

20 YEARS OF FREEDOM



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

VOTE 16 HEALTH



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Health

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Mandate.....	1
Strategic goals.....	1
Programme purposes	2
Selected performance indicators	2
The national development plan	3
Expenditure estimates	4
Personnel information	5
Expenditure trends.....	5
Departmental receipts.....	7
Programme 1: Administration	7
Programme 2: National Health Insurance, Health Planning and Systems Enablement.....	9
Programme 3: HIV and AIDS, TB, and Maternal and Child Health	13
Programme 4: Primary Health Care Services.....	18
Programme 5: Hospital, Tertiary Health Services and Human Resource Development.....	22
Programme 6: Health Regulation and Compliance Management	27
Public entities and other agencies.....	31
Additional tables	42

Vote 16

Health

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	399.7	392.4	1.4	5.9	426.4	449.7
National Health Insurance, Health Planning and Systems Enablement	621.3	543.8	75.0	2.4	620.0	650.1
HIV and AIDS, Tuberculosis, Maternal and Child Health	13 049.9	533.1	12 515.1	1.7	14 728.6	16 299.5
Primary Health Care Services	93.5	87.6	4.4	1.5	98.1	103.7
Hospitals, Tertiary Health Services and Human Resource Development	18 925.8	185.9	17 730.0	1 009.8	19 693.3	20 761.0
Health Regulation and Compliance Management	865.3	271.2	590.4	3.7	1 064.8	1 123.7
Total expenditure estimates	33 955.5	2 014.1	30 916.4	1 025.0	36 631.3	39 387.7

Executive authority Minister of Health
 Accounting officer Director General of Health
 Website address www.doh.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

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.

Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires the department to provide a framework for a structured uniform health system within South Africa. The act sets out the functions of the three levels of government as they relate to health services. The department contributes directly to achieving the government outcome which calls for a long and healthy life for all South Africans (outcome 2).

Strategic goals

- The department's strategic goals over the medium term are to:
- prevent disease and reduce its burden, and promote health
- improve health facility planning by implementing norms and standards
- improve financial management by improving capacity, contract management, revenue collection and supply chain management reforms
- develop an efficient health management information system for improved decision making
- improve the quality of care by establishing the Office of Health Standards Compliance, which will monitor compliance of all health facilities with standards and improve clinical governance
- re-engineer primary healthcare by: increasing the number of ward based outreach teams, contracting general practitioners, and district specialist teams; and expanding school health services
- make progress towards universal health coverage through the development of the National Health Insurance scheme, and improve the readiness of health facilities for its implementation
- improve human resources for health by ensuring adequate training and accountability measures.

Programme purposes

Programme 1: Administration

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

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Purpose: Improve access to quality health services through the development and implementation of policies to achieve universal coverage, health financing reform, integrated health systems planning, reporting, monitoring and evaluation, and for research.

Programme 3: HIV and AIDS, TB and Maternal and Child Health

Purpose: Develop national policy, and coordinate and fund health programmes for HIV and AIDS and sexually transmitted infections, tuberculosis, maternal and child health, and women's health. Develop and oversee the implementation of policies, strengthen systems, set norms and standards, and monitor programme implementation.

Programme 4: Primary Health Care Services

Purpose: Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, managing communicable and non-communicable diseases, health promotion, and nutrition.

Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

Purpose: Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure alignment of academic medical centres with health workforce programmes.

Programme 6: Health Regulation and Compliance Management

Purpose: Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies and public entities for effective governance and the quality of health care.

Selected performance indicators

Table 16.1 Health

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of private providers contracted to work in public health facilities	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	-1	-1	-1	100	900	1 200	1 500
Tuberculosis (new pulmonary) cure rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		71.1%	73.1%	73.8%	85%	85%	85%	85%
Tuberculosis (new pulmonary) treatment defaulter rate ²	HIV and AIDS, Tuberculosis, Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	7.1%	6.8%	6.1%	5%	5%	5%	5%
Number of new patients put on antiretroviral treatment per year	HIV and AIDS, Tuberculosis, Maternal and Child Health		418 677	617 147	612 118	500 000	500 000	500 000	500 000
Antenatal first visit before 20 weeks rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		37.5%	40.2%	44%	60%	65%	68%	70%
Immunisation coverage for children under the age of one year annualised	HIV and AIDS, Tuberculosis, Maternal and Child Health		89.4%	95.2%	94%	90%	90%	90%	90%

Table 16.1 Health

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Measles (second dose) immunisation coverage annualised ³	HIV and AIDS, Tuberculosis, Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	81%	85.3%	82.7%	90%	90%	90%	90%
Proportion of infant first polymerase chain reaction test positive within 2 months after birth out of all babies tested	HIV and AIDS, Tuberculosis, Maternal and Child Health		3.5%	4%	2.5%	2.5%	2%	2%	2%
Cervical cancer screening coverage annualised	HIV and AIDS, Tuberculosis, Maternal and Child Health		52.2%	55%	55.4%	56%	58%	60%	62%
Primary health care utilisation rate (Average number of primary health care visits per person per year)	Primary Health Care Services		2.4	2.5	2.5	2.8	2.9	3	3

1. No historical data, as the indicator was introduced in the 2013/14 annual performance plan.

2. Performance in 2010/11 has been revised from what was published in the ENE 2013 due to backdated capturing of some information.

3. Performance in 2010/11 has been revised from what was published in the ENE 2013, as the target was mistakenly published instead of actual performance.

The national development plan

In relation to health, the national development plan articulates nine goals that broadly endorse a health system which raises life expectancy, reduces infant mortality and the occurrence of HIV and AIDS, and significantly lowers the burden of disease. The plan highlights demographics and disease burden, health systems and the social and environmental determinants of health as being key areas in the country's health system that need to be addressed. Achieving the plan's objectives for the health sector will require a fundamental reform in the country's health system. To this end, the department will focus on priority areas that include: infrastructure; human resources and management capacity, and norms and standards for staffing; accountability in planning and budgeting; capacity and systems in financial management; health financing; and key strategic institutions.

The department's 10-point plan and strategic goals are in alignment with the nine goals identified in the national development plan. These are:

- average male and female life expectancy at birth increased to 70 years
- tuberculosis prevention and cure progressively improved
- maternal, infant and child mortality reduced
- significantly reduced prevalence of non-communicable chronic diseases
- injury, accidents and violence reduced by 50 per cent from 2010 levels
- health system reforms completed
- primary health care teams deployed to provide care to families and communities
- universal health coverage achieved
- health posts filled with skilled, committed and competent individuals.

In line with the plan's vision for the reduction of mortality, the department will be implementing a number of interventions to address the causes of maternal, child and infant mortality. Over the medium term, the department will scale up family planning services to reduce unplanned pregnancies and improve women's health. One of the interventions for reducing non-communicable diseases involve the department establishing a national health commission to reduce the burden of non-communicable diseases. The deployment of primary health care teams and the implementation of the intersectoral integrated school health programme will also improve health promotion and the prevention of diseases. In line with plan's vision of strengthening the health system, the department will be placing emphasis on the quality of health care in South Africa by establishing the independent Office of Health Standards Compliance as a public entity in 2014/15.

The following key actions have been identified for reducing the burden of HIV and AIDS and tuberculosis: improving access to antiretroviral treatment; reducing new infections through expanding medical male circumcision services; and preventing mother to child transmission, thereby reducing HIV mortality rates.

South Africa is embracing universal health coverage, as espoused in the plan, through the establishment of the national health insurance scheme. The department will soon publish a white paper on national health insurance. The ultimate benefit of the insurance scheme is that it will ensure that all South Africans, irrespective of their socioeconomic status, have access to good quality and affordable health services.

Expenditure estimates

Table 16.2 Health

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Administration	263.0	317.6	380.2	405.7	405.7	15.5%	1.3%	399.7	426.4	449.7	3.5%	1.2%
National Health Insurance, Health Planning and Systems Enablement	97.2	164.1	294.7	491.8	288.8	43.8%	0.8%	621.3	620.0	650.1	31.1%	1.6%
HIV and AIDS, Tuberculosis, Maternal and Child Health	6 471.3	7 916.0	9 169.0	11 042.0	11 045.0	19.5%	32.6%	13 049.9	14 728.6	16 299.5	13.9%	39.3%
Primary Health Care Services	82.3	97.3	111.0	102.6	102.6	7.6%	0.4%	93.5	98.1	103.7	0.3%	0.3%
Hospitals, Tertiary Health Services and Human Resource Development	15 065.7	16 700.1	17 395.9	17 722.4	17 522.4	5.2%	62.8%	18 925.8	19 693.3	20 761.0	5.8%	54.9%
Health Regulation and Compliance Management	540.7	517.8	548.2	763.7	763.7	12.2%	2.2%	865.3	1 064.8	1 123.7	13.7%	2.7%
Total	22 520.3	25 712.8	27 898.9	30 528.2	30 128.2	10.2%	100.0%	33 955.5	36 631.3	39 387.7	9.3%	100.0%
Change to 2013 Budget estimate				(178.5)	(578.5)			31.1	(53.9)	(249.5)		

Economic classification

Current payments	898.0	1 083.4	1 190.1	1 628.0	1 428.0	16.7%	4.3%	2 014.1	2 107.7	2 017.9	12.2%	5.4%
Compensation of employees	353.7	409.7	482.3	538.4	540.5	15.2%	1.7%	597.2	637.3	674.7	7.7%	1.7%
Goods and services	544.4	673.7	707.8	1 089.6	887.5	17.7%	2.6%	1 416.9	1 470.4	1 343.2	14.8%	3.7%
<i>of which:</i>												
Administration fees	0.2	0.5	0.8	2.0	2.0	105.7%	0.0%	1.0	1.0	0.4	-44.3%	0.0%
Advertising	49.2	33.8	12.2	23.4	23.4	-21.9%	0.1%	58.5	39.4	26.1	3.7%	0.1%
Assets less than the capitalisation threshold	1.4	3.3	3.5	17.0	17.0	127.8%	0.0%	18.2	21.0	10.9	-13.7%	0.0%
Audit costs: External	16.1	22.2	23.8	29.5	29.5	22.3%	0.1%	30.7	32.7	31.1	1.8%	0.1%
Bursaries: Employees	1.1	1.6	0.9	1.6	1.6	14.9%	0.0%	1.5	1.6	1.3	-6.8%	0.0%
Catering: Departmental activities	3.7	3.0	3.0	8.4	8.4	31.1%	0.0%	7.8	8.2	4.8	-17.0%	0.0%
Communication	17.7	17.4	15.3	28.1	28.1	16.8%	0.1%	23.8	25.1	32.5	5.0%	0.1%
Computer services	15.0	56.0	9.3	26.1	26.1	20.3%	0.1%	23.6	24.3	16.4	-14.3%	0.1%
Consultants and professional services: Business and advisory services	66.7	110.6	185.8	148.2	148.2	30.5%	0.5%	126.5	128.8	136.6	-2.7%	0.4%
Consultants and professional services: Laboratory services	-	-	0.0	0.1	0.1	-	0.0%	0.1	0.1	0.4	70.8%	0.0%
Consultants and professional services: Scientific and technological services	-	0.0	-	-	-	-	0.0%	30.0	-	-	-	0.0%
Consultants and professional services: Legal costs	0.7	10.2	14.6	1.1	1.1	15.5%	0.0%	1.1	1.2	1.0	-3.6%	0.0%
Contractors	22.0	6.6	9.8	313.8	113.8	73.0%	0.1%	416.0	434.4	467.4	60.1%	1.0%
Agency and support / outsourced services	8.0	9.0	20.1	15.2	15.2	23.7%	0.0%	14.0	21.3	31.5	27.6%	0.1%
Entertainment	0.2	0.1	0.1	0.8	0.8	51.2%	0.0%	0.9	0.9	0.1	-56.5%	0.0%
Inventory: Fuel, oil and gas	0.3	0.1	0.9	0.5	0.5	25.7%	0.0%	0.5	0.6	1.0	25.0%	0.0%
Inventory: Learner and teacher support material	0.0	-	-	0.2	0.2	348.1%	0.0%	0.2	0.2	-	-100.0%	0.0%
Inventory: Materials and supplies	0.2	0.1	0.1	0.5	0.5	40.2%	0.0%	0.5	0.6	0.5	0.6%	0.0%
Inventory: Medical supplies	119.5	124.2	112.4	140.8	140.8	5.6%	0.5%	149.2	189.3	218.7	15.8%	0.5%
Inventory: Medicine	30.0	20.0	32.1	1.1	1.1	-66.7%	0.1%	201.2	201.2	2.9	38.6%	0.3%
Medias inventory interface	1.0	-	-	1.6	1.6	17.9%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Other supplies	4.9	6.3	6.9	11.5	11.5	32.5%	0.0%	12.6	15.8	14.1	7.1%	0.0%
Consumable supplies	0.4	0.2	0.3	0.7	0.7	17.9%	0.0%	-	-	-	-100.0%	0.0%
Consumable: Stationery, printing and office supplies	18.3	24.2	16.8	46.1	46.1	36.1%	0.1%	41.3	47.0	29.2	-14.1%	0.1%
Operating leases	51.7	92.5	85.7	103.0	103.0	25.8%	0.3%	111.7	116.9	113.2	3.2%	0.3%

Table 16.2 Health

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2013/14	2014/15		
	R million											
Property payments	–	3.7	9.6	5.5	5.5		0.0%	5.6	7.8	12.1	30.2%	0.0%
Transport provided: Departmental activity	2.2	3.1	3.2	4.0	4.0	21.3%	0.0%	0.7	0.7	0.8	-41.7%	0.0%
Travel and subsistence	71.8	76.5	94.0	106.2	103.3	12.9%	0.3%	74.3	81.0	128.3	7.5%	0.3%
Training and development	4.8	5.8	5.5	3.2	6.9	13.1%	0.0%	5.5	5.7	6.4	-2.6%	0.0%
Operating payments	27.1	27.7	33.9	26.9	23.9	-4.2%	0.1%	36.7	38.5	45.3	23.8%	0.1%
Venues and facilities	10.3	14.9	7.2	22.7	22.7	30.2%	0.1%	23.4	25.3	10.0	-23.8%	0.1%
Transfers and subsidies	21 604.0	24 598.8	26 682.7	28 433.8	28 433.8	9.6%	95.4%	30 916.4	33 462.3	36 213.4	8.4%	92.1%
Provinces and municipalities	21 042.0	24 034.8	26 071.7	27 686.4	27 686.4	9.6%	93.0%	30 111.3	32 484.4	35 183.9	8.3%	89.6%
Departmental agencies and accounts	420.7	379.4	392.7	540.7	540.7	8.7%	1.6%	596.0	770.2	811.0	14.5%	1.9%
Higher education institutions	2.0	12.8	21.0	7.0	7.0	51.8%	0.0%	3.0	3.1	3.3	-22.1%	0.0%
Non-profit institutions	138.7	166.9	196.2	199.8	199.8	12.9%	0.7%	206.1	204.6	215.1	2.5%	0.6%
Households	0.6	5.0	1.1	–	–	-100.0%	0.0%	–	–	–	–	–
Payments for capital assets	17.8	28.7	20.4	466.4	266.4	146.5%	0.3%	1 025.0	1 061.3	1 156.4	63.1%	2.5%
Buildings and other fixed structures	–	–	–	440.0	240.0		0.2%	979.9	1 021.2	1 115.2	66.9%	2.4%
Machinery and equipment	17.6	28.6	20.4	26.3	26.4	14.5%	0.1%	45.2	40.1	41.2	16.0%	0.1%
Software and other intangible assets	0.2	0.1	–	–	–	-100.0%	0.0%	–	–	–	–	–
Payments for financial assets	0.6	1.8	5.7	–	–	-100.0%	0.0%	–	–	–	–	–
Total	22 520.3	25 712.8	27 898.9	30 528.2	30 128.2	10.2%	100.0%	33 955.5	36 631.3	39 387.7	9.3%	100.0%

Personnel information

Table 16.3 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Health			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost					
1 500	50		1 378	482.3	0.3	1 500	540.5	0.4	1 535	597.2	0.4	1 535	637.3	0.4	1 535	674.7	0.4	0.8%	100.0%
1 – 6	546	28	532	86.5	0.2	547	88.1	0.2	551	98.0	0.2	551	103.3	0.2	551	107.9	0.2	0.2%	36.0%
7 – 10	584	7	528	166.1	0.3	585	177.8	0.3	638	230.8	0.4	638	243.7	0.4	638	257.5	0.4	2.9%	40.9%
11 – 12	234	7	195	108.6	0.6	234	128.7	0.5	209	120.5	0.6	209	133.3	0.6	209	140.5	0.7	-3.7%	14.1%
13 – 16	134	8	121	107.5	0.9	132	139.1	1.1	135	117.6	0.9	135	126.1	0.9	135	133.3	1.0	0.8%	8.8%
Other ³	2	–	2	13.6	6.8	2	6.9	3.4	2	30.4	15.2	2	30.8	15.4	2	35.5	17.8	–	0.1%

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

2. Rand million.

3. Includes periodic payments to board members who do not form part of the establishment.

Expenditure trends

The spending focus over the medium term will continue to be on increasing life expectancy and reducing the burden of disease by revitalising hospitals, providing specialised tertiary services, and preventing and treating HIV and AIDS. Thus, the bulk of the department's budget over the medium term is allocated to transfers of: the health facility revitalisation, national tertiary services, and health professions training and development grants in the *Hospitals, Tertiary Health Services and Human Resource Development* programme; and the comprehensive HIV and AIDS conditional grant in the *HIV and AIDS, TB, Maternal and Child Health* programme. Spending on the HIV and AIDS conditional grant is set to increase over the medium term to allow the department to put 500 000 new patients on antiretroviral treatment each year. The 2014 Budget provides a further Cabinet approved additional allocation of R1 billion in 2016/17 for the department to continue to provide the public greater access to antiretroviral treatment, which explains the significant increase projected in spending in the *HIV and AIDS, TB, Maternal and Child Health* programme in that year. In addition, the programme receives a Cabinet approved additional allocation of R200 million in both 2014/15 and 2015/16

through a newly formed component of the national health grant to provide for the rollout of the human papilloma virus vaccine, which protects women and girls against cervical cancer. Once the rollout of the vaccine is under way, it will be funded through the provincial equitable share in 2016/17.

Together with a Cabinet approved additional allocation of R30 million in 2014/15 for a national survey on health demographics, the national health insurance component of the national health grant is set to increase spending in the *National Health Insurance, Health Planning and Systems Enablement* programme significantly over the MTEF period. This component of the grant provides for an expansion of the scheme's pilot programme in 10 districts, including contracting general medical practitioners, which explains the significant increase expected in spending on contractors over the medium term.

The *Hospitals, Tertiary Health Services and Human Resource Development* programme receives Cabinet approved additional allocations of R70 million over the MTEF period for capital assets for the forensic chemistry laboratories and for commissioning the new laboratory in Durban. The health facilities revitalisation component of the national health grant is set to continue increasing this programme's expenditure over the medium term as the department continues to revitalise hospitals, which is the reason for the increase in spending on payments for capital assets. However, allocations are reduced as a result of Cabinet approved reductions of R200 million, R254.8 million and R249.5 million over the medium term due to slow spending. These allocations will be reviewed as capacity improves. The programme receives a further R2 million through the health facilities revitalisation grant, which is transferred to provinces, to repair health infrastructure damaged by disasters. An additional R274 000 in 2013/14 was also allocated for this purpose. Spending in the *Health Regulation and Compliance Management* programme is projected to increase significantly over the medium term to strengthen the Medical Research Council's research programmes and to allow the Office of Standards Compliance, which is currently a subprogramme in the department, to employ additional staff to establish itself and build its inspectorate function. This is set to increase the department's establishment from 1 500 in 2013/14 to 1 535 in 2014/15. From 2014/15, the Office of Standards Compliance is set to become a standalone public entity.

Infrastructure spending

The department's infrastructure spending is funded through two conditional grants: the provincially delivered health facilities revitalisation grant and the nationally delivered health facility revitalisation component of the national health grant. The total spending on conditional grants for infrastructure projects was R5.5 billion in 2012/13 and unaudited figures put expenditure in 2013/14 at R5.5 billion. R19.1 billion is budgeted for infrastructure projects over the MTEF period.

Mega projects

There are currently 7 mega projects being implemented by national or provincial departments, funded by conditional grants. Each project has a total estimated cost of more than R1 billion. R919.7 million was spent on these projects in 2012/13 and constituted 16.6 per cent of overall infrastructure expenditure. King George V Hospital in KwaZulu-Natal is scheduled for completion in 2013/14, while Natalspruit Hospital in Gauteng was completed in 2013/14 and is to be commissioned early in 2014/15. R2.8 billion has been allocated over the medium term for the remaining 5 mega projects.

Large projects

There are currently 50 large infrastructure projects being implemented by the national or provincial departments funded by the conditional grants. Each project has a total estimated cost of more than R250 million, but less than R1 billion. In 2012/13, the provincial departments spent R2.5 billion on large projects, or 44.9 per cent of overall infrastructure expenditure. In 2013/14, the projects to build hospitals in Zola in Gauteng, Ladybrand in Free State, and Upington in Northern Cape were completed and are currently being commissioned. Over the MTEF period, R9 billion has been allocated for the remaining large health infrastructure projects.

Small projects

R2.1 billion spent by the provincial departments of health on small projects, such as the construction and upgrading of clinics, community health centres and nursing colleges, makes up the remaining 38 per cent of overall expenditure in 2012/13. Over the medium term, the small projects will involve the installation of mobile doctors' consulting rooms in the national health insurance pilot districts, as well as minor maintenance of health facilities carried out by students at further education and training colleges. R7.3 billion will be invested in small projects over the medium term.

Departmental receipts

Table 16.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2010/11 - 2013/14	2014/15		
Departmental receipts	27 248	55 300	33 830	23 476	39 408	13.1%	100.0%	32 760	32 772	34 187	-4.6%	100.0%
Sales of goods and services produced by department	25 907	32 922	37 714	22 224	38 040	13.7%	86.4%	31 512	31 524	32 751	-4.9%	96.2%
Sales by market establishments	89	113	145	108	132	14.0%	0.3%	132	132	140	2.0%	0.4%
of which:												
Parking	89	113	145	108	132	14.0%	0.3%	132	132	140	2.0%	0.4%
Administration fees	25 649	32 557	37 307	21 922	37 692	13.7%	85.5%	31 152	31 152	32 352	-5.0%	95.1%
of which:												
Medical (drug control) licences	2 533	1 786	2 223	3 400	3 540	11.8%	6.5%	3 000	3 000	3 200	-3.3%	9.2%
Drug control	23 116	30 771	35 084	18 522	34 152	13.9%	79.0%	28 152	28 152	29 152	-5.1%	86.0%
Other sales	169	252	262	194	216	8.5%	0.6%	228	240	259	6.2%	0.7%
of which:												
Yellow fever	27	43	79	24	36	10.1%	0.1%	36	36	40	3.6%	0.1%
Replacement of security cards	9	13	11	15	12	10.1%	-	12	12	15	7.7%	-
Commission on insurance	133	147	172	155	168	8.1%	0.4%	180	192	204	6.7%	0.5%
Asset less than R5 000	-	49	-	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	59	45	36	38	36	-15.2%	0.1%	36	36	36	-	0.1%
of which:												
Scrap paper	59	45	36	38	36	-15.2%	0.1%	36	36	36	-	0.1%
Interest, dividends and rent on land	355	425	460	300	420	5.8%	1.1%	300	300	450	2.3%	1.1%
Interest	355	425	460	300	420	5.8%	1.1%	300	300	450	2.3%	1.1%
Sales of capital assets	-	67	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	927	21 841	(4 380)	914	912	-0.5%	12.4%	912	912	950	1.4%	2.6%
Total	27 248	55 300	33 830	23 476	39 408	13.1%	100.0%	32 760	32 772	34 187	-4.6%	100.0%

Programme 1: Administration

Expenditure estimates

Table 16.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Ministry	25 920	27 280	25 547	35 375	10.9%	8.4%	31 046	32 476	34 380	-0.9%	7.9%
Management	29 770	20 721	20 291	27 421	-2.7%	7.2%	26 458	27 772	29 544	2.5%	6.6%
Corporate Services	126 185	145 313	158 081	191 226	14.9%	45.4%	184 647	201 432	212 456	3.6%	47.0%
Office Accommodation	55 245	92 081	92 978	97 514	20.9%	24.7%	105 825	110 693	116 560	6.1%	25.6%
Financial Management	25 906	32 165	83 305	54 191	27.9%	14.3%	51 745	54 073	56 797	1.6%	12.9%
Total	263 026	317 560	380 202	405 727	15.5%	100.0%	399 721	426 446	449 737	3.5%	100.0%
Change to 2013 Budget estimate				(5 238)			(20 054)	(20 995)	(20 463)		

Table 16.5 Administration

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Current payments	257 251	306 077	369 443	398 623	15.7%	97.4%	392 430	420 209	443 162	3.6%	98.4%
Compensation of employees	108 132	112 246	137 406	167 078	15.6%	38.4%	161 600	170 475	180 019	2.5%	40.4%
Goods and services	149 119	193 831	232 037	231 545	15.8%	59.0%	230 830	249 734	263 143	4.4%	58.0%
of which:											
Administration fees	101	82	187	177	20.6%	-	188	197	188	2.0%	-
Advertising	4 697	5 840	2 493	6 255	10.0%	1.4%	6 876	12 148	5 078	-6.7%	1.8%
Assets less than the capitalisation threshold	395	989	971	1 993	71.5%	0.3%	2 071	2 168	1 109	-17.7%	0.4%
Audit costs: External	14 690	19 501	22 763	25 578	20.3%	6.0%	26 321	28 000	28 039	3.1%	6.4%
Bursaries: Employees	956	1 474	797	1 366	12.6%	0.3%	1 420	1 485	877	-13.7%	0.3%
Catering: Departmental activities	1 033	558	798	939	-3.1%	0.2%	976	1 018	881	-2.1%	0.2%
Communication	13 341	13 677	10 467	18 782	12.1%	4.1%	14 234	14 889	21 439	4.5%	4.1%
Computer services	8 052	6 525	6 332	10 872	10.5%	2.3%	11 294	11 817	12 965	6.0%	2.8%
Consultants and professional services:	616	10 109	14 592	841	10.9%	1.9%	875	915	970	4.9%	0.2%
Legal costs											
Agency and support / outsourced services	1 853	2 319	2 628	2 419	9.3%	0.7%	2 517	2 632	2 891	6.1%	0.6%
Entertainment	178	63	45	275	15.6%	-	287	300	49	-43.7%	0.1%
Inventory: Food and food supplies	-	-	12	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	30	6	489	99	48.9%	-	103	108	536	75.6%	0.1%
Inventory: Materials and supplies	76	38	6	179	33.0%	-	186	194	-	-100.0%	-
Inventory: Other supplies	527	971	287	775	13.7%	0.2%	806	844	312	-26.2%	0.2%
Consumable: Stationery, printing and office supplies	7 269	7 025	7 702	10 691	13.7%	2.4%	11 118	11 629	13 541	8.2%	2.8%
Operating leases	49 767	89 548	82 800	94 737	23.9%	23.2%	103 095	107 837	106 330	3.9%	24.5%
Property payments	-	3 732	9 554	5 501	-	1.4%	5 563	5 819	9 610	20.4%	1.6%
Travel and subsistence	20 218	18 290	21 499	25 404	7.9%	6.3%	15 693	16 213	25 198	-0.3%	4.9%
Training and development	2 449	2 850	2 376	3 113	8.3%	0.8%	5 437	5 687	2 639	-5.4%	1.0%
Operating payments	2 268	2 562	2 397	4 808	28.5%	0.9%	5 056	5 342	4 042	-5.6%	1.1%
Venues and facilities	1 328	1 470	684	1 265	-1.6%	0.3%	1 315	1 376	761	-15.6%	0.3%
Transfers and subsidies	551	4 609	615	1 326	34.0%	0.5%	1 397	1 481	1 566	5.7%	0.3%
Departmental agencies and accounts	370	424	479	1 326	53.0%	0.2%	1 397	1 481	1 566	5.7%	0.3%
Households	181	4 185	136	-	-100.0%	0.3%	-	-	-	-	-
Payments for capital assets	5 217	6 566	5 456	5 778	3.5%	1.7%	5 894	4 756	5 009	-4.6%	1.3%
Machinery and equipment	5 114	6 505	5 456	5 778	4.2%	1.7%	5 894	4 756	5 009	-4.6%	1.3%
Software and other intangible assets	103.0	61.0	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	7.0	308.0	4 688.0	-	-100.0%	0.4%	-	-	-	-	-
Total	263 026.0	317 560.0	380 202.0	405 727.0	15.5%	100.0%	399 721.0	426 446.0	449 737.0	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.2%	1.4%	1.3%			1.2%	1.2%	1.1%		

Details of transfers and subsidies

Households											
Social benefits											
Current	181	4 185	136	-	-100.0%	0.3%	-	-	-	-	-
Employee social benefits	181	4 185	136	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	370	424	479	1 326	53.0%	0.2%	1 397	1 481	1 566	5.7%	0.3%
Health and Welfare Sector Education and Training Authority	370	424	479	1 259	50.4%	0.2%	1 326	1 406	1 487	5.7%	0.3%
Public Service Sector Education and Training Authority	-	-	-	67	-	-	71	75	79	5.6%	-

Personnel information

Table 16.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Administration																			
Salary level	530	10	498	137.4	0.3	530	167.1	0.3	488	161.6	0.3	488	170.5	0.3	488	180.0	0.4	-2.7%	100.0%
1 – 6	270	6	267	39.4	0.1	270	41.8	0.2	246	41.7	0.2	246	44.0	0.2	246	46.3	0.2	-3.1%	50.6%
7 – 10	161	1	140	41.6	0.3	161	51.9	0.3	146	49.4	0.3	146	52.0	0.4	146	55.3	0.4	-3.2%	30.0%
11 – 12	49	1	50	25.0	0.5	51	29.6	0.6	54	32.4	0.6	54	34.1	0.6	54	36.3	0.7	1.9%	10.7%
13 – 16	48	2	39	27.7	0.7	46	40.1	0.9	40	34.2	0.9	40	36.3	0.9	40	37.8	0.9	-4.6%	8.3%
Other	2	–	2	3.7	1.8	2	3.7	1.8	2	3.9	1.9	2	4.1	2.1	2	4.3	2.2	–	0.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will continue to be on providing for the department's accommodation and corporate services needs. This is why operating leases and compensation of employees are the programme's largest spending items across the seven-year period. Filled posts over the medium term are expected to decrease to 488 in 2014/15, where they are set to remain over the medium term, which is why expenditure on compensation of employees is set to grow only marginally over the period. The decrease is mainly due to the shifting of programme managers from this programme to their respective line function programmes. At the end of November 2013, there were 24 vacant posts due to natural attrition.

Audit costs have increased sharply, from R14.7 million in 2010/11 to R25.6 million in 2013/14, due to the introduction of a mid-year audit of performance information. Office accommodation costs rose significantly in 2011/12 due to the payments to the Department of Public Works for the upgrade to the Civitas building, which the department has since occupied.

Spending in the *Financial Management* subprogramme over the medium term aims to support effective management and accountability in the department and assist all nine provincial health departments to improve audit opinions. Spending in the *Management* subprogramme in 2014/15 is set to decrease slightly due to the shifting of the staff and office costs of the deputy director generals to their respective programme budgets.

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Objectives

- Monitor the prevalence of HIV and AIDS by conducting the 2014 national HIV survey in October and November 2014, and publishing the reports of the 2013 national HIV survey by December 2014.
- Complete the system design for a national integrated patient based information system by March 2019, to progressively implement an electronic health record system required for the national health insurance.
- Improve the use of information for planning by progressively expanding access to the national health information repository and data warehouse over the MTEF period.
- Improve access to essential medicines by maintaining a less than 3 per cent stock out level for drugs on the essential drugs list, tuberculosis drugs and antiretroviral medicines over the medium term.
- Implement the building blocks of the national health insurance by piloting components of the insurance policy in 10 health districts over the MTEF period.
- Regulate the cost of health care in South Africa by establishing a pricing commission that will create a platform for funders and providers of health services to negotiate prices of service providers in the private health sector by 2016/17.

- Provide stewardship and leadership for improving health outcomes through working with international development partners such as the Southern African Development Community (SADC), African Union (AU), United Nations (UN) agencies, the India-Brazil-South Africa (IBSA) and the Brazil-Russia-India-China-South Africa (BRICS) group of countries, and improving bilateral and multilateral relations, over the medium term.

Subprogrammes

- *Programme Management* provides leadership to the programme in order to improve access to quality health services through the development and implementation of policies to achieve universal coverage, health financing reform, integrated health systems planning, reporting, monitoring and evaluation, and research. This subprogramme has 3 filled posts.
- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy implementation. In 2012/13, the department expanded the development of the national health information repository and data warehouse. The purpose of the repository is to create a national health information centre where information from different repositories will be stored and updated on a regular basis. Data and information from the repository were used to produce health profiles for all 9 provinces and 52 districts. The system was further expanded in 2013/14 with a focus on the use of the repository through scenario planning models. This subprogramme houses technical assistants, who are not on the fixed establishment of the department.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, implements disease notification surveillance programmes, and monitors and evaluates strategic health programmes. In 2012/13, a concerted effort was made to strengthen research and development. The department began with the implementation of recommendations from the national health research summit by funding 13 doctoral scholarships and an independent audit of 33 research ethics committees was commissioned on behalf of the National Health Research Ethics Council. In 2013/14, the Centre for Scientific and Industrial Research was commissioned to produce a normative standards framework for health information systems in South Africa and the result was approved by the National Health Council. In addition, HIV prevalence trends at national, provincial and district level continued to be monitored through the implementation of the annual antenatal sentinel HIV and herpes simplex prevalence surveys. This subprogramme has 48 filled posts.
- *Sector-wide Procurement* is responsible for the selection of essential medicines and equipment, the development of standard treatment guidelines, the administration of health tenders, and the licensing of persons and premises that deliver pharmaceutical services. Substantial progress has been made on medicine procurement, with almost all medicine tenders now awarded nationally. Significant cost savings have resulted, including with the awarding of the national antiretroviral tender. In 2012/13, initiatives were introduced to reform procurement systems for essential medicines. These included tender reforms, the development of systems for direct delivery and the awarding of tenders for service providers of chronic medicines. A key achievement in 2012/13 was the successful awarding of medicine tenders, which resulted in the saving of R2.1 billion. This subprogramme has 43 filled posts.
- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks for the achievement of universal health coverage through the phased implementation of the national health insurance; commissions health financing research, including into alternative healthcare financing mechanisms for achieving universal health coverage; develops policy for the medical schemes industry; provides technical oversight over the Council for Medical Schemes; and provides technical and implementation oversight for the two national health insurance conditional grants. The cluster also comprises the directorate for pharmaceutical economic evaluation, which implements the single exit price regulations, develops policy and implements initiatives in relation to the dispensing of medicine and logistical fees. Over the medium term, the initiatives implemented through the pilot districts will be expanded to improve access and quality health care. In 2012/13 and 2013/14, a draft white paper on national health insurance and a draft national health insurance bill were developed. The Minister of Health conducted road shows involving a range of stakeholders in each of the national health insurance districts. The white paper on national health insurance will be tabled in Parliament, with further legislation and

regulations will be developed and implemented in the coming years. This subprogramme has 23 filled posts.

- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the SADC, AU, UN agencies, as well as other developing countries and economic groupings of countries such as India-Brazil-South Africa and Brazil-Russia-India-China-South Africa (BRICS), to strengthen the health system; manages processes involving the provision of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates international development support; and profiles and lobbies for South Africa's policy position internationally. In 2012/13, the implementation of the Cuban medical brigade was facilitated to provide health services and training in Sierra Leone under the South Africa-Cuba-Sierra Leone trilateral project. Regarding the management of cross-border tuberculosis, the SADC heads of government signed the declaration on tuberculosis in the mining sector. This subprogramme has 37 filled posts.

Expenditure estimates

Table 16.7 National Health Insurance, Health Planning and Systems Enablement

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	Average (%)	2014/15	2015/16	2016/17	2013/14 - 2016/17
R thousand											
Programme Management	–	2 994	1 393	2 961	–	0.7%	2 989	3 146	3 326	4.0%	0.5%
Technical Policy and Planning	–	2 552	12 399	3 947	–	1.8%	2 084	2 184	2 305	-16.4%	0.4%
Health Information Management, Monitoring and Evaluation	21 631	51 918	41 721	44 934	27.6%	15.3%	53 725	24 848	26 572	-16.1%	6.3%
Sector-wide Procurement	13 059	15 569	19 838	21 697	18.4%	6.7%	22 987	24 113	25 392	5.4%	4.0%
Health Financing and National Health Insurance	26 593	39 807	166 377	370 329	140.6%	57.6%	487 210	511 182	535 035	13.0%	79.9%
International Health and Development	35 933	51 246	52 951	47 958	10.1%	18.0%	52 257	54 540	57 430	6.2%	8.9%
Total	97 216	164 086	294 679	491 826	71.7%	100.0%	621 252	620 013	650 060	9.7%	100.0%
Change to 2013 Budget estimate				(67)			(7 854)	(42 935)	(42 982)		
Economic classification											
Current payments	92 972	155 578	128 951	438 451	67.7%	77.9%	543 830	538 511	564 504	8.8%	87.5%
Compensation of employees	50 795	57 212	74 740	70 337	11.5%	24.2%	67 193	70 821	74 645	2.0%	11.9%
Goods and services	42 177	98 366	54 211	368 114	105.9%	53.7%	476 637	467 690	489 859	10.0%	75.6%
of which:											
Administration fees	1	280	464	235	517.1%	0.1%	243	253	133	-17.3%	–
Advertising	329	1 726	787	1 361	60.5%	0.4%	1 244	1 300	1 215	-3.7%	0.2%
Assets less than the capitalisation threshold	24	94	347	813	223.6%	0.1%	970	1 015	469	-16.8%	0.1%
Bursaries: Employees	127	104	102	208	17.9%	0.1%	–	–	–	-100.0%	–
Catering: Departmental activities	252	377	559	660	37.8%	0.2%	679	710	556	-5.6%	0.1%
Communication	881	362	1 058	1 387	16.3%	0.4%	888	928	1 118	-6.9%	0.2%
Computer services	5 254	48 396	203	5 914	4.0%	5.7%	2 119	2 739	66	-77.7%	0.5%
Consultants and professional services: Business and advisory services	461	1 146	1 121	15 529	223.0%	1.7%	6 953	5 694	1 390	-55.3%	1.2%
Consultants and professional services: Scientific and technological services	–	1	–	–	–	–	30 000	–	–	–	1.3%
Consultants and professional services: Legal costs	52	23	13	–	-100.0%	–	–	–	–	–	–
Contractors	3 354	429	68	294 638	344.5%	28.5%	395 847	414 689	438 299	14.2%	64.8%
Agency and support / outsourced services	2 205	2 076	2 781	2 441	3.4%	0.9%	793	1 421	273	-51.8%	0.2%
Entertainment	9	7	15	167	164.7%	–	184	193	17	-53.3%	–
Inventory: Farming supplies	–	–	4	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	7	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	1	3	7	2	26.0%	–	2	2	–	-100.0%	–
Inventory: Learner and teacher support material	2	–	–	3	14.5%	–	–	–	–	-100.0%	–
Inventory: Materials and supplies	3	–	–	53	160.4%	–	58	60	–	-100.0%	–
Inventory: Medicine	–	–	2	–	–	–	–	–	–	–	–
Medsas inventory interface	957	–	–	1 567	17.9%	0.2%	–	–	–	-100.0%	0.1%
Inventory: Other supplies	17	–	5	103	82.3%	–	1 737	1 817	44	-24.7%	0.2%
Consumable supplies	429	234	329	703	17.9%	0.2%	–	–	–	-100.0%	–
Consumable: Stationery, printing and office supplies	1 522	1 375	3 054	5 904	57.1%	1.1%	4 669	4 415	4 026	-12.0%	0.8%
Operating leases	238	241	303	873	54.2%	0.2%	1 021	1 068	502	-16.8%	0.1%
Transport provided: Departmental activity	2 214	3 093	3 227	3 952	21.3%	1.2%	700	734	784	-41.7%	0.3%
Travel and subsistence	9 918	14 875	17 078	14 986	14.8%	5.4%	9 917	11 207	16 731	3.7%	2.2%

Table 16.7 National Health Insurance, Health Planning and Systems Enablement

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Training and development	2	1 804	3 135	3	14.5%	0.5%	-	-	1 436	682.2%	0.1%
Operating payments	13 151	14 869	17 882	10 614	-6.9%	5.4%	12 414	12 961	20 907	25.4%	2.4%
Venues and facilities	774	6 851	1 660	5 998	97.9%	1.5%	6 199	6 484	1 893	-31.9%	0.9%
Transfers and subsidies	15	7 831	164 381	50 953	1403.2%	21.3%	75 000	78 967	82 887	17.6%	12.1%
Provinces and municipalities	-	-	150 000	50 953	-	-19.2%	70 000	73 967	77 887	15.2%	11.4%
Departmental agencies and accounts	-	5 400	9 503	-	-	1.4%	-	-	-	-	-
Non-profit institutions	-	2 400	4 600	-	-	0.7%	5 000	5 000	5 000	-	0.6%
Households	15	31	278	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	4 150	674	1 165	2 422	-16.4%	0.8%	2 422	2 535	2 669	3.3%	0.4%
Machinery and equipment	4 109	617	1 165	2 422	-16.2%	0.8%	2 422	2 535	2 669	3.3%	0.4%
Software and other intangible assets	41.0	57.0	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	79.0	3.0	182.0	-	-100.0%	-	-	-	-	-	-
Total	97 216.0	164 086.0	294 679.0	491 826.0	71.7%	100.0%	621 252.0	620 013.0	650 060.0	9.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.6%	1.1%	1.6%			1.8%	1.7%	1.7%		

Details of transfers and subsidies

Non-profit institutions											
Current	-	2 400	4 600	-	-	0.7%	5 000	5 000	5 000	-	0.6%
Health, information, evaluation and research non-profit institutions	-	2 400	-	-	-	0.2%	-	-	-	-	-
Non-profit institutions	-	-	4 600	-	-	0.4%	-	-	-	-	-
Health information systems programme	-	-	-	-	-	-	5 000	5 000	5 000	-	0.6%
Households											
Social benefits											
Current	15	31	271	-	-100.0%	-	-	-	-	-	-
Employee social benefits	15	31	271	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	5 400	9 503	-	-	1.4%	-	-	-	-	-
Council for Scientific and Industrial Research	-	-	4 041	-	-	0.4%	-	-	-	-	-
South African Medical Research Council	-	-	5 000	-	-	0.5%	-	-	-	-	-
Human Sciences Research Council	-	5 400	-	-	-	0.5%	-	-	-	-	-
National Health Laboratory Services Cancer Register	-	-	462	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	-	-	7	-	-	-	-	-	-	-	-
Employee social benefits	-	-	7	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	-	-	150 000	50 953	-	19.2%	70 000	73 967	77 887	15.2%	11.4%
National health insurance grant	-	-	150 000	50 953	-	19.2%	70 000	73 967	77 887	15.2%	11.4%

Personnel information**Table 16.8 Details of approved establishment and personnel numbers according to salary level¹**

National Health Insurance, Health Planning and Systems Enablement	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Salary level	161	3	160	74.7	0.5	161	70.3	0.4	155	67.2	0.4	155	70.8	0.5	155	74.6	0.5	-1.3%	100.0%
1 - 6	39	-	39	7.2	0.2	39	6.9	0.2	42	8.1	0.2	42	8.5	0.2	42	9.0	0.2	2.5%	26.4%
7 - 10	66	-	68	22.4	0.3	66	21.7	0.3	63	22.9	0.4	63	24.1	0.4	63	25.4	0.4	-1.5%	40.7%
11 - 12	33	1	31	21.2	0.7	33	19.6	0.6	28	17.4	0.6	28	18.3	0.7	28	19.3	0.7	-5.3%	18.7%
13 - 16	23	2	22	24.0	1.1	23	22.1	1.0	22	18.8	0.9	22	19.8	0.9	22	20.9	1.0	-1.5%	14.2%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on working towards attaining universal health care coverage by overseeing 10 national health insurance pilot projects, and conducting health economics research, particularly on the rollout of national health care and alternative health care financing mechanisms. These activities will be carried out through the *Health Financing and National Health Insurance* subprogramme, in which expenditure grew significantly in 2012/13 and 2013/14. The pilot projects began in 2012/13 and were funded through transfer payments. However, in 2013/14, the national health conditional grant was established to provide funding for the pilot projects and funds were shifted accordingly, from spending on transfers to spending on contractors to provide for general medical practitioners contracted to the projects.

The significant increase projected in expenditure in the *Health Information Management Monitoring and Evaluation* subprogramme in 2014/15 is due to a once-off allocation of R30 million for the South African demographic health survey. Used to collect population based health data, the survey is normally carried out every five years but has not been conducted since 2003/04.

Spending in the *International Health and Development* subprogramme increased from 2010/11 to fund a new health attaché position in Cuba, provide for more students sent to Cuba for medical training, and cover an increase in annual membership fees to the World Health Organisation. Spending in the *Sector-wide Procurement* subprogramme is set to increase at a slower rate over the medium term as the payment of members of the Traditional Healers Council, who were appointed at the end of 2012/13, has been reallocated from 2014/15 to the *Hospital, Tertiary Health Services and Human Resource Development* programme.

The number of posts in this programme is expected to decrease slightly, from 161 to 155 in 2014/15, where it is set to remain over the medium term. This is why expenditure on compensation of employees is expected to decrease in 2014/15 and increase slightly thereafter. There were 5 vacant posts at the end of November 2013 due to natural attrition.

Programme 3: HIV and AIDS, TB, and Maternal and Child Health

Objectives

- Implement strategies such as the maternal, neonatal, child, women's health and nutrition strategic plan (2012-2016); the campaign for accelerated reduction of maternal mortality in Africa strategy and recommendations of the national confidential enquiry on maternal deaths and national perinatal morbidity and mortality committee in order to:
 - reduce the maternal mortality ratio to 215 per 100 000 live births by 2019
 - reduce the infant mortality rate to 24 per 1 000 live births by 2019
 - reduce under-five mortality rates to less than 34 per 1 000 live births by 2019.
- Protect girls from cancer of the cervix by vaccinating 80 per cent of Grade 4 girls in 2014/15 through the integrated school health programme.
- Improve health and educational outcomes among school-aged children by ensuring all children in quintile 1 and 2 public schools are receiving preventative health care by 2019.
- Improve access to antiretroviral treatment for HIV and AIDS by providing access to treatment for an additional 500 000 patients per annum to reach the target of 5 million patients accessing treatment by March 2019.
- Contribute to the reduction of new HIV infections by performing 5 million medical male circumcisions by 2019.
- Improve tuberculosis treatment outcomes by increasing the new pulmonary cure rate to 85 per cent by 2017.

Subprogrammes

- *Programme Management* supports the policy development, implementation and coordination of health programmes for HIV and AIDS and sexually transmitted infections, tuberculosis, maternal and child health, and women's health. This subprogramme had a staff complement of 5 in 2013/14.

- *HIV and AIDS* develops national policy and administers national HIV and AIDS and sexually transmitted infection programmes. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV and AIDS, sexually transmitted infections and tuberculosis. In 2012/13, emphasis was placed on the key strategic objectives of scaling up a combination of prevention interventions and improving quality of life by providing appropriate treatment to those living with HIV and AIDS. Just under 9 million people were tested, 422 262 males were circumcised, 612 118 new patients began treatment and a fixed dose combination of antiretroviral triple therapy was introduced to improve both access to treatment and patients' adherence to treatment. This subprogramme funds stipends of 36 000 community health workers providing services that include adherence support to more than 1 million patients who are on antiretrovirals. In 2014/15, the uptake of medical male circumcision will be improved by increasing the number of sites that conduct circumcisions, fast tracking the procurement of circumcision packs and recruiting doctors. This subprogramme has 61 filled posts.
- *Tuberculosis* develops national policies and guidelines, and sets norms and standards for tuberculosis. In line with the 20-year vision outlined in the new 2012-2016 national strategic plan for HIV, sexually transmitted infections and tuberculosis, core interventions will be scaled up, including intensified case finding and the rollout of rapid diagnostics using GeneXpert technology. The plan instructs that key populations with an elevated risk of being infected with tuberculosis and HIV be prioritised for enhanced support, including miners, children and inmates in correctional services facilities. Tuberculosis cure and defaulter rates continued to improve. In 2012/13, the tuberculosis cure rate was 73.8 per cent (and 75.2 per cent in first quarter of 13/14), compared to 73.1 per cent in 2011/12. The defaulter rate was 6.1 per cent in 12/13 and 5.9 per cent in the first quarter of 13/14, compared to 6.8 per cent in 2011/12. This subprogramme had 18 filled posts.
- *Women's, Maternal and Reproductive Health* develops and monitors policies and guidelines, and sets norms and standards for maternal and women's health. Key initiatives include reducing maternal mortality using the recommendations from the ministerial committee on maternal mortality and the South African campaign on the accelerated reduction of maternal and child mortality in Africa strategy. Interventions will include: deploying obstetric ambulances, strengthening family planning services, establishing maternity waiting homes, establishing kangaroo mother care facilities, taking essential steps in managing obstetric emergency training for doctors and midwives, and strengthening infant feeding practices. In 2012/13, 44 per cent of pregnant mothers received antenatal care at primary health care facilities within their first 20 weeks of pregnancy, an improvement on the 40.2 per cent achieved in 2011/12. 55.4 per cent of women older than 30 years had been screened for the cancer of the cervix at least once in the last 10 years. There are indications that the subprogramme is positively affecting health outcomes. For example, the Medical Research Council's 2012 report on rapid mortality surveillance shows a significant reduction in mortality rates in South Africa: the under-five mortality rate decreased from 56 deaths per 1 000 live births in 2009 to 42 in 2011, and the infant mortality rate per 1 000 live births decreased from 40 in 2009 to 30 in 2011. This subprogramme has 22 filled posts.
- *Child, Youth and School Health* is discussed in more detail below.

Expenditure estimates

Table 16.9 HIV and AIDS, Tuberculosis, Maternal and Child Health

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Programme Management	–	1 051	3 497	3 018	–	–	3 609	3 788	3 992	9.8%	–
HIV and AIDS	6 404 279	7 852 898	9 127 936	10 979 180	19.7%	99.3%	12 784 418	14 459 842	16 226 906	13.9%	98.8%
Tuberculosis	15 822	16 592	13 426	25 811	17.7%	0.2%	26 442	27 719	29 199	4.2%	0.2%
Women's Maternal and Reproductive Health	11 826	15 521	10 724	16 981	12.8%	0.2%	17 058	17 891	19 077	4.0%	0.1%
Child, Youth and School Health	39 410	29 893	13 388	16 984	-24.5%	0.3%	218 396	219 337	20 375	6.3%	0.9%
Total	6 471 337	7 915 955	9 168 971	11 041 974	19.5%	100.0%	13 049 923	14 728 577	16 299 549	13.9%	100.0%
Change to 2013 Budget estimate				12 840			181 453	181 149	(2 997)		

Table 16.9 HIV and AIDS, Tuberculosis, Maternal and Child Health

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Current payments	284 112	258 215	219 485	305 394	2.4%	3.1%	533 116	565 949	386 303	8.1%	3.2%
Compensation of employees	48 821	52 967	59 447	63 892	9.4%	0.7%	64 404	67 350	70 985	3.6%	0.5%
Goods and services	235 291	205 248	160 038	241 502	0.9%	2.4%	468 712	498 599	315 318	9.3%	2.8%
of which:											
Administration fees	–	–	–	316	–	–	330	345	–	-100.0%	–
Advertising	42 758	19 827	6 040	11 902	-34.7%	0.2%	46 258	21 668	13 322	3.8%	0.2%
Assets less than the capitalisation threshold	270	691	335	1 456	75.4%	–	1 545	1 653	392	-35.4%	–
Catering: Departmental activities	1 279	814	656	2 794	29.8%	–	2 913	3 049	887	-31.8%	–
Communication	479	406	626	643	10.3%	–	683	737	731	4.4%	–
Computer services	22	5	1	115	73.6%	–	129	144	–	-100.0%	–
Consultants and professional services: Business and advisory services	6 122	2 800	9 505	25 145	60.1%	0.1%	16 511	20 066	29 522	5.5%	0.2%
Contractors	532	25	1 099	2 715	72.2%	–	2 861	2 994	2 263	-5.9%	–
Agency and support / outsourced services	1 901	1 548	1 401	5 004	38.1%	–	5 248	5 490	2 541	-20.2%	–
Entertainment	16	11	–	127	99.5%	–	149	200	–	-100.0%	–
Inventory: Food and food supplies	–	–	8	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	3	6	5	4	10.1%	–	4	4	–	-100.0%	–
Inventory: Materials and supplies	2	1	–	11	76.5%	–	2	2	–	-100.0%	–
Inventory: Medical supplies	116 836	124 122	112 353	140 000	6.2%	1.4%	148 400	188 391	218 164	15.9%	1.3%
Inventory: Medicine	30 000	20 013	–	–	-100.0%	0.1%	200 000	200 000	–	–	0.7%
Inventory: Other supplies	5	6	7	34	89.5%	–	44	54	–	-100.0%	–
Consumable: Stationery, printing and office supplies	4 380	9 942	1 386	15 857	53.5%	0.1%	11 473	17 190	2 515	-45.9%	0.1%
Operating leases	279	317	369	626	30.9%	–	701	753	406	-13.4%	–
Travel and subsistence	17 342	16 281	18 870	18 637	2.4%	0.2%	8 398	11 682	31 041	18.5%	0.1%
Training and development	2 204	569	–	–	-100.0%	–	–	–	–	–	–
Operating payments	4 412	4 046	5 383	5 134	5.2%	0.1%	11 612	12 173	10 438	26.7%	0.1%
Venues and facilities	6 449	3 818	1 994	10 982	19.4%	0.1%	11 451	12 004	3 096	-34.4%	0.1%
Transfers and subsidies	6 186 121	7 655 430	8 948 443	10 734 853	20.2%	96.9%	12 515 080	14 160 824	15 911 346	14.0%	96.7%
Provinces and municipalities	6 051 757	7 492 962	8 762 848	10 533 886	20.3%	94.9%	12 311 322	13 957 043	15 696 765	14.2%	95.2%
Departmental agencies and accounts	–	–	7 000	10 951	–	0.1%	15 000	15 000	15 795	13.0%	0.1%
Higher education institutions	2 000	5 562	–	3 000	14.5%	–	3 000	3 138	3 304	3.3%	–
Public corporations and private enterprises	–	–	40	–	–	–	–	–	–	–	–
Non-profit institutions	132 095	156 904	178 507	187 016	12.3%	1.9%	185 758	185 643	195 482	1.5%	1.4%
Households	269	2	48	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	917	791	989	1 727	23.5%	–	1 727	1 804	1 900	3.2%	–
Machinery and equipment	917	776	989	1 727	23.5%	–	1 727	1 804	1 900	3.2%	–
Software and other intangible assets	–	15.0	–	–	–	–	–	–	–	–	–
Payments for financial assets	187.0	1 519.0	54.0	–	-100.0%	–	–	–	–	–	–
Total	6 471 337.0	7 915 955.0	9 168 971.0	11 041 974.0	19.5%	100.0%	3 049 923.0	4 728 577.0	6 299 549.0	13.9%	100.0%
Proportion of total programme expenditure to vote expenditure	28.7%	30.8%	32.9%	36.2%			38.4%	40.2%	41.4%		

Details of transfers and subsidies

Non-profit institutions	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Current	132 095	156 904	178 507	187 016	12.3%	1.9%	185 758	185 643	195 482	1.5%	1.4%
Lifeline	16 243	16 478	17 627	18 308	4.1%	0.2%	19 023	19 898	–	-100.0%	0.1%
LoveLife	38 690	62 023	66 124	70 430	22.1%	0.7%	69 843	64 396	105 901	14.6%	0.6%
Soul City	16 960	12 977	13 876	20 820	7.1%	0.2%	15 561	16 277	–	-100.0%	0.1%
HIV and AIDS Non Profit Institutions	57 763	65 020	67 903	76 115	9.6%	0.8%	79 921	83 597	88 028	5.0%	0.6%
TB non-governmental organisations	2 439	–	–	–	-100.0%	–	–	–	–	–	–
South African AIDS Vaccine Institute	–	–	12 977	–	–	–	–	–	–	–	–
Maternal, child and women's health Non Profit institutions	–	406	–	1 343	–	–	1 410	1 475	1 553	5.0%	–
Households											
Social benefits											
Current	269	2	48	–	-100.0%	–	–	–	–	–	–
Employee social benefits	269	2	48	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	7 000	10 951	–	0.1%	15 000	15 000	15 795	13.0%	0.1%
Human Science Research Council	–	–	7 000	–	–	–	–	–	–	–	–
South African National AIDS Council	–	–	–	10 951	–	–	15 000	15 000	15 795	13.0%	0.1%

Table 16.9 HIV and AIDS, Tuberculosis, Maternal and Child Health

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
Audited outcome						2013/14	2010/11 - 2013/14	2014/15			2015/16
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	6 051 757	7 492 962	8 762 848	10 533 886	20.3%	94.9%	12 311 322	13 957 043	15 696 765	14.2%	95.2%
Comprehensive HIV and AIDS grant	6 051 757	7 492 962	8 762 848	10 533 886	20.3%	94.9%	12 311 322	13 957 043	15 696 765	14.2%	95.2%
Higher education institutions											
Current	2 000	5 562	-	3 000	14.5%	-	3 000	3 138	3 304	3.3%	-
University of Limpopo	2 000	562	-	2 000	-	-	2 000	2 092	2 203	3.3%	-
University of Cape Town	-	-	-	1 000	-	-	1 000	1 046	1 101	3.3%	-
University of the Witwatersrand	-	5 000	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	40	-	-	-	-	-	-	-	-
Topco Media	-	-	40	-	-	-	-	-	-	-	-

Personnel information

Table 16.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
HIV and AIDS, Tuberculosis, Maternal and Child Health			101	59.4	0.6	137	66.0	0.5	132	64.4	0.5	132	67.4	0.5	132	71.0	0.5	-1.2%	100.0%
Salary level	137	20																	
1 - 6	10	13	6	1.0	0.2	10	1.9	0.2	19	3.7	0.2	19	3.9	0.2	19	4.1	0.2	23.9%	12.6%
7 - 10	80	1	49	17.5	0.4	80	27.2	0.3	75	27.4	0.4	75	28.9	0.4	75	30.5	0.4	-2.1%	57.2%
11 - 12	29	3	27	15.1	0.6	29	16.2	0.6	21	12.2	0.6	21	12.9	0.6	21	13.6	0.6	-10.2%	17.3%
13 - 16	18	3	19	18.1	1.0	18	17.5	1.0	17	16.6	1.0	17	16.9	1.0	17	18.4	1.1	-1.9%	12.9%
Other	-	-	-	7.8	-	-	3.2	-	-	4.5	-	-	4.8	-	-	4.4	-	-	-

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing for the treatment of HIV and AIDS by making transfers of the comprehensive HIV and AIDS conditional grant through the *HIV and AIDS* subprogramme. This subprogramme has grown significantly since 2010/11, and has lowered child mortality rates by reducing mother to child HIV transmission from 3.5 per cent to 2.5 per cent, increased antiretroviral treatment coverage by an average of 500 000 new patients per year, increased the number of medical male circumcisions, lowered adult mortality rates, and maintained HIV testing at consistently high levels.

The comprehensive HIV and AIDS grant is set to continue growing at an average annual rate of 14.2 per cent over the medium term to strengthen HIV and AIDS testing and prevention programmes and increase the number of people on antiretroviral treatment. In support of the programme's HIV and AIDS treatment and prevention strategy, the programme receives an additional R15 million in 2015/16 and R15.8 million in 2016/17 for the transfer to the South African National AIDS Council to support the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. In addition, expenditure on medical supplies, mainly male and female condoms, is projected to increase at an average annual rate of 15.9 per cent over the medium term.

The growth in spending in the *Women's, Maternal and Reproductive Health* subprogramme since 2010/11 was due to the expansion of women's health activities, such as supporting the deployment of obstetric ambulances, strengthening family planning services and establishing maternity waiting homes to ensure that the relevant millennium development goals are being met.

The programme had 14 vacancies at the end of November 2013. The number of employees, mainly at the lower salary levels, is expected to decrease slightly from the current 137 in 2013/14 to 132 in 2014/15 due to the reprioritisation of posts to align the organisational structure with the department's strategic direction.

Subprogramme: Child, Youth and School Health

Child, Youth and School Health develops and monitors policies and guidelines, and sets norms and standards for child health. Over the medium term, key initiatives will be implemented in line with the maternal and child health strategic plan. These include the continued rollout of the integrated school health programme to cover all learning phases, prioritising underserved and under-resourced schools, and strengthening the immunisation programme. Empirical evidence shows that South Africa has managed to reduce child mortality in the last five years. This is a positive outcome emanating from the scale-up of prevention of mother to child transmission of HIV, the rollout of antiretroviral therapy, new child vaccines (pneumococcus and rotavirus) and other child survival programmes. In 2012/13, the president launched a multisectoral school health programme. To support its implementation, a communication strategy, a recording and reporting system, a toolkit for school governing bodies and a memorandum of understanding between the departments of basic education, health and social development are being developed. In addition, a training package was developed for school health nurses, with training taking place in all provinces. In 2014/15, the fight against cervical cancer will be intensified through the provision of human papilloma virus vaccinations to Grade 4 girls. This subprogramme has 22 filled posts.

Expenditure estimates

Table 16.11 Child, Youth and School Health

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Current payments	39 372	29 853	13 253	16 666	-24.9%	99.5%	218 078	219 005	20 025	6.3%	99.7%
Compensation of employees	6 740	7 077	9 943	10 670	16.5%	34.5%	11 842	12 482	13 156	7.2%	10.1%
Goods and services	32 632	22 776	3 310	5 996	-43.1%	64.9%	206 236	206 523	6 869	4.6%	89.6%
of which:											
Advertising	57	-	226	920	152.7%	1.2%	950	1 000	528	-16.9%	0.7%
Assets less than the capitalisation threshold	16	-	32	160	115.4%	0.2%	200	250	58	-28.7%	0.1%
Catering: Departmental activities	10	-	106	60	81.7%	0.2%	70	80	165	40.1%	0.1%
Communication	71	-	65	90	8.2%	0.2%	100	120	107	5.9%	0.1%
Computer services	-	-	-	20	-	-	30	40	-	-100.0%	-
Consultants and professional services:	86	2 763	62	35	-25.9%	3.0%	55	75	75	28.9%	0.1%
Business and advisory services	-	-	48	60	-	0.1%	70	80	54	-3.5%	0.1%
Contractors	-	-	-	30	-	-	40	69	-	-100.0%	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	2	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Medicine	30 000	20 013	-	-	-100.0%	50.2%	200 000	200 000	-	-	84.2%
Inventory: Other supplies	-	-	1	30	-	-	40	50	-	-100.0%	-
Consumable: Stationery, printing and office supplies	703	-	29	650	-2.6%	1.4%	700	750	91	-48.1%	0.5%
Operating leases	34	-	79	70	27.2%	0.2%	80	90	15	-40.2%	0.1%
Travel and subsistence	1 256	-	2 174	2 621	27.8%	6.1%	2 551	2 469	4 357	18.5%	2.5%
Operating payments	185	-	211	650	52.0%	1.0%	700	750	516	-7.4%	0.6%
Venues and facilities	213	-	275	600	41.2%	1.1%	650	700	903	14.6%	0.6%
Payments for capital assets	38	40	135	318	103.0%	0.5%	318	332	350	3.2%	0.3%
Machinery and equipment	38	40	135	318	103.0%	0.5%	318	332	350	3.2%	0.3%
Total	39 410.0	29 893.0	13 388.0	16 984.0	-24.5%	100.0%	218 396.0	219 337.0	20 375.0	6.3%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	0.6%	0.4%	0.1%	0.2%			1.7%	1.5%	0.1%		

Personnel information

Table 16.12 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Child, Youth and School Health																			
Salary level	25	-	21	9.9	0.5	22	12.8	0.6	25	11.8	0.5	25	12.5	0.5	25	13.3	0.5	4.4%	100.0%
1 – 6	4	-	2	0.3	0.2	2	0.4	0.2	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	26.0%	14.4%
7 – 10	14	-	12	4.3	0.4	12	5.1	0.4	14	5.3	0.4	14	5.6	0.4	14	5.9	0.4	5.3%	55.7%
11 – 12	4	-	4	2.6	0.7	6	4.8	0.8	4	2.3	0.6	4	2.5	0.6	4	2.6	0.7	-12.6%	18.6%
13 – 16	3	-	3	2.8	0.9	2	2.5	1.2	3	3.5	1.2	3	3.7	1.2	3	3.9	1.3	14.5%	11.3%

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

2. Rand million.

Expenditure trends

The bulk of the subprogramme's budget over the medium term is allocated to the introduction of the vaccination against the human papilloma virus in 2014/15 and 2015/16, which is why spending on medical supply inventory is set to increase significantly in those years. The subprogramme receives additional amounts of R200 million in both 2014/15 and 2015/16 for this purpose. However, from 2016/17, the grant will be transferred through the provincial equitable share, which is why expenditure in the subprogramme is set to decrease significantly in that year. With these additional allocations, the department aims to provide the vaccine to 80 per cent of Grade 4 girls in 2014/15.

The decline in expenditure between 2010/11 and 2013/14 was a result of once-off allocations in 2010/11 for the start-up of new pneumococcal and rotavirus vaccine programmes, which are now funded from provincial health budgets.

The number of filled posts is expected to increase from 22 to 25 over the medium term, which will bring the subprogramme in line with the approved organisational structure. Spending on compensation of employees is set to grow at an average annual rate of 7.2 per cent over the medium term as a result. As at the end of November 2013, the subprogramme had 3 vacant posts, which were caused by natural attrition.

Programme 4: Primary Health Care Services

Objectives

- Improve intersectoral collaboration with a focus on 6 pillars of a healthy lifestyle to reduce non-communicable diseases by establishing a National Health Commission by March 2016.
- Improve access to health care through the expansion of ward based outreach teams to 2 912 teams in 23 rural districts by March 2019.
- Develop strategies to ensure and scale up the number of primary health care facilities that are fully compliant with national core standards to 2 050 by March 2019.
- Eliminate malaria by 2018 by reducing local malaria transmission cases to 0 per 1 000 population at risk, through the continued implementation of the malaria elimination strategy.
- Strengthen epidemic preparedness and response through an intensive capacity building programme and establish outbreak response teams in all districts by 2015/16.
- Reduce micronutrient deficiencies by increasing coverage of Vitamin A supplementation to children aged 12-59 months and strengthening the fortification programme over the medium term.
- Improve infant and young child feeding practices by promoting breastfeeding in health facilities and communities on an ongoing basis.

- Ensure improved delivery of service by standardising emergency medical service activities and service delivery models on an ongoing basis, so that clients receive acceptable, affordable and efficient emergency services.
- Ensure improved pre-hospital care to health care recipients by enhancing training within emergency care on an ongoing basis.
- Reduce mortality and morbidity from chronic non-communicable diseases, mental illness and oral health through improved prevention and control interventions, thereby reducing premature mortality by 20 per cent by 2020.
- Improve health services for people with disabilities by increasing rehabilitation services to people with disabilities by 10 per cent by 2017.
- Increase quality, accessibility and life expectancy through expanding the integrated chronic disease management model to 50 per cent of public health facilities by 2019.

Subprogrammes

- *Programme Management* supports the development and implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition. This subprogramme has 3 filled posts.
- *District Services and Environmental Health* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; coordinates delivery of environmental health including monitoring and delivery of municipal health services; and implements the stream of primary health care re-engineering on ward based outreach teams inclusive of community based services. The programme develops norms and standards for all aspects of the district health system, primary health care and environmental health services. In 2012/13, 945 ward based outreach teams were established. The supervisory rate was increased from 66 per cent to 76 per cent and 51 out of 52 district health plans were received, 5 more than in 2011/12. In 2013/14, the department implemented a formal reporting system for ward based outreach teams. As at the end of the third quarter of 2013/14, there were 1 566 teams registered on the district health information system, of which 673 reported routine activities. This subprogramme has 22 filled posts.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases, a division of the National Health Laboratory Service. The incidence of malaria has decreased to 6 613 cases and 64 deaths in 2012/13 compared to 8 746 cases and 82 deaths in 2011/12. The department is on track to achieve the objective of completely eliminating malaria by 2018 through the implementation of the malaria elimination strategy. The cumulative incidence for confirmed local cases was 0.18 per 1 000 at risk (n=919) and 0.28 (n=1404), including in cases of unknown origin in 2012/13. This subprogramme has 18 filled posts.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, elderly people, eye care, oral health, mental health and substance abuse and injury prevention. Over the medium term, legislation will be introduced to Parliament on regulating alcohol marketing. Campaigns will be run to prevent the risk factors for non-communicable diseases. A five-year strategic plan for the prevention and control of non-communicable diseases embracing 10 targets agreed on at the national summit for non-communicable diseases in 2011 was published in 2013/14. In addition, the national mental health policy framework and strategic plan (2013-2020) was finalised. Implementation of this plan, including setting up district mental health teams and improving mental health infrastructure and human resources, will be facilitated. In 2012/13, more cataract surgeries were undertaken through partnerships with non-governmental organisations that provided foreign ophthalmologists to assist with surgery waiting lists. This subprogramme has 35 filled posts.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. In 2012/13, the subprogramme completed a roadmap for improving nutrition in South Africa. Among others, an infant and young child feeding policy was developed. Regulations to control marketing of infant food in the same year were published. Coverage with vitamin A

supplements for children from 12-59 months was 48 per cent in first quarter of 2013/14. Over the medium term, the focus will be on developing and implementing strategies aimed at reducing the incidence of obesity and stunting; and strengthening implementation of the nutrition roadmap and health promotion policy and strategy. Efforts to encourage screening for non-communicable diseases will be strengthened. Over the medium term, emphasis will be placed on promoting health literacy in areas such as infant feeding, reducing obesity and improving infant growth monitoring. This subprogramme has 23 filled posts.

- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services. In 2013/14, the strategic plan for violence and injury prevention was developed and policy guidelines for the management for sexual assault and related offences were finalised. Both the plan and guidelines will be implemented to reduce the burden of violence and injury prevention on the health sector. This subprogramme has 8 filled posts.

Expenditure estimates

Table 16.13 Primary Health Care Services

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Programme Management	–	2 468	1 897	3 332	–	2.0%	3 007	3 155	3 324	-0.1%	3.2%
District Services and Environmental Health	28 868	45 009	24 932	21 585	-9.2%	30.6%	25 762	26 962	28 405	9.6%	25.8%
Communicable Diseases	13 985	9 706	43 624	15 098	2.6%	21.0%	13 553	14 187	14 945	-0.3%	14.5%
Non-Communicable Diseases	25 685	24 155	22 692	25 890	0.3%	25.0%	25 718	26 954	28 576	3.3%	26.9%
Health Promotion and Nutrition	10 232	12 288	14 114	23 062	31.1%	15.2%	21 768	22 852	24 152	1.6%	23.1%
Violence, Trauma and EMS	3 523	3 699	3 699	13 649	57.1%	6.2%	3 707	3 959	4 251	-32.2%	6.4%
Total	82 293	97 325	110 958	102 616	7.6%	100.0%	93 515	98 069	103 653	0.3%	100.0%
Change to 2013 Budget estimate				(6 799)			(5 703)	(5 510)	(1 717)		

Economic classification

	75 523	94 647	106 219	98 644	9.3%	95.4%	87 603	93 978	99 345	0.2%	95.4%
Current payments											
Compensation of employees	34 766	41 051	40 444	48 815	12.0%	42.0%	50 567	53 297	56 174	4.8%	52.5%
Goods and services	40 757	53 596	65 775	49 829	6.9%	53.4%	37 036	40 681	43 171	-4.7%	42.9%
of which:											
Administration fees	89	–	2	60	-12.3%	–	62	65	–	-100.0%	–
Advertising	286	1 780	1 104	824	42.3%	1.0%	838	876	2 104	36.7%	1.2%
Assets less than the capitalisation threshold	137	267	322	437	47.2%	0.3%	454	475	349	-7.2%	0.4%
Audit costs: External	–	–	–	129	–	–	134	140	–	-100.0%	0.1%
Catering: Departmental activities	704	672	377	2 422	51.0%	1.1%	1 537	1 609	1 414	-16.4%	1.8%
Communication	366	337	352	3 691	116.1%	1.2%	4 302	4 500	1 349	-28.5%	3.5%
Computer services	4	1	14	1 727	655.8%	0.4%	1 796	1 879	11	-81.5%	1.4%
Consultants and professional services: Business and advisory services	21 380	35 004	4 364	14 725	-11.7%	19.2%	8 379	9 879	6 066	-25.6%	9.8%
Contractors	37	15	18	132	52.8%	0.1%	133	139	–	-100.0%	0.1%
Agency and support / outsourced services	112	14	8 734	21	-42.8%	2.3%	22	23	7 959	623.7%	2.0%
Entertainment	12	14	–	67	77.4%	–	70	73	–	-100.0%	0.1%
Inventory: Food and food supplies	–	–	8	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	1	3	3	203	487.7%	0.1%	211	221	–	-100.0%	0.2%
Inventory: Learner and teacher support material	–	–	–	177	–	–	184	192	–	-100.0%	0.1%
Inventory: Materials and supplies	2	1	–	17	104.1%	–	17	17	–	-100.0%	–
Inventory: Medical supplies	2 106	65	–	–	-100.0%	0.6%	–	–	–	–	–
Inventory: Medicine	–	–	32 083	1 026	–	8.4%	1 067	1 116	2 905	41.5%	1.5%
Inventory: Other supplies	10	38	9	62	83.7%	–	66	69	–	-100.0%	–
Consumable: Stationery, printing and office supplies	2 785	3 790	2 103	5 667	26.7%	3.6%	5 808	5 075	3 660	-13.6%	5.1%
Operating leases	300	343	325	463	15.6%	0.4%	477	499	347	-9.2%	0.4%
Travel and subsistence	6 627	7 154	8 340	14 532	29.9%	9.3%	7 919	10 110	8 890	-15.1%	10.4%
Training and development	25	241	13	15	-15.7%	0.1%	16	17	14	-2.3%	–
Operating payments	5 370	2 243	5 859	1 862	-29.7%	3.9%	1 918	2 006	6 064	48.2%	3.0%
Venues and facilities	404	1 614	1 745	1 570	57.2%	1.4%	1 626	1 701	2 039	9.1%	1.7%
Transfers and subsidies	6 338	2 004	3 530	2 498	-26.7%	3.7%	4 438	2 550	2 685	2.4%	3.1%
Departmental agencies and accounts	4 600	–	–	–	-100.0%	1.2%	–	–	–	–	–
Non-profit institutions	1 708	1 504	3 528	2 498	13.5%	2.3%	4 438	2 550	2 685	2.4%	3.1%
Households	30	500	2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	432	660	523	1 474	50.5%	0.8%	1 474	1 541	1 623	3.3%	1.5%

Table 16.13 Primary Health Care Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
R thousand											
Machinery and equipment	432	660	523	1 474	50.5%	0.8%	1 474	1 541	1 623	3.3%	1.5%
Payments for financial assets	-	14.0	686.0	-	-	0.2%	-	-	-	-	-
Total	82 293.0	97 325.0	110 958.0	102 616.0	7.6%	100.0%	93 515.0	98 069.0	103 653.0	0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.3%			0.3%	0.3%	0.3%		

Details of transfers and subsidies

Non-profit institutions	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	Average growth rate (%)
Current	1 708	1 504	3 528	2 498	13.5%	2.3%	4 438
Non-Communicable Disease non-governmental organisations	-	-	1 100	-	-	0.3%	-
District Services & Environmental Health non-governmental organisations	-	-	844	-	-	0.2%	-
South African Federation for Mental Health	261	277	290	305	5.3%	0.3%	320
South African National Council for the Blind	585	620	651	684	5.3%	0.6%	718
Public Health Association of South Africa	-	-	-	100	-	-	-
Inter-Academy Medical Panel	-	-	-	100	-	-	-
Medical Research Council: South African Community Epidemiology Network on Drug Use	366	303	351	428	5.4%	0.4%	450
Downs Syndrome South Africa	146	11	-	173	5.8%	0.1%	182
National Council Against Smoking	350	293	292	708	26.5%	0.4%	768
Health Systems Global - South Africa	-	-	-	-	-	-	2 000
Households							
Social benefits							
Current	30	-	2	-	-100.0%	-	-
Employee social benefits	30	-	2	-	-100.0%	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	4 600	-	-	-	-100.0%	1.2%	-
Humans Sciences Research Council	4 600	-	-	-	-100.0%	1.2%	-
Households							
Other transfers to households							
Current	-	500	-	-	-	0.1%	-
Donation	-	500	-	-	-	0.1%	-

Personnel information

Table 16.14 Details of approved establishment and personnel numbers according to salary level¹

Primary Health Care Services	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Salary level	103	1	101	40.4	0.4	107	48.8	0.5	106	50.6	0.5	106	53.3	0.5	106	56.2	0.5	-0.3%	100.0%
1 - 6	24	-	24	4.2	0.2	25	4.5	0.2	23	4.6	0.2	23	4.9	0.2	23	5.1	0.2	-2.7%	22.1%
7 - 10	37	-	42	14.0	0.3	41	15.0	0.4	43	17.0	0.4	43	17.9	0.4	43	18.9	0.4	1.6%	40.0%
11 - 12	25	-	20	10.9	0.5	23	14.1	0.6	24	15.3	0.6	24	16.2	0.7	24	17.0	0.7	1.4%	22.4%
13 - 16	17	1	15	11.4	0.8	18	15.2	0.8	16	13.6	0.8	16	14.4	0.9	16	15.1	0.9	-3.9%	15.5%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on promoting health, preventing non-communicable diseases such as hypertension and diabetes, and combating malaria and vector borne diseases in South Africa and the SADC. As such, *Non-Communicable Diseases* and *Communicable Diseases* subprogrammes are expected to be the largest spending items in the programme over the MTEF period. Pursuing these objectives

requires significant spending on compensation of employees, consultants, and travel and subsistence, which is why a large proportion of the programme's budget is allocated to these items over the medium term.

The significant increase in spending in the *District Services and Environmental Health* subprogramme in 2011/12 was due to the once-off payment of R24.8 million for the health facilities audit carried out, which increased expenditure on consultants and professional services. The audit was carried out to establish baselines for future inspections by the Office of Standards Compliance and to enable comparison between facilities.

In 2012/13, spending in the *Communicable Diseases* subprogramme was higher due to the rollover of funds to purchase avian flu influenza vaccines, which were needed in the provincial departments due to the severity of the epidemic. The increase in spending in the *Violence, Trauma and EMS* subprogramme in 2013/14 was mainly due to a once-off allocation for emergency services to cover for the 2014 African Nations Championship.

Programme 5: Hospital, Tertiary Health Services and Human Resource Development

Objectives

- Improve management and accountability for hospital services at the local level through the amendment of delegations and the introduction of hospital board regulations over the medium term.
- Accelerate the delivery of health infrastructure by:
 - applying health infrastructure norms and standards for all levels of health services at all stages of the development cycle over the medium term
 - conducting cost modelling for all components and levels of health facilities, including capital and maintenance over the medium term
 - maintaining a project management information system for projects and programme monitoring and oversight over the medium term.
- Achieve a well managed and productive workforce through the implementation of the national human resources for health strategy over the medium term.
- Implement human resources for health norms and standards using the workload indicators for staffing needs approach to improve human resources management and planning over the medium term.
- Develop and implement a national nursing education policy to promote a uniform approach to nursing education and training over the medium term.

Subprogrammes

- *Programme Management* supports the development of policies, delivery models and clinical protocols for hospitals and emergency medical services. It also supports the alignment of academic medical centres with health workforce programmes. This subprogramme has 3 filled posts.
- *Health Facilities Infrastructure Management* coordinates and funds health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology, hospital management and improve the quality of care. It is also responsible for two conditional grants for health infrastructure: the provincial health facility revitalisation grant and, since 2013/14, the infrastructure component of the national health grant. In 2012/13, guidance was provided on infrastructure planning and design through the infrastructure unit systems support and 32 sets of national infrastructure norms, standards, guidelines and benchmarks for all levels of health care facilities were developed. In addition, the project monitoring information system was configured, tested and piloted. In 2013/14, 3 health infrastructure related conditional grants (hospital revitalisation, health infrastructure, and nursing colleges) were merged into 2 grants of which 1 was transferred to provinces and 1 implemented by the national department. This subprogramme has 15 filled posts.
- *Tertiary Health Care Planning and Policy* focuses on the provision of tertiary specialised hospital services in a modernised and reconfigured manner; identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements; and is responsible for the management of the

national tertiary services grant. 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 2012/13, tertiary services (especially the central hospitals) and training grants were coordinated and monitored; and the Health Leadership and Management Academy was assisted in developing training programmes for hospital managers. In addition, a literature review was done on granting autonomy to central hospitals. A new costing and funding model and regulatory framework for central hospitals is being developed in 2013/14. This subprogramme has 6 filled posts.

- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals. Priority areas for hospital improvements include: cleanliness; infection prevention and control; patient safety; drug management and availability of medicines; waiting times; and staff attitudes. In 2012/13, the classification of hospitals in terms of levels of care was gazetted and implemented. In addition, 104 hospital chief executives were appointed within the new framework and they attended an induction workshop. This subprogramme has 6 filled posts.
- *Human Resources for Health* is responsible for medium to long term 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. The bulk of this subprogramme's budget is transferred to provinces through the health professions training and development conditional grant, partly based on the historical distribution of medical student numbers. In 2012/13, workload indicators for staffing needs were drafted with technical support from the World Health Organisation. Implementation of human resources for health norms and standards began in all 9 provincial departments, with a focus on the national health insurance pilot districts. Approximately 97 facilities were sampled and assessed using the workload indicators tool in collaboration with World Health Organisation experts. Provinces were trained on the workload indicators model and methodology, and this was followed by the development of implementation plans. In addition, the Minister of Health launched the Health Leadership and Management Academy and a public health education fund was created in partnership with the private sector. The Cuban medical training programme was also expanded. By the end of December 2012, 920 South African students had travelled to Cuba for medical training. This subprogramme has 39 filled posts.
- *Nursing Services* is a new subprogramme responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity, developing nursing norms and standards, and facilitating the development of the nursing training curriculum to ensure that nurses are appropriately skilled and utilised appropriately and effectively. Over the medium term, the focus will be on the rollout and implementation of this strategy. This subprogramme has 2 filled posts.
- *Forensic Chemistry Laboratories* is discussed in more detail below.

Expenditure estimates

Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand				2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Programme Management	–	1 681	798	2 556	–	–	3 570	3 748	3 950	15.6%	–
Health Facilities Infrastructure Management	5 191 544	5 985 910	6 314 812	5 790 415	3.7%	34.8%	6 275 300	6 467 573	6 828 200	5.6%	32.9%
Tertiary Health Care Planning and Policy	7 400 741	8 051 780	8 882 258	9 623 920	9.2%	50.8%	10 171 405	10 639 296	11 203 181	5.2%	54.0%
Hospital Management	2 993	9 432	21 427	5 528	22.7%	0.1%	5 426	4 672	5 976	2.6%	–
Human Resources for Health	1 880 530	2 000 988	2 111 834	2 217 324	5.6%	12.3%	2 344 652	2 452 565	2 582 610	5.2%	12.4%
Nursing Services	–	–	503	3 760	–	–	2 531	2 663	2 808	-9.3%	–
Forensic Chemistry Laboratories	589 929	650 322	64 221	78 883	-48.9%	2.1%	122 896	122 824	134 306	19.4%	0.6%
Total	15 065 737	16 700 113	17 395 853	17 722 386	5.6%	100.0%	18 925 780	19 693 341	20 761 031	5.4%	100.0%
Change to 2013 Budget estimate				(188 812)			(150 594)	(213 223)	25 550		

Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Current payments	70 421	132 323	203 437	165 585	33.0%	0.9%	185 946	193 189	210 595	8.3%	1.0%
Compensation of employees	40 081	53 932	63 962	77 426	24.5%	0.4%	104 722	110 372	116 352	14.5%	0.5%
Goods and services	30 340	78 391	139 475	88 159	42.7%	0.5%	81 224	82 817	94 243	2.2%	0.4%
of which:											
Administration fees	28	37	78	391	140.8%	-	108	133	-	-100.0%	-
Advertising	205	2 638	283	1 162	78.3%	-	1 220	1 299	351	-32.9%	-
Assets less than the capitalisation threshold	150	199	845	1 488	114.9%	-	1 653	1 728	1 823	7.0%	-
Bursaries: Employees	-	-	-	68	-	-	69	72	-	-100.0%	-
Catering: Departmental activities	152	229	188	962	85.0%	-	1 008	1 062	187	-42.1%	-
Communication	935	862	963	1 255	10.3%	-	1 216	1 490	2 925	32.6%	-
Computer services	636	917	1 842	1 749	40.1%	-	1 849	2 103	1 817	1.3%	-
Consultants and professional services: Business and advisory services	14 542	52 926	112 944	51 678	52.6%	0.3%	46 900	48 302	49 390	-1.5%	0.3%
Consultants and professional services: Laboratory services	-	-	9	75	-	-	80	80	374	70.8%	-
Contractors	1 577	2 141	1 990	4 143	38.0%	-	4 502	1 082	4 550	3.2%	-
Agency and support / outsourced services	965	2 179	2 627	1 723	21.3%	-	1 832	1 993	5 753	49.5%	-
Entertainment	6	5	2	23	56.5%	-	18	18	-	-100.0%	-
Inventory: Food and food supplies	-	-	5	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	218	88	416	150	-11.7%	-	160	175	457	45.0%	-
Inventory: Materials and supplies	91	75	23	52	-17.0%	-	59	64	-	-100.0%	-
Inventory: Medical supplies	10	6	33	60	81.7%	-	65	90	-	-100.0%	-
Inventory: Medicine	2	14	11	30	146.6%	-	30	40	12	-26.3%	-
Inventory: Other supplies	4 167	5 125	6 291	9 201	30.2%	-	8 587	11 647	12 379	10.4%	0.1%
Consumable: Stationery, printing and office supplies	759	698	939	2 442	47.6%	-	1 561	1 723	868	-29.2%	-
Operating leases	490	1 237	804	4 664	111.9%	-	4 760	4 992	1 838	-26.7%	-
Travel and subsistence	4 210	6 706	8 355	5 052	6.3%	-	4 188	2 911	10 151	26.2%	-
Training and development	29	-	-	29	-	-	30	31	-	-100.0%	-
Operating payments	434	1 899	111	428	-0.5%	-	539	618	612	12.7%	-
Venues and facilities	734	410	693	1 334	22.0%	-	790	1 164	731	-18.2%	-
Rental and hiring	-	-	23	-	-	-	-	-	25	-	-
Transfers and subsidies	14 990 221	16 549 043	17 181 216	17 105 539	4.5%	98.4%	17 730 004	18 453 354	19 409 265	4.3%	94.3%
Provinces and municipalities	14 990 204	16 541 820	17 158 834	17 101 539	4.5%	98.4%	17 730 004	18 453 354	19 409 265	4.3%	94.3%
Higher education institutions	-	7 200	21 000	4 000	-	-	-	-	-	-100.0%	-
Non-profit institutions	-	-	1 326	-	-	-	-	-	-	-	-
Households	17	23	56	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	4 945	18 747	11 186	451 262	350.2%	0.7%	1 009 830	1 046 798	1 141 171	36.2%	4.7%
Buildings and other fixed structures	-	-	-	440 025	-	0.7%	979 862	1 021 169	1 115 244	36.3%	4.6%
Machinery and equipment	4 883	18 747	11 186	11 237	32.0%	0.1%	29 968	25 629	25 927	32.1%	0.1%
Software and other intangible assets	62.0	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	150.0	-	14.0	-	-100.0%	-	-	-	-	-	-
Total	15 065 737.0	16 700 113.0	17 395 853.0	17 722 386.0	5.6%	100.0%	8 925 780.0	9 693 341.0	10 761 031.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	66.9%	64.9%	62.4%	58.1%			55.7%	53.8%	52.7%		

Details of transfers and subsidies

Non-profit institutions											
Current	-	-	1 326	-	-	-	-	-	-	-	-
Health facilities and infrastructure management: Non-profit institutions	-	-	1 326	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	-	23	56	-	-	-	-	-	-	-	-
Employee social benefits	-	23	56	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	17	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	17	-	-	-	-100.0%	-	-	-	-	-	-

Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
Audited outcome						2014/15	2015/16	2016/17			2013/14 - 2016/17
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	9 820 349	10 616 568	12 869 239	11 810 723	6.3%	67.5%	12 490 023	13 064 564	13 756 985	5.2%	66.3%
Health professions training and development grant	1 865 387	1 977 310	2 075 248	2 190 366	5.5%	12.1%	2 321 788	2 428 590	2 557 305	5.3%	12.3%
National tertiary services grant	7 398 000	8 048 878	8 878 010	9 620 357	9.2%	50.8%	10 168 235	10 635 974	11 199 680	5.2%	54.0%
Health Infrastructure grant	-	-	1 800 981	-	-	2.7%	-	-	-	-	-
Nursing Colleges grant	-	-	100 000	-	-	0.1%	-	-	-	-	-
Forensic pathology services grant	556 962	590 380	-	-	-100.0%	1.7%	-	-	-	-	-
2013 African Cup of Nations medical services grant	-	-	15 000	-	-	-	-	-	-	-	-
Capital	5 169 855	5 925 252	4 289 595	5 290 816	0.8%	30.9%	5 239 981	5 388 790	5 652 280	2.2%	28.0%
Health facility revitalisation grant	5 169 855	5 925 252	4 289 595	5 290 816	0.8%	30.9%	5 239 981	5 388 790	5 652 280	2.2%	28.0%
Higher education institutions											
Current	-	7 200	21 000	4 000	-	-	-	-	-	-100.0%	-
University of Limpopo	-	-	4 000	-	-	-	-	-	-	-	-
University of Cape Town	-	-	4 000	-	-	-	-	-	-	-	-
University of the Witwatersrand	-	7 200	9 000	-	-	-	-	-	-	-	-
University of Stellenbosch	-	-	4 000	-	-	-	-	-	-	-	-
Walter Sisulu University	-	-	-	4 000	-	-	-	-	-	-100.0%	-

Personnel information

Table 16.16 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17												
Hospitals, Tertiary Health Services and Human Resource Development		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	212	-	195	64.0	0.3	208	77.4	0.4	291	104.7	0.4	291	110.4	0.4	291	116.4	0.4	11.8%	100.0%
1 - 6	50	-	54	9.1	0.2	50	9.6	0.2	71	13.0	0.2	71	13.7	0.2	71	14.5	0.2	12.4%	24.3%
7 - 10	128	-	111	33.2	0.3	125	40.6	0.3	180	61.0	0.3	180	64.3	0.4	180	67.8	0.4	12.9%	61.5%
11 - 12	18	-	15	8.5	0.6	18	11.1	0.6	21	13.2	0.6	21	13.9	0.7	21	14.4	0.7	5.3%	7.5%
13 - 16	16	-	15	13.1	0.9	15	16.2	1.1	19	17.5	0.9	19	18.4	1.0	19	19.7	1.0	8.2%	6.7%

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

² Rand million.

Expenditure trends

This is the largest programme of the department due to the three large provincial grants and the one national conditional grant that fall under it. The spending focus over the MTEF period will continue to be on planning for health infrastructure and strengthening tertiary services. As the bulk of this work is done at the provincial level, 91.8 per cent of the programme's allocation over the MTEF period is transferred to provinces.

The health facility revitalisation grant, managed by the *Health Facilities Infrastructure Management* subprogramme, has been allocated R16.3 billion over the MTEF period.

The health facilities revitalisation component of the national health grant, which was established in 2013/14, is an indirect grant to which R3.1 billion has been allocated over the MTEF period. The department plans to use these funds to deliver infrastructure on behalf of provinces. In its first year, the grant was used to build doctors' consulting rooms at national health insurance pilot sites, upgrade nursing colleges, rehabilitate clinics in pilot districts, and purchase equipment. Due to slower than anticipated spending, Cabinet has approved reductions on the national health grant of R704.3 million over the medium term.

Expenditure in the *Tertiary Health Care and Planning* subprogramme mainly consists of the national tertiary services grant, through which tertiary hospitals receive subsidies to provide specialised services. A new model that will price tertiary services more accurately and provide a basis for the interprovincial funding

determination is being developed. The slight decrease in spending in the *Hospital Management* subprogramme was partly due to the violence and trauma components being shifted to the *Primary Health Care Services* programme.

Spending on compensation of employees grew at an average rate of 24.5 per cent between 2010/11 and 2013/14. The number of employees is projected to increase from 208 in 2013/14 to 291 in 2014/15, where it is set to remain in the outer years of the MTEF period. This increase is due to the recruitment of forensic analysts and other forensic staff, particularly for the new laboratory in Durban. There were 5 vacant posts at the end of November 2013 due to natural attrition.

Subprogramme: Forensic Chemistry Laboratories

This subprogramme is responsible for the analysis of blood alcohol for drunken driving analysis (ante- and post-mortem), toxicology analyses of biological fluids and human organs in the event of unnatural deaths (murder and suicide), as well as analyses of foodstuffs. Results obtained are used in court cases. In drunken driving cases, a turnaround time of 90 days has been set by the criminal justice review committee. Perishable foodstuffs need to be analysed within 30 days and non-perishable foodstuffs within 60 days to ensure the legal procedure can be completed successfully. The 2013/14 targets for completed samples are as follows: 110 000 for blood alcohol, 3 400 for toxicology and 3 500 for food analysis. At the end of the third quarter, 57 745 blood alcohol, 2 055 toxicology and 12 845 food analyses were completed. This subprogramme has 137 filled posts.

Expenditure estimates

Table 16.17 Forensic Chemistry Laboratories

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Current payments	28 352	41 334	53 301	68 532	34.2%	13.8%	93 814	98 124	109 357	16.9%	80.6%
Compensation of employees	18 298	27 016	37 341	43 627	33.6%	9.1%	68 414	72 109	76 003	20.3%	56.7%
Goods and services	10 054	14 318	15 960	24 905	35.3%	4.7%	25 400	26 015	33 354	10.2%	23.9%
of which:											
Advertising	204	483	161	110	-18.6%	0.1%	120	150	176	17.0%	0.1%
Assets less than the capitalisation threshold	111	122	709	800	93.2%	0.1%	850	900	1 779	30.5%	0.9%
Catering: Departmental activities	3	16	21	30	115.4%	-	40	50	23	-8.5%	-
Communication	665	651	695	850	8.5%	0.2%	900	950	1 765	27.6%	1.0%
Computer services	566	755	680	1 650	42.9%	0.3%	1 750	2 000	748	-23.2%	1.3%
Consultants and professional services: Business and advisory services	55	142	50	160	42.8%	-	200	250	54	-30.4%	0.1%
Consultants and professional services: Laboratory services	-	-	9	-	-	-	-	-	-	-	-
Contractors	1 487	2 136	1 990	3 816	36.9%	0.7%	4 165	730	4 550	6.0%	2.9%
Agency and support / outsourced services	836	1 120	2 398	1 500	21.5%	0.4%	1 600	1 750	5 638	55.5%	2.3%
Inventory: Fuel, oil and gas	216	88	415	15	-58.9%	0.1%	20	30	457	212.3%	0.1%
Inventory: Materials and supplies	90	75	9	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	10	6	5	30	44.2%	-	30	50	-	-100.0%	-
Inventory: Medicine	2	14	11	30	146.6%	-	30	40	12	-26.3%	-
Inventory: Other supplies	4 167	5 124	6 285	9 189	30.2%	1.8%	8 575	11 635	12 379	10.4%	9.1%
Consumable: Stationery, printing and office supplies	290	206	492	1 150	58.3%	0.2%	1 300	1 400	541	-22.2%	1.0%
Operating leases	342	1 058	612	4 010	127.2%	0.4%	4 200	4 300	673	-44.8%	2.9%
Travel and subsistence	641	1 392	1 333	1 550	34.2%	0.4%	1 600	1 750	4 466	42.3%	2.0%
Operating payments	369	930	62	-	-100.0%	0.1%	-	-	-	-	-
Venues and facilities	-	-	-	15	-	-	20	30	68	65.5%	-
Rental and hiring	-	-	23	-	-	-	-	-	25	-	-
Transfers and subsidies	556 979	590 380	20	-	-100.0%	82.9%	-	-	-	-	-
Provinces and municipalities	556 962	590 380	-	-	-100.0%	82.9%	-	-	-	-	-
Households	17	-	20	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	4 598	18 608	10 900	10 351	31.1%	3.2%	29 082	24 700	24 949	34.1%	19.4%
Machinery and equipment	4 536	18 608	10 900	10 351	31.7%	3.2%	29 082	24 700	24 949	34.1%	19.4%
Software and other intangible assets	62.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	589 929.0	650 322.0	64 221.0	78 883.0	-48.9%	100.0%	122 896.0	122 824.0	134 306.0	19.4%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	3.9%	3.9%	0.4%	0.4%			0.6%	0.6%	0.6%		

Personnel information

Table 16.18 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of posts additional to the establishment	2012/13			2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Forensic Chemistry Laboratories																			
Salary level	136	78	125	37.3	0.3	137	43.6	0.3	207	68.4	0.3	207	72.1	0.4	207	76.0	0.4	14.7%	100.0%
1 – 6	45	–	38	6.4	0.2	40	7.4	0.2	52	9.7	0.2	52	10.2	0.2	52	10.8	0.2	9.1%	25.9%
7 – 10	85	78	82	27.3	0.3	92	32.9	0.4	150	55.2	0.4	150	58.2	0.4	150	61.3	0.4	17.7%	71.5%
11 – 12	5	–	4	2.8	0.7	4	2.6	0.7	4	2.7	0.7	4	2.9	0.7	4	3.0	0.8	–	2.1%
13 – 16	1	–	1	0.9	0.9	1	0.8	0.8	1	0.8	0.8	1	0.9	0.9	1	0.9	0.9	–	0.5%

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

2. Rand million.

Expenditure trends

In 2012/13, the forensic pathology services grant was shifted to provinces and phased into the provincial equitable share, significantly decreasing the expenditure of the subprogramme. Capital spending has been increasing to reduce the backlogs in forensic chemistry tests in order to assist in the criminal justice system processes. In 2013/14, a fourth forensic chemistry laboratory was set up in Durban. As the Durban facility comes on board in 2014/15, expenditure on goods and services is projected to increase. In 2014, the forensic chemistry laboratory in Pretoria will also be moved to a bigger building, which will require equipment to be moved and re-commissioned. This explains the increase expected in expenditure on goods and services projected over the medium term.

Establishing the Durban forensic chemistry laboratory requires the procurement of additional equipment for blood alcohol analyses. In addition, redundant equipment needs to be replaced in the three currently operational forensic chemistry laboratories in Cape Town, Johannesburg and Pretoria within the next three years. Thus R70 million is added to the capital budget over the medium term to provide for this equipment and explains the significant increase in expenditure on payments for capital assets over the medium term.

The staff establishment is set to increase significantly, from 137 in 2013/14 to 207 in 2014/15. The increase is mainly due to the recruitment of forensic analysts to address backlogs in forensic chemistry laboratory tests. As a result, expenditure on compensation of employees is projected to grow at an average rate of 20.3 per cent over the medium term. 5 posts were vacant as at 30 November 2013 due to natural attrition.

Programme 6: Health Regulation and Compliance Management

Objectives

- Improve oversight over health entities and statutory health professional councils by ensuring that governance and management framework reports are produced biannually, and by monitoring their performance and producing performance feedback reports on an ongoing basis.
- Improve quality of care by monitoring the compliance rate of all public health establishments against the national core standards on an ongoing basis.

Subprogrammes

- *Programme Management* provides leadership for this programme by supporting the development of regulation for procurement of medicines and pharmaceutical supplies, food control and the trade in health products and health technology. It provides oversight to regulatory bodies and public entities for effective governance and quality of health care. This subprogramme has 5 filled posts.
- *Food Control* regulates foodstuffs and non-medical health products to ensure food safety. This entails developing and implementing food control policies, regulations, and norms and standards. Over the medium term, focus will be placed on continually developing, finalising and publishing regulations in line

with the relevant provisions of the Foodstuffs, Cosmetics and Disinfectants Act (1972). In 2012/13, the nutrient profiling model was finalised and published to ensure that health and nutrient claims could be evaluated, and to identify foodstuffs with an unhealthy nutrient profile. A working document on labelling regulations was developed, with 7 sets of regulations drafted and published either for comment or finalised. There was also participation in 10 activities related to the Codex Alimentarius Commission. This subprogramme has 13 filled posts.

- *Pharmaceutical Trade and Product Regulation* regulates the sale of medicines, through an assessment of their efficacy, safety and quality. The South African Health Products Regulatory Authority should be fully established over the medium term. In 2012/13, the number of applications for medicine registrations finalised increased by 46 per cent compared to 2011/12. Finalised applications include both registrations and rejections (423 registrations and 160 rejections in 2011/12 and 734 registrations and 117 rejections in 2012/13). The registration of antiretroviral medicines was fast tracked, resulting in a number of fixed dose combination antiretrovirals being made available to patients in the public sector in 2013/14. A 40 per cent reduction of the backlog in the finalising of applications for generic medicines was achieved and the backlog in the finalisation of applications for new chemical entities was significantly reduced. 115 new chemical entities were finalised in 2012/13 against 33 registered in 2011/12. Of the 115 registered, 54 were from the backlog. This subprogramme has 131 filled posts.
- *Public Entities Management* provides policy frameworks for health public entities and statutory health professions councils with regard to planning, budgeting procedures, ownership, governance, remuneration, accountability, and financial reporting and oversight. The bulk of its budget is transferred to the South African Medical Research Council, the National Health Laboratory Service and the Council for Medical Schemes. In 2012/13, the compliance and implementation of laws and regulations applicable to these entities and councils was monitored and the Interim Traditional Health Practitioners Council of South Africa was established to regulate traditional health practitioners. A governance report focusing on the corporate governance status of the entities was produced in 2013/14. The report also focused on compliance with the Public Finance Management Act (1999) and highlighted areas of non-compliance. Several regulations were promulgated into law under the various pieces of legislation establishing the statutory health professional councils and a functionality report on the forum of statutory health professional councils was produced. This subprogramme has 4 filled posts.
- *Office of Standards Compliance* deals with quality assurance, development and inspections for compliance with national standards, patient complaints; and radiation control. This entails logging and tracking complaints; developing and disseminating standards and audit tools; inspecting health establishments and radiation installations for compliance, and issuing importation licences for ionising radiation irradiating apparatus and for radioactive equipment and sources. In 2012/13, the National Health Amendment Health Act (2013) was signed into law. The board of the Office of Standards Compliance was inaugurated in January 2014 and on the 1 April 2014 the office will start to function as an independent public entity. The subprogramme comprises compliance inspections, quality assurance and radiation control. The purpose of the quality assurance and improvement section is to ensure that the public health system implements the actions needed to improve the quality of care and patients' experience of care, including better responses to complaints. Successes in complaints management based on proactive follow-up systems have seen the response rate of within 25 working days climb from 40 per cent to 57 per cent and further to 75 per cent (for first 3 quarters of 2013/14) over the past 3 years. This subprogramme has 84 filled posts.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of compensation to active and former workers in controlled mines and works who have been certified to be suffering from cardio-pulmonary-related diseases as a result of workplace exposure in the controlled mines or works. Over the medium term, the focus will be on reengineering business processes to ensure sustainability; reducing the turnaround period in settling claims, amending the Occupational Diseases in Mines and Works Act (1973); and improving governance, internal controls and relationships with key stakeholders. The subprogramme also oversees and manages the Compensation Commissioner for Occupational Diseases trading entity. In 2012/13, 12 242 mineworkers underwent medical examinations to assess whether they were eligible for compensation. In 2013/14, processes in the commissioner were

closely linked with those of the Medical Bureau of Occupational Diseases to provide a more efficient transition from certification to compensation. This subprogramme has 104 filled posts.

Expenditure estimates

Table 16.19 Health Regulation and Compliance Management

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Programme Management	–	2 441	2 693	3 437	–	0.4%	4 127	4 332	4 564	9.9%	0.4%
Food Control	5 894	5 850	9 928	8 277	12.0%	1.3%	7 512	7 918	8 370	0.4%	0.8%
Pharmaceutical Trade and Product Regulation	67 538	71 341	77 707	98 400	13.4%	13.3%	96 248	100 886	106 319	2.6%	10.5%
Public Entities Management	418 000	378 135	384 716	540 494	8.9%	72.6%	592 532	767 274	808 032	14.3%	70.9%
Office of Standards Compliance	18 723	26 153	36 994	58 144	45.9%	5.9%	108 953	125 764	134 761	32.3%	11.2%
Compensation Commissioner for Occupational Diseases and Occupational Health	30 567	33 883	36 181	54 900	21.6%	6.6%	55 912	58 644	61 643	3.9%	6.1%
Total	540 722	517 803	548 219	763 652	12.2%	100.0%	865 284	1 064 818	1 123 689	13.7%	100.0%
Change to 2013 Budget estimate				9 535			33 896	47 602	42 609		
Economic classification											
Current payments	117 729	136 595	162 554	221 329	23.4%	26.9%	271 152	295 860	313 976	12.4%	28.9%
Compensation of employees	71 059	92 294	106 256	110 852	16.0%	16.1%	148 717	164 960	176 539	16.8%	15.7%
Goods and services	46 670	44 301	56 298	110 477	33.3%	10.9%	122 435	130 900	137 437	7.6%	13.1%
of which:											
Administration fees	13	78	35	841	301.4%	–	48	51	29	-67.5%	–
Advertising	906	1 981	1 457	1 938	28.8%	0.3%	2 017	2 110	4 075	28.1%	0.3%
Assets less than the capitalisation threshold	465	1 084	728	10 837	185.6%	0.6%	11 486	13 968	6 798	-14.4%	1.1%
Audit costs: External	1 411	2 709	1 000	3 770	38.8%	0.4%	4 234	4 536	3 100	-6.3%	0.4%
Bursaries: Employees	–	–	1	–	–	–	–	–	451	–	–
Catering: Departmental activities	325	360	420	668	27.1%	0.1%	696	729	912	10.9%	0.1%
Communication	1 662	1 718	1 813	2 352	12.3%	0.3%	2 437	2 549	4 983	28.4%	0.3%
Computer services	995	140	939	5 673	78.6%	0.3%	6 367	5 614	1 533	-35.3%	0.5%
Consultants and professional services: Business and advisory services	20 895	16 169	21 530	36 475	20.4%	4.0%	43 558	39 695	45 045	7.3%	4.3%
Consultants and professional services: Legal costs	34	42	–	242	92.4%	–	254	266	–	-100.0%	–
Contractors	507	376	744	1 397	40.2%	0.1%	1 459	1 526	1 819	9.2%	0.2%
Agency and support / outsourced services	972	900	1 898	3 559	54.1%	0.3%	3 600	9 720	12 089	50.3%	0.8%
Entertainment	11	14	10	143	135.1%	–	146	153	–	-100.0%	–
Inventory: Food and food supplies	–	–	7	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	3	28	2	50	155.4%	–	50	52	–	-100.0%	–
Inventory: Materials and supplies	12	16	25	201	155.9%	–	210	220	523	37.5%	–
Inventory: Medical supplies	524	16	31	735	11.9%	0.1%	761	796	534	-10.1%	0.1%
Inventory: Medicine	–	–	32	52	–	–	55	58	32	-14.9%	–
Inventory: Other supplies	196	127	298	1 279	86.9%	0.1%	1 328	1 389	1 325	1.2%	0.1%
Consumable: Stationery, printing and office supplies	1 553	1 356	1 597	5 500	52.4%	0.4%	6 707	6 967	4 604	-5.8%	0.6%
Operating leases	598	851	1 145	1 592	38.6%	0.2%	1 659	1 735	3 809	33.7%	0.2%
Property payments	–	–	28	–	–	–	–	2 000	2 522	–	0.1%
Travel and subsistence	13 444	13 243	19 820	27 594	27.1%	3.1%	28 195	28 833	36 259	9.5%	3.2%
Training and development	51	286	6	–	-100.0%	–	–	–	2 273	–	0.1%
Operating payments	1 500	2 115	2 275	4 048	39.2%	0.4%	5 186	5 378	3 224	-7.3%	0.5%
Venues and facilities	593	692	457	1 531	37.2%	0.1%	1 982	2 555	1 498	-0.7%	0.2%
Transfers and subsidies	420 729	379 924	384 531	538 635	8.6%	72.7%	590 444	765 100	805 651	14.4%	70.7%
Departmental agencies and accounts	415 698	373 557	375 729	528 383	8.3%	71.4%	579 577	753 733	793 682	14.5%	69.6%
Non-profit institutions	4 922	6 097	8 252	10 252	27.7%	1.2%	10 867	11 367	11 969	5.3%	1.2%
Households	109	270	550	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	2 121	1 282	1 103	3 688	20.2%	0.3%	3 688	3 858	4 062	3.3%	0.4%
Machinery and equipment	2 121	1 282	1 103	3 688	20.2%	0.3%	3 688	3 858	4 062	3.3%	0.4%
Payments for financial assets	143.0	2.0	31.0	–	-100.0%	–	–	–	–	–	–
Total	540 722.0	517 803.0	548 219.0	763 652.0	12.2%	100.0%	865 284.0	1 064 818.0	1 123 689.0	13.7%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	2.0%	2.0%	2.5%			2.5%	2.9%	2.9%		

Table 16.19 Health Regulation and Compliance Management

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2013/14				2010/11 - 2013/14		2014/15		
R thousand	2010/11	2011/12		2012/13	2010/11	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17
Non-profit institutions											
Current	4 922	6 097	8 252	10 252	27.7%	1.2%	10 867	11 367	11 969	5.3%	1.2%
Health Systems Trust	4 922	6 097	8 252	10 252	27.7%	1.2%	10 867	11 367	11 969	5.3%	1.2%
Households											
Social benefits											
Current	109	270	550	-	-100.0%	-	-	-	-	-	-
Employee social benefits	109	270	550	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	413 078	370 780	372 813	525 321	8.3%	71.0%	576 362	750 370	790 141	14.6%	69.2%
South African Medical Research Council	292 769	283 564	283 863	416 460	12.5%	53.9%	446 331	615 802	648 440	15.9%	55.7%
National Health Laboratory Services	120 309	83 022	84 640	104 336	-4.6%	16.6%	125 280	129 598	136 467	9.4%	13.0%
Council for Medical Schemes	-	4 194	4 310	4 525	-	0.5%	4 751	4 970	5 234	5.0%	0.5%
Departmental agencies and accounts											
Social security funds											
Current	2 620	2 777	2 916	3 062	5.3%	0.5%	3 215	3 363	3 541	5.0%	0.3%
Compensation Fund	2 620	2 777	2 916	3 062	5.3%	0.5%	3 215	3 363	3 541	5.0%	0.3%

Personnel information

Table 16.20 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Health Regulation and Compliance Management																			
Salary level	357	16	323	106.3	0.3	357	110.9	0.3	363	148.7	0.4	363	165.0	0.5	363	176.5	0.5	0.6%	100.0%
1 - 6	153	9	142	25.7	0.2	153	23.4	0.2	150	26.9	0.2	150	28.3	0.2	150	28.9	0.2	-0.7%	41.7%
7 - 10	112	5	118	37.4	0.3	112	21.4	0.2	131	53.0	0.4	131	56.5	0.4	131	59.6	0.5	5.4%	34.9%
11 - 12	80	2	52	28.0	0.5	80	38.0	0.5	61	29.9	0.5	61	37.8	0.6	61	39.9	0.7	-8.6%	18.2%
13 - 16	12	-	11	13.0	1.2	12	28.0	2.3	21	16.9	0.8	21	20.3	1.0	21	21.4	1.0	20.5%	5.2%
Other	-	-	-	2.1	-	-	-	-	-	22.0	-	-	22.0	-	-	26.8	-	-	-

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

2. Rand million.

Expenditure trends

Most of the programme's budget is transferred to public entities, the largest of which are the Medical Research Council and National Health Laboratory Service. A key focus over the medium term will be on improving the quality of health services and health products through the establishment of the Office of Health Standards Compliance as a public entity.

Spending in the *Pharmaceutical Trade and Product Regulation* programme has increased significantly since 2010/11 to reduce the large backlogs in medicine registration and to prepare for the establishment of the South African Health Products Regulatory Authority. This is an independent public entity that will ultimately replace the Medicines Control Council. This increase in expenditure provided for a 40 per cent reduction in the backlogs on applications for generic medicines.

Over the medium term, spending in the *Public Entities Management* subprogramme is projected to grow significantly to strengthen the capacity and outputs of the Medical Research Council. Expenditure in this subprogramme increased in 2013/14, partially due to the reallocation of the payment of members of the Interim Traditional Healers Council to this subprogramme from the *National Health Insurance, Health Planning and Systems Enablement* programme.

The programme's overall staff complement is set to increase slightly, from 357 in 2013/14 to 363 in 2014/15 and then remain stable over the medium term. Spending on compensation of employees is set to increase at an

average rate of 17.6 per cent over the medium term as a result. There were 11 vacant posts at the end of November 2013 due to natural attrition.

Public entities and other agencies

National Health Laboratory Service

Mandate and strategic goals

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). In terms of the act, the service is required to: provide cost effective and efficient health laboratory services to all public sector health care providers, other government institutions and any private health care provider in need of its service; support health research; and provide training for health science education. It is the largest diagnostic pathology service in South Africa, servicing over 80 per cent of the population through a national network of 268 laboratories.

The key strategic goals over the medium term are to:

- develop a new service delivery model that is more affordable for the public sector
- determine a best fit service delivery model
- deliver high 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 so that it is relevant, appropriate and leading edge
- become a leading resource for information on health
- drive stakeholder collaboration
- position the service as the provider of choice for national health insurance
- protect the community and environment.

Selected performance indicators

Table 16.21 National Health Laboratory Service

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of CD4 tests completed within 72 hours in lab	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	86%	85%	85%	89%	90%	90%	90%
Number of CD4 tests conducted per year	Laboratory tests		3 541 341	3 825 122	3 858 025	3 935 100	4 013 800	4 094 000	4 175 900
Percentage of viral load tests completed within 4 days in lab	Laboratory tests		52%	87%	85%	83%	90%	90%	90%
Number of viral load tests completed per year	Laboratory tests		1 238 928	1 495 398	2 059 765	2 170 000	2 821 000	3 103 100	3 413 410
Percentage of tuberculosis microscopy/GeneXpert tests completed within 48 hours in lab	Laboratory tests		95%	94%	90%	90%	90%	90%	90%
Number of tuberculosis microscopy/ GeneXpert tests per year	Laboratory tests		4 741 273	5 421 376	4 856 175	4 900 000	4 900 000	4 900 000	4 900 000
Percentage of HIV polymerase chain reaction test within 5 days	Laboratory tests		67%	85%	85%	72%	90%	90%	90%
Number of HIV polymerase chain reaction tests conducted per year	Laboratory tests		262 582	299 508	323 797	330 270	336 875	343 600	350 500
Percentage of cervical smear tests completed within 13 days in lab	Laboratory tests		-1	-1	-1	58%	75%	85%	85%
Number of cervical smear tests conducted per year	Laboratory tests		-1	-1	-1	725 300	725 500	762 000	800 000

1. New indicator, historical data not available.

Programme/activities/objectives

Table 16.22 National Health Laboratory Service

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Administration	372 062	283 835	425 250	483 960	9.2%	9.4%	522 677	561 877	604 018	7.7%	10.4%	
Surveillance of communicable diseases	129 056	118 843	146 936	163 250	8.1%	3.4%	175 850	186 537	198 033	6.7%	3.5%	
Occupational health	53 012	54 943	60 268	79 660	14.5%	1.5%	86 313	92 597	99 158	7.6%	1.7%	
Laboratory tests	2 849 225	2 970 700	4 002 123	3 543 197	7.5%	80.0%	3 890 850	4 158 267	4 399 774	7.5%	76.9%	
Research	–	283 676	396 586	360 600	–	5.8%	381 600	394 000	409 000	4.3%	7.5%	
Total expense	3 403 355	3 711 997	5 031 163	4 630 667	10.8%	100.0%	5 057 290	5 393 278	5 709 983	7.2%	100.0%	

Expenditure estimates

Table 16.23 National Health Laboratory Service

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Revenue												
Non-tax revenue	3 502 534	4 060 575	4 683 495	4 764 785	10.8%	94.8%	4 970 361	5 227 415	5 495 083	4.9%	95.8%	
Sale of goods and services other than capital assets	3 446 125	3 971 191	4 570 718	4 703 485	10.9%	93.0%	4 906 361	5 160 095	5 423 828	4.9%	94.6%	
of which:												
Sales by market establishment	3 446 125	3 971 191	4 570 718	4 703 485	10.9%	93.0%	4 906 361	5 160 095	5 423 828	4.9%	94.6%	
Other non-tax revenue	56 409	89 384	112 777	61 300	2.8%	1.8%	64 000	67 320	71 255	5.1%	1.2%	
Transfers received	164 935	278 404	283 586	204 336	7.4%	5.2%	225 280	229 598	236 467	5.0%	4.2%	
Total revenue	3 667 469	4 338 979	4 967 081	4 969 121	10.7%	100.0%	5 195 641	5 457 013	5 731 550	4.9%	100.0%	
Expenses												
Current expenses	3 403 355	3 711 997	5 031 163	4 630 667	10.8%	100.0%	5 057 290	5 393 278	5 709 983	7.2%	100.0%	
Compensation of employees	1 775 498	1 890 372	2 151 296	1 933 223	2.9%	46.9%	2 107 700	2 297 600	2 505 350	9.0%	42.5%	
Goods and services	1 558 711	1 765 187	2 803 171	2 628 329	19.0%	51.5%	2 898 470	3 039 478	3 142 533	6.1%	56.4%	
Depreciation	68 789	56 034	74 075	63 115	-2.8%	1.6%	44 720	49 200	54 250	-4.9%	1.0%	
Interest, dividends and rent on land	357	404	2 621	6 000	156.1%	0.1%	6 400	7 000	7 850	9.4%	0.1%	
Total expenses	3 403 355	3 711 997	5 031 163	4 630 667	10.8%	100.0%	5 057 290	5 393 278	5 709 983	7.2%	100.0%	
Surplus/(Deficit)	264 114	626 982	(64 082)	338 454	8.6%		138 351	63 735	21 567	-60.1%		

Personnel information

Table 16.24 National Health Laboratory Service

Salary level	Number of posts estimated for 31 March 2014	Number of posts on approved establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number		
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		Unit Cost
			Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost			
	7 134	7 134	7 134	2 151.3	0.3	7 134	1 933.2	0.3	7 134	2 107.7	0.3	7 134	2 297.6	0.3	7 134	2 505.4	0.4	9.0%	100.0%
1 – 6	3 668	3 668	3 668	466.1	0.1	3 668	498.8	0.1	3 668	533.7	0.1	3 668	560.3	0.2	3 668	620.4	0.2	7.5%	51.4%
7 – 10	2 533	2 533	2 533	966.0	0.4	2 533	708.7	0.3	2 533	770.5	0.3	2 533	812.6	0.3	2 533	884.5	0.3	7.7%	35.5%
11 – 12	440	440	440	218.0	0.5	440	238.3	0.5	440	270.0	0.6	440	281.4	0.6	440	304.1	0.7	8.5%	6.2%
13 – 16	489	489	489	490.5	1.0	489	475.2	1.0	489	520.6	1.1	489	627.7	1.3	489	679.6	1.4	12.7%	6.9%
17 – 22	4	4	4	10.6	2.6	4	12.3	3.1	4	13.0	3.3	4	15.6	3.9	4	16.7	4.2	10.6%	0.1%

1. Rand million.

Expenditure trends

The National Health Laboratory Service receives its income from providing laboratory tests to patients who are predominantly from public hospitals. Revenue from the provincial hospitals is approximately 98 per cent of total revenue received. Tariff increases for laboratory tests are approved by the Minister of Health and have consistently been below inflation. In 2013/14, the minister approved a 4 per cent increase, which was only

effective from December 2013, resulting in lower revenue of R139 million for the first eight months of the year. Included in the medium term budget are transfers from the Department of Health of R125 million in 2014/15, R129 million in 2015/16 and R136 million in 2016/17 for the National Institute for Communicable Diseases and the National Institute for Occupational Health, which are divisions of this entity.

The service has budgeted for a 5 per cent inflationary increase in tariff prices over the medium term, despite a moderate 2 per cent increase in volume for CD4 tests and a 16.3 per cent increase in volume for viral load tests. Although there is no increase in tuberculosis diagnostic tests, tuberculosis microscopy is being progressively replaced by the more expensive but much more rapid GeneXpert test. Spending increases have been partly driven by increasing volumes of the more expensive tests, such as viral load and GeneXpert.

Spending over the medium term will focus on improving quality and turnaround times, and reducing the costs of laboratory tests for the customer. The budget for the current year has decreased by 8 per cent from 2012/13 due to the impairment of the KwaZulu-Natal provincial branch debt relating to short payment for services from 2010/11. The increase of 35.5 per cent in expenditure from 2011/12 to 2012/13 is mainly due to the R800 million in respect of the KwaZulu-Natal debt impairment. The entity's debt problem continued to escalate, with a total debt of R3.9 billion at the end of November 2013. The major contributor to this debt is the KwaZulu-Natal branch, which accounts for 66 per cent, or R2.6 billion, of total debt. This is having an effect on capital and other payments of the entity. A new financing model for the service is being researched.

Over the medium term, the staff complement is expected to remain at 7 134. After excluding the impairment, the entity's labour costs would have been 42.5 per cent of the total expenditure. This is a decrease from 52.2 per cent in 2011/12. The entity has achieved savings by decreasing labour headcount from 7 250 in 2011/12 to 7 134 in 2012/13 through not filling non-critical vacant posts. These savings will primarily be used to keep annual test price increases below inflation.

South African Medical Research Council

Mandate and strategic goals

The South African Medical Research Council was established in terms of the South African Medical Research Council Act (1969 and 1991). The Intellectual Property Rights from Publicly Financed Research and Development Act (2008) also informs the council's mandate. The council is required to promote the improvement of health and quality of life through research and development. Research and innovation are primarily conducted through council funded research units located within the council and in higher education institutions. The council's strategic focus is determined in the context of the priorities of the Department of Health and government. The council's research therefore plays a key role in responding to government's key outcome 2 (a long and healthy life for all South Africans).

The council's strategic goals over the medium term are to:

- administer health research effectively and efficiently in South Africa
- lead the generation of new knowledge and facilitate its translation into policies and practices to improve health
- support innovation and technology development to improve health
- build capacity for the long term sustainability of the country's health research.

Selected performance indicators

Table 16.25 South African Medical Research Council

Indicator	Programme/Activity/Objective	Outcome	Past			Current		Projections	
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Clean audit opinion on the financial statements from the Auditor General achieved each year	Administration	Outcome 2: A long and healthy life for all South Africans	Unqualified report	Unqualified report	Clean audit report				
Percentage of the government-allocated Medical Research Council budget spent on administration per year	Administration		36%	38%	38%	28%	30%	20%	20%

Table 16.25 South African Medical Research Council

Indicator	Programme/Activity/Objective	Outcome	Past			Current		Projections	
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of articles with a Medical Research Council affiliated author that are published in International Science Index journals per year	Core research	Outcome 2: A long and healthy life for all South Africans	519	514	443	490	400	450	500
Number of articles published in International Science Index journals with acknowledgement of Medical Research Council support per year ¹	Core research		-	-	-	-	100	115	130
Number of articles with an Medical Research Council affiliated author in the top 4 journals (New England Journal of Medicine, The Lancet, Science and Nature) per year ¹	Core research		-	-	-	-	10	12	14
Number of International Science Index journal articles where the first-author is affiliated to the Medical Research Council per year ¹	Core research		-	-	-	-	160	165	170
Number of new local/international policies and guidelines that reference Medical Research Council research per year ¹	Core research		-	-	-	-	4	4	4
Number of research grants awarded by the Medical Research Council per year	Core research		84	87	120	207	100	110	120
Number of new innovation and technology projects funded by the Medical Research Council to develop new diagnostics, devices, vaccines and therapeutics per year	Innovation and technology		5	32	9	37	30	30	30
Number of Medical Research Council bursaries/scholarships/fellowships provided for post-graduate study at masters, doctoral and post-doctoral levels per year	Capacity development		Outcome 5: A skilled and capable workforce to support an inclusive growth path	127	83	99	87	60	65

1. New indicators, hence historical data is not available.

Programmes/activities/objectives

Table 16.26 South African Medical Research Council

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	127 316	143 962	156 463	179 985	12.2%	25.0%	188 792	199 157	209 869	5.3%	22.4%
Core research	417 327	423 423	406 011	472 510	4.2%	71.2%	523 104	659 036	714 591	14.8%	67.0%
Innovation and technology	3 914	4 951	7 752	48 037	130.7%	2.4%	78 209	81 707	92 856	24.6%	8.5%
Capacity development	4 549	8 207	6 726	14 956	48.7%	1.4%	18 589	20 538	21 521	12.9%	2.1%
Total expense	553 106	580 543	576 952	715 488	9.0%	100.0%	808 694	960 438	1 038 837	13.2%	100.0%

Expenditure estimates

Table 16.27 South African Medical Research Council

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15			2015/16	2016/17	2013/14 - 2016/17
	R thousand													
Revenue														
Non-tax revenue	317 133	326 216	282 754	290 686	-2.9%	52.1%	308 056	329 671	374 639	8.8%	37.7%			
Sale of goods and services other than capital assets	290 403	303 481	257 569	266 000	-2.9%	47.9%	283 006	303 961	348 589	9.4%	34.7%			
<i>of which:</i>														
Sales by market establishment	290 403	303 481	257 569	266 000	-2.9%	47.9%	283 006	303 961	348 589	9.4%	34.7%			
Other non-tax revenue	26 730	22 735	25 185	24 686	-2.6%	4.3%	25 050	25 710	26 050	1.8%	3.0%			
Transfers received	237 289	237 899	249 003	430 084	21.9%	47.9%	460 638	630 767	664 198	15.6%	62.3%			
Total revenue	554 422	564 115	531 757	720 770	9.1%	100.0%	768 694	960 438	1 038 837	13.0%	100.0%			
Expenses														
Current expenses	553 106	580 543	576 952	715 488	9.0%	100.0%	808 694	960 438	1 038 837	13.2%	100.0%			
Compensation of employees	287 750	312 493	316 120	279 367	-1.0%	49.9%	235 811	260 739	279 399	0.0%	30.6%			
Goods and services	252 551	252 967	244 503	417 596	18.3%	47.5%	553 358	679 474	738 313	20.9%	67.2%			
Depreciation	12 704	15 001	16 176	18 500	13.3%	2.6%	19 500	20 200	21 100	4.5%	2.3%			
Interest, dividends and rent on land	101	82	153	25	-37.2%	0.0%	25	25	25	-	0.0%			
Total expenses	553 106	580 543	576 952	715 488	9.0%	100.0%	808 694	960 438	1 038 837	13.2%	100.0%			
Surplus/(Deficit)	1 316	(16 428)	(45 195)	5 282	58.9%		(40 000)	-	-	-100.0%				
Statement of financial position														
Carrying value of assets	123 721	139 241	130 559	137 000	3.5%	24.8%	142 000	143 000	141 066	1.0%	29.5%			
<i>of which:</i>														
Acquisition of assets	25 503	30 696	9 431	24 402	-1.5%	4.2%	24 500	26 200	23 100	-1.8%	5.1%			
Investments	33 840	36 922	5 224	42 340	7.8%	5.5%	44 440	46 215	47 000	3.5%	9.4%			
Inventory	125	202	-	-	-100.0%	0.0%	-	-	-	-	-			
Receivables and prepayments	28 456	31 498	29 385	37 000	9.1%	5.9%	37 500	37 991	38 250	1.1%	7.9%			
Cash and cash equivalents	410 336	314 349	368 162	283 908	-11.6%	63.6%	237 660	246 264	247 244	-4.5%	53.1%			
Taxation	-	-	1 619	-	-	0.1%	-	-	-	-	-			
Total assets	596 478	522 212	534 949	500 248	-5.7%	100.0%	461 600	473 470	473 560	-1.8%	100.0%			
Accumulated surplus/(deficit)	301 950	286 553	241 358	246 640	-6.5%	50.0%	206 640	206 640	206 640	-5.7%	45.3%			
Capital and reserves	1 858	-	-	2 859	15.4%	0.2%	3 330	3 620	3 620	8.2%	0.7%			
Capital reserve fund	228 970	166 866	209 238	180 000	-7.7%	36.4%	180 000	190 000	190 000	1.8%	38.8%			
Finance lease	247	136	8	-	-100.0%	0.0%	-	-	-	-	-			
Deferred income	999	-	-	1 099	3.2%	0.1%	1 130	1 160	1 200	3.0%	0.2%			
Trade and other payables	53 519	52 188	50 479	58 000	2.7%	10.0%	58 500	59 000	59 000	0.6%	12.3%			
Taxation	1 122	1 464	-	1 250	3.7%	0.2%	1 300	1 350	1 400	3.8%	0.3%			
Provisions	7 813	15 007	33 867	10 400	10.0%	3.1%	10 700	11 700	11 700	4.0%	2.3%			
Total equity and liabilities	596 478	522 214	534 950	500 248	-5.7%	100.0%	461 600	473 470	473 560	-1.8%	100.0%			

Personnel information

Table 16.28 South African Medical Research Council

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	694	694	759	316.1	0.4	663	279.4	0.4	596	235.8	0.4	689	260.7	0.4	688	279.4	0.4	0.0%	100.0%
1 - 6	166	166	203	107.4	0.5	163	74.8	0.5	150	46.5	0.3	176	58.0	0.3	176	69.0	0.4	-2.6%	25.2%
7 - 10	277	277	353	84.8	0.2	265	61.6	0.2	244	62.1	0.3	278	65.4	0.2	278	68.6	0.2	3.6%	40.4%
11 - 12	158	158	137	65.7	0.5	157	68.8	0.4	135	63.9	0.5	157	67.2	0.4	157	70.6	0.4	0.9%	23.0%
13 - 16	90	90	64	54.0	0.8	75	67.5	0.9	65	58.3	0.9	76	64.8	0.9	76	68.0	0.9	0.2%	11.1%
17 - 22	3	3	2	4.3	2.1	3	6.5	2.2	2	5.1	2.6	2	5.4	2.7	1	3.1	3.1	-22.3%	0.3%

1. Rand million.

Expenditure trends

Besides the annual transfer payment the Medical Research Council of South Africa receives from the Department of Health, the organisation also generates revenue through competitive project specific grants and contracts, which are funded by various funding agencies, locally and internationally. The organisation projects that own revenue will grow at an average rate of 9.4 per cent over the medium term due to new funding expected from international donors. This revenue growth will contribute significantly to increasing the quantity and improving the quality of the council's research publications and innovations.

The spending focus over the medium term will be on improving health by generating new knowledge to inform policies and practices, supporting innovation and technology development, and building capacity to sustain the country's health research. To achieve this, spending in the core research, innovation and technology, and capacity development programmes is expected to increase over the medium term.

The budget for the innovation and technology programme is set to double in 2014/15 due to new donor funding from the Bill and Melinda Gates Foundation to fund innovation projects. Expenditure in the core research programme is set to increase over the medium term due to the number of flagship projects funded at medical schools and universities to address South Africa's key health problems. 17 flagship projects have been funded and these cover a wide number of disease areas including HIV, tuberculosis, malaria, burden of disease, cardiovascular and metabolic disease, alcohol and drug abuse, and women's health.

As part of the generation of new knowledge and innovation objectives, a flagship project was launched in 2013/14. This project will increase spending in extramural research units and will focus on the publishing of scientific research in high impact journals such as *The Lancet*, *Nature* and *Science*. This increase in spending on research and development is evident in the growth in spending on goods and services, which will take up about 66.6 per cent of total spending over the medium term.

The council is projecting a budget deficit of R40 million in 2014/15, which it will finance from its reserves. This deficit is due to the collaborative project that is to be funded by the council and the national institutes of health in the United States of America, in terms of which the institutes will put out a call for proposals to South African researchers. The council will contribute about R40 million and the institutes R40 million per year for five years. This funding is expected to increase the level of new knowledge and innovation within the South African health research environment, the growth of which is assessed through the projected increase in the number of research articles published in international journals over the medium term.

Expenditure in the administration programme will be controlled through the introduction of process improvement projects, which the council initiated in 2013/14. Streamlining supply chain processes and implementing centralised shared services are two measures that will contribute to cost savings, including savings from bulk purchases. This will lead to reduced unit costs and fewer temporary staff, who are currently employed to perform administrative duties in regional offices. Once the improvement projects are completed, the savings from these processes will be channelled to intra- and extramural research. Over the medium term, expenditure in the administration programme is set to increase at an average annual rate of 5.3 per cent and is expected to account for 22.4 per cent of the total budget over the medium term. This is a decrease from the 25 per cent of the total budget the programme accounted for between 2010/11 and 2013/14. The decrease is in line with the council's objective to reduce the share of administration costs, while at the same time ensuring efficiency through the process improvement projects.

Reductions in staff costs between 2012/13 and 2013/14 were due to the revitalisation process that was initiated in this period. In terms of the process, the council sought to take responsibility for supporting and funding all intramural and extramural medical research in South Africa, with a greater share going to extramural research units at universities. Intramural research has been prioritised to address the 10 most common causes of death and their risk factors in South Africa. This change in emphasis necessitated a reduction in the number of council intramural units and staff from 759 in 2012/13 to 663 in 2013/14. The revitalisation process will have been completed in 2013/14, after which staff numbers will increase to 688 in 2016/17, based on project requirements. Spending on compensation of employees is expected to increase over the medium term to provide for the increase in personnel numbers. At the end of November 2013, the council had 15 vacancies, which the entity expects to fill over the medium term.

Compensation Commissioner for Occupational Diseases in Mines and Works

Mandate and goals

The Compensation Commissioner for Occupational Diseases in Mines and Works was established in terms of the Occupational Diseases in Mines and Works Act (1973). In terms of the act, the commissioner is mandated to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardio-respiratory organs and reimbursement for loss of earnings incurred during tuberculosis treatment. In the case where the ex-worker is deceased, it compensates the beneficiaries of deceased worker. The commissioner also administers a government grant for the compensation of pensioners.

The commissioner's strategic goals over the medium term are to:

- consolidate the overlapping administrative activities of the Medical Bureau for Occupational Diseases and the Mines and Works Compensation Fund
- develop and nurture good relations with relevant stakeholders
- improve the overall management and sustainability of the compensation fund
- provide decentralised services for ex-workers from controlled mines and works
- implement fraud prevention measures
- collect and verify the levies from controlled mines and works.

Selected performance indicators

Table 16.29 Compensation Commissioner for Occupational Diseases in Mines and Works

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of workers and ex-workers in controlled mines and works accessing benefit medical examination per year	Compensation of ex-miners	Outcome 2: A long and healthy life for all South Africans	12 488	10 284	11 750	7 500	9 000	10 500	15 000
Number of persons certified as compensable at the Medical Bureau for Occupational Disease and referred to the Compensation Commissioner for payment per year	Compensation of ex-miners		9 842	9 390	6 981	5 500	7 000	9 000	12 500
Number of claims paid by the Compensation Commissioner (other than pensioners) per year	Compensation of ex-miners		2 000	1 800	1 779	2 500	3 500	5 000	10 000
Number of controlled mines and works inspected per year	Compensation of ex-miners		16	0 ¹	0 ¹	12	25	40	75
Number of outreach and awareness activities with service providers, unions, employers, workers and ex-workers conducted per year	Compensation of ex-miners		3	9	4	6	8	10	60

1. No mines were visited in 2011/12 and 2012/13. All mine inspectors were deployed to claims management, which was prioritised in these years.

Programmes/activities/objectives

Table 16.30 Compensation Commissioner for Occupational Diseases in Mines and Works

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
R thousand											
Administration	10 459	8 825	7 839	7 323	-11.2%	4.2%	7 016	6 911	6 595	-3.4%	2.8%
Compensation of pensioners	2 826	2 777	2 916	3 100	3.1%	1.5%	2 900	3 500	3 900	8.0%	1.3%
Compensation of ex-miners	382 025	123 385	129 249	190 876	-20.6%	85.5%	222 151	226 228	226 138	5.8%	86.8%
Compensation of tuberculosis	36 894	12 257	12 839	18 961	-19.9%	8.4%	22 068	22 473	22 464	5.8%	8.6%
Eastern Cape project	1 640	545	571	843	-19.9%	0.4%	981	999	998	5.8%	0.4%
Total expense	433 844	147 789	153 414	221 103	-20.1%	100.0%	255 116	260 111	260 095	5.6%	100.0%

Expenditure estimates

Table 16.31 Compensation Commissioner for Occupational Diseases in Mines and Works

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
R thousand											
Revenue											
Tax revenue	220 429	230 000	284 190	301 178	11.0%	70.6%	346 354	380 989	403 848	10.3%	68.5%
Non-tax revenue	90 353	85 000	115 263	132 552	13.6%	28.6%	152 435	167 678	192 830	13.3%	30.8%
Other non-tax revenue	90 353	85 000	115 263	132 552	13.6%	28.6%	152 435	167 678	192 830	13.3%	30.8%
Transfers received	2 826	2 777	2 916	3 100	3.1%	0.8%	3 215	3 500	3 900	8.0%	0.7%
Total revenue	313 608	317 777	402 369	436 830	11.7%	100.0%	502 004	552 167	600 578	11.2%	100.0%
Expenses											
Current expenses	10 459	8 825	7 839	7 323	-11.2%	4.2%	7 016	6 911	6 595	-3.4%	2.8%
Goods and services	10 104	8 800	7 785	7 280	-10.4%	4.2%	6 975	6 800	6 565	-3.4%	2.8%
Interest, dividends and rent on land	355	25	54	43	-50.5%	0.0%	41	111	30	-11.3%	0.0%
Transfers and subsidies	423 385	138 964	145 575	213 780	-20.4%	95.8%	248 100	253 200	253 500	5.8%	97.2%
Total expenses	433 844	147 789	153 414	221 103	-20.1%	100.0%	255 116	260 111	260 095	5.6%	100.0%
Surplus/(Deficit)	(120 236)	169 988	248 955	215 727	-221.5%		246 888	292 056	340 483	16.4%	

Expenditure trends

In terms of the mandate of the Mines and Works Compensation Fund, which is administered by the Compensation Commissioner for Occupational Diseases in Mines and Works, levies collected from controlled mines and works are used for the payment of claims to workers and ex-workers in controlled mines and works for compensable cardio-pulmonary diseases resulting from work exposure.

The increases in revenue since 2010/11 are mainly due to increases in levies and an improvement in the collection of levies from controlled mines and works. The appointment of inspectors late in the third quarter of 2013/14 to verify the levy payments through visits to controlled mines and works is also expected to realise some greater revenue over the medium term. Management reforms at the entity include the development of a proper registry for the files of claimants, and a database of workers and ex-workers. This will assist with a proper valuation of the fund, as the source documents will be in the registry and will allow for the possible quantifying of the burden of compensable diseases. The valuation of the fund may lead to changes in the levy amounts over the MTEF period.

The bulk of the fund's expenditure is incurred by the compensation of ex-miners programme, which pays claimants with lung diseases due to silicosis. The commissioner also pays for actuarial services to assess the liability of the fund, which informs the setting of levies collected from mines and works. The high once-off expenditure in 2010/11 on social benefits included a once-off actuarial adjustment. Relatively low numbers of claims were paid between 2010/11 and 2013/14 due to delays in claims management and processing due to lack of documentation within claimant files, ineffective management systems and a lack of personnel.

There will be a moderate growth in payments over the MTEF period and the number of people compensated as some management reforms take effect. Business process re-engineering and management reforms instituted in 2013/14 will deal with some of the legacy issues concerning delays with claims processing and payments. However, substantive reforms are needed alongside the appointment of personnel with professional experience

in the legal, accounting, economic, actuarial and medical sciences, as well as an enhanced information technology system and decentralised services for workers and ex-workers in controlled mines and works. The new senior management team appointed to run the fund in 2013/14 has been progressively implementing the reforms.

Council for Medical Schemes

Mandate and goals

The Medical Schemes Act (1998) established the Council for Medical Schemes as the regulatory authority responsible for overseeing the medical schemes industry in South Africa.

The council's strategic goals over the medium term are to:

- ensure that access to good quality medical scheme cover is maximised
- ensure that medical schemes are properly governed and beneficiaries are informed and protected
- enhance the effectiveness and efficiency of the organisation
- provide strategic advice and support for the development and implementation of national health policies, including the development of national health insurance.

Selected performance indicators

Table 16.32 Council for Medical Schemes

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of broker and broker organisations accredited within 21 working days of receipt of complete applications	Accreditation		4 316	5 177	4 259	5 205	4 964	5 192	3 980
Number of rule amendments analysed per year	Benefit management		314	275	280	275	280	280	280
Percentage of complaints resolved within 120 working days in accordance with complaints procedure ^{1,2}	Complaints adjudication	Outcome 2: A long and healthy life for all South Africans	-	-	88.8% (5 253)	62.5%	65.5%	67.0%	70.0%
Number of enforcement interventions undertaken per year	Compliance		24	23	23	20	48	48	50
Recommendations made in respect of Regulation 29 (schemes below solvency) for 100% of business plans received ²	Financial supervision		100%	100% (7)	100% (8)	100%	100%	100%	100%
Number of reports on provider compliance according to the International Classification of Diseases (ICD-10) ³ produced per year	Research and monitoring		4	4	4	4	4	4	4

1. System for monitoring was established in 2012/13, hence no information for 2010/11 and 2011/12.

2. It is not possible to provide absolute numbers as the value for the denominator is not available.

3. The Medical Schemes Act prescribes that all health care providers use ICD-10 codes when diagnosing patients and submitting claims to medical schemes. It is the responsibility of Council for Medical Schemes to monitor the extent to which providers comply with these legal requirements.

Programmes/activities/objectives

Table 16.33 Council for Medical Schemes

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	53 401	54 215	59 404	65 381	7.0%	61.0%	71 780	76 087	80 652	7.2%	58.4%
Accreditation	4 659	5 353	5 757	5 797	7.6%	5.7%	7 579	8 034	8 516	13.7%	5.9%
Benefit management	3 921	3 906	4 345	4 895	7.7%	4.5%	5 382	5 705	6 047	7.3%	4.4%
Complaints adjudication	3 477	3 698	4 034	4 605	9.8%	4.1%	4 943	5 240	5 554	6.4%	4.0%
Compliance	3 218	5 034	4 961	6 148	24.1%	5.0%	6 908	7 323	7 762	8.1%	5.6%
Financial supervision	7 028	7 131	8 031	9 748	11.5%	8.3%	10 173	10 784	11 431	5.5%	8.4%
Research and monitoring	3 199	4 675	5 701	6 456	26.4%	5.2%	6 777	7 184	7 615	5.7%	5.6%
Stakeholder relations	3 315	5 738	7 019	8 285	35.7%	6.2%	9 533	10 105	10 712	8.9%	7.7%
Total expense	82 218	89 750	99 252	111 315	10.6%	100.0%	123 075	130 462	138 289	7.5%	100.0%

Expenditure estimates

Table 16.34 Council for Medical Schemes

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	70 262	90 342	99 399	107 048	15.1%	96.8%	115 348	122 269	129 604	6.6%	96.1%
Sale of goods and services other than capital assets	68 897	82 635	96 987	106 208	15.5%	93.5%	114 448	121 315	128 593	6.6%	95.3%
of which:											
Administrative fees	68 897	82 635	96 987	106 208	15.5%	93.5%	114 448	121 315	128 593	6.6%	95.3%
Other non-tax revenue	1 365	7 707	2 412	840	-14.9%	3.3%	900	954	1 011	6.4%	0.8%
Transfers received	134	4 292	4 341	4 525	223.2%	3.2%	4 751	4 970	5 234	5.0%	3.9%
Total revenue	70 396	94 634	103 740	111 573	16.6%	100.0%	120 099	127 239	134 838	6.5%	100.0%
Expenses											
Current expenses	82 218	89 750	99 252	111 315	10.6%	100.0%	123 075	130 462	138 289	7.5%	100.0%
Compensation of employees	50 229	54 064	63 334	69 761	11.6%	62.0%	77 008	81 629	86 527	7.4%	62.6%
Goods and services	29 949	33 241	33 115	39 143	9.3%	35.5%	43 656	46 277	49 053	7.8%	35.4%
Depreciation	2 040	2 445	2 803	2 411	5.7%	2.5%	2 411	2 556	2 709	4.0%	2.0%
Total expenses	82 218	89 750	99 252	111 315	10.6%	100.0%	123 075	130 462	138 289	7.5%	100.0%
Surplus/(Deficit)	(11 822)	4 884	4 488	258	-127.9%		(2 976)	(3 223)	(3 451)	-337.4%	
Statement of financial position											
Carrying value of assets	4 973	8 641	14 665	14 665	43.4%	39.3%	14 665	14 665	14 665	-	48.0%
of which:											
Acquisition of assets	3 004	1 635	1 436	2 619	-4.5%	10.2%	2 200	2 332	2 472	-1.9%	7.9%
Receivables and prepayments	1 529	3 622	3 738	3 738	34.7%	12.0%	3 738	3 738	3 738	-	12.2%
Cash and cash equivalents	6 932	11 020	16 901	16 901	34.6%	48.7%	14 134	11 117	7 885	-22.4%	39.7%
Total assets	13 434	23 283	35 304	35 304	38.0%	100.0%	32 537	29 520	26 288	-9.4%	100.0%
Accumulated surplus/(deficit)	1 895	11 298	15 785	15 785	102.7%	38.0%	13 018	10 001	6 769	-24.6%	36.1%
Trade and other payables	7 918	11 969	19 519	19 519	35.1%	55.2%	19 519	19 519	19 519	-	63.9%
Provisions	3 621	16	-	-	-100.0%	6.8%	-	-	-	-	-
Total equity and liabilities	13 434	23 283	35 304	35 304	38.0%	100.0%	32 537	29 520	26 288	-9.4%	100.0%

Personnel information

Table 16.35 Council for Medical Schemes

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	102	102	96	63.3	0.7	102	69.8	0.7	105	77.0	0.7	105	81.6	0.8	105	86.5	0.8	7.4%	100.0%
7 – 10	6	6	5	1.3	0.3	6	1.7	0.3	6	1.9	0.3	6	2.0	0.3	6	2.1	0.3	6.5%	5.8%
11 – 12	50	50	46	21.1	0.5	50	24.1	0.5	51	26.5	0.5	51	28.1	0.6	51	29.7	0.6	7.2%	48.7%
13 – 16	45	45	44	39.0	0.9	45	41.9	0.9	47	46.5	1.0	47	49.3	1.0	47	52.3	1.1	7.6%	44.6%
17 – 22	1	1	1	1.9	1.9	1	2.0	2.0	1	2.2	2.2	1	2.3	2.3	1	2.4	2.4	6.5%	1.0%

1. Rand million.

Expenditure trends

Revenue for the Council for Medical Schemes primarily consists of levies imposed on medical schemes according to the total number of members each scheme has. The council also earns interest on current and call accounts. Between 2010/11 and 2013/14, the significant average annual increase of 15.1 per cent in own revenue was mainly due to the increase in membership in the medical schemes industry.

The spending focus over the medium term will be on strengthening the monitoring and compliance activities of the accredited entities, as well as on investigating and resolving complaints raised by medical scheme beneficiaries and the public. The budget for compensation of employees over the medium term is relatively high at 59.4 per cent of total spending, as the council is mainly a service organisation. The council has a funded establishment of 102 posts, and 3 vacant posts for 2013/14. The majority of the work is performed in-house, with spending on consultants limited to specialised IT services. Spending on consultants in 2013/14 and over the medium term is equivalent to 1.6 per cent and 3.6 per cent on average of the total spending on compensation of employees.

Total spending between 2010/11 and 2013/14 grew by 10.6 per cent annually, driven mainly by increased spending on compensation of employees as the council recruited highly skilled personnel, including accountants, lawyers, economists, researchers, doctors, actuaries and administrators. As a result of the capacity improvements, most service delivery targets for 2012/13 were met. Legal costs accounted for 25 per cent of spending in 2012/13 as the regulatory environment is highly litigious. Over the medium term, expenditure is expected to increase to R138.3 million by 2016/17, partly due to additional space with conferencing and workshop facilities being added to the entity's recently leased office.

The council contributed to regulatory and policy developments in relation to the National Health Amendment Bill, the Medical Schemes Amendment Bill, and financial legislation pertaining to the demarcation of insurance products. Ongoing projects include: the prescribed minimum benefit review process; the monitoring of the international classification of diseases codes; the review of cost containment initiatives by medical schemes and costs of private hospitals and specialists; as well as close monitoring of the financial soundness of medical schemes. Over the MTEF period, the council aims to improve its service delivery to all stakeholders. The council will also be actively participating in policy formulation for the envisaged national health insurance scheme.

In general, the council has instituted cost saving measures such as the use of economy class for local air travel and a billing rate stability measure to reduce telephone costs. Measures have also been put in place to reduce photocopying costs by printing back to back and limiting colour copies. The council also aims to hold a number of conferences and workshops internally. Savings will primarily be used to keep levy increases at a relatively low level.

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	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	357 852	403 344	380 202	410 965	(5 238)	405 727	405 727
National Health Insurance, Health Planning and Systems Enablement	315 521	315 521	294 679	491 893	(67)	491 826	288 826
HIV and AIDS, Tuberculosis, Maternal and Child Health	9 292 548	9 277 548	9 168 971	11 029 134	12 840	11 041 974	11 044 992
Primary Health Care Services	87 420	118 940	107 259	109 415	(6 799)	102 616	102 616
Hospitals, Tertiary Health Services and Human Resource Development	16 927 870	17 357 870	17 399 552	17 911 198	(188 812)	17 722 386	17 522 386
Health Regulation and Compliance Management	575 807	583 980	548 219	754 117	9 535	763 652	763 652
Total	27 557 018	28 057 203	27 898 882	30 706 722	(178 541)	30 528 181	30 128 199
Economic classification							
Current payments	1 266 402	1 373 942	1 190 089	1 638 826	(10 800)	1 628 026	1 427 991
Compensation of employees	478 800	486 551	482 255	538 400	–	538 400	540 498
Goods and services	787 602	887 391	707 834	1 100 426	(10 800)	1 089 626	887 493
Transfers and subsidies	26 261 896	26 647 630	26 682 716	28 242 139	191 665	28 433 804	28 433 804
Provinces and municipalities	25 691 610	26 072 610	26 071 682	27 516 651	169 727	27 686 378	27 686 378
Departmental agencies and accounts	372 497	376 670	392 711	528 922	11 738	540 660	540 660
Higher education institutions	3 000	3 000	21 000	3 000	4 000	7 000	7 000
Public corporations and private enterprises	–	40	40	–	–	–	–
Non-profit institutions	194 789	195 310	196 213	193 566	6 200	199 766	199 766
Households	–	–	1 070	–	–	–	–
Payments for capital assets	28 720	35 631	20 422	825 757	(359 406)	466 351	266 404
Buildings and other fixed structures	–	–	–	807 025	(367 000)	440 025	240 025
Machinery and equipment	28 720	35 631	20 422	18 732	7 594	26 326	26 379
Payments for financial assets	–	–	5 655	–	–	–	–
Total	27 557 018	28 057 203	27 898 882	30 706 722	(178 541)	30 528 181	30 128 199

Table 16.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	353 654	409 702	482 255	538 400	597 203	637 275	674 714
Training expenditure (R thousand)	5 197	5 745	5 909	6 884	5 483	5 735	6 362
Training spend as percentage of compensation	1.5%	1.4%	1.2%	1.3%	0.9%	0.9%	0.9%
Total number trained (headcount)	287	353	329	882			
<i>of which:</i>							
Employees receiving bursaries (headcount)	98	111	123	209			
Learnerships (headcount)	–	2	–	–			
Internships (headcount)	17	5	402	74			
Households receiving bursaries (R thousand)	58	60	60	348	–	–	–
Households receiving bursaries (headcount)	1	1	1	22			

Table 16.C Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Conditional grants to provinces							
National Health Insurance, Health Planning and Systems Enablement							
National health insurance grant	–	–	150 000	50 953	70 000	73 967	77 887
HIV and AIDS, Tuberculosis, Maternal and Child Health							
Comprehensive HIV and AIDS grant	6 051 757	7 492 962	8 762 848	10 533 886	12 311 322	13 957 043	15 696 765
Hospitals, Tertiary Health Services and Human Resource Development							
Health professions training and development grant	1 865 387	1 977 310	2 075 248	2 190 366	2 321 788	2 428 590	2 557 305
National tertiary services grant	7 398 000	8 048 878	8 878 010	9 620 357	10 168 235	10 635 974	11 199 680
Health facility revitalisation grant	5 169 855	5 925 252	4 289 595	5 290 816	5 239 981	5 388 790	5 652 280
Health Infrastructure grant	–	–	1 800 981	–	–	–	–
Nursing colleges grant	–	–	100 000	–	–	–	–
Forensic pathology services grant	556 962	590 380	–	–	–	–	–
2013 African Cup of Nations medical services grant	–	–	15 000	–	–	–	–
Total	21 041 961	24 034 782	26 071 682	27 686 378	30 111 326	32 484 364	35 183 917

1. Detail provided in the Division of Revenue Act (2014).

Table 16.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Foreign In cash													
United States: Centres for Disease Control	Cooperation in the prevention, controlling of HIV and AIDS and other related infectious diseases	HIV and AIDS, Tuberculosis, Maternal and Child Health	2009 - 2012	122 500	Goods and services	Strengthen HIV and AIDS programmes and capacity building	21 438	18 171	22 433	–	–	–	–
United States: Centres for Disease Control	Implementation of a primary health care programme in South Africa under the President's emergency plan for AIDS relief	HIV and AIDS, Tuberculosis, Maternal and Child Health	2012 - 2014	46 848	Goods and services	Strengthen the capacity of national Department of Health to scale up primary health care services to improve the management of HIV and AIDS services	–	–	5 924	23 424	17 500	–	–
European Union	Expanded partnership for the delivery of primary health care including treatment for HIV and AIDS	Primary Health Care Services	2007 - 2013	502 065	Compensation of Employees	Provide access to primary health care through funding non-governmental organisations	3 677	5 662	2 648	–	–	–	–
European Union	Primary health care sector policy support programme	National Health Insurance, Health Planning and Systems Enablement	2011 - 2014	1 100 000	Goods and services	Improve access to public health services and increase the quality of service delivery of primary health care.	–	–	158 050	380 430	265 485	–	–
European Union	Masibambane	Primary Health Care Services	2009 - 2011	858	Goods and services	Collaboration with the Department of Water Affairs	148	276	196	238	–	–	–
Belgium	Knowledge translation contract	HIV and AIDS, Tuberculosis, Maternal and Child Health	2008 - 2011	16 976	Goods and services	Strengthen capacity building with the support of technical assistants	4 791	529	1 295	–	–	–	–
Canada	Strengthening the non-governmental organisation coordination unit	HIV and AIDS, Tuberculosis, Maternal and Child Health	2006 - 2012	24 545	Goods and services	Strengthen the non-governmental organisation coordination unit within the HIV and AIDS, tuberculosis directorate within the Department of Health	2 417	2 774	–	–	–	–	–
Canada	Human resource for health implementation	Hospitals, Tertiary Health Services and Human Resources Development	2008 - 2012	19 446	Compensation of Employees	Strengthen health workforce planning and management capacity	571	15	1 459	–	–	–	–
Denmark	Urban environmental management programme	Primary Health Care Services	2006 - 2010	6 300	Goods and services	Roll out the national health and hygiene education strategy to all 9 provinces	1 886	1	–	–	–	–	–
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 2	HIV and AIDS, Tuberculosis, Maternal and Child Health	2006 - 2014	200 043	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	29 243	7 576	–	–	–	–	–
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 6	HIV and AIDS, Tuberculosis, Maternal and Child Health	2008 - 2011	762 646	Non-profit institutions	Reduce the rate of new HIV infections in South Africa by 50%; provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	97 125	57 116	–	–	–	–	–

Table 16.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Global Fund to Fight AIDS, Tuberculosis and Malaria	Round 9	HIV and AIDS, Tuberculosis, Maternal and Child Health	2010 - 2011	194 591	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	-	328	-	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2011 - 2013	852 297	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	-	17 810	228 926	145 737	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2013 - 2016	1 631 035	Goods and services	Reduce the rate of new HIV infections in South Africa by 50%; provide appropriate packages of treatment, care and support to 80% of HIV positive people and their families	-	-	-	167 184	673 356	790 495	543 678
In kind													
Belgium	Consolidation of the health capacity building in the national Department of Health	Hospitals, Tertiary Services and Human Resources for Health	2009 - 2011	1 232	Goods and services	Increase the efficiency, effectiveness and quality of care in South Africa's health sector; improve the management capacity of government hospitals in preparation for the rollout of the national health insurance scheme	385	847	-	-	-	-	-
United Nations Population Fund	Sexual and reproductive health and rights and HIV prevention	HIV and AIDS, Tuberculosis, Maternal and Child Health	2013 - 2014	31 804	Goods and services	Donation of reproductive health commodities, such as female condoms, lubricant sachets and sub-dermal implants	-	-	-	31 804	-	-	-
Local													
In cash													
The Health and Welfare Sector Education and Training Authority	National skills fund growth and development strategy	Hospitals, Tertiary Health Services and Human Resources Development	2010 - 2013	6 488	Goods and services	Improve the skills of data capturers at health facilities	1 928	1 603	1 796	1 161	-	-	-
Total				5 519 674			163 609	112 708	422 727	749 978	956 341	790 495	543 678

Table 16.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2013/14	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Departmental infrastructure										
Gauteng: Shoshanguve Hospital	Building of new hospital	Feasibility	1 400 000	-	-	-	-	60 000	100 585	101 641
Limpopo: Tshilidzini Hospital	Replacement of hospital	Feasibility	1 400 000	-	-	-	1 000	80 000	100 420	126 370
Eastern Cape: Bambisana Hospital	Replacement of hospital	Feasibility	800 000	-	-	-	1 000	50 000	178 420	180 000
Eastern Cape: Zithulele Hospital	Replacement of hospital	Feasibility	968 000	-	-	-	1 000	50 000	100 420	150 000
Free State: Dihlabeng Hospital	Upgrade and maintenance of the facility	Design	400 000	-	-	-	1 000	17 228	16 542	18 493
Limpopo: Siloam Hospital	Replacement of hospital (main hospital and staff accommodation)	Design	800 000	-	-	-	10 338	218 797	200 780	223 998
Limpopo: Elim Hospital	Replacement of hospital	Feasibility	800 000	-	-	-	1 000	93 795	100 420	100 370
Eastern Cape: Nolitha Clinic	Replacement of clinic	Tender	8 232	-	-	-	2 693	5 539	-	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Eastern Cape: Luthebeni Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Eastern Cape: Maxhwele Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Mpumalanga: Msukaligwa community health centre	Replacement of community health centre	Tender	75 148	-	-	-	1 500	24 681	22 699	23 268
Mpumalanga: Mkhondo community health centre	Replacement of community health centre	Tender	75 148	-	-	-	1 500	24 681	22 699	23 268
Mpumalanga: Vukuzakhe community health centre	Replacement of community health centre	Tender	75 148	-	-	-	1 500	24 681	22 699	23 268
Mpumalanga: Balfour community health centre	Replacement of community health centre	Tender	75 148	-	-	-	1 500	24 681	22 699	23 268
Mpumalanga: Nhlazathse community health centre	Replacement of community health centre	Tender	75 148	-	-	-	1 500	24 681	22 699	23 268
Limpopo: Magwedzha Clinic	Replacement of clinic	Tender	6 896	-	-	-	1 500	5 396	-	-
Limpopo: Thengwe Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Limpopo: Mulenzhe Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Limpopo: Makonde Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Limpopo: Kutama Clinic	Replacement of clinic	Tender	8 089	-	-	-	2 693	5 396	-	-
Free State: Bolata Clinic	Replacement of clinic	Tender	7 918	-	-	-	2 693	5 225	-	-
Free State: Kokelong Clinic	Replacement of clinic	Tender	7 918	-	-	-	2 693	5 225	-	-
Free State: Excelsior Clinic	Replacement of clinic	Tender	7 918	-	-	-	2 693	5 225	-	-
Eastern Cape: Butterworth Nursing College	Upgrades to the existing facility	Design	7 394	-	-	-	2 686	1 578	1 515	1 615
Eastern Cape: Madzikane kaZulu Nursing College	Upgrades to the existing facility	Design	7 394	-	-	-	2 686	1 578	1 515	1 615
Free State: Manapo and Heuizendal Nursing College	Upgrades to the existing facility	Tender	25 148	-	-	-	8 973	5 720	5 060	5 395
Gauteng: Baragwanath Nursing College	Upgrades to the existing facility	Design	25 000	-	-	-	2 472	1 452	1 394	1 486
Gauteng: Military Nursing College	Upgrades to the existing facility	Design	32 000	-	-	-	2 471	1 451	1 394	1 486
Limpopo: Thohoyandou Nursing College	Upgrades to the existing facility	Various	23 000	-	-	-	1 450	852	818	872
Mpumalanga: Bethal Nursing School	Upgrades to the existing facility	Design	9 315	-	-	-	3 384	1 988	1 909	2 035
Mpumalanga: Middleburg Nursing School	Upgrades to the existing facility	Design	9 315	-	-	-	3 384	1 988	1 909	2 035
Northern Cape: Henrietta Nursing College	Upgrades to the existing facility	Feasibility	14 396	-	-	-	5 230	3 072	2 950	3 145

Table 16.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
North West: Excelcius Nursing College	Upgrades to the existing facility	Tender	20 704	–	–	–	7 522	4 418	4 242	4 523
North West: Mmabatho Nursing College	Upgrades to the existing facility	Tender	8 726	–	–	–	3 170	1 862	1 788	1 906
Doctors consulting rooms in national health insurance districts	Provision of mobile doctors consulting rooms to primary health care facilities	Construction	280 708	–	–	–	218 000	62 708	–	–
Infrastructure transfers to other spheres, agencies and departments										
Eastern Cape: Cecilia Makiwane Hospital	Construction of the main hospital (phase 4)	Construction	1 113 270	32 111	293 716	242 970	274 744	318 741	65 000	75 000
Gauteng: Natalspruit Hospital	Construction of the main hospital	Hand over	2 317 813	296 569	456 236	250 720	232 139	150 000	–	–
KwaZulu-Natal: King George V	Upgrading and additions to existing hospital	Construction	1 245 358	133 203	181 994	109 308	113 099	14 960	12 127	12 127
KwaZulu-Natal: Ngwelezane Hospital and Lower Umfolozi War Memorial Hospital complex	Construction of the hospital complex	Construction	1 228 680	43 005	219 473	233 820	187 346	145 805	177 335	259 428
KwaZulu-Natal: Dr Pixley ka Seme Memorial Hospital	Construction of new hospital	Tender	2 785 859	31 640	28 856	82 910	24 940	271 000	341 848	341 848
			#VALUE!	–	–	–	–	–	–	–
Eastern Cape: Frontier Hospital	Upgrading of the existing facility	Construction	476 874	20 442	47 994	23 566	92 985	71 000	28 075	28 075
Eastern Cape: St Elizabeth's Hospital	Upgrading of the existing facility	Construction	724 177	53 149	79 349	58 807	100 000	48 569	80 887	100 887
Eastern Cape: Dr Malizo Mpehle Memorial Hospital	Upgrading of the emergency medical services centre, Frere Gateway Clinic and helipad for the hospital	Construction	378 144	14 019	28 827	6 606	8 000	–	–	–
Eastern Cape: St Patrick's Hospital	Construction of remaining components of hospital in a new site	Construction	447 622	37 775	28 827	76 593	46 814	27 601	6 200	6 200
Free State: Boitumelo Hospital	Revitalisation of existing hospital	Construction	840 224	56 990	95 395	120 344	85 000	62 646	–	–
Free State: Pelonomi Regional Hospital	Revitalisation of existing hospital	Construction	604 240	64 892	66 523	14 506	98 000	100 491	80 000	80 000
Free State: Free State Psychiatric Complex	Upgrading of existing hospital	Design	594 684	32 536	24 020	1 081	–	100 973	140 766	175 657
Free State: Mantsopa Hospital in Ladybrand	Construction of hospital	Construction	439 436	45 646	119 910	163 718	80 000	–	–	–
Free State: Tromsburg Hospital	Construction of new hospital	Construction	392 654	26 961	65 824	175 244	70 665	16 187	–	–
Free State: National Hospital (Mangaung)	Construction of new hospital	Feasibility	478 051	1 406	19 120	12 999	43 638	100 365	147 696	147 696
Gauteng: Mamelodi Hospital	Maintenance and repairs of hospital	Hand over	388 163	29 673	29 150	–	–	–	–	–
Gauteng: Zola Hospital	Construction of new hospital	Hand over	716 485	189 308	251 000	132 761	10 000	–	–	–
Gauteng: Chris Hanu Baragwanath	Construction of pharmacy, OPD and x-ray departments completed	Construction	753 254	141 527	142 531	81	–	–	–	–
Gauteng: Kalafong Hospital	Review of the business cases and development of the project brief	Feasibility	434 794	–	–	–	98 000	120 000	120 000	120 000
Gauteng: Germiston Hospital	Renovation of existing facilities	Construction	626 960	158 969	101 270	23 323	–	–	–	–
Gauteng: Sebokeng Hospital	Replacement of existing hospital	Feasibility	338 452	–	–	286	129 000	61 664	85 476	85 476
Gauteng: Khayalami Hospital	Upgrading of existing hospital	Feasibility	384 518	–	–	–	80 000	50 000	80 000	80 000
Gauteng: Jubilee Hospital	Replacement of existing hospital	Feasibility	451 561	–	–	–	80 000	51 961	171 561	171 561
Gauteng: Construction of clinics and community health centres	Construction of 4 clinics and 3 community health centres	Various	370 525	–	–	824	–	100 674	109 851	109 851
KwaZulu-Natal: Hlabisa Hospital	Upgrading of existing hospital	Various	315 611	3 116	19 513	14 424	9 448	31 500	25 840	25 840
KwaZulu-Natal: Rietvlei Hospital	Upgrading and additions to existing hospital	Construction	446 543	19 188	46 879	50 192	107 935	84 526	70 000	70 000

Table 16.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
KwaZulu-Natal: Edendale Hospital	Upgrading of existing hospital	Various	284 951	17 607	26 871	76 369	81 560	48 665	3 108	3 108
Limpopo: Thabazimbi Hospital	Replacement of existing hospital	Feasibility	338 687	13 704	76 968	106 793	82 600	100 000	–	–
Limpopo: Enabling works programme for hospitals	Upgrading of 9 hospitals	Construction	250 934	71 926	100 763	177 968	86 020	15 000	–	–
Limpopo: Letaba Hospital	Upgrading of existing hospital	Construction	381 492	35 764	30 374	44 754	23 000	80 000	19 553	19 553
Limpopo: Maphuta L. Malatji Hospital	Upgrading of existing hospital	Construction	251 545	25 171	21 586	5 396	30 945	80 000	10 626	10 626
Mpumalanga: Rob Ferreira Hospital	Upgrading of existing hospital	Construction	887 716	121 833	142 418	102 649	36 093	41 500	–	–
Mpumalanga: Themba Hospital	Upgrading of existing hospital	Construction	645 247	59 742	70 762	56 273	47 216	59 000	40 000	40 000
Mpumalanga: Ermelo Hospital	Upgrading of existing hospital	Construction	473 000	35 451	27 059	35 888	95 200	49 000	72 000	72 000
Mpumalanga: Hospitals projects the planning stages	Various hospital constructions and upgrades	Construction	414 235	–	12 043	2 550	25 000	39 313	69 686	97 507
Northern Cape: Mental health hospital in Kimberly	Construction of the hospital	Feasibility	503 144	12 494	12 658	95 115	13 000	223 998	269 252	88 944
Northern Cape: Upington Hospital	Construction of new hospital	Construction	852 439	231 573	227 976	148 320	101 515	13 293	5 000	5 000
Northern Cape: De Aar Hospital	Construction of new hospital	Construction	629 726	9 998	126 843	111 205	196 759	39 330	50 000	50 000
Northern Cape: Kuruman Hospital	Construction of new hospital	Construction	391 419	43	–	–	6 000	81 000	175 000	175 000
North West: Vryburg Hospital	Construction of new hospital	Feasibility	503 623	58 836	18 562	6 839	–	–	–	–
North West: Moses Kotane Hospital	Construction of new hospital	Construction	664 463	94 685	14 180	17 808	53 253	45 000	13 731	13 731
North West: Brits Hospital	Construction of new hospital	Construction	779 858	96 018	254 897	148 850	142 000	19 000	5 000	5 000
North West: Bophelong Hospital	Construction of new hospital	Construction	931 839	54 250	69 111	104 289	148 005	131 362	173 488	178 431
Western Cape: Worcester Hospital	Upgrading of existing hospital	Construction	472 834	30 869	9 752	24 886	78 227	6 835	–	–
Western Cape: Paarl Hospital	Upgrading of existing hospital	Construction	631 353	88 322	34 524	11 989	34 199	3 336	–	–
Western Cape: Khayelitsha Hospital	Construction of new hospital	Construction	607 423	242 991	125 388	14 138	–	–	–	–
Western Cape: Mitchell's Plain Hospital	Construction of new hospital	Construction	583 751	111 748	141 226	271 803	20 656	–	–	–
Western Cape: Vredenburg Hospital	Rehabilitation of hospital	Construction	327 330	14 192	12 347	30 605	83 414	48 182	3 000	3 000
Western Cape: Valkenberg Hospital	Rehabilitation of hospital	Feasibility	991 654	6 841	5 056	10 869	221 930	165 751	246 560	246 560
Western Cape: GF Jooste Hospital	Rehabilitation of hospital	Construction	529 947	–	–	–	25 000	114 000	191 500	191 500
Eastern Cape: Madwaleni Hospital	Upgrading of existing hospital	Feasibility	220 301	781	5 631	3 250	18 992	47 560	85 823	149 999
Gauteng: Tambo Memorial Hospital	Replacement and renovations of existing hospital	Various	153 250	–	–	–	40 000	16 000	39 715	45 201
Gauteng: Dr. Yusuf Dadoo Hospital	Replacement and renovations of existing hospital	Pre-feasibility	223 250	–	–	–	40 000	16 000	40 000	40 000
Limpopo: Thabamooopo Hospital	Upgrading of existing hospital	Construction	244 558	37 525	17 839	9 989	5 785	1 500	–	–
Limpopo: Musina Hospital	Development of project brief and design	Feasibility	191 410	322	–	–	15 000	40 000	145 853	245 853
Northern Cape: Prof ZK Mathews Hospital	Rebuilding of the pharmacy	Hand over	91 105	3 677	423	–	–	–	–	–
North West: Lichtenburg Hospital	Replacement of hospital	Feasibility	226 158	9 260	–	7 531	28 000	65 000	107 000	107 000
North West: Rustenburg Hospital	Review of business case and development of project brief	Feasibility	142 166	–	–	–	–	50 000	40 000	40 000
North West: Klerksdorp Hospital	Review of business case and development of project brief	Feasibility	145 000	–	–	–	5 000	50 000	40 000	40 000
Western Cape: George Hospital	Rehabilitation and upgrading of hospital	Construction	237 411	24 717	29 198	17 413	5 600	–	–	–
Western Cape: Brooklyn Chest Hospital	Rehabilitation and construction of new wards	Feasibility	137 845	–	–	–	6 500	61 000	70 345	70 345

Table 16.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
KwaZulu-Natal: King Edward 8th Hospital	Upgrading and renovation of existing facilities	Construction	248 902	42 743	34 931	38 083	19 836	52 675	49 287	49 287
KwaZulu-Natal: Madadeni Hospital	Construction of new psychiatric hospital	Various	59 895	114	8 112	25 810	23 000	–	–	–
Limpopo: Dilokong Hospital	Additions and upgrade of existing hospital	Hand over	134 566	–	210	–	–	–	–	–
Limpopo: New hospitals in planning	Developments of business cases, project brief and design	Various	90 612	–	10 612	–	30 000	40 103	–	–
Limpopo: Other hospital revitalisation grant projects	Construction and upgrading of hospitals and other health facilities	Various	106 693	7 609	14 325	–	165 112	44 269	16 801	14 359
Mpumalanga: Other Hospital Revitalisation Grant Projects	Provision of equipment in various facilities and other enabling work	Various	32 528	–	–	32 528	–	–	–	–
North West: Other Hospital Revitalisation Grant Projects	Provision of equipment in various facilities and other enabling work	Various	53 252	–	–	53 252	–	–	–	–
Western Cape: Other Hospital Revitalisation Grant Projects	Provision of equipment in various facilities and other enabling work	Various	59 907	–	–	59 907	–	–	–	–
Eastern Cape: Various health Infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 553 780	278 691	328 912	306 177	–	60 000	150 000	150 000
Limpopo: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 312 267	192 445	253 093	266 729	–	40 000	150 000	150 000
Free State: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	805 951	58 344	75 052	81 950	147 417	48 305	165 573	165 573
Gauteng - Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	744 758	60 321	136 957	110 361	61 894	80 000	70 000	70 000
KwaZulu-Natal: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	2 690 632	280 449	364 758	572 520	373 570	483 884	380 078	447 527
Mpumalanga: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	817 579	90 287	129 152	114 394	80 000	134 924	182 199	182 199
Northern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	666 318	47 530	104 891	101 038	104 154	59 807	120 320	120 320
North West: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	746 979	60 195	136 695	121 622	119 863	108 139	179 502	179 502
Western Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	972 355	195 904	124 836	128 981	139 296	219 732	111 881	141 264
KwaZulu-Natal: Nursing Colleges	Upgrade and maintenance	Various	84 159	–	–	16 480	23 896	29 454	30 809	30 809
Limpopo: Nursing College	Upgrade and maintenance	Various	73 342	–	–	11 777	18 980	26 570	27 792	27 792
Northern Cape: Nursing schools	Upgrade and maintenance	Various	977	–	–	977	–	4 000	–	–
Gauteng: Nursing colleges and schools	Upgrade and maintenance	Various	69 702	–	–	7 702	19 096	24 734	25 872	25 872
Western Cape: Nursing colleges	Upgrade and maintenance	Various	57 828	–	–	5 712	14 964	20 950	21 914	21 914
Free State: Nursing colleges	Upgrade and maintenance	Various	55 152	–	–	3 265	14 242	19 995	20 915	20 914
Eastern Cape: Nursing colleges	Upgrade and maintenance	Various	73 962	–	–	12 394	–	25 760	26 945	26 944
Mpumalanga: Nursing colleges	Upgrade and maintenance	Various	54 577	–	–	5 391	14 123	19 772	–	–
North West: Nursing colleges	Upgrade and maintenance	Various	48 637	–	–	8 680	12 586	17 620	–	–
Total				4 257 097	5 683 398	5 524 352	5 471 026	6 097 047	6 324 366	6 695 605



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

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