	<b>19 927.6</b>	<b>20 891.8</b>	<b>23 354.9</b>	<b>23 051.2</b>	<b>27 490.3</b>	<b>30 416.4</b>	<b>32 743.1</b>

1. Detail provided in the Division of Revenue Act (2011).

**Table 7 Training expenditure per vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Central Government Administration</b>							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
<b>Financial and Administrative Services</b>							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
<b>Social Services</b>							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
<b>Justice, Crime Prevention and Security</b>							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
<b>Economic Services and Infrastructure</b>							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
<b>Total</b>	<b>1 421.9</b>	<b>1 595.3</b>	<b>1 801.5</b>	<b>2 021.3</b>	<b>2 069.6</b>	<b>2 164.4</b>	<b>2 277.3</b>

**Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
<b>Central Government Administration</b>								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
<b>Financial and Administrative Services</b>								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
<b>Social Services</b>								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
<b>Justice, Crime Prevention and Security</b>								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
<b>Economic Services and Infrastructure</b>								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
<b>Total</b>		<b>49 206.1</b>	<b>56 185.0</b>	<b>64 530.2</b>	<b>74 837.7</b>	<b>86 457.1</b>	<b>96 781.5</b>	<b>104 206.1</b>

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

**Table 9 Personnel expenditure per vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
<b>Central Government and Administration</b>									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
<b>Financial and Administrative Services</b>									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
<b>Social Services</b>									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
<b>Justice, Crime Prevention and Security</b>									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
<b>Economic Services and Infrastructure</b>									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
<b>Total</b>		<b>56 221.9</b>	<b>64 819.2</b>	<b>75 276.3</b>	<b>88 740.8</b>	<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>

**Table 10 Departmental receipts per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
1	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	-	-	-	-	-	-	-	-
7	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	-	-	-	-	-	-	-	-
<b>Financial and Administrative Services</b>								
9	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
<b>Social Services</b>								
14	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
<b>Justice, Crime Prevention and Security</b>								
21	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
<b>Economic Services and Infrastructure</b>								
26	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	-	-	0.7	1.5	1.5	-	-	-
36	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
<b>Total departmental receipts as per Estimates of National Expenditure</b>								
	11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
<i>Less: Parliament (retained departmental receipts)</i>								
	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
<i>Plus: Direct receipts into the National Revenue Fund (National Treasury)<sup>2</sup></i>								
	1 020.9	-	1 000.0	-	600.0	-	-	-
<i>Plus: South African Revenue Service departmental receipts collection</i>								
	58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
<b>Total departmental receipts as per Budget Review</b>								
	12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.



# Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on [www.treasury.gov.za](http://www.treasury.gov.za). More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

## Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

*Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.*

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

**Current payments** are payments made by a department for its operational requirements.

**Transfers and subsidies** are payments made by a department for which the department does not directly receive anything in return.

**Payments for capital assets** are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

**Payments for financial assets** mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

**Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

**Total expenditure estimates** are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

The last lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.*

## Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

## Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

## Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

## Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

## Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R million								
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Total</b>								
Change to 2010 Budget estimate								

### Economic classification

<b>Current payments</b>			
Economic classification item			
Economic classification item			
<b>Transfers and subsidies</b>			
Economic classification item			
Economic classification item			
<b>Payments for capital assets</b>			
Economic classification item			
Economic classification item			
<b>Payments for financial assets</b>			
<b>Total</b>			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

**Audited outcomes** are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

**Adjusted appropriation** includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

**Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

## Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

### Personnel information

A brief summary of the personnel posts per programme by salary level is given.

### Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

## Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
<b>Total</b>								

## Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services. The Ministry subprogramme includes spending on the ministerial and deputy ministerial offices.

## Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

## Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
<b>Total</b>							
Change to 2010 Budget estimate							
<b>Economic classification</b>							
<b>Current payments</b>							
Economic classification item							
Economic classification item							
<b>Transfers and subsidies</b>							
Economic classification item							
Economic classification item							
<b>Payments for capital assets</b>							
Economic classification item							
Economic classification item							
<b>Payments for financial assets</b>							
<b>Total</b>							

## **Expenditure trends (per programme)**

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

## **Public entities and other agencies**

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on [www.treasury.gov.za](http://www.treasury.gov.za) appears at the end of each chapter together with a short description of what the entity does and its total budget.

## **Additional tables**

Additional tables appear at the end of the vote. These include:

### **Summary of expenditure trends and estimates per programme and economic classification**

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

### **Details of approved establishment and personnel numbers per salary level**

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

**Number of posts on approved establishment** refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

**Number of funded posts** refers to the number of departmental employment positions which are provided for within the budget.

**Number of posts additional to the establishment** typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

### **Summary of expenditure on training**

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

### **Summary of conditional grants to provinces and municipalities**

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

## Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

**Unitary charge or fee** refers to the total payment made to the private party for the provision of the various services.

**Advisory fees** are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

**Project monitoring cost** is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

## Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

## Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

**Departmental infrastructure** refers to direct spending by a department on infrastructure assets which the department will own.

**Infrastructure transfers to other spheres, agencies and departments** refers to transfers and grants to other government institutions for expenditure on infrastructure.

**Fixed installations transferred to households** shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

**Maintenance** refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

**In all expenditure and revenue tables a dash ( - ) indicates that information is unavailable or zero.**



# Health

**National Treasury  
Republic of South Africa**



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# Vote 16

## Health

### Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	326 071	317 992	424	7 655	325 324	344 389
Health Planning and Systems Enablement	160 827	157 451	440	2 936	178 021	189 832
HIV and AIDS, TB and Maternal, Child and Women's Health	8 026 528	357 609	7 664 679	4 240	9 377 071	11 188 226
Primary Health Care Services	730 012	123 410	593 022	13 580	143 032	150 126
Hospitals, Tertiary Services and Workforce Development	15 962 715	97 079	15 864 334	1 302	17 015 799	17 663 693
Health Regulation and Compliance Management	525 401	155 755	366 440	3 206	571 571	600 456
<b>Total expenditure estimates</b>	<b>25 731 554</b>	<b>1 209 296</b>	<b>24 489 339</b>	<b>32 919</b>	<b>27 610 818</b>	<b>30 136 722</b>
Executive authority	Minister of Health					
Accounting officer	Director General of Health					
Website address	<a href="http://www.doh.gov.za">www.doh.gov.za</a>					

### Aim

*Provide leadership and coordination of health services to promote the health of all people in South Africa through an accessible, caring and high quality health system based on the primary health care approach.*

### Programme purposes

#### Programme 1: Administration

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

#### Programme 2: Health Planning and Systems Enablement

**Purpose:** Improve access and quality of health services through planning, integration of health systems, reporting, monitoring and evaluation, and research.

#### Programme 3: HIV and AIDS, TB and Maternal, Child and Women's Health

**Purpose:** Coordinate, manage and fund HIV and AIDS, tuberculosis and maternal, child and women's health programmes. Develop and oversee the implementation of policies, systems and norms and standards.

#### Programme 4: Primary Health Care Services

**Purpose:** Develop and implement a uniform district health system. Develop policy for district health services. Identify and promote centres of excellence. Support planning, delivery and monitoring.

#### Programme 5: Hospitals, Tertiary Services and Workforce Development

**Purpose:** Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure that Academic Medical Centres services and health workforce programmes are aligned.

## **Programme 6: Health Regulation and Compliance Management**

**Purpose:** Regulate the procurement of medicines and pharmaceutical supplies, including trade in health products. Promote accountability and compliance through regulatory bodies for effective governance and quality of health care.

### **Strategic overview: 2007/08 – 2013/14**

The strategic thrust of the public health sector between 2007/08 and 2013/14 is to accelerate the rate of progress in health related Millennium Development Goals, through a revitalised primary health care approach and overhauling the health system to enhance its capacity to deliver improved health outcomes. The 10-point plan for 2010–2014 is the pivot for this. A key focus is the provision of strategic leadership, and the country's turnaround in the field of HIV and AIDS has been internationally recognised.

#### **Strategic priorities**

##### *HIV and AIDS and tuberculosis*

Prevention remains the cornerstone of HIV and AIDS interventions. A massive health care provider initiated HIV counselling and testing campaign was launched by the president in April 2010, and is being implemented in all nine provinces and 52 districts. Over 6.2 million people have been counselled, and 5.4 million people, who would otherwise not have known their HIV status, have undergone testing. More than 1.3 million people living with HIV and AIDS have been initiated on treatment. Tuberculosis cure rates are improving across the country, while treatment defaulter rates are decreasing. Community involvement in tuberculosis management and control is evidenced by the large numbers of community health workers being trained in the directly observed treatment short course programme, and former tuberculosis patients serving as treatment ambassadors. Eligible multi-drug resistant tuberculosis and extremely drug resistant tuberculosis patients are being initiated on treatment.

##### *Improved primary health care and public health facilities*

A re-engineered primary health care model for South Africa has been developed, which emphasises: a population oriented service delivery approach; strengthened community based services; the deployment of multidisciplinary primary health care teams, including community health workers across defined geographic areas; and greater community involvement in securing and promoting health. The primary health care approach is vital for improving health outcomes, and for achieving national health insurance. District support teams will be established with medical specialists.

Close to 1 200 quality improvement projects are being implemented with partners in health facilities across the country to improve patient experiences of health care provision in the public sector.

##### *A more efficient health sector*

The efficiency of the health sector is also being improved. A new financial management turnaround plan has been developed jointly with the technical assistance unit at National Treasury. This will assist in improving financial management and in reversing the trends of over expenditure, accruals and unauthorised expenditure. A moratorium has been placed on the acquisition of ICT solutions, until a national ICT strategy is finalised. This is aimed at curbing massive investments in ICT solutions that have proved to lack interoperability and the ability to improve the health sector's monitoring and evaluation capacity. The department has established a research and data coordination committee, which will improve the quality and integrity of data on health indicators.

##### *Progress with setting up a national health insurance*

Key milestones are also being achieved in the implementation of national health insurance. In 2011, a detailed plan for the implementation of the national health insurance will be produced, a public discussion paper released and draft legislation compiled.

### Outcomes and related outputs

In 2010, government adopted an outcome based approach to service delivery and performance management. The health sector is responsible for the achievement of a long and healthy life for all South Africans (outcome 2). Thus, the strategic focus of the health sector over the 2011/12–2013/14 planning cycle will be on implementing the interventions to achieve the four outputs entailed in the minister's performance agreement, and elaborated on in the negotiated service delivery agreement for 2010–2014.

These are: increasing life expectancy, reducing maternal and child mortality rates, combating HIV and AIDS and decreasing the burden of diseases from tuberculosis, and strengthening health system effectiveness. Strategies for achieving these are reflected in the relevant medium term plans of provincial health departments. To enhance its capacity to deliver on the negotiated service delivery agreement for 2010–2014, the national Department of Health has redesigned its organisational structure (and budget programme structure). The organisation's structure will consist of six programmes for the 2011/12–2013/14 planning cycle.

### Savings and cost effectiveness measures

The department has identified efficiency savings of R84.2 million, R82 million and R78.6 million over the MTEF period in spending on goods and services across all programmes. The department has implemented cost saving measures and put systems in place to realise these savings with a special focus on administrative costs, foreign travel and catering. Savings on venue hire and conferencing will also be realised from completing renovations on and the recent relocation to the Civitas building. The review and alignment of the department's organisational structure, as well as focusing funding for non-governmental organisations on the new priorities outlined in the negotiated service delivery agreement 2010-2014, will contribute to the implementation of cost effective programmes. Savings of R36 million, R45 million and R54 million identified over the medium term as a result of adjusting the hospital revitalisation grant based on revised cash flow forecasts.

### Selected performance indicators

Table 16.1 Health

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of provinces with financial improvement plans	Administration	–	–	9	9	9	9	9
Bed utilisation rate in district hospitals <sup>1</sup>	Primary Health Care Services	65.2%	67.8%	66.9%	54.4%	70%	75%	75%
Average length of stay in district hospital (days)	Primary Health Care Services	4.5	4.4	4.3	4.4	4	3.8	3.6
Primary health care utilisation rate: Average number of primary health care visits per person per year	Primary Health Care Services	2.4	2.4	2.5	2.5	2.6	2.8	3
Tuberculosis cure rate <sup>2</sup>	HIV and AIDS, TB and Maternal, Child and Women's Health	60%	60%	68%	70%	75%	80%	85%
Tuberculosis treatment defaulter rate <sup>3</sup>	HIV and AIDS, TB and Maternal, Child and Women's Health	7%	8.5%	7.9%	7%	6%	5%	5%
Number of new patients put on antiretroviral treatment per year	HIV and AIDS, TB and Maternal, Child and Women's Health	483 084	781 907	539 819	440 000	625 000	650 000	675 000
Antenatal care coverage	HIV and AIDS, TB and Maternal, Child and Women's Health	101.5%	111.8%	109.4%	100%	100%	100%	100%
National immunisation coverage rate <sup>4</sup> (children under the age of 1 year)	HIV and AIDS, TB and Maternal, Child and Women's Health	87% 899 256	92.1% 926 168	97.4% 955 485	95% 1 066 401	95% 1 066 401	95% 1 066 401	95% 1 066 401
Measles immunisation coverage rate (second dose) <sup>5</sup>	HIV and AIDS, TB and Maternal, Child and Women's Health	71.2% (736 098)	78% (797 617)	90% (900 347)	95% (1 066 401)	95% (1 066 401)	95% (1 066 401)	95% (1 066 401)
Percentage of babies testing Polymerase Chain Reaction positive 6 weeks after birth out of all babies tested	HIV and AIDS, TB and Maternal, Child and Women's Health	12.3%	9.2%	10.9%	11.1%	7.5%	7%	6.5%

Table 16.1 Health (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage of facilities assessed against core standards	Health Regulation and Compliance Management	-	-	-	-	20% (866)	40% (1 733)	60% (2 600)

1. The number of beds that are occupied in district hospitals expressed as the proportion of all available bed days, calculated as the number of actual beds multiplied by the average days in a month (30.42).

2. New smear positive pulmonary tuberculosis cases that were cured as a proportion of all new smear positive pulmonary tuberculosis cases.

3. New smear positive tuberculosis cases that defaulted treatment as a proportion of all new smear positive tuberculosis cases.

4. Proportion of children in the target area under 1 year of age who completed their primary course of immunisation coverage. The denominator is influenced by estimates of the national population under the age of 1, released by Statistics South Africa.

5. Proportion of children who received their second measles dose normally at 18 months, annualised.

## Expenditure estimates

Table 16.2 Health

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	213 628	241 021	269 925	282 134	282 134	326 071	325 324	344 389
Health Planning and Systems Enablement	88 076	120 049	142 009	135 502	124 502	160 827	178 021	189 832
HIV and AIDS, TB and Maternal, Child and Women's Health	2 414 310	3 394 440	4 923 459	6 678 628	6 668 628	8 026 528	9 377 071	11 188 226
Primary Health Care Services	639 444	703 134	775 158	711 892	699 892	730 012	143 032	150 126
Hospitals, Tertiary Services and Workforce Development	9 844 417	11 550 348	12 618 073	14 827 942	13 947 222	15 962 715	17 015 799	17 663 693
Health Regulation and Compliance Management	378 770	415 461	439 988	496 352	496 352	525 401	571 571	600 456
<b>Total</b>	<b>13 578 645</b>	<b>16 424 453</b>	<b>19 168 612</b>	<b>23 132 450</b>	<b>22 218 730</b>	<b>25 731 554</b>	<b>27 610 818</b>	<b>30 136 722</b>
Change to 2010 Budget estimate				1 635 465	721 745	2 023 624	1 766 086	-
<b>Economic classification</b>								
<b>Current payments</b>	<b>728 945</b>	<b>916 815</b>	<b>1 089 694</b>	<b>1 173 323</b>	<b>1 140 323</b>	<b>1 209 296</b>	<b>1 259 996</b>	<b>1 321 965</b>
Compensation of employees	258 605	292 508	333 023	385 004	385 004	424 000	465 000	492 000
Goods and services	470 340	624 307	756 671	788 319	755 319	785 296	794 996	829 965
<i>of which:</i>								
Administrative fees	374	1 294	268	1 067	1 067	4 182	3 053	2 769
Advertising	30 469	16 706	95 165	106 258	102 258	77 245	92 926	102 902
Assets less than the capitalisation threshold	2 652	2 627	2 491	11 882	11 882	14 043	15 769	17 082
Audit cost: External	6 417	13 221	31 648	14 294	14 294	27 250	19 382	22 241
Bursaries: Employees	580	549	970	1 696	1 696	2 012	2 012	2 113
Catering: Departmental activities	2 781	3 722	2 631	5 121	5 121	3 995	4 721	5 118
Communication	16 761	13 717	17 497	17 460	17 460	21 785	23 346	25 045
Computer services	9 794	16 936	29 785	16 808	16 808	21 883	22 784	24 256
Consultants and professional services: Business and advisory services	112 567	124 483	38 974	102 976	94 976	116 159	120 836	121 571
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	150	200	250
Consultants and professional services: Legal costs	5 278	8 745	1 750	2 824	2 824	13 071	6 609	6 623
Contractors	5 592	32 148	15 498	22 699	22 699	17 053	17 352	18 006
Agency and support / outsourced services	4 070	6 701	12 360	12 731	5 231	21 034	19 643	20 321
Entertainment	206	232	307	1 083	1 083	899	835	1 012
Inventory: Fuel, oil and gas	36	35	322	374	374	555	580	609
Inventory: Learner and teacher support material	-	-	-	2	2	-	-	-

Table 16.2 Health (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Current payments</b>								
<i>Inventory: Materials and supplies</i>	265	295	194	494	494	534	553	590
<i>Inventory: Medical supplies</i>	76 831	103 880	325 542	187 322	187 322	150 853	136 016	141 029
<i>Inventory: Military stores</i>	–	1	–	2	2	–	–	–
<i>Inventory: Other consumables</i>	5 461	4 303	5 681	6 611	6 611	6 753	7 104	7 578
<i>Inventory: Stationery and printing</i>	16 583	19 108	20 077	45 959	43 459	44 909	46 232	48 195
<i>Lease payments</i>	42 245	46 663	49 706	57 027	57 027	62 136	66 127	69 709
<i>Property payments</i>	4	–	–	–	–	–	–	–
<i>Transport provided: Departmental activity</i>	1 759	2 554	1 673	2 515	2 515	–	–	–
<i>Travel and subsistence</i>	88 122	125 223	67 938	111 052	100 052	114 420	119 425	122 505
<i>Training and development</i>	3 623	23 594	8 382	3 649	3 649	5 110	5 160	5 453
<i>Operating expenditure</i>	21 368	51 277	17 455	34 926	34 926	39 892	43 972	43 662
<i>Venues and facilities</i>	16 502	6 293	10 357	21 487	21 487	19 373	20 359	21 326
<b>Transfers and subsidies</b>	<b>12 827 640</b>	<b>15 466 080</b>	<b>18 065 842</b>	<b>21 914 209</b>	<b>21 033 489</b>	<b>24 489 339</b>	<b>26 316 152</b>	<b>28 778 181</b>
Provinces and municipalities	12 368 644	14 988 658	17 523 750	21 363 711	20 482 991	23 947 676	25 746 497	28 175 230
Departmental agencies and accounts	301 884	315 916	335 850	355 616	355 616	361 207	377 082	397 912
Universities and technikons	400	733	500	1 060	1 060	1 124	1 180	1 239
Public corporations and private enterprises	–	–	37	–	–	–	–	–
Non-profit institutions	156 033	160 209	202 781	193 822	193 822	179 332	191 393	203 800
Households	679	564	2 924	–	–	–	–	–
<b>Payments for capital assets</b>	<b>21 969</b>	<b>41 361</b>	<b>13 046</b>	<b>44 918</b>	<b>44 918</b>	<b>32 919</b>	<b>34 670</b>	<b>36 576</b>
Buildings and other fixed structures	–	–	–	2 800	2 800	–	–	–
Machinery and equipment	21 683	41 361	11 730	42 118	42 118	32 919	34 670	36 576
Software and other intangible assets	286	–	1 316	–	–	–	–	–
<b>Payments for financial assets</b>	<b>91</b>	<b>197</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>13 578 645</b>	<b>16 424 453</b>	<b>19 168 612</b>	<b>23 132 450</b>	<b>22 218 730</b>	<b>25 731 554</b>	<b>27 610 818</b>	<b>30 136 722</b>

## Expenditure trends

Spending over the MTEF period will focus on supporting provinces and municipalities to strengthen the implementation of an effective response to HIV and AIDS through the national strategic plan for HIV and AIDS 2007–2011, building additional capacity in the provinces, and partially subsidising funding for the provision of antiretroviral treatment. The bulk of spending will be on making transfers to provinces and municipalities from the *HIV and AIDS, TB and Maternal, Child and Women's Health* and the *Hospitals, Tertiary Services and Workforce Development* programmes. Provinces will also receive support to fund costs associated with training health professionals, developing and recruiting medical specialists in under-served provinces, and strengthening undergraduate and post graduate teaching and training processes in health facilities. National Health Insurance is a key priority in the 2011/12 budget and several budget allocations are intended to support its preparatory phase.

Expenditure grew from R13.6 billion in 2007/08 to R23.1 billion 2010/11, at an average annual rate of 19.4 per cent. Over the medium term, expenditure is expected to grow to R30.1 billion, at an average annual rate of 9.2 per cent. The increase in both periods is driven largely by the transfers to provinces and municipalities.

The Budget includes new allocations of R442 million for 2011/12, R692 million for 2012/13 and R2.2 billion for 2013/14 for spending on the following policy priorities:

- R10 million per year to forensic chemistry laboratories to purchase equipment and appoint staff to address backlogs

- R10 million to the South African Health Products and Regulatory Authority to establish itself and to deal with the medicine registration backlogs. (This is a once off payment, based on the understanding that the agency will generate and retain its own revenue going forward.)
- R10 million, R20 million and R10 million to the Office of Standards Compliance and Quality Assurance to establish itself and to support its inspectorate, certificate of compliance and ombudsman functions
- R30 million additional per year to progressively increase the distribution of condoms bringing the total to R130 million in 2011/12
- R21 million, R17 million and R13 million for infrastructure management and private public partnerships to build capacity in the department to oversee the hospital revitalisation projects and to support planning and transaction advisor costs for large private public partnership projects
- R5 million, R7 million, and R9 million for health technology to support provincial upgrading of engineering workshops and equipment audits and to develop equipment packages and systems for health technology
- R5 million per year for the national health insurance to support development work and projects including the ministerial advisory committee
- R4 million in 2011/12 and 2012/13, and R5 million in 2013/14 to develop improved hospital tariff schedules for use by provinces and the Road Accident Fund, including an improved uniform patient fee structure, Road Accident Fund reimbursements and tariff structure, and developing a diagnosis related groups system
- R9 million, R5 million and R5 million to nursing colleges to plan and coordinate the second phase of upgrading, recapitalising and maintaining nursing colleges following the infrastructure audit
- R5 million per year for health information systems to support national workgroup investigations of new patient based IT systems and to propose next steps in IT infrastructure to support the district health information system
- R3 million, R5 million and R7 million for the Health Systems Trust to support health systems research activities, including the annual health review and district health barometer
- R2 million per year to publish standardised annual health statistics in the new annual health statistics publication to facilitate performance auditing and better inform the public and health service providers
- R5 million, R6 million and R7 million for the Compensation Commissioner for Occupational Diseases to address backlogs in compensation, improve systems and address problems identified in audit reports
- R2 million, R3 million and R4 million to monitor and support provinces to stabilise provincial finances and improve audit outcomes
- R60 million in 2011/12 and 2012/13, and R1.4 billion in 2013/14 for the HIV and AIDS conditional grant for the rapidly growing treatment programme and to strengthen prevention programmes including R60 million per year for male circumcision
- R250 million, R500 million and R750 million for the national tertiary services conditional grant to support public hospitals to achieve norms and standards partly in preparation for the national health insurance and to implement standards and guidelines of the Office of Standards Compliance and Quality Assurance, as well as to address differential costs of occupation specific dispensation for doctors.

The ratio of administrative costs to line function programme costs is 1:100 in 2010/11.

### Infrastructure spending

The previous infrastructure grant to provinces has been subdivided into its functional components. R1.7 billion, R1.8 billion and R1.9 billion over the MTEF period, which make up the previous grant's health component, has been added as a new conditional grant in the department. This grant has helped to fund health infrastructure such as primary health care, maintenance and smaller hospital projects.

Allocations for the hospital revitalisation grant over the MTEF period are R4.1 billion, R4.3 billion and R4.1 billion. The department has started with the planning and design phase for five flagship private public partnership projects for the following hospitals: Chris Hani Baragwanath, Garankuwa, King Edward VII, Polokwane and Eastern Cape academic complex.

## Personnel information

The department's organogram structure has been revised. The number of personnel employed is currently 1 249. The filling of vacant posts was affected by envisaged restructuring as well as limited funding. Provision has been made in the medium term to address the vacancy rate with technical staff and other administrative critical posts, based on identified priorities aligned with the service delivery agreement.

## Departmental receipts

The main source of revenue is from fees for registration of medicines by the South African Health Products Regulatory Authority. Modern technological advancements such as an electronic document management system are being introduced to enhance the efficiency of the authority. Efficient information systems will also enhance the agency's ability to effectively generate, record and account for its own revenue. To achieve this going forward, substantial investments are required in the development stages of this regulatory institution.

Table 16.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	41 193	31 188	45 190	31 457	31 457	32 776	32 919	36 211
Sales of goods and services produced by department	39 447	29 676	38 355	30 451	30 451	31 766	32 265	35 492
Sales of scrap, waste, arms and other used current goods	67	71	57	84	84	88	92	101
Interest, dividends and rent on land	297	249	1 012	252	252	252	263	289
Transactions in financial assets and liabilities	1 382	1 192	5 766	670	670	670	299	329
<b>Total</b>	<b>41 193</b>	<b>31 188</b>	<b>45 190</b>	<b>31 457</b>	<b>31 457</b>	<b>32 776</b>	<b>32 919</b>	<b>36 211</b>

## Programme 1: Administration

### Expenditure estimates

Table 16.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry <sup>1</sup>	17 509	22 569	22 077	28 830	31 738	32 625	34 258
Management	19 691	22 850	20 649	24 748	37 246	38 450	40 271
Corporate Services	125 119	132 975	159 562	148 184	156 275	151 835	159 869
Office Accommodation	38 189	41 565	46 422	51 561	55 265	58 808	61 748
Financial Management	13 120	21 062	21 215	28 811	45 547	43 606	48 243
<b>Total</b>	<b>213 628</b>	<b>241 021</b>	<b>269 925</b>	<b>282 134</b>	<b>326 071</b>	<b>325 324</b>	<b>344 389</b>
Change to 2010 Budget estimate				17 300	26 191	(5 597)	-

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

Table 16.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<b>Current payments</b>	<b>206 147</b>	<b>218 485</b>	<b>265 570</b>	<b>263 984</b>	<b>317 992</b>	<b>316 820</b>	<b>335 019</b>
Compensation of employees	75 572	86 675	100 474	114 409	121 207	128 516	134 943
Goods and services	130 575	131 810	165 096	149 575	196 785	188 304	200 076
<i>of which:</i>							
Administrative fees	124	82	79	115	829	849	907
Advertising	10 198	7 212	15 633	6 989	7 400	7 430	7 818
Assets less than the capitalisation threshold	1 356	549	316	1 208	2 000	2 262	2 477
Audit cost: External	5 636	12 667	30 729	12 639	24 701	16 330	19 186
Bursaries: Employees	530	519	949	1 550	2 000	2 000	2 100
Catering: Departmental activities	875	1 073	734	1 094	1 076	1 095	1 155
Communication	9 380	8 585	11 570	11 161	14 900	16 017	17 216
Computer services	8 007	4 758	8 583	5 920	9 650	9 741	10 278
Consultants and professional services: Business and advisory services	4 926	2 811	2 684	3 788	10 323	10 429	14 126
Consultants and professional services: Legal costs	5 269	7 193	1 741	1 622	12 704	5 940	5 888
Contractors	2 310	3 277	12 949	7 611	2 738	2 754	2 891
Agency and support / outsourced services	779	915	1 240	1 393	3 098	1 250	1 313
Entertainment	206	108	91	278	380	300	437
Inventory: Fuel, oil and gas	36	11	2	54	152	153	162
Inventory: Materials and supplies	115	81	88	142	250	252	265
Inventory: Medical supplies	10	11	4	1	-	-	-
Inventory: Other consumables	570	414	240	324	615	631	671
Inventory: Stationery and printing	4 912	7 032	7 827	8 971	11 470	11 677	12 341
Lease payments	39 162	42 495	47 529	52 236	56 385	59 993	63 023
Travel and subsistence	30 634	28 494	15 742	24 060	24 330	25 087	25 072
Training and development	1 700	1 898	2 697	3 267	5 110	5 160	5 453
Operating expenditure	2 860	1 379	1 695	3 360	4 911	7 092	5 278
Venues and facilities	980	246	1 974	1 792	1 763	1 862	2 019
<b>Transfers and subsidies</b>	<b>426</b>	<b>355</b>	<b>362</b>	<b>370</b>	<b>424</b>	<b>465</b>	<b>492</b>
Departmental agencies and accounts	252	278	300	370	424	465	492
Public corporations and private enterprises	-	-	37	-	-	-	-
Households	174	77	25	-	-	-	-
<b>Payments for capital assets</b>	<b>7 018</b>	<b>22 041</b>	<b>3 985</b>	<b>17 780</b>	<b>7 655</b>	<b>8 039</b>	<b>8 878</b>
Buildings and other fixed structures	-	-	-	2 800	-	-	-
Machinery and equipment	6 972	22 041	3 856	14 980	7 655	8 039	8 878
Software and other intangible assets	46	-	129	-	-	-	-
<b>Payments for financial assets</b>	<b>37</b>	<b>140</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>213 628</b>	<b>241 021</b>	<b>269 925</b>	<b>282 134</b>	<b>326 071</b>	<b>325 324</b>	<b>344 389</b>

## Details of transfers and subsidies

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>252</b>	<b>278</b>	<b>300</b>	<b>370</b>	<b>424</b>	<b>465</b>	<b>492</b>
Health and Welfare Sector Education and Training Authority	252	278	300	370	424	465	492
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Public corporations - subsidies on products and production</b>							
<b>Current</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations	-	-	37	-	-	-	-
<b>Households</b>							
<b>Households other transfers</b>							
<b>Current</b>	<b>174</b>	<b>77</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefit	174	77	25	-	-	-	-

## Expenditure trends

Expenditure grew from R214 million in 2007/08 to R282 million in 2010/11, at an average annual rate of 9.7 per cent. Over the medium term, expenditure is expected to grow to R344 million, at an average annual rate of 6.9 per cent. The bulk of the increase in both periods goes towards filling critical vacant management and administrative posts, as well as for spending on goods and services related to high audit fees, communication, property leases, and travel and subsistence.

## Programme 2: Health Planning and Systems Enablement

- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning and supports policy implementation. This subprogramme has a staff complement of 15 and a total budget of R16.8 million, of which 89 per cent is used for compensation of employees. In 2011/12, improved guidelines for health planning and budgeting through all levels of the healthcare system will be developed and implemented. A national health information warehouse is being developed in the national Department of Health, which will support health planning and the implementation of the national health insurance.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, and commissions and coordinates research. This entails the development and implementation of disease surveillance programmes, the coordination of health research and monitoring and evaluation of strategic health programmes. This subprogramme has a staff complement of 59 and a budget of R38.5 million, of which 40 per cent is used for compensation of employees. An integrated system to monitor the implementation of annual performance plans and identify risks at national, provincial and district level will be developed and piloted in 2011/12.
- *Sector Procurement Policy* provides rules and regulations that are set in place to govern the process of acquiring goods and services required by the sector. A central procurement authority is being established to improve efficiency of procurement systems. This subprogramme has a staff complement of 53 and a total budget of R18.6 million, of which 29 per cent is used for compensation of employees. Over the medium term, 30 per cent of licensed medicine prescribers will be inspected each year for compliance with the relevant legislation.
- *Financial Planning and Health Economics* undertakes health economics research, develops policy for medical schemes and public private partnerships, and provides technical oversight for the Council for Medical Schemes. This subprogramme has a staff complement of 53 and a total budget of R21.9 million, of which 29 per cent is used for compensation of employees. In 2010/11, the department started developing a national revenue model for the improvement of revenue collection and retention at national and provincial level. It is envisaged that the model will be finalised during 2011/12 and implemented in three Provinces.
- *National Health Insurance* develops and implements policies, legislation and frameworks for the expansion of health insurance to the broader population; and oversees the coordination of research into alternative health care financing mechanisms for achieving universal health coverage. This subprogramme has a staff complement of 6 and a total budget of R8 million, of which 30 per cent is used for compensation of employees and 59 per cent for goods and services. In 2010/11, the draft national health insurance policy proposal document was submitted to Cabinet for consideration, after which an interministerial committee was established. A revised policy document has been developed and will be resubmitted to Cabinet in 2011/12. The department is also in the process of preparing enabling legislation for establishing the National Health Insurance Fund, to be submitted to Cabinet before December 2011. An additional R15 million has been made available over the MTEF period to strengthen this subprogramme.
- *International Relations* develops and implements bilateral and multilateral agreements to strengthen the health system, including agreements on the recruitment of health workers from other countries, and provides technical capacity to South Africa in fields such as health technology management and surveillance systems. The department is establishing mechanisms for the implementation of cross border projects on malaria, HIV and AIDS, tuberculosis, and other communicable diseases to ensure that communities in border areas have access to quality health services. These mechanisms will be finalised in April 2011 and implemented in 2011/12 in 5 provinces that share borders with other Southern African Development Community (SADC) member states.

## Objectives and measures

- Facilitate and coordinate evidence based planning for all levels of the health care system, aligned to the health sector's 10-point plan and negotiated service delivery agreement, by implementing the revised guidelines for planning by the end of 2011/12.
- Develop and implement an integrated monitoring and evaluation system, aligned to outcomes contained in the negotiated service delivery agreement, by the end of 2011/12.
- Monitor HIV and syphilis prevalence by conducting the 2011 national HIV survey in October and November 2011 and publishing the reports of the 2010 national HIV survey by August 2011.
- Improve access to essential medicines by maintaining less than 3 per cent out-of-stock levels of drugs on the essential drugs list, tuberculosis drugs and antiretroviral medicines.
- Contribute to the establishment of the national health insurance to provide a universal coverage health financing system with improved balance between public and private sources by:
  - developing policy proposals for implementation over a 14-year phased period
  - submitting legislation for the establishment of the National Health Insurance Fund to Cabinet by December 2011.
- Strengthen African countries' health systems and improve health outcomes by promoting, implementing, coordinating and monitoring bilateral and multilateral agreements between SADC states, African Union member states, international organisations and partners on an ongoing basis.

## Expenditure estimates

Table 16.5 Health Planning and Systems Enablement

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Technical Policy and Planning	–	–	–	–	16 820	29 873	35 059
Health Information Management, Monitoring and Evaluation	25 594	27 685	39 509	30 613	38 504	39 640	41 372
Sector Procurement Policy	14 394	13 898	15 198	15 526	18 552	19 238	20 168
Financial Planning and Health Economics	10 208	15 644	50 668	35 869	21 900	22 558	23 436
National Health Insurance	1 198	1 369	1 673	2 758	7 955	8 086	8 240
International Relations	36 682	61 453	34 961	50 736	57 096	58 626	61 557
<b>Total</b>	<b>88 076</b>	<b>120 049</b>	<b>142 009</b>	<b>135 502</b>	<b>160 827</b>	<b>178 021</b>	<b>189 832</b>
Change to 2010 Budget estimate				(14 566)	(963)	6 851	–
<b>Economic classification</b>							
<b>Current payments</b>	<b>86 517</b>	<b>117 732</b>	<b>108 774</b>	<b>129 020</b>	<b>157 451</b>	<b>174 368</b>	<b>185 997</b>
Compensation of employees	38 092	44 745	48 803	59 768	71 535	87 367	95 455
Goods and services	48 425	72 987	59 971	69 252	85 916	87 001	90 542
<i>of which:</i>							
<i>Administrative fees</i>	250	732	16	459	418	432	459
<i>Advertising</i>	–	1 172	708	783	1 789	1 237	1 332
<i>Assets less than the capitalisation threshold</i>	–	562	682	5 515	6 392	6 922	7 124
<i>Audit cost: External</i>	–	–	–	115	–	–	–
<i>Bursaries: Employees</i>	50	30	21	46	12	12	13
<i>Catering: Departmental activities</i>	33	477	510	842	650	659	690
<i>Communication</i>	3 104	1 555	2 133	1 798	1 564	1 639	1 750
<i>Computer services</i>	35	805	16 592	2 686	3 148	3 284	3 503
<i>Consultants and professional services: Business and advisory services</i>	5 750	2 879	6 163	7 138	18 794	19 102	19 651
<i>Consultants and professional services: Legal costs</i>	9	1 552	9	522	117	119	125
<i>Contractors</i>	462	1 813	196	356	2 498	2 286	2 114
<i>Agency and support / outsourced services</i>	1 617	4 019	4 240	2 016	900	911	946
<i>Entertainment</i>	–	31	128	409	326	330	346
<i>Inventory: Fuel, oil and gas</i>	–	–	12	–	–	–	–
<i>Inventory: Learner and teacher support material</i>	–	–	–	2	–	–	–

Table 16.5 Health Planning and Systems Enablement (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>							
<i>Inventory: Materials and supplies</i>	–	1	1	69	95	96	100
<i>Inventory: Medical supplies</i>	–	16	–	–	–	–	–
<i>Inventory: Military stores</i>	–	1	–	2	–	–	–
<i>Inventory: Other consumables</i>	476	232	1 303	1 241	59	62	64
<i>Inventory: Stationery and printing</i>	1 999	2 256	2 306	3 612	4 527	4 630	4 856
<i>Lease payments</i>	1 775	2 367	424	1 447	1 779	1 807	1 893
<i>Transport provided: Departmental activity</i>	1 759	2 431	1 528	2 440	–	–	–
<i>Travel and subsistence</i>	13 870	33 229	11 001	21 772	25 286	25 669	26 895
<i>Training and development</i>	1 923	42	185	311	–	–	–
<i>Operating expenditure</i>	5 445	14 882	10 993	13 389	15 351	15 558	16 325
<i>Venues and facilities</i>	9 868	1 903	820	2 282	2 211	2 246	2 356
<b>Transfers and subsidies</b>	<b>585</b>	<b>387</b>	<b>30 443</b>	<b>415</b>	<b>440</b>	<b>462</b>	<b>485</b>
Provinces and municipalities	–	–	30 000	–	–	–	–
Departmental agencies and accounts	358	376	392	415	440	462	485
Households	227	11	51	–	–	–	–
<b>Payments for capital assets</b>	<b>971</b>	<b>1 926</b>	<b>2 792</b>	<b>6 067</b>	<b>2 936</b>	<b>3 191</b>	<b>3 350</b>
Machinery and equipment	941	1 926	1 894	6 067	2 936	3 191	3 350
Software and other intangible assets	30	–	898	–	–	–	–
<b>Payments for financial assets</b>	<b>3</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>88 076</b>	<b>120 049</b>	<b>142 009</b>	<b>135 502</b>	<b>160 827</b>	<b>178 021</b>	<b>189 832</b>

## Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	358	376	392	415	440	462	485
National Health Laboratory Services (Cancer Register)	358	376	392	415	440	462	485
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	–	–	30 000	–	–	–	–
2010 World Cup health preparatory strategy grant	–	–	30 000	–	–	–	–
Households							
Households other transfers							
Current	227	11	51	–	–	–	–
Employee social benefit	227	11	51	–	–	–	–

## Expenditure trends

Spending over the MTEF period will be mainly in the *Health Information Management, Monitoring and Evaluation, Financial Planning and Health Economics* and *International Relations* subprogrammes.

Expenditure has grown from R88.1 million in 2007/08 to R135.5 million in 2010/11. Over the medium term, expenditure is expected to grow to R189.8 million. The bulk of the increased expenditure will go to strengthening health planning in consultation with all the nine provincial departments to ensure that there is one national health system and strengthening monitoring and evaluation systems across the country to ensure credible health information in preparation for the national health insurance.

### Programme 3: HIV and AIDS, TB, and Maternal, Child and Women's Health

- *HIV and AIDS and TB* develops national policy and administers national HIV and AIDS and sexually transmitted infections programmes, including coordinating the implementation of the HIV and AIDS and tuberculosis plans and related conditional grant. This subprogramme has a staff complement of 81 and a total

budget of R8 billion, of which 98 per cent is transferred to provinces. In 2010/11, 4.5 million female and over 450 million male condoms were distributed at a cost of R108 million. Over the medium term, the aim is to increase condom distribution to 1 billion male and over 6 million female condoms per year. By the end of November 2010, 1.27 million patients were on antiretroviral therapy at a cost of R5.5 billion. The 2009 antenatal care survey reflected that the occurrence of HIV infection stabilised at around 29.4 per cent among pregnant women.

- *Maternal, Child and Women's Health* monitors policies, guidelines, and norms and standards for maternal, child and youth, and women's health. This subprogramme has a staff complement of 55 and a total budget of R51.7 million, of which 32 per cent is used for compensation of employees and 64 per cent for goods and services. In 2010/11, voluntary counselling and testing, and the prevention of mother to child transmission services were provided in more than 95 per cent of health facilities countrywide at a cost of R122.6 million. The department will continue to implement key initiatives to reduce maternal and child morbidity and mortality as outlined in the strategic plan for maternal, neonatal, child and women's health for South Africa 2008 to 2013. A mass immunisation campaign was held in 2010/11.

## Objectives and measures

- Scale up the combination of prevention interventions to reduce new HIV infections by:
  - increasing provision of male condoms to 1 billion a year and female condoms to 6 million a year
  - expanding provision of circumcision services to reach 500 000 eligible males per year
  - underpinning the prevention strategies by provider initiated HIV counselling and testing to reach 10 million people per year.
- Improve the quality of life of people living with HIV and AIDS by providing an appropriate package of care, treatment and support services to at least 80 per cent of this target group and their families by 2014.
- Reduce infant, child and youth morbidity and mortality by:
  - improving immunisation coverage from 88 per cent in 2009/10 to 95 per cent in 2011/12
  - increasing the percentage of pregnant women who are tested for HIV from 80 per cent in 2009/10 to 95 per cent in 2011/12
  - ensuring that all districts achieve more than 90 per cent full immunisation coverage by 2011/12.
- Reduce maternal mortality by ensuring that 100 per cent of institutions implement the recommendations from the Saving Mothers Saving Babies report by March 2012.
- Reduce the burden of tuberculosis and increase the national tuberculosis cure rate from 68 per cent in 2008 to 75 per cent in 2012 through intensified case finding, improving infection control and ensuring treatment adherence.

## Expenditure estimates

Table 16.6 HIV and AIDS, TB and Maternal, Child and Women's Health

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
HIV and AIDS and TB	2 394 343	3 370 891	4 868 032	6 620 721	7 974 791	9 344 138	11 153 606
Maternal, Child and Women's Health	19 967	23 549	55 427	57 907	51 737	32 933	34 620
<b>Total</b>	<b>2 414 310</b>	<b>3 394 440</b>	<b>4 923 459</b>	<b>6 678 628</b>	<b>8 026 528</b>	<b>9 377 071</b>	<b>11 188 226</b>
Change to 2010 Budget estimate				101 800	15 436	28 752	-
<b>Economic classification</b>							
Current payments	254 309	350 881	345 721	433 402	357 609	366 456	385 006
Compensation of employees	36 167	39 114	43 509	49 623	54 688	57 489	60 403
Goods and services	218 142	311 767	302 212	383 779	302 921	308 967	324 603
<i>of which:</i>							
Administrative fees	-	14	14	136	141	151	157
Advertising	15 727	1 815	76 629	92 998	61 892	77 621	86 650
Assets less than the capitalisation threshold	471	339	148	829	806	927	966
Bursaries: Employees	-	-	-	100	-	-	-

Table 16.6 HIV and AIDS, TB and Maternal, Child and Women's Health (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>							
<i>Catering: Departmental activities</i>	400	594	521	1 167	626	746	783
<i>Communication</i>	1 275	477	610	889	921	875	944
<i>Computer services</i>	1 129	4 021	1 384	1 342	1 311	1 511	1 562
<i>Consultants and professional services: Business and advisory services</i>	92 209	103 757	4 890	9 545	8 836	9 841	9 958
<i>Consultants and professional services: Legal costs</i>	–	–	–	500	–	–	–
<i>Contractors</i>	931	19 506	578	11 022	5 439	5 615	5 670
<i>Agency and support / outsourced services</i>	526	116	4 585	1 981	3 277	3 297	3 462
<i>Entertainment</i>	–	41	26	160	45	46	48
<i>Inventory: Materials and supplies</i>	–	1	2	84	1	1	1
<i>Inventory: Medical supplies</i>	76 119	103 283	181 211	186 496	150 000	135 000	140 000
<i>Inventory: Other consumables</i>	–	12	4	413	519	519	620
<i>Inventory: Stationery and printing</i>	4 302	4 284	4 283	22 439	17 446	17 622	17 753
<i>Lease payments</i>	212	369	254	690	160	163	171
<i>Transport provided: Departmental activity</i>	–	–	–	5	–	–	–
<i>Travel and subsistence</i>	20 540	27 132	17 659	30 516	26 851	29 069	29 473
<i>Training and development</i>	–	21 278	2 514	71	–	–	–
<i>Operating expenditure</i>	3 244	23 466	1 207	8 846	12 322	13 406	13 576
<i>Venues and facilities</i>	1 057	1 262	5 693	13 550	12 328	12 557	12 809
<b>Transfers and subsidies</b>	<b>2 158 846</b>	<b>3 042 958</b>	<b>4 576 751</b>	<b>6 241 225</b>	<b>7 664 679</b>	<b>9 006 163</b>	<b>10 798 545</b>
Provinces and municipalities	2 006 223	2 885 423	4 376 105	6 051 757	7 492 962	8 824 610	10 606 664
Universities and technikons	400	733	500	1 060	1 124	1 180	1 239
Non-profit institutions	152 132	156 624	198 143	188 408	170 593	180 373	190 642
Households	91	178	2 003	–	–	–	–
<b>Payments for capital assets</b>	<b>1 155</b>	<b>598</b>	<b>981</b>	<b>4 001</b>	<b>4 240</b>	<b>4 452</b>	<b>4 675</b>
Machinery and equipment	1 155	598	973	4 001	4 240	4 452	4 675
Software and other intangible assets	–	–	8	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>3</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 414 310</b>	<b>3 394 440</b>	<b>4 923 459</b>	<b>6 678 628</b>	<b>8 026 528</b>	<b>9 377 071</b>	<b>11 188 226</b>
<b>Details of transfers and subsidies</b>							
<b>Universities and technikons</b>							
<b>Current</b>	<b>400</b>	<b>733</b>	<b>500</b>	<b>1 060</b>	<b>1 124</b>	<b>1 180</b>	<b>1 239</b>
University of Cape Town	–	233	–	530	562	590	620
University of Limpopo	400	500	500	530	562	590	619
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	<b>2 006 223</b>	<b>2 885 423</b>	<b>4 376 105</b>	<b>6 051 757</b>	<b>7 492 962</b>	<b>8 824 610</b>	<b>10 606 664</b>
Comprehensive HIV and AIDS Grant	2 006 223	2 885 423	4 376 105	6 051 757	7 492 962	8 824 610	10 606 664
<b>Households</b>							
<b>Households other transfers</b>							
<b>Current</b>	<b>91</b>	<b>178</b>	<b>2 003</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Donation	–	–	2 000	–	–	–	–
Employee social benefit	91	178	3	–	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>152 132</b>	<b>156 624</b>	<b>198 143</b>	<b>188 408</b>	<b>170 593</b>	<b>180 373</b>	<b>190 642</b>
Lifeline	15 000	16 000	–	12 243	12 978	13 627	14 308
loveLife	40 000	55 000	–	77 380	62 023	66 124	70 430
Soul City	17 000	14 000	–	16 960	12 977	13 876	14 820
Maternal child and women's health: NGOs	647	–	636	1 149	1 218	1 279	1 343
HIV and AIDS: NGOs	53 616	58 141	193 842	65 131	69 038	72 490	76 115
Tuberculosis: NGOs	2 869	3 483	3 665	3 885	–	–	–
South Africa AIDS Vaccine Initiative	23 000	10 000	–	11 660	12 359	12 977	13 626

## Expenditure trends

The spending focus over the MTEF period will be on strengthening HIV and AIDS prevention programmes.

Expenditure has grown from R2.4 billion in 2007/08 to R6.7 billion in 2010/11, at an average annual rate of 40.4 per cent. This was done equitably on the basis of the burden from the disease that each province carries and progress on treatment uptake. Over the medium term, expenditure is expected to increase to R11.2 billion, at an average annual rate of 18.8 per cent. Growth between 2007/08 and 2010/11 is mostly due to transfers to provinces for the HIV and AIDS conditional grant, which has increased as a result of higher numbers of new patients being placed on antiretroviral treatment. The growth over the medium term is partly due to additional funding of R60 million in 2011/12 and 2012/13, and R1.4 billion in 2013/14 for the HIV and AIDS conditional grant to provinces. The additional grants are to allow the provinces to significantly expand access to antiretroviral treatment, implement the HIV counselling and testing campaign, and initiate the male circumcision programme.

## Programme 4: Primary Health Care Services

- *District Health Services* promotes, coordinates and institutionalises the district health system, integrates the implementation of programmes, including health promotion and environmental health at all levels of the health care system including community based services, and ensures that there are norms and standards for all aspects of primary health care. This subprogramme has a staff complement of 43 and a total budget of R23.6 million, of which 30 per cent is used for compensation of employees and 68 per cent for goods and services. In 2011/12, the following outputs will be achieved: the policy for the implementation of the district health system will be revised; the revision of the primary health care model will be completed; and the first phase of implementing the family health teams will commence. It is planned that 50 primary health care outreach teams, consisting of professional nurses, enrolled nurses and community health workers, will be deployed in different wards across the country, each serving about 1 500 families (estimated 6 000 people). District support teams will be established with medical specialists.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases. This subprogramme has a staff complement of 68 and a total budget of R14.5 million, of which 52 per cent is used for compensation of employees. The target over the medium term is to reduce the incidence of local malaria cases from 0.66 to 0.56 per 1 000 population at risk in endemic provinces. In 2011/2012, the subprogramme will develop: a monitoring and evaluation plan, a malaria active case detection guidelines, and a baseline survey for the malaria cross border initiatives. Furthermore, the national malaria programme will be redirected towards malaria elimination through enhanced collaboration with countries, such as Botswana, Mozambique, Swaziland and Zimbabwe. Coordinates outbreak response activities such as Cholera and rift valley fever.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring chronic diseases, disability, elderly people, eye care, oral health, mental health and substance abuse, injury prevention, organ transplantation and forensic pathology services. Diabetes and hypertension advocacy and screening campaigns will be conducted to promote healthy lifestyles. This subprogramme is also responsible for the funding of forensic pathology conditional grant that is transferred to provinces. It has a total budget of R669.5 million, of which 88 per cent is transferred to provinces. In 2010/11, the mini drug master plan was developed. This will be implemented in phases over the medium term in conjunction with other government departments. The department will continue to support provinces in implementation of the long term care model. Moreover, chronic care, whether from communicable or non-communicable causes, will be aligned wherever possible. In particular, a single chronic care model will be rolled out in three districts in 2011/12.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. This subprogramme has a staff complement of 33 and a total budget of R22 million, of which 36 per cent is used for compensation of employees and 58 per cent is used for goods and services. In support of the refocus of health interventions towards prevention and promotion, the department is in the process of finalising an integrated health promotion policy and strategy. This work will continue in 2011/12 with the development and finalisation of an implementation plan.

## Objectives and measures

- Eliminate malaria by 2018 by reducing local transmission to zero per 1 000 population at risk through the implementation of the malaria elimination strategy which has been implemented in prior years.
- Prevent and manage non-communicable diseases by implementing the chronic care model and strengthening the implementation of the long term care model for diabetes over the MTEF period.
- Improve community participation in supporting the delivery of primary health care services by 2011/12 by establishing governance structures in which members will be elected by communities to represent their interests, in line with the National Health Act (2003).
- Improve primary health care services by conducting a comprehensive primary health care audit by January 2012 focusing on the implementation of the primary health care package, health infrastructure, human resources, and some elements of health technology.
- Start up and entrench enhanced community based services in each district by establishing 54 family health teams in all 9 provinces by 2011/12 and deploying them in different wards to serve about 1 500 families (estimated 6 000 people) per team, thus contributing to the continuum of care and ensuring that patients who require home based care are taken care of and that the community is educated about their health.
- Improve health outcomes through ensuring that 52 district health plans are used for planning, monitoring and reporting and programme implementation by providing direct and indirect support to the district management teams in the process of developing their district health plans, which will be received from the districts by the end of February 2012.
- Establish programme for injuries and violence including road accidents.

## Expenditure estimates

Table 16.7 Primary Health Care Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
District Health Services	7 898	11 679	11 607	46 418	23 558	20 527	21 759
Communicable Diseases	5 254	8 071	204 172	16 983	14 506	15 091	15 846
Non-Communicable Diseases	607 634	656 751	548 093	628 306	669 452	84 242	88 190
Health Promotion and Nutrition	18 658	26 633	11 286	20 185	22 496	23 172	24 331
<b>Total</b>	<b>639 444</b>	<b>703 134</b>	<b>775 158</b>	<b>711 892</b>	<b>730 012</b>	<b>143 032</b>	<b>150 126</b>
Change to 2010 Budget estimate				16 624	(3 893)	(622 169)	-
<b>Economic classification</b>							
<b>Current payments</b>	<b>72 042</b>	<b>92 550</b>	<b>218 693</b>	<b>139 627</b>	<b>123 410</b>	<b>126 003</b>	<b>132 509</b>
Compensation of employees	36 791	42 391	47 507	54 571	58 456	62 380	65 498
Goods and services	35 251	50 159	171 186	85 056	64 954	63 623	67 011
<i>of which:</i>							
Administrative fees	-	197	33	137	2 286	939	346
Advertising	3 580	5 073	1 471	4 234	5 140	5 501	5 845
Assets less than the capitalisation threshold	157	559	618	1 419	1 358	1 415	1 463
Audit cost: External	-	-	-	40	49	52	55
Catering: Departmental activities	1 473	1 049	347	870	742	1 156	1 368
Communication	829	1 134	1 101	1 135	1 064	1 122	1 171
Computer services	293	613	181	1 056	1 307	1 386	1 453
Consultants and professional services:	2 511	1 510	3 048	35 220	13 065	9 656	10 119
Business and advisory services							
Contractors	1 586	4 920	1 320	2 933	3 798	4 162	4 664
Agency and support / outsourced services	700	706	1 618	3 385	3 544	3 765	3 953
Entertainment	-	14	20	85	12	13	14
Inventory: Fuel, oil and gas	-	24	286	310	383	407	427
Inventory: Materials and supplies	150	171	93	124	98	104	109
Inventory: Medical supplies	702	547	144 313	687	743	906	914

Table 16.7 Primary Health Care Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>							
<i>Inventory: Other consumables</i>	4 306	3 405	3 753	4 152	4 998	5 310	5 576
<i>Inventory: Stationery and printing</i>	2 024	3 317	3 131	5 848	5 773	6 169	6 635
<i>Lease payments</i>	269	579	681	1 303	1 421	1 497	1 562
<i>Transport provided: Departmental activity</i>	-	123	145	60	-	-	-
<i>Travel and subsistence</i>	8 870	15 021	7 148	13 644	13 594	13 837	14 344
<i>Training and development</i>	-	221	6	-	-	-	-
<i>Operating expenditure</i>	4 301	8 363	1 056	7 143	3 968	4 064	4 486
<i>Venues and facilities</i>	3 500	2 613	817	1 271	1 611	2 162	2 507
<b>Transfers and subsidies</b>	<b>556 328</b>	<b>596 045</b>	<b>553 779</b>	<b>559 454</b>	<b>593 022</b>	<b>2 768</b>	<b>2 906</b>
Provinces and municipalities	551 822	594 474	551 863	556 962	590 380	-	-
Departmental agencies and accounts	3 000	400	-	-	-	-	-
Non-profit institutions	1 400	959	1 881	2 492	2 642	2 768	2 906
Households	106	212	35	-	-	-	-
<b>Payments for capital assets</b>	<b>11 074</b>	<b>14 538</b>	<b>2 673</b>	<b>12 811</b>	<b>13 580</b>	<b>14 261</b>	<b>14 711</b>
Machinery and equipment	10 897	14 538	2 392	12 811	13 580	14 261	14 711
Software and other intangible assets	177	-	281	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>1</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>639 444</b>	<b>703 134</b>	<b>775 158</b>	<b>711 892</b>	<b>730 012</b>	<b>143 032</b>	<b>150 126</b>
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>3 000</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Human Science Research Council	3 000	400	-	-	-	-	-
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	<b>551 822</b>	<b>594 474</b>	<b>551 863</b>	<b>556 962</b>	<b>590 380</b>	<b>-</b>	<b>-</b>
Cholera conditional grant	-	-	50 000	-	-	-	-
Forensic pathology services conditional grant	551 822	594 474	501 863	556 962	590 380	-	-
<b>Households</b>							
<b>Households other transfers</b>							
<b>Current</b>	<b>106</b>	<b>212</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Donation	-	102	-	-	-	-	-
Employee social benefit	106	110	35	-	-	-	-
<b>Non-profit institutions</b>							
<b>Current</b>	<b>1 400</b>	<b>959</b>	<b>1 881</b>	<b>2 492</b>	<b>2 642</b>	<b>2 768</b>	<b>2 906</b>
Mental Health NGOs	-	-	246	148	157	165	173
SA Federation for Mental Health	223	234	-	261	277	290	305
Health Promotion: NGOs	477	-	575	1 037	1 099	1 150	1 208
Environmental Health: NGO	-	-	-	95	101	104	108
South Africa Council for the Blind	500	525	552	585	620	651	684
South African Community Epidemiology Network on drug use	200	200	508	366	388	408	428

## Expenditure trends

Spending over the MTEF period will be focused on the *Communicable Diseases, Non-Communicable Diseases, District Health Services* and *Health Promotion and Nutrition* subprogrammes.

Expenditure grew from R639.4 million in 2007/08 to R711.9 million in 2010/11. The growth was driven mostly by expenditure in the *Non-Communicable Diseases* subprogramme for the forensic pathology conditional grant, which grew to facilitate the relocation of forensic mortuaries from the South African Police Service, for the refurbishment of infrastructure at these mortuaries, and, where required, construction of new mortuaries. Over the medium term, spending is expected to decrease to R150.1 million. The decrease is due to shifting the

forensic pathology conditional grant from this programme into the provincial equitable share in 2012/13 (R620 million in 2012/13 and R654 million in 2013/14). Provinces will continue funding the grant after the handover period, which began in 2005/06.

## Programme 5: Hospital, Tertiary Services and Workforce Development

- *Health Facilities Infrastructure Management* focuses on enabling provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology, hospital management and improvement of the quality of care in line with national policy objectives. This subprogramme is responsible for funding the conditional grant for the revitalisation of hospitals and the new health infrastructure grant. It has a total budget of R5.9 billion, of which 99 per cent is transferred to provinces. In 2010/11, there were over 2 200 individual infrastructure related projects (valued at R9 billion) recorded in the health sector, including 417 projects as part of the hospital revitalisation programme. The department will continue with the planning and design phase for five flagship tertiary hospital projects to be implemented through private public partnerships. From 2011/12, the hospital revitalisation grant and health infrastructure grant will be managerially integrated with the department.
- *National Tertiary Services Management* focuses on developing credible, long term provision of tertiary and high quality specialised services in a modernised and reconfigured manner; and identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements. The subprogramme is responsible for the management of national tertiary services grant. The purpose of the grant is to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital services platform in line with national policy objectives, including access and equity. The subprogramme has total budget of R8.1 billion, of which 99 per cent is transferred to provinces.
- *Hospital Management* deals with national policy on hospital and emergency medical services by focusing on developing an effective referral system to ensure clear delineation of responsibility by level of care, clear guidelines for referral and improved communication, and development of specific detailed hospital plans. This subprogramme has a staff complement of 5 and a total budget of R12.3 million, of which 57 per cent is used for compensation of employees. Quality improvement plans for hospitals focusing on the following priority areas have been developed and implemented in 56 hospitals. This will be expanded to 289 hospitals in the MTEF period.
- Human Resources Policy Research and Planning is responsible for medium to long range human resources planning in the national health system. This entails implementing the national human resources for health plan, facilitating capacity development for sustainable health workforce planning, and developing and implementing human resources information systems for planning and monitoring purposes. This subprogramme has a staff complement of 57 and a total budget of R9.6 million, of which 55 per cent is used for compensation of employees. The work on the development of revised national human resources for the health plan commenced started in the current financial year. It is envisaged that the revised plan will be finalised and published in 2011/12.
- Sector Labour Relations and Planning supports negotiations and collective bargaining; and the prevention, management and resolution of disputes and labour unrest in the Public Health and Social Development Sectoral Bargaining Council. This subprogramme has a staff complement of 8 and a total budget of R4 million, of which 68 per cent is used for compensation of employees. The focus has been on improving conditions of service, productivity and motivation of health care workers. In October 2010, the occupation specific dispensation for allied health professionals in the medical, diagnostic and therapeutic services was accepted and signed by the majority of trade unions in the bargaining council.
- *Health Human Resources and Workforce Management and Development* is responsible for developing sector specific strategic workforce management and development policies, including the development and introduction of new health professional categories, clinical in-service training programmes and coordinating and harmonising sector specific employment policies and practices. This subprogramme funds the health professions training and development conditional grant. It has a budget total of R2 billion in 2011/12, of which 99 per cent is transferred to provinces. In 2009/10, the clinical associate programme entered its second academic year at three universities, namely Walter Sisulu University, University of Pretoria and University

of the Witwatersrand. 106 students are currently enrolled in the programme, with 23 graduating from Walter Sisulu University in May 2011 and 83 are expected to graduate at the end of 2011.

## Objectives and measures

- Accelerate the delivery of health infrastructure by:
  - developing and implementing a national infrastructure plan in conjunction with provincial infrastructure units by March 2012
  - developing and applying health infrastructure norms and standards for all levels of health services at all stages of the development cycle over the MTEF period
  - conducting cost modelling for all components and levels of health facilities for various applications, including capital and upkeep planning over the MTEF period
  - establishing a projects management information system for project and programme monitoring and oversight by March 2012
  - establishing project management units supporting the technical professional capacity of provinces for infrastructure service delivery by March 2012.
- Contribute to the improvement of the quality of health professionals by:
  - implementing programmes for the production of new health professional categories for mid-level workers, including clinical associates, emergency care practitioners and community health workers
  - increasing the number of nurses trained in comprehensive care management and the treatment of HIV and AIDS (including nurse initiated treatment) from 219 by the end of March 2010 to 6 000 by the end of March 2012.
- Revised training curricula for nursing education and to improve nursing practice, leadership and governance.
- Collaborate with higher education authorities to increase number of medical graduates.

## Expenditure estimates

Table 16.8 Hospitals, Tertiary Services and Workforce Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Health Facilities Infrastructure Management	2 901 663	3 702 656	4 199 654	5 522 472	5 877 096	6 193 531	6 024 234
National Tertiary Services Management	5 321 733	6 134 835	6 616 372	7 398 850	8 052 171	8 692 271	9 392 829
Hospital Management	7 443	7 512	8 057	9 069	12 257	12 616	13 247
Human Resource Policy Research and Planning	3 882	7 476	17 214	8 856	9 646	10 016	10 517
Sector Labour Relations and Planning	2 024	2 880	3 487	4 033	4 321	4 527	4 754
Health Human Resources and Workforce Management and Development	1 607 672	1 694 989	1 773 289	1 884 662	2 007 224	2 102 838	2 218 112
<b>Total</b>	<b>9 844 417</b>	<b>11 550 348</b>	<b>12 618 073</b>	<b>14 827 942</b>	<b>15 962 715</b>	<b>17 015 799</b>	<b>17 663 693</b>
Change to 2010 Budget estimate				1 489 488	1 955 477	2 309 212	-
<b>Economic classification</b>							
<b>Current payments</b>	<b>33 148</b>	<b>41 211</b>	<b>50 728</b>	<b>71 722</b>	<b>97 079</b>	<b>92 544</b>	<b>93 690</b>
Compensation of employees	19 385	23 717	28 511	31 037	36 449	38 211	40 123
Goods and services	13 763	17 494	22 217	40 685	60 630	54 333	53 567
<i>of which:</i>							
Administrative fees	-	216	98	92	300	420	551
Advertising	50	452	223	659	674	727	836
Assets less than the capitalisation threshold	53	142	432	704	1 007	1 258	1 512
Catering: Departmental activities	-	255	218	660	361	385	427
Communication	167	210	270	569	1 076	1 223	1 384
Computer services	76	6 219	3	76	17	32	84
Consultants and professional services:	1 683	160	10 549	23 148	33 037	25 330	22 401
Business and advisory services	-	-	-	-	150	200	250
Infrastructure and planning	83	704	137	304	309	361	417
Contractors							

Table 16.8 Hospitals, Tertiary Services and Workforce Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>							
<i>Agency and support / outsourced services</i>	–	55	83	442	6 315	5 960	5 887
<i>Entertainment</i>	–	25	23	68	56	56	57
<i>Inventory: Materials and supplies</i>	–	–	–	8	–	–	–
<i>Inventory: Medical supplies</i>	–	–	1	–	–	–	–
<i>Inventory: Other consumables</i>	–	2	10	40	12	12	12
<i>Inventory: Stationery and printing</i>	1 540	605	933	1 766	2 293	2 474	2 690
<i>Lease payments</i>	272	259	294	336	1 151	1 357	1 666
<i>Property payments</i>	4	–	–	–	–	–	–
<i>Travel and subsistence</i>	5 095	6 292	4 518	7 887	10 892	11 294	11 941
<i>Training and development</i>	–	111	2 969	–	–	–	–
<i>Operating expenditure</i>	4 590	1 577	534	1 620	1 740	1 942	2 062
<i>Venues and facilities</i>	150	210	922	2 306	1 240	1 302	1 390
<b>Transfers and subsidies</b>	<b>9 810 638</b>	<b>11 508 762</b>	<b>12 565 880</b>	<b>14 754 992</b>	<b>15 864 334</b>	<b>16 921 887</b>	<b>17 568 566</b>
Provinces and municipalities	9 810 599	11 508 761	12 565 782	14 754 992	15 864 334	16 921 887	17 568 566
Households	39	1	98	–	–	–	–
<b>Payments for capital assets</b>	<b>628</b>	<b>374</b>	<b>1 465</b>	<b>1 228</b>	<b>1 302</b>	<b>1 368</b>	<b>1 437</b>
Machinery and equipment	607	374	1 465	1 228	1 302	1 368	1 437
Software and other intangible assets	21	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>3</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>9 844 417</b>	<b>11 550 348</b>	<b>12 618 073</b>	<b>14 827 942</b>	<b>15 962 715</b>	<b>17 015 799</b>	<b>17 663 693</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	<b>8994 687</b>	<b>10548 778</b>	<b>11363 380</b>	<b>13284 054</b>	<b>14162 478</b>	<b>15100 906</b>	<b>15647 432</b>
Health professional training conditional grant	1596 189	1679 061	1759 799	1865 387	1977 310	2076 176	2190 366
National tertiary services grant	5321 206	6134 084	6614 442	7398 000	8048 878	8688 822	9389 207
Hospital revitalisation grant	2077 292	2735 633	2989 139	4020 667	4136 290	4335 908	4067 859
<b>Capital</b>	<b>815 912</b>	<b>959 983</b>	<b>1202 402</b>	<b>1470 938</b>	<b>1701 856</b>	<b>1820 981</b>	<b>1921 134</b>
Health infrastructure grant	815 912	959 983	1202 402	1470 938	1701 856	1820 981	1921 134
<b>Households</b>							
<b>Households other transfers</b>							
<b>Current</b>	<b>39</b>	<b>1</b>	<b>98</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefit	39	1	98	–	–	–	–

## Expenditure trends

The spending focus over the MTEF period will be on the health infrastructure planning across the provinces as well as the strengthening of tertiary services.

Expenditure has grown from R9.8 billion in 2007/08 to R14.8 billion in 2010/11. The growth was mainly in transfers and subsidies to the infrastructure grant to provinces.

Over the medium term, spending is expected to increase to R17.7 billion. Additional allocations of R250 million, R500 million and R750 million over the medium term were made for the national tertiary services grant to support public hospitals' preparation for the national health insurance and to implement the standards and guidelines of the Office of Standards Compliance.

## Programme 6: Health Regulation and Compliance Management

- *Food Control and Regulation* regulates foodstuffs and non-medical health products to ensure food safety by developing and implementing food control policies, norms and standards, and regulations. This subprogramme has a staff complement of 25 and a total budget of 7.8 million, of which 62 per cent is used

for compensation of employees. In 2011/12, the department will develop, finalise and publish 5 regulations in line with the relevant provisions of the Foodstuffs, Cosmetics and Disinfectants Act (1972).

- *Public Entities Management* provides policy frameworks for health public entities with regard to planning, budgeting procedures, financial reporting and oversight, ownership, governance, remuneration and accountability. This subprogramme has a total budget of R364.9 million, of which 99 per cent is transferred to the different public entities. The department is in the process of developing a policy framework for the management of public entities and expects it to be finalised in 2011/12.
- *Office of Standards Compliance* deals with quality assurance, compliance with national standards and patient complaints; and radiation control. This subprogramme has a staff complement of 15 employees and a total budget of R41.2 million, of which 55 per cent is used for compensation of employees. In 2011/12, new policies relating to the legislative amendment governing the establishment and functioning of the Office of Standards Compliance and relevant regulations are anticipated to be implemented.
- *Compensation Commissioner for Occupation Diseases* is responsible for the payment of benefits to active and ex-miners who have been diagnosed with lung related diseases as a result of the risky work they have performed in the mines or classified works. This subprogramme has a staff complement of 55 employees and a total budget of R18.1 million, of which 31 per cent is used for compensation of employees and 50 per cent is used for goods and services. This subprogramme contains only administrative costs.
- *Occupational Health* regulates and increases access to benefit medical examinations for ex-mine workers at the Medical Bureau for Occupational Diseases and improves the quality of occupational health services for mines and the health sector. This subprogramme has a staff complement of 12 and a total budget of R22.1 million, of which 67 per cent is used for compensation of employees. The subprogramme will continue to improve access to benefit medical examinations for ex-mine workers in designated public hospitals. The 2011/12 target is 26 000 ex-mineworkers.
- *Pharmaceutical Trade and Product Regulation* regulates the procurement of medicines and pharmaceutical supplies, and regulates and provides the oversight of trade in health products to ensure access to safe and affordable medicines. This subprogramme has a staff complement of 147 employees and a total budget of R71.3 million, of which 46 per cent is used for compensation of employees. In 2011/12, the department will develop and finalise the organisational design changes, the changes to the registration processes as well as the changes to the fee structures in relation to the transition towards the new South African Health Products Regulation Agency.

## **Objectives and measures**

- Improve the registration of medicines and reduce the time taken to reach the market through reducing the backlog on medicine registrations by building in-house capacity, training and aggressively recruiting evaluators, managing clinical trials and performing inspections on an ongoing basis.
- Improve oversight of the registration of pharmaceutical and related products by establishing the Pharmaceutical and Related Product Regulation and Management Authority in 2011/12.
- Improve the quality of health services by establishing an independent Office of Standards Compliance as a national quality certification body by 2012.
- Improve access to occupational health services by increasing the number of comprehensive occupational health units in district hospitals to 100 in 2011/12.

## Expenditure estimates

Table 16.9 Health Regulation and Compliance Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Food Control and Regulation	4 338	6 427	5 443	6 174	7 839	8 131	8 532
Public Entities Management	298 936	315 665	335 291	355 739	364 913	382 819	405 519
Office of Standards Compliance	12 712	17 707	16 295	29 737	41 223	62 261	54 518
Compensation Commissioner for Occupational Diseases	10 570	10 368	12 311	12 045	18 096	19 096	27 659
Occupational Health	14 317	16 929	16 402	19 806	22 069	22 975	24 124
Pharmaceutical Trade and Product Regulation	37 897	48 365	54 246	72 851	71 261	76 289	80 104
<b>Total</b>	<b>378 770</b>	<b>415 461</b>	<b>439 988</b>	<b>496 352</b>	<b>525 401</b>	<b>571 571</b>	<b>600 456</b>
Change to 2010 Budget estimate				24 819	31 376	49 037	-
<b>Economic classification</b>							
<b>Current payments</b>	<b>76 782</b>	<b>95 956</b>	<b>100 208</b>	<b>135 568</b>	<b>155 755</b>	<b>183 805</b>	<b>189 744</b>
Compensation of employees	52 598	55 866	64 219	75 596	81 665	91 037	95 578
Goods and services	24 184	40 090	35 989	59 972	74 090	92 768	94 166
<i>of which:</i>							
<i>Administrative fees</i>	-	53	28	128	208	262	349
<i>Advertising</i>	914	982	501	595	350	410	421
<i>Assets less than the capitalisation threshold</i>	615	476	295	2 207	2 480	2 985	3 540
<i>Audit cost: External</i>	781	554	919	1 500	2 500	3 000	3 000
<i>Catering: Departmental activities</i>	-	274	301	488	540	680	695
<i>Communication</i>	2 006	1 756	1 813	1 908	2 260	2 470	2 580
<i>Computer services</i>	254	520	3 042	5 728	6 450	6 830	7 376
<i>Consultants and professional services: Business and advisory services</i>	5 488	13 366	11 640	24 137	32 104	46 478	45 316
<i>Consultants and professional services: Legal costs</i>	-	-	-	180	250	550	610
<i>Contractors</i>	220	1 928	318	473	2 271	2 174	2 250
<i>Agency and support / outsourced services</i>	448	890	594	3 514	3 900	4 460	4 760
<i>Entertainment</i>	-	13	19	83	80	90	110
<i>Inventory: Fuel, oil and gas</i>	-	-	22	10	20	20	20
<i>Inventory: Materials and supplies</i>	-	41	10	67	90	100	115
<i>Inventory: Medical supplies</i>	-	23	13	138	110	110	115
<i>Inventory: Other consumables</i>	109	238	371	441	550	570	635
<i>Inventory: Stationery and printing</i>	1 806	1 614	1 597	3 323	3 400	3 660	3 920
<i>Lease payments</i>	555	594	524	1 015	1 240	1 310	1 394
<i>Transport provided: Departmental activity</i>	-	-	-	10	-	-	-
<i>Travel and subsistence</i>	9 113	15 055	11 870	13 173	13 467	14 469	14 780
<i>Training and development</i>	-	44	11	-	-	-	-
<i>Operating expenditure</i>	928	1 610	1 970	568	1 600	1 910	1 935
<i>Venues and facilities</i>	947	59	131	286	220	230	245
<b>Transfers and subsidies</b>	<b>300 817</b>	<b>317 573</b>	<b>338 627</b>	<b>357 753</b>	<b>366 440</b>	<b>384 407</b>	<b>407 187</b>
Departmental agencies and accounts	298 274	314 862	335 158	354 831	360 343	376 155	396 935
Non-profit institutions	2 501	2 626	2 757	2 922	6 097	8 252	10 252
Households	42	85	712	-	-	-	-
<b>Payments for capital assets</b>	<b>1 123</b>	<b>1 884</b>	<b>1 150</b>	<b>3 031</b>	<b>3 206</b>	<b>3 359</b>	<b>3 525</b>
Machinery and equipment	1 111	1 884	1 150	3 031	3 206	3 359	3 525
Software and other intangible assets	12	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>48</b>	<b>48</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>378 770</b>	<b>415 461</b>	<b>439 988</b>	<b>496 352</b>	<b>525 401</b>	<b>571 571</b>	<b>600 456</b>

Table 16.9 Health Regulation and Compliance Management (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	295 644	312 507	331 479	352 211	357 566	373 239	393 873
Council for Medical Schemes	3 283	6 151	3 865	3 993	4 194	4 310	4 525
National Health Laboratory Services	69 071	70 223	76 475	77 709	82 167	84 640	88 873
Medical Research Council	223 290	236 133	251 139	270 509	271 205	284 289	300 475
<b>Households</b>							
<b>Households other transfers</b>							
Current	42	85	712	-	-	-	-
Employee social benefit	42	85	712	-	-	-	-
<b>Non-profit institutions</b>							
Current	2 501	2 626	2 757	2 922	6 097	8 252	10 252
Health Systems Trust	2 501	2 626	2 757	2 922	6 097	8 252	10 252
<b>Departmental agencies and accounts</b>							
<b>Social security funds</b>							
Current	2 630	2 355	3 679	2 620	2 777	2 916	3 062
Compensation Fund	2 630	2 355	3 679	2 620	2 777	2 916	3 062

## Expenditure trends

The spending focus over the MTEF period will be on making transfers to public entities, mainly the Medical Research Council and the National Health Laboratory Service.

Expenditure has grown from R378.8 million in 2007/08 to R496.4 million in 2010/11, at an average annual rate of 9.4 per cent. Over the medium term, spending is expected to grow to R600.5 million, at an average annual rate of 6.6 per cent. The largest spending increase is in the *Office of Standards* compliance subprogramme to create an independent agency for quality assurance and accreditation of health facilities. There is also strong growth in *Pharmaceutical Trade and Product Regulation* subprogramme to reduce large backlogs in medicine registration and establish the South African Health Products Regulatory Authority.

## Public entities and other agencies

### National Health Laboratory Service

#### Strategic overview: 2007/08 – 2013/14

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The service supports the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and research. It is recognised as the largest diagnostic pathology service in South Africa and services over 80 per cent of the population, through a national network of approximately 265 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Antivenom Unit.

The service maintains strong partnerships with the national departments of health, science and technology, and education, as well as the Medical Research Council, the Council for Scientific and Industrial Research, health science faculties at universities and universities of technology across the country, provincial hospitals, clinics, local authorities and medical practitioners.

The National Institute for Communicable Diseases is the national organisation responsible for public health surveillance of communicable diseases, and coordinating appropriate responses. It has carried out surveillance programmes on: acute respiratory tract infections, the rotavirus, hospitalisations from respiratory infections, and influenza data for vaccine manufacturing decisions through the viral watch programme.

The National Institute for Occupational Health is South Africa's major centre for occupational health development, training, service support and research. The institute provides leadership and support for the development of effective occupational health services by maintaining and developing specialist reference laboratory, advisory and information services centrally and peripherally. The institute provides specialised support to the national departments of health, mineral resources and labour. A new initiative in the current period (2010/11) led to an occupational health and safety service for all 6 500 employees in the National Health Laboratory Service. The National Institute for Occupational Health provides services to over 1.2 million public servants.

The key strategic objectives for the National Health Laboratory Service over the next five years are to: develop a new service delivery model that is more affordable for the public sector; determine a best fit service delivery model; deliver a quality, customer focused service; align resources, support services and infrastructural development for service delivery; become the laboratory services' employer of choice; prioritise innovation and research to be relevant, appropriate and leading edge; become the country's lead provider health information; drive stakeholder collaboration; position the service as the provider of choice for the national health insurance; and protect the community and environment. A new funding model for training and research will be explored.

### Savings and cost effectiveness measures

Improvements in efficiency and productivity year-on-year have resulted in price increases being kept significantly below inflation over the last four years, with the 2010 seeing an overall price increase of 1 per cent and a price reduction of 10 per cent for the priority programmes of HIV, tuberculosis and cervical screening. The entity is focused on finding solutions to keep costs down without compromising access or quality. In partnership with Western Cape, projects were initiated to develop tools to minimise inappropriate and unnecessary tests. To ensure the optimisation of scarce resources and better sharing of epidemiological skills and expertise, the National Cancer Registry and the Cancer Epidemiology Research Group were merged with the National Institute for Occupational Health.

### Selected performance indicators

Table 16.10 National Health Laboratory Service

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage of CD4 tests completed in 72 hours per year (volume of CD4 tests)	Laboratory Cost	75% (1 425 750)	82% (2 113 140)	86% (2 537 860)	85% (2 614 032)	90% (2 906 188)	95% (3 221 025)	95% (3 382 076)
Percentage of viral load tests completed in 4 days per year (volume of viral load tests)	Laboratory Cost	35% (269 850)	39% (440 310)	41% (437 060)	56% (605 002)	70% (794 066)	80% (952 879)	95% (1 188 121)
Percentage of tuberculosis microscopy tests completed in 48 hours per year (volume of tuberculosis microscopy tests)	Laboratory Cost	50% (1 695 500)	58% (2 440 060)	60% (2 77 800)	96% (4 911 621)	97% (5 210 922)	98% (5 527 876)	98% (5 804 270)
Percentage of HIV PCR tests completed in 5 days per year (volume of HIV PCR tests)	Laboratory Cost	43% (87 937)	47% (101 177)	55% (124 630)	65% (160 133)	70% (181 073)	75% (203 708)	80% (228 152)

### Details of programmes/activities/objectives

Table 16.11 National Health Laboratory Service

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Laboratory costs	1 986 173	2 445 073	2 760 539	3 170 511	3 423 419	3 752 811	4 139 793
Surveillance costs	85 427	94 463	110 026	122 000	133 130	146 443	161 087
Occupational health costs	21 357	23 616	42 831	45 000	54 951	60 446	66 490
Grant research	42 713	47 231	136 087	65 000	80 000	90 000	100 000
<b>Total expense</b>	<b>2 135 670</b>	<b>2 610 383</b>	<b>3 049 483</b>	<b>3 402 511</b>	<b>3 691 500</b>	<b>4 049 700</b>	<b>4 467 370</b>

The entity has implemented a gate keeping project that aims to develop protocols that clinicians will use to ensure inappropriate and unnecessary tests are minimised. This will contribute to a lower test cost without compromising quality. The entity will be developing a training academy in 2011/12 to ensure that staff understand the culture of performance and accountability. One of the entity's mandates is to train medical technicians, medical technologists and pathologists in collaboration with the universities. Work has started on reviewing the current National Health Laboratory Service model from the perspective of service and financing mechanisms. The new model will focus on developing economies of scale, standardising processes, improving technology and automation to deliver a reduced cost to the customer.

## Expenditure estimates

Table 16.12 National Health Laboratory Service

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousands	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
<b>Revenue</b>							
Non-tax revenue	2 275 911	2 739 012	3 105 747	3 457 000	3 870 800	4 258 680	4 684 148
Sale of goods and services other than capital assets	2 232 292	2 676 092	3 049 497	3 409 000	3 845 600	4 230 160	4 653 176
<i>of which:</i>							
<i>Sales by market establishments</i>	2 232 292	2 676 092	3 049 497	3 409 000	3 845 600	4 230 160	4 653 176
<i>Other non-tax revenue</i>	43 619	62 920	56 250	48 000	25 200	28 520	30 972
Transfers received	104 943	124 506	202 962	137 709	82 167	84 640	88 873
<b>Total revenue</b>	<b>2 380 854</b>	<b>2 863 518</b>	<b>3 308 709</b>	<b>3 594 709</b>	<b>3 952 967</b>	<b>4 343 320</b>	<b>4 773 021</b>
<b>Expenses</b>							
Current expense	2 135 670	2 610 383	3 049 483	3 402 511	3 691 500	4 049 700	4 467 370
Compensation of employees	350 451	404 808	412 128	450 000	550 000	605 000	680 000
Goods and services	1 739 635	2 147 660	2 465 408	2 821 600	3 015 700	3 315 900	3 646 870
Depreciation	44 923	56 622	170 983	130 511	115 800	116 800	125 500
Interest, dividends and rent on land	661	1 293	964	400	10 000	12 000	15 000
<b>Total expenses</b>	<b>2 135 670</b>	<b>2 610 383</b>	<b>3 049 483</b>	<b>3 402 511</b>	<b>3 691 500</b>	<b>4 049 700</b>	<b>4 467 370</b>
<b>Surplus / (Deficit)</b>	<b>245 184</b>	<b>253 135</b>	<b>259 226</b>	<b>192 198</b>	<b>261 467</b>	<b>293 620</b>	<b>305 651</b>
<b>Statement of financial position</b>							
Carrying value of assets	433 753	394 296	458 749	450 676	421 576	442 276	495 276
<i>of which: Acquisition of assets</i>	126 537	181 016	219 885	72 321	89 200	139 500	180 000
Inventory	51 666	116 895	69 445	73 000	90 000	95 000	95 000
Receivables and prepayments	856 642	1 066 216	1 242 153	1 600 000	1 399 586	1 542 886	1 663 886
Cash and cash equivalents	256 160	139 578	260 630	220 000	320 000	350 000	350 000
<b>Total assets</b>	<b>1 598 221</b>	<b>1 716 985</b>	<b>2 030 977</b>	<b>2 343 676</b>	<b>2 231 162</b>	<b>2 430 162</b>	<b>2 604 162</b>
Accumulated surplus/deficit	589 638	751 010	960 652	1 240 000	1 056 162	1 190 162	1 294 162
Capital and reserves	178 007	42 837	42 837	55 676	120 000	130 000	150 000
Borrowings	-	8 362	-	-	-	-	-
Post-retirement benefits	356 930	399 474	422 839	473 000	530 000	550 000	600 000
Trade and other payables	302 416	328 543	366 502	310 000	365 000	320 000	300 000
Provisions	96 821	112 322	125 024	150 000	110 000	120 000	130 000
Liabilities not classified elsewhere	74 409	74 437	113 123	115 000	50 000	120 000	130 000
<b>Total equity and liabilities</b>	<b>1 598 221</b>	<b>1 716 985</b>	<b>2 030 977</b>	<b>2 343 676</b>	<b>2 231 162</b>	<b>2 430 162</b>	<b>2 604 162</b>

## Expenditure trends

Revenue is generated mostly from laboratory testing. Between 2007/08 and 2010/11, revenue increased from R2.4 billion to R3.6 billion. Over the medium term, revenue is expected to increase to R4.8 billion. The increase in both periods is mostly attributable to the increase in test volumes.

Expenditure grew from R2.1 billion in 2007/08 to R3.4 billion in 2010/11. Expenditure over the MTEF period is expected to increase to R4.5 billion, at an average annual rate of 9.5 per cent. The growth in both periods is mostly due to increases in the volume of laboratory tests conducted and associated material costs. Material costs increased from R614 million in 2007/08 to R887 million 2010/11. Consulting fees relate to the implementation

of a new laboratory information system and upgrading the enterprise resource planning system. The administrative costs have remained at 10 per cent of the entity's total costs.

### Personnel information

The entity has an establishment of 7 019 posts, of which 6 784 are funded and 235 are additional to the approved establishment. The number of posts filled increased from 6 132 in 2007/08 to 7 019 in 2010/11, and is expected to grow to 7 340 over the medium term. This is as a result of increased workload.

There are 68 vacancies within the entity, of which 16 are in grade C1 and 15 in TB/TC. Vacancies have been placed on hold while the current workflow analysis is being conducted. The ratio of support staff to core staff is 1:5.

## South African Medical Research Council

### Strategic overview: 2007/08 – 2013/14

The South African Medical Research Council was established in 1969 in terms of the South African Medical Research Council Act (1991). The objectives of the council are to promote the improvement of health and quality of life through research, development and technology transfer. Research is primarily conducted through council funded research units.

The council's researchers have made significant contributions to the key priorities of the national Health Department's 10-point plan, via operational and applied research projects, by supporting programmes, or on an advisory level by serving on policy and technical teams. Examples include work on the national health insurance, quality and standards, the prevention of mother to child transmission, tuberculosis, HIV prevention, and surveillance systems. Researches burden of disease and undertakes national youth behaviour survey; global youth tobacco survey and supports national demographic and health survey.

In November 2010, a new board was appointed and tasked with appointing a chief executive and assisting with the council's 2011–2015 strategic plan. The science, engineering, and technology institutes' 2010 review of the council, as well as input from its major stakeholders, will play a role in this process. The council's biggest challenge is to be able to play a pivotal role in supporting the country's national and provincial health departments in achieving their performance targets. The focus over the medium term will be on the four outcome areas of the national Department of Health and alignment with the 10-point plan priorities.

### Savings and cost effectiveness measures

Following the science, engineering and technology institutes' review and flowing from the council's analysis of its own cost structure, a project is being implemented to address efficiencies and the cost structure of the support functions. It is envisaged that the project, when completed by the end of 2011, will enable the council to identify bottlenecks and inefficiencies, and what activities are best outsourced.

### Selected performance indicators

Table 16.13 South African Medical Research Council

Indicator	Programme /Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of peer reviewed publications per year	Linked to all research programmes	653	706	696	700	705	705	710
Number of new patents per year	Linked to some research programmes	4	2	7	3	2	1	1
Number of PhD students per year	Linked to all research programmes	57	62	50	50	50	52	52

## Details of programmes/activities/objectives

Table 16.14 South African Medical Research Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
HIV vaccine and prevention	86 369	90 508	92 033	96 000	97 000	98 000	102 000
TB epidemiology and clinical	33 206	59 188	78 927	80 000	82 000	84 000	87 000
Diabetes	15 354	21 999	12 154	14 000	12 000	13 000	16 000
Outside research collaborators	39 274	30 736	45 319	46 000	48 791	56 170	60 449
Malaria	54 822	55 566	32 329	46 970	51 000	52 000	55 000
Other objectives	255 795	235 692	239 967	292 220	289 077	302 099	312 288
<b>Total expense</b>	<b>484 820</b>	<b>493 689</b>	<b>500 729</b>	<b>575 190</b>	<b>579 868</b>	<b>605 269</b>	<b>632 737</b>

The South African Medical Research Council conducts and funds national health research, and supports research capacity development. The council's HIV and AIDS, and tuberculosis units are conducting clinical research on microbicides, antiretroviral and tuberculosis treatment and diagnostics. Funding of research related costs amounts to 65 per cent of the council's total budget of R588 million. By the end of March 2011, the telemedicine project is expected to have implemented 100 telemedicine workstations at rural public health facilities at a cost of R6 million.

## Expenditure estimates

Table 16.15 South African Medical Research Council

### Statement of financial performance

R thousands	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>306 375</b>	<b>335 247</b>	<b>317 747</b>	<b>317 940</b>	<b>316 050</b>	<b>322 250</b>	<b>333 250</b>
Sale of goods and services other than capital assets	278 606	281 875	284 949	292 000	290 000	295 000	305 000
<i>of which:</i>							
<i>Sales by market establishments</i>	278 606	281 875	284 949	292 000	290 000	295 000	305 000
<i>Other non-tax revenue</i>	27 769	53 372	32 798	25 940	26 050	27 250	28 250
<b>Transfers received</b>	<b>221 290</b>	<b>202 137</b>	<b>222 663</b>	<b>270 509</b>	<b>271 205</b>	<b>284 289</b>	<b>300 475</b>
<b>Total revenue</b>	<b>527 665</b>	<b>537 384</b>	<b>540 410</b>	<b>588 449</b>	<b>587 255</b>	<b>606 539</b>	<b>633 725</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>484 820</b>	<b>493 689</b>	<b>500 729</b>	<b>575 190</b>	<b>579 868</b>	<b>605 269</b>	<b>632 737</b>
Compensation of employees	213 510	237 555	244 023	268 200	271 558	288 731	307 909
Goods and services	261 643	245 463	245 655	292 590	296 309	304 438	312 228
Depreciation	9 578	10 585	10 801	14 200	11 801	11 950	12 500
Interest, dividends and rent on land	89	86	250	200	200	150	100
<b>Total expenses</b>	<b>484 820</b>	<b>493 689</b>	<b>500 729</b>	<b>575 190</b>	<b>579 868</b>	<b>605 269</b>	<b>632 737</b>
<b>Surplus / (Deficit)</b>	<b>42 845</b>	<b>43 695</b>	<b>39 681</b>	<b>13 259</b>	<b>7 387</b>	<b>1 270</b>	<b>988</b>
<b>Statement of financial position</b>							
Carrying value of assets	96 743	102 190	111 034	107 339	108 718	110 518	111 518
<i>of which: Acquisition of assets</i>	11 457	18 302	21 391	16 250	15 830	16 500	16 500
Investments	2 671	28 380	57 094	55 000	55 000	55 000	55 000
Inventory	362	303	308	300	303	303	303
Receivables and prepayments	42 095	37 607	45 453	40 000	56 000	43 000	43 000
Cash and cash equivalents	333 669	407 381	370 372	356 559	420 000	430 000	435 000
Assets not classified elsewhere	-	-	505	480	420	320	220
<b>Total assets</b>	<b>475 540</b>	<b>575 861</b>	<b>584 766</b>	<b>559 678</b>	<b>640 441</b>	<b>639 141</b>	<b>645 041</b>

Table 16.15 South African Medical Research Council (continued)

Statement of financial performance	Audited outcome			Revised	Medium-term estimate		
	2007/08	2008/09	2009/10	estimate	2011/12	2012/13	2013/14
	R thousands						
Accumulated surplus/deficit	121 225	159 341	299 595	312 653	320 040	321 310	322 288
Capital and reserves	1 417	755	1 550	1 000	-	-	-
Post-retirement benefits	3 931	13 195	993	600	700	700	800
Trade and other payables	78 099	47 134	41 176	40 000	58 068	54 508	56 864
Provisions	4 284	3 391	3 810	4 200	5 324	6 354	6 500
Managed funds	1 035	1 109	1 005	1 005	1 109	1 109	1 109
Liabilities not classified elsewhere	265 549	350 936	236 637	200 220	255 200	255 160	257 480
<b>Total equity and liabilities</b>	<b>475 540</b>	<b>575 861</b>	<b>584 766</b>	<b>559 678</b>	<b>640 441</b>	<b>639 141</b>	<b>645 041</b>

## Expenditure trends

The focus on expenditure in the medium term will be on reducing salary costs relative to other expenditure.

The council receives approximately 40 per cent of its total funding from government. The balance is made up of internal revenue from interest and rentals, and contract income. Between 2007/08 and 2010/11, revenue increased from R527.7 million to R588.4 million, at an average annual rate of 3.7 per cent. Revenue is expected to increase to R633.7 million over the medium term, at an average annual rate of 2.5 per cent. The government grant is likely to increase less than the inflationary rate in the short term. Over the MTEF period, a significant increase in contract research is not anticipated.

Expenditure increased from R484.8 million in 2007/08 to R575.2 million in 2010/11, at an average annual rate of 5.9 per cent. Over the medium term, expenditure is expected to increase to R632.7 million, at an average annual rate of 3.2 per cent. The growth in both periods is mostly in spending on salaries, which is the largest component of the council's expenditure followed by spending on HIV and tuberculosis programmes. Salary expenditure is expected to increase from the current 41 per cent of revenue to 43 per cent by end of 2013/14 to allow the entity to fill senior scientist and executive positions.

Table 16.16 South African Medical Research Council

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Board members	14	14	3	14	14	11	14	14	14	14
Executive management	5	5	1	5	5	4	3	5	5	5
Senior management	72	67	2	62	67	67	69	78	78	78
Middle management	155	154	8	150	154	157	169	174	174	174
Professionals	370	384	10	343	384	413	428	420	415	410
Semi-skilled	198	182	5	198	182	179	223	150	150	150
Very low skilled	65.0	70.0	3.0	65.0	70.0	63.0	63.0	63.0	63.0	63.0
<b>Total</b>	<b>879</b>	<b>876</b>	<b>32</b>	<b>837</b>	<b>876</b>	<b>894</b>	<b>969</b>	<b>904</b>	<b>899</b>	<b>894</b>
Compensation (R thousand)				213 510	232 862	241 824	268 200	271 558	288 731	307 909
Unit cost (R thousand)				255	266	270	277	300	321	344

1. As at 30 September 2010

## Council for Medical Schemes

### Strategic overview: 2007/08 – 2013/14

The Council for Medical Schemes is the national medical schemes' regulatory authority established in terms of the Medical Schemes Act (1998). The council's vision for the medical scheme industry is that it is effectively regulated to protect the interests of members and promote fair and equitable access to private health financing.

The Council for Medical Schemes has made significant progress in delivering on its responsibility of protecting the interests of beneficiaries of medical schemes and of the public as a whole.

Since 2007/08, the council has progressed in the reshaping of the regulatory environment to strengthen the governance of medical schemes, improve the transparency of benefits offered to members and complete the envisaged system of risk equalisation funds. The council has further been mandated to contribute to the development of the national health insurance process. It also worked closely with the Department of Health in drafting the Medical Schemes Amendment Bill, which sought to introduce a risk equalisation fund, made consequential changes to the benefit designs of medical schemes, introduced provisions to strengthen governance, and laid the platform for the introduction of low income benefit options. The drafting of the bill began on 29 June 2007 and was published in the Government Gazette on 2 June 2008. The draft bill was put on Parliament's list but was never processed.

In November 2007, the initiation of a process to review the prescribed minimum benefits with the Department of Health was approved. Amendments to the regulations are now with external lawyers for review. The council has received unqualified audit reports from the auditor general for the last five years. The council has also aligned its strategic objectives with the current health reforms. Over the medium term, the council aims to improve access to health care and governance of schemes, and take on projects that assist in the implementation of the national health insurance. Specific projects with regard to national health insurance have been allocated to the council.

### Savings and cost effectiveness measures

The council has implemented cost effectiveness measures to reduce spending on goods and services. The measures include limiting bookings for local travel to economy class and putting in place a least cost routing system to contain telephone costs. The council expects to save R4 230 per month as a result.

### Selected performance indicators

Table 16.17 Council for Medical Schemes

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of administrators accredited per year	Accreditation	8	7	8	8	8	8	8
Percentage of complaints resolved within 30 days of receipt of complaint	Complaints Adjudication	27% (781)	27% (874)	15% (673)	30% (1 540)	30% (1 694)	30% (1 829)	30% (1 976)
Percentage of complaints resolved within 60 days of receipt of complaint	Complaints Adjudication	46% (1 330)	48% (1 506)	28% (1257)	41% (2053)	40% (2 258)	42% (2 561)	44% (2 897)
Percentage of complaints resolved within 90 days of receipt of complaint	Complaints Adjudication	15% (434)	14% (439)	11% (494)	20% (1 026)	18% (1 016)	20% (1 219)	20% (1 317)
Percentage of complaints resolved within 90+ days of receipt of complaint	Complaints Adjudication	12% (347)	11% (346)	46% (1750)	9% (462)	12% (678)	8% (488)	6% (395)
Number of medical schemes' financial statements audited per year	Financial Supervision	122	119	110	110	110	110	105

### Details of programmes/activities/objectives

Table 16.18 Council for Medical Schemes

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Financial Supervision	5 090	5 084	6 414	7 237	8 449	9 209	10 038
Internal Finance	6 748	9 003	10 372	16 537	9 404	9 586	9 438
Information Systems and Knowledge Management	4 619	4 900	6 199	9 863	11 949	13 024	14 197
Legal Services	4 653	5 399	6 358	6 333	6 636	7 233	7 884
Risk Equalization Fund	3 282	9 169	9 138	5 059	4 591	5 004	5 454
Other Objectives	23 414	24 706	25 355	37 312	44 384	48 382	52 742
<b>Total expense</b>	<b>47 806</b>	<b>58 261</b>	<b>63 836</b>	<b>82 341</b>	<b>85 412</b>	<b>92 438</b>	<b>99 753</b>

The council contributes to regulatory and policy development including: reviewing the prescribed minimum benefit; monitoring the international classification of disease codes; and reviewing cost containment initiatives

by medical schemes and the costs of private hospitals and specialists. Over the medium term, the council aims to improve its service delivery to all stakeholders and will increase its staff complement from the current 86 to 110 at an estimated cost of R13.8 million.

## Expenditure estimates

Table 16.19 Council for Medical Schemes

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome		2011/12		2012/13	2013/14	
	2007/08	2008/09	2009/10				
<b>Revenue</b>							
<b>Non-tax revenue</b>	46 161	53 238	62 734	72 744	79 523	85 688	92 926
Sale of goods and services other than capital assets	44 141	50 126	58 593	69 244	75 260	80 375	86 450
<i>of which:</i>							
Admin fees	44 141	50 126	58 593	69 244	75 260	80 375	86 450
Other non-tax revenue	2 020	3 112	4 141	3 500	4 263	5 313	6 476
Transfers received	3 283	6 151	3 865	-	-	-	-
<b>Total revenue</b>	<b>49 444</b>	<b>59 389</b>	<b>66 599</b>	<b>72 744</b>	<b>79 523</b>	<b>85 688</b>	<b>92 926</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>47 806</b>	<b>58 261</b>	<b>63 836</b>	<b>82 342</b>	<b>85 412</b>	<b>92 438</b>	<b>99 753</b>
Compensation of employees	30 122	33 900	38 939	51 804	56 465	61 547	67 086
Goods and services	15 462	21 751	22 489	27 856	26 809	28 462	31 016
Depreciation	2 222	2 512	2 408	2 682	2 138	2 429	1 651
Interest, dividends and rent on land	-	98	-	-	-	-	-
<b>Total expenses</b>	<b>47 806</b>	<b>58 261</b>	<b>63 836</b>	<b>82 342</b>	<b>85 412</b>	<b>92 438</b>	<b>99 753</b>
<b>Surplus / (Deficit)</b>	<b>1 638</b>	<b>1 128</b>	<b>2 763</b>	<b>(9 598)</b>	<b>(5 889)</b>	<b>(6 750)</b>	<b>(6 827)</b>
<b>Statement of financial position</b>							
Carrying value of assets	5 908	4 783	4 055	4 335	4 599	4 788	5 991
<i>of which: Acquisition of assets</i>	1 708	1 444	1 706	2 962	2 402	2 618	2 854
Receivables and prepayments	484	646	1 875	1 900	1 231	644	58
Cash and cash equivalents	10 598	14 328	14 421	6 055	2 418	3 500	4 000
<b>Total assets</b>	<b>16 990</b>	<b>19 757</b>	<b>20 351</b>	<b>12 290</b>	<b>8 248</b>	<b>8 932</b>	<b>10 049</b>
Accumulated surplus/deficit	10 348	11 476	14 238	4 640	(1 249)	(4 499)	(3 991)
Trade and other payables	3 189	4 039	2 387	3 500	5 312	7 692	8 640
Provisions	3 453	4 242	3 726	4 150	4 185	5 739	5 400
<b>Total equity and liabilities</b>	<b>16 990</b>	<b>19 757</b>	<b>20 351</b>	<b>12 290</b>	<b>8 248</b>	<b>8 932</b>	<b>10 049</b>

## Expenditure trends

The council's main source of revenue is levies on medical schemes, which are raised in terms of the Council for Medical Schemes Levies Act (2000). The council received a transfer from the Department of Health until 2009/10 to establish the Risk Equalisation Fund. Revenue increased from R49.4 million in 2007/08 to R72.7 million in 2010/11, at an average annual rate of 14 per cent. Over the MTEF period, revenue is expected to increase to R92.9 million, at an average annual rate of 9 per cent. The increase in both periods is due to a higher levy income as a result of increases in both the levy rate and total number of members.

Expenditure increased from R47.8 million in 2007/08 to R82.3 million in 2010/11, at an average annual rate of 15.5 per cent. Expenditure over the MTEF period is expected to increase to R99.7 million, at an average annual rate of 20 per cent. The increase in both periods is due to inflation and the expanded staff complement projected over the MTEF period. Spending in compensation of employees is expected to increase from R56.4 million in 2011/12 to R67 million in 2013/14, at an average annual rate of 9 per cent. The council recruits highly skilled personnel, including accountants, lawyers, economists, researchers, doctors, actuaries and administrators. Legal costs tend to be high, at about 14 per cent of total expenditure due to the challenges in the industry.

## Personnel information

Table 16.20 Council for Medical Schemes

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Executive management	6	6	–	6	6	6	8	8	8	8
Senior management	3	3	–	3	3	2	1	–	–	–
Middle management	3	3	–	3	3	4	3	3	3	3
Professionals	67	67	–	42	54	62	67	67	67	67
Semi-skilled	6	6	–	14	12	7	6	6	6	6
<b>Total</b>	<b>85</b>	<b>85</b>	<b>–</b>	<b>68</b>	<b>78</b>	<b>81</b>	<b>85</b>	<b>84</b>	<b>84</b>	<b>84</b>
Compensation (R thousand)				30 122	33 900	38 939	51 804	56 465	61 547	67 086
Unit cost (R thousand)				443	435	481	609	672	733	799

1. As at 30 September 2010.

## Compensation Commissioner for Occupational Diseases

### Strategic overview: 2006/07 –2012/13

The Compensation Commissioner for Occupational Diseases was established in terms of the Occupational Diseases in Mines and Works Act (1973), as amended. Its main statutory functions include: administering the Mines and Works Compensation Fund to compensate ex-miners disabled by occupational lung disease; determining and recovering levies from controlled mines and works; awarding benefits to miners and ex-miners suffering from occupational lung related diseases; and investing levies collected and interest earned from investments.

The number of ex-mine workers compensated through the commissioner shows a consistent decrease from 2 450 in 2009/10 to 2 000 in 2010/11. This reflects excessively long turnaround times and inefficiencies. Future plans include accelerating the pace of compensation by enhancing the processes and procedures and capacitating the fund to reach a total of 3 500 in 2011/12 and 4 000 in 2012/13. The commissioner visited 160 controlled mines in 2009/10 and 20 in 2010/11. The decrease in the number of mines visited is due to limited resources and for most of 2010/11 the inspectors were deployed in the finance unit of the commissioner, where the vacancy rate is 47 per cent.

The focus over the medium term entails reengineering business processes around revenue to ensure sustainability and reduce the turnaround period in settling claims. The Occupational Diseases in Mines and Works Act (1973) will also be amended to improve governance, bolster internal controls and strengthen relationships with key stakeholders.

### Selected performance and operations indicators

Table 16.21 Compensation Commissioner for Occupational Diseases

Indicator	Programme/Activity	Past			Current	Projections		
		2007/8	2008/9	2009/10		2011/12	2012/13	2013/14
Number of disabled miners compensated per year	Compensate eligible disabled miners in terms of Section 36 of the Occupational Diseases in Mines and Works Act (1973)	3 755	3 000	2 450	2 000	3 500	4 000	4 500
Number of mines visited per year	Conduct visits to mines to confirm the numbers of workers doing the risk shifts to verify the levies paid by the mines	196	220	160	20	160	240	240
Number of fingerprint verification files attended to per day	Minimise the risk of fraudulent and duplicate claims by ex-miners and their beneficiaries	10	10	15	20	100 <sup>1</sup>	100	100
Number of provinces in which workshops with claimants are conducted per year	Improve the turnaround times for processing claims by increasing awareness amongst claimants of the required processes and documentation	5	5	6	3	6	8	8

1 The commissioner will implement an automated fingerprint verification system in April 2011.

## Details of programmes/activities/objectives

Table 16.22 Compensation Commissioner for Occupational Diseases

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of examiners	153 670	70 689	751 359	99 572	104 693	109 572	114 615
Compensation of pensioners	3 544	3 209	2 986	2 321	2 200	2 120	2 000
Compensation of Tuberculosis	781	1 647	23 841	2 927	2 934	3 173	3 250
Eastern Cape project	38	5 521	1 709	180	173	135	135
Other Objectives	53	212	448	505	275	282	289
<b>Total expense</b>	<b>158 085</b>	<b>81 278</b>	<b>780 343</b>	<b>105 505</b>	<b>110 275</b>	<b>115 282</b>	<b>120 289</b>

Over the medium term, the commissioner will accelerate the pace of compensation of ex-miners in terms of the Occupational Diseases in Mines and Works Act (1973) by enhancing the processes and procedures, and capacitating the fund to reach a total staff complement of 3 500 in 2011/12 and 4 000 in 2012/13.

## Expenditure estimates

Table 16.23 Compensation Commissioner for Occupational Diseases

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Revenue</b>							
Tax revenue	82 225	121 152	130 463	167 190	217 346	293 418	308 940
Non-tax revenue	110 526	134 590	100 446	111 215	106 779	120 352	123 963
<i>Other non-tax revenue</i>	110 526	134 590	100 446	111 215	106 779	120 352	123 963
Transfers received	3 592	2 355	3 679	2 773	2 777	2 916	3 100
<b>Total revenue</b>	<b>196 343</b>	<b>258 097</b>	<b>234 588</b>	<b>281 178</b>	<b>326 902</b>	<b>416 686</b>	<b>436 003</b>
<b>Expenses</b>							
Current expense	56	212	448	505	275	282	289
Interest, dividends and rent on land	56	212	448	505	275	282	289
Transfers and subsidies	158 029	81 066	779 895	105 000	110 000	115 000	120 000
<b>Total expenses</b>	<b>158 085</b>	<b>81 278</b>	<b>780 343</b>	<b>105 505</b>	<b>110 275</b>	<b>115 282</b>	<b>120 289</b>
<b>Surplus / (Deficit)</b>	<b>38 258</b>	<b>176 819</b>	<b>(545 755)</b>	<b>175 673</b>	<b>216 627</b>	<b>301 404</b>	<b>315 714</b>
<b>Statement of financial position</b>							
Investments	1 147 578	1 262 378	1 397 099	1 491 318	1 580 793	1 683 545	1 789 608
Receivables and prepayments	14 208	20 174	29 239	35 000	40 000	45 000	50 000
Cash and cash equivalents	32 590	71 963	57 012	60 000	63 000	66 000	69 000
<b>Total assets</b>	<b>1 194 376</b>	<b>1 354 515</b>	<b>1 483 350</b>	<b>1 586 318</b>	<b>1 683 793</b>	<b>1 794 545</b>	<b>1 908 608</b>
Accumulated surplus/deficit	1 166 057	1 342 876	797 121	879 002	1 009 067	1 192 741	1 429 304
Trade and other payables	1 262	4 043	5 417	8 504	12 300	15 500	18 000
Provisions	27 057	7 596	680 812	698 812	662 426	586 304	461 304
<b>Total equity and liabilities</b>	<b>1 194 376</b>	<b>1 354 515</b>	<b>1 483 350</b>	<b>1 586 318</b>	<b>1 683 793</b>	<b>1 794 545</b>	<b>1 908 608</b>

## Expenditure trends

The spending focus over the medium term will be on: creating more positions for mine inspectors and finance staff, holding provincial workshops during 2011 to raise awareness among mine workers and their beneficiaries of the process and documentation required for the processing of claims, introducing an automated fingerprint verification system as from April 2011 to minimise the risk of fraudulent and duplicate claims by ex-miners and their beneficiaries; and strengthening the management and governance of the fund.

The commissioner derives its revenue mainly from controlled mines levies, interest earned on investments and transfers from the Department of Health. Revenue increased from R196 million in 2007/08 to R281 million in

2010/11, at an annual rate of 13 per cent. Over the MTEF period revenue is expected to increase to R436 million, at an average annual rate of 16 per cent. The increase in both periods is mainly due to increase in levies on mines. An actuarial evaluation conducted by an accounting firm in 2003 recommended increases in mine levies over a five-year period.

Expenditure decreased from R158 million in 2007/08 to R105 million in 2010/11. This decrease was due to the long turnaround times for compensating claimants, which was mainly due to the lack of capacity and shortcomings in the ICT systems. Personnel shortages resulted in decreased capacity to process claims from examiners and their beneficiaries, which in turn resulted in decreased expenditure. Submission of incomplete documentation by claimants exacerbated these challenges. Archaic technology also slowed down the compensation processes.

## Additional tables

Table 16.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2009/10		2009/10	2010/11			2010/11
Administration	236 596	274 661	269 925	264 834	17 300	282 134	282 134
Health Planning and Systems Enablement	108 473	153 566	142 009	127 799	7 703	135 502	124 502
HIV and AIDS, TB and Maternal, Child and Women's Health	4 010 644	4 936 935	4 923 459	6 576 828	101 800	6 678 628	6 668 628
Primary Health Care Services	651 843	802 768	775 158	695 268	16 624	711 892	699 892
Hospitals, Tertiary Services and Workforce Development	11 607 950	11 805 599	12 618 073	14 810 242	17 700	14 827 942	13 947 222
Health Regulation and Compliance Management	442 588	449 930	439 988	492 952	3 400	496 352	496 352
<b>Total</b>	<b>17 058 094</b>	<b>18 423 459</b>	<b>19 168 612</b>	<b>22 967 923</b>	<b>164 527</b>	<b>23 132 450</b>	<b>22 218 730</b>

### Economic classification

<b>Current payments</b>	<b>937 927</b>	<b>1 149 674</b>	<b>1 089 694</b>	<b>1 062 999</b>	<b>110 324</b>	<b>1 173 323</b>	<b>1 140 323</b>
Compensation of employees	299 901	329 132	333 023	371 204	13 800	385 004	385 004
Goods and services	638 026	820 542	756 671	691 795	96 524	788 319	755 319
<b>Transfers and subsidies</b>	<b>16 091 839</b>	<b>17 247 364</b>	<b>18 065 842</b>	<b>21 874 209</b>	<b>40 000</b>	<b>21 914 209</b>	<b>21 033 489</b>
Provinces and municipalities	15 578 392	16 702 499	17 523 750	21 323 711	40 000	21 363 711	20 482 991
Departmental agencies and accounts	329 586	335 850	335 850	355 616	-	355 616	355 616
Universities and technikons	1 000	1 000	500	1 060	-	1 060	1 060
Public corporations and private enterprises	-	-	37	-	-	-	-
Non-profit institutions	182 861	206 015	202 781	193 822	-	193 822	193 822
Households	-	2 000	2 924	-	-	-	-
<b>Payments for capital assets</b>	<b>28 328</b>	<b>26 421</b>	<b>13 046</b>	<b>30 715</b>	<b>14 203</b>	<b>44 918</b>	<b>44 918</b>
Buildings and other fixed structures	-	-	-	2 800	-	2 800	2 800
Machinery and equipment	28 328	26 421	11 730	27 915	14 203	42 118	42 118
Software and other intangible assets	-	-	1 316	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>17 058 094</b>	<b>18 423 459</b>	<b>19 168 612</b>	<b>22 967 923</b>	<b>164 527</b>	<b>23 132 450</b>	<b>22 218 730</b>

Table 16.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup>

Department	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Department</b>	<b>1 675</b>	<b>1 674</b>	<b>50</b>	<b>1 298</b>	<b>1 371</b>	<b>1 331</b>	<b>1 249</b>	<b>1 371</b>	<b>1 391</b>	<b>1 411</b>
Salary level 1 – 6	660	660	12	533	558	543	519	559	567	574
Salary level 7 – 10	669	669	16	507	541	523	465	541	547	555
Salary level 11 – 12	212	212	14	158	169	163	159	168	170	174
Salary level 13 – 16	134	133	8	100	103	102	106	103	107	108
<b>Administration</b>	<b>508</b>	<b>508</b>	<b>3</b>	<b>443</b>	<b>468</b>	<b>454</b>	<b>380</b>	<b>468</b>	<b>475</b>	<b>482</b>
Salary level 1 – 6	282	282	2	267	282	273	224	282	286	289
Salary level 7 – 10	151	151	-	125	132	128	103	132	134	137
Salary level 11 – 12	40	40	1	30	32	31	30	32	32	33
Salary level 13 – 16	35	35	-	21	22	22	23	22	23	23
<b>Health Planning and Systems Enablement</b>	<b>241</b>	<b>241</b>	<b>4</b>	<b>173</b>	<b>182</b>	<b>177</b>	<b>155</b>	<b>182</b>	<b>185</b>	<b>188</b>
Salary level 1 – 6	60	60	-	48	49	48	40	49	50	51
Salary level 7 – 10	121	121	2	79	85	82	73	85	86	88
Salary level 11 – 12	35	35	1	27	29	28	25	29	29	29
Salary level 13 – 16	25	25	1	19	19	19	17	19	20	20

Table 16.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup> (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
HIV and AIDS, TB and Maternal, Child and Women's Health	187	187	24	129	136	132	143	136	138	140
Salary level 1 – 6	32	32	2	20	20	20	24	20	20	20
Salary level 7 – 10	102	102	9	69	75	72	67	75	75	76
Salary level 11 – 12	32	32	8	26	27	26	30	27	28	29
Salary level 13 – 16	21	21	5	14	14	14	22	14	15	15
<b>Primary Health Care Services</b>	<b>245</b>	<b>245</b>	<b>6</b>	<b>202</b>	<b>213</b>	<b>207</b>	<b>199</b>	<b>213</b>	<b>216</b>	<b>219</b>
Salary level 1 – 6	85	85	–	53	54	53	66	55	56	56
Salary level 7 – 10	106	106	2	105	114	110	90	113	114	116
Salary level 11 – 12	34	34	2	27	28	27	26	28	28	29
Salary level 13 – 16	20	20	2	17	17	17	17	17	18	18
<b>Hospitals, Tertiary Services and Workforce Development</b>	<b>125</b>	<b>125</b>	<b>9</b>	<b>98</b>	<b>104</b>	<b>101</b>	<b>91</b>	<b>104</b>	<b>105</b>	<b>107</b>
Salary level 1 – 6	32	32	5	28	28	28	22	28	29	29
Salary level 7 – 10	46	46	3	34	34	34	35	35	36	36
Salary level 11 – 12	31	31	1	21	25	23	22	24	24	25
Salary level 13 – 16	16	16	–	15	17	16	12	17	16	17
<b>Health Regulation and Compliance Management</b>	<b>369</b>	<b>368</b>	<b>4</b>	<b>253</b>	<b>268</b>	<b>260</b>	<b>281</b>	<b>268</b>	<b>272</b>	<b>275</b>
Salary level 1 – 6	169	169	3	117	125	121	143	125	126	129
Salary level 7 – 10	143	143	–	95	101	97	97	101	102	102
Salary level 11 – 12	40	40	1	27	28	28	26	28	29	29
Salary level 13 – 16	17	16	–	14	14	14	15	14	15	15

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

2. As at 30 September 2010.

Table 16.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	258 605	292 508	333 023	385 004	424 000	465 000	492 000
Training expenditure (R thousand)	9 513	1 794	4 499	5 545	4 034	4 467	4 905
Training as percentage of compensation	3.7%	0.6%	1.4%	1.4%	1.0%	1.0%	1.0%
Total number trained in department (head count)	625	261	274	287			
<i>of which:</i>							
Employees receiving bursaries (head count)	115	217	110	98			
Internships trained (head count)	28	81	81	17			
Households receiving bursaries (R thousand)	–	–	–	3 325	7 083	10 691	12 295
Households receiving bursaries (head count)	–	–	–	56			

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Conditional grants to provinces</b>							
<b>Primary Health Care Services</b>							
Forensic Pathology Services Grant	551 822	594 474	501 863	556 962	590 380	–	–
Cholera Conditional Grant	–	–	50 000	–	–	–	–
<b>Hospitals, Tertiary Services and Workforce Development</b>							
Hospital Revitalisation Grant	2 077 292	2 735 633	2 989 139	4 020 667	4 136 290	4 335 908	4 067 859
National Tertiary Services Grant	5 321 206	6 134 084	6 614 442	7 398 000	8 048 878	8 688 822	9 389 207
Health Professional Training and Development Grant	1 596 189	1 679 061	1 759 799	1 865 387	1 977 310	2 076 176	2 190 366
Health Infrastructure Grant	815 912	959 983	1 202 402	1 470 938	1 701 856	1 820 981	1 921 134
<b>HIV and AIDS, TB and Maternal, Children's and Women's Health</b>							
Comprehensive HIV and AIDS grant	2 006 223	2 885 423	4 376 105	6 051 757	7 492 962	8 824 610	10 606 664
<b>Health Planning and Systems Enablement</b>							
2010 World Cup Health Preparatory Strategy Grant	–	–	30 000	–	–	–	–
<b>Total</b>	<b>12 368 644</b>	<b>14 988 658</b>	<b>17 523 750</b>	<b>21 363 711</b>	<b>23 947 676</b>	<b>25 746 497</b>	<b>28 175 230</b>

1. Detail provided in the Division of Revenue Act (2011).

Table 16.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2010/11	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand												
<b>Foreign In cash</b>												
Belgium	Management	Administration	9 000	Goods and services	Strengthening of building capacity programmes	-	3 467	1 374	3 088	590	-	-
Centre for Disease Control/President's Emergency Plan for AIDS Relief	Primary Health Care for Strengthening of HIV and AIDS and TB	HIV and AIDS, TB and Maternal, Child and Women's Health	122 500	Goods and services	Strengthening of HIV and AIDS Programmes and Capacity Building	-	-	20 389	45 871	24 500	24 500	24 500
Canada (NGO Support)	HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	24 545	Goods and services	HIV/AIDS, Gender equality and activation of CBO's	-	-	4 909	4 909	4 909	4 909	4 909
Denmark	Urban Environmental Management Programme	District Health Services (Environmental Health Services)	6 300	Goods and services	Roll-out the National Health and Hygiene Education Strategy to all 9 provinces Training of officials on health care waste management and hazardous substances in 9 provinces, Development of environmental health regulations, Review update and alignment of the Environmental Health Impact Assessment Guidelines of the Department of Health in terms of chapter 5 of National Environmental Management Act, 1998 (NEMA) Training of environmental health practitioners on health related to water quality. Develop guidelines of the monitoring of Indoor Air Quality in South Africa	-	98	6 202	-	-	-	-

Table 16.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand European Union	Primary Health Care	Primary Health Care Services	383 000	Goods and services	Provide access to primary health care through funding access to primary health care through funding non-governmental organisations	15 855	13 497	11 919	2 729	-	-	-
European Union	Primary health care	Primary Health Care Services	1 260		Primary Health Care	-	-	-	-	1 260	-	-
Germany	Voluntary Counselling and testing 2	HIV and AIDS, TB and Maternal, Child and Women's Health	100 000	Infrastructure	Upgrading of VCT facilities/clinics to increase access to HIV counseling and testing	-	-	100 000	-	-	-	-
Global Fund Round Six	HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	26 901	Goods and services	Expansion and addressing of gaps in the national response to HIV and AIDS by expanding and strengthening the role of Non-Governmental Organisations (NGOs) and Faith-Based Organizations (FBOs). The main focus is on prevention, care and support and health systems strengthening. This includes mass media, community outreach, condom distribution, training, HIV counseling and testing, care for OVCs, and institutional capacity building.	-	39	3 438	-	1 790	1	-

Table 16.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand Global Fund Round Six	HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	473	Machinery and equipment	Expansion and addressing of gaps in the national response to HIV and AIDS by expanding and strengthening the role of Non-Governmental Organizations (NGOs) and Faith-Based Organisations (FBOs). The main focus is on prevention, care and support and health systems strengthening. This includes mass media, community outreach, condom distribution, training, HIV counseling and testing, care for OVCs, and institutional capacity building.	-	-	473	-	-	-	-
Global Fund Round Six	Human resource management	HIV and AIDS, TB and Maternal, Child and Women's Health	1 021	Compensation of employees	Improve capacity in health care management by training of hospital managers, awards for service excellence, establishing a service placement call centre	481	468	72	-	-	-	-
Global Fund	Round 3	HIV and AIDS, TB and Maternal, Child and Women's Health	462	Compensation of employees	Strengthening national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	-	-	462	-	-	-
Global Fund	Round 6	HIV and AIDS, TB and Maternal, Child and Women's Health	385	Goods and services	Strengthening national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	-	-	385	-	-	-
Global Fund	Round 9	HIV and AIDS, TB and Maternal, Child and Women's Health	105	Non-profit institutions	Strengthening national and provincial capacity for the prevention, treatment and support related to HIV and AIDS and tuberculosis	-	-	-	-	105	-	-
Global Fund	HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	798	Goods and services	Tuberculosis defaulter tracer project	-	-	798	-	-	-	-

Table 16.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
UNICEF	Support to Maternal, Child and Women's Health, young child survival and development	HIV and AIDS, TB and Maternal, Child and Women's Health	42			42	-	-	-	-	-	-
UNFPA	Sexual and Reproductive Health	HIV and AIDS, TB and Maternal, Child and Women's Health	13			13	-	-	-	-	-	-
<b>In kind</b>												
Department for International Development	Clinical Association	Hospitals, Tertiary Services and Workforce Development	4 625	Universities and technikons	Professional	-	-	4 625	-	-	-	-
Germany	HIV and AIDS (VCT infrastructure upgrading)	HIV and AIDS, TB and Maternal, Child and Women's Health	9 000	Infrastructure	Upgrading of VCT facilities/clinics to increase access to HIV counseling and testing	-	-	48 597	-	-	-	-
Italy	Support to the National Programme of Global response to HIV/AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	220		To allow equitable, efficient and sustainable planning and management of Health Care Provision	-	-	-	-	-	-	-
USAID	Increase use of HIV/AIDS and other Primary Health Care	HIV and AIDS, TB and Maternal, Child and Women's Health	11 347 000		Primary Health Care - Technical Assistance, HIV/AIDS - Technical Assistance	2 835 000	4 212 000	4 300 000	-	-	-	-
UNDP	Limpopo Volunteers	HIV and AIDS, TB and Maternal, Child and Women's Health	1 500			1 500	-	-	-	-	-	-
IOM	Health Promotion and Service Delivery	Primary Health Care Services	15			15	-	-	-	-	-	-
<b>Local In cash</b>												

Table 16.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
World Health Organisation	Support to health service delivery, system strengthening and research through the Biennium Plan 2010 - 2011	HIV and AIDS, TB and Maternal, Child and Women's Health	9 800		Communicable Diseases, HIV/AIDS, tuberculosis and Malaria, Chronic non communicable diseases, child, adolescent, maternal, sexual and reproductive health and ageing, emergencies and disasters, risk factors for health, social and economic determinants of health, healthier environment nutrition and food safety, health systems and services, medical products and technologies, WHO leadership, governance and partnerships, enabling and support functions	-	-	-	-	-	-	-
<b>In kind</b>												
Department for International Development	Strengthening SA's revitalized response to HIV and Health	HIV and AIDS, TB and Maternal, Child and Women's Health	150 000			-	-	250	-	-	-	-
Department for International Development	Plan and Monitor the impact of a revitalised response to Health and HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	34 000	Technical Assistance	Plan and Monitor the impact of a revitalised response to Health and HIV and AIDS	-	-	34 000	-	-	-	-
Department for International Development	Strengthen Financial Management and fairer financing of high quality health services for all	HIV and AIDS, TB and Maternal, Child and Women's Health	28 000	Technical Assistance	Strengthen Financial Management and fairer financing of high quality health services for all	-	-	28 000	-	-	-	-
Department for International Development	Strengthen leadership and performance management for health	HIV and AIDS, TB and Maternal, Child and Women's Health	29 000	Technical Assistance	Strengthen leadership and performance management for health	-	-	29 000	-	-	-	-
Department for International Development	Improved service delivery through quality improvements, sound infrastructure and technology management	HIV and AIDS, TB and Maternal, Child and Women's Health	22 000	Technical Assistance	Improved Service delivery through quality improvements, sound infrastructure and technology management	-	-	22 000	-	-	-	-
Department for International Development	Strengthen oversight and coordination of international partners of health in HIV and AIDS	HIV and AIDS, TB and Maternal, Child and Women's Health	2 000	Technical Assistance	Strengthen oversight and coordination of international partners of health in HIV and AIDS	-	-	2 000	-	-	-	-

**Table 16.E Summary of donor funding (continued)**

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
Department for International Development	Expand Access to essential drugs	HIV and AIDS, TB and Maternal, Child and Women's Health	35 000	Technical Assistance	Expand Access to Essential Drugs	-	-	35 000	-	-	-	-
Department for International Development	Strengthen health systems to facilitate effective programme implementation	HIV and AIDS, TB and Maternal, Child and Women's Health	39 000	Technical Assistance	Strengthen health systems to facilitate effective programme implementation	-	-	39 000	-	-	-	-
<b>Total</b>			<b>12 387 965</b>			<b>2 852 906</b>	<b>4 229 569</b>	<b>4 692 046</b>	<b>57 444</b>	<b>33 154</b>	<b>29 410</b>	<b>29 409</b>

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate				
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14		
R thousand												
<b>Infrastructure transfers to other spheres, agencies and departments</b>												
Health infrastructure grant	Health facilities planned, designed, constructed, maintained and operationalised		-	815 912	959 983	1 202 402	1 470 938	1 701 856	1 820 981	1 921 134		
Frontier Hospital	Upgrade to 450 beds	Construction	90 020	90 020	48 907	36 046	84 050	74 505	57 535	68 640		
St Elizabeth's Hospital	Upgrade to 426 beds	Construction	78 455	78 455	42 360	58 423	90 860	85 169	46 620	45 457		
Dr Malizo Mpehle (new hospital)	135 new beds	Construction	206 191	206 191	75 120	48 036	13 200	13 273	-	-		
St Patrick's Hospital	Upgrade to 280 beds	Construction	47 470	47 470	43 741	65 715	67 800	62 399	51 217	49 037		
Madwaleni Hospital	120 new beds	Feasibility	-	-	-	-	4 100	21 200	41 100	88 600		
Cecilia Makiwane Hospital	600 new beds	Tender	-	-	-	-	92 400	120 000	200 708	129 872		
Boitumelo Hospital	Upgrade to 340 beds	Construction	177 586	177 586	82 301	96 665	90 000	58 225	57 500	37 500		
Pelonomi Hospital	Upgrade to 720 beds	Construction	65 699	65 699	44 498	43 782	111 000	96 000	42 000	40 000		
Free State Psychiatric Hospital	Upgrade to 847 beds	Design	8 473	8 473	7 431	6 087	30 000	102 603	86 500	92 000		
Trompsburg Hospital	62 new beds	Construction	1 769	1 769	22 079	9 306	44 000	57 000	80 000	55 000		
Ladybrand Hospital	60 new beds	Construction	1 513	1 513	-	12 197	44 000	52 055	76 640	78 000		
Mangaung Hospital	Upgrade to 250 beds	Design	2 151	2 151	-	-	30 000	31 500	59 000	58 844		
Dihlabeng Hospital	Upgrade to 155 beds	Feasibility	4 274	4 274	-	-	10 000	15 000	31 000	45 328		
Germiston Hospital	300 new beds	Construction	69 243	69 243	127 926	94 670	211 312	90 256	159 000	-		
Natalspruit Hospital	760 new beds	Construction	372 797	372 797	278 253	169 617	286 403	453 648	350 000	-		
Zola Hospital	300 new beds	Construction	106 771	106 771	38 106	90 186	195 049	252 563	290 145	-		
Mamelodi Hospital	250 new beds	Handed over	200 042	200 042	78 936	40 449	68 736	-	-	-		
Chris Hanani Baragwanath Hospital	Accident and emergency unit, administration, x-ray and pharmacy upgraded	Handed over	337 308	337 308	230 899	137 244	35 803	-	-	-		
Lilian Ngoyi Hospital	300 new beds	Feasibility	23 311	23 311	-	-	-	-	5 000	260 000		
Sebokeng Hospital	Existing district hospital upgraded	Feasibility	5 377	5 377	-	-	-	-	4 000	250 000		

Table 16.F Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand										
Thembisa Hospital	Existing regional hospital upgraded	Feasibility	29 274	29 274	-	-	-	-	7 001	200 000
Daveyton Hospital	Existing district hospital upgraded	Feasibility	3 666	3 666	-	-	-	-	7 906	44 706
Rietvlei Hospital	Upgrade to 239 beds	Construction	74 921	74 921	-	-	24 928	70 060	73 497	7 300
King George V Hospital	Upgrade to 930 beds	Construction	369 545	369 545	193 175	109 864	140 502	159 401	114 076	48 351
Ngwelezane Hospital	Upgrade to 859 beds	Construction	127 963	127 963	87 790	51 277	108 123	215 832	122 073	200 000
Dr Pixley ka Seme Hospital	500 new beds	Design	3 173	3 173	3 431	12 937	47 954	70 240	104 938	130 198
Madadeni Hospital	1 488 new beds	Feasibility	3 291	3 291	1 556	461	40 500	8 000	18 092	37 500
Edendale Hospital	850 new beds	Feasibility	1 373	1 373	605	459	55 375	15 000	120 273	69 426
Dr J Dube Hospital	450 new beds	Design	4 493	4 493	-	-	2 425	-	8 156	35 157
Hlabisa Hospital	Nursing residence, pharmacy and outpatient department upgraded (presidential project)	Handed over	172 558	172 558	15 422	24 399	14 571	3 665	-	-
Dilokong Hospital	252 new beds	Handed over	125 797	125 797	5 605	2 154	2 500	-	-	-
Nkhensani Hospital	288 new beds	Handed over	133 237	133 237	14 401	7 569	10 200	-	-	-
Letaba Hospital	Upgrade to 400 beds	Construction	50 699	50 699	78 339	50 848	81 250	59 000	6 000	-
Maphuta L Malatji Hospital	Upgrade to 100 beds	Construction	21 695	21 695	57 166	42 102	63 000	44 867	30 500	10 000
Thabamooopo Hospital	Upgrade to 400 beds	Construction	57 729	57 729	67 544	43 941	64 475	48 000	4 000	-
Thabazimbi Hospital	112 new beds	Construction	2 977	2 977	14 064	20 665	42 000	76 305	57 000	55 000
Musina Hospital	96 new beds	Feasibility	3 021	3 021	4 885	504	5 000	55 500	60 000	55 000
Evuxakeni Hospital	Psychiatric hospital upgraded	Feasibility	-	-	-	-	7 000	7 500	55 000	60 000
Warmbaths Hospital	Regional hospital upgraded	Feasibility	-	-	-	-	4 000	7 000	50 000	54 000
Tshilidzini Hospital	Regional hospital upgraded	Identification	-	-	-	-	1 000	8 000	55 000	40 000
St Ritas's Hospital	Regional hospital upgraded	Identification	-	-	-	-	1 000	10 000	54 000	41 326
Rob Ferreira Hospital	Upgrade to 301 beds	Construction	66 383	66 383	47 825	171 532	202 495	150 000	55 000	65 000
Themba Hospital	Upgrade to 623 beds	Construction	48 496	48 496	31 772	113 296	54 573	91 557	80 000	3 004
Ermelo Hospital	Upgrade to 310 beds	Construction	42 608	42 608	27 168	88 493	63 081	86 615	45 700	4 300
Lydenburg Hospital	District hospital upgraded	Feasibility	-	-	-	-	-	3 185	15 000	35 000
Nelspruit Tertiary Hospital	530 new beds	Feasibility	50	50	2 881	1 482	-	15 000	60 000	130 276
Titswalo Hospital	Upgraded	Feasibility	-	-	-	-	2 157	1 200	46 813	30 000
Barberton Hospital	Upgraded	Feasibility	-	-	-	-	1 500	1 500	40 000	35 000
KwaMhlanga Hospital	District hospital upgraded	Identification	-	-	-	-	2 000	2 000	30 000	47 000
Kimberley (new mental health facility)	310 new beds	Construction	272 786	272 786	123 733	83 935	69 800	10 000	-	-
Prof ZK Mathew's Hospital	45 new beds	Construction	63 066	63 066	21 309	6 730	1 686	-	-	-
Upington Hospital	300 new beds	Construction	74 796	74 796	27 504	164 681	220 000	240 000	197 000	89 004
De Aar Hospital	154 new beds	Construction	52 497	52 497	800	8 601	103 068	136 392	115 000	100 000
Postmasburg Hospital	123 new beds	Feasibility	5 375	5 375	-	460	20 000	15 000	105 272	165 436
Kimberley Hospital	577 new beds	Feasibility	-	-	-	-	200	-	1 991	20 000
Kuruman Hospital	422 new beds	Identification	-	-	-	-	150	-	2 500	22 000
Moses Kotane Hospital	200 new beds	Various	258 136	258 136	70 254	54 367	46 500	5 000	-	-
Vryburg Hospital	120 new beds	Various	220 622	220 622	116 582	69 501	47 000	5 000	-	-
Brits Hospital	185 new beds	Construction	32 148	32 148	55 329	52 849	96 000	180 060	146 000	102 247
Bophelong Hospital	648 new beds	Tender	-	-	-	37 568	96 303	152 014	168 366	178 468
Lichtenburg Hospital	105 new beds	Design	-	-	-	16 898	35 000	20 000	81 284	91 160

Rustenburg Hospital	Upgraded	Feasibility	-	-	-	2 166	-	2 500	-	-
George Hospital	Upgrade to 265 beds	Construction	111 941	111 941	8 024	26 441	46 895	27 000	3 500	-

**Table 16.F Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand										
Vredenburg Hospital	Upgrade to 80 beds	Construction	64 034	64 034	6 806	23 289	21 543	35 300	73 300	9 104
Worcester Hospital	Upgrade to 275 beds	Construction	233 244	233 244	41 231	33 081	43 718	6 800	28 748	9 500
Paarl Hospital	Upgrade to 325 beds	Construction	153 723	153 723	92 481	146 100	134 044	33 100	1 000	-
Khayelitsha Hospital	230 new beds	Construction	3 177	3 177	42 168	118 194	195 051	133 729	66 288	33 638
Mitchell's Plain Hospital	230 new beds	Construction	712	712	18 028	16 507	194 741	231 916	222 300	85 934
Valkenberg Hospital	420 new beds	Feasibility	4 238	4 238	3 029	6 330	8 000	3 000	71 677	180 000
Tygerburg Hospital	New tertiary hospital through public private partnership	Feasibility	-	-	-	-	2 000	5 156	28 783	147 721
Limpopo Academic Hospital	New tertiary hospital through public private partnership	Feasibility	-	-	-	-	-	50 000	15 410	48 326
Grant management (R5.5 million) per province			-	-	-	-	-	49 500	49 500	49 499
<b>Total</b>			<b>4 691 894</b>	<b>5 507 806</b>	<b>3 361 447</b>	<b>3 720 506</b>	<b>5 402 959</b>	<b>5 838 146</b>	<b>6 156 889</b>	<b>5 988 993</b>



**ESTIMATES  
OF NATIONAL  
EXPENDITURE** **2011**

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