

# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

HEALTH



VOTE **16**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

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The 2016 Estimates of National Expenditure 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](http://www.treasury.gov.za).

Compared to the abridged version of the 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.



# Health

**National Treasury  
Republic of South Africa**



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# Vote 16

## Health

### Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	463.5	456.4	2.6	4.5	516.6	549.1
National Health Insurance, Health Planning and Systems Enablement	559.8	421.3	110.6	27.8	739.7	998.5
HIV and AIDS, Tuberculosis, and Maternal and Child Health	16 018.6	553.2	15 449.5	15.9	18 432.7	20 855.0
Primary Health Care Services	257.8	252.9	3.0	1.9	286.3	317.2
Hospitals, Tertiary Health Services and Human Resource Development	19 573.5	409.6	18 596.2	567.7	21 072.4	22 224.5
Health Regulation and Compliance Management	1 690.2	211.2	1 475.2	3.8	1 730.4	1 789.9
<b>Total expenditure estimates</b>	<b>38 563.3</b>	<b>2 304.8</b>	<b>35 637.0</b>	<b>621.5</b>	<b>42 778.1</b>	<b>46 734.2</b>

Executive authority Minister of Health  
 Accounting officer Director General of Health  
 Website address [www.doh.gov.za](http://www.doh.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

*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 that calls for a long and healthy life for all South Africans (outcome 2).

### Selected performance indicators

**Table 16.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Tuberculosis new client treatment success rate per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	78.7%	80.8%	82.5%	83%	84%	87%	90%
Tuberculosis client loss to follow-up rate per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		6.1%	6.2%	5.7%	5.5%	5.4%	5%	4.5%
Total number of clients remaining on antiretroviral treatment at the end of the year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		2.3 million	2.7 million <sup>1</sup>	3.1 million	3.8 million	4.3 million	4.8 million	5 million
Percentage of first antenatal visit before 20 weeks of pregnancy per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		44% (468 427)	50% (549 755)	53.9% (588 119)	60%	64%	68%	70%
Immunisation coverage per year for children under the age of 1 year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		83.6% (912 164)	84.3% (910 285)	89.8% (943 304)	90%	92%	93%	95%
Coverage per year for second dose of measles immunisation	HIV and AIDS, Tuberculosis, Maternal and Child Health		75% (828 554)	75% (802 417)	82.8% (799 662)	83%	84%	85%	86%

**Table 16.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Infant polymerase chain reaction test positive around 10 weeks rate per year <sup>2</sup>	HIV and AIDS, Tuberculosis, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	2.5% <sup>3</sup> (6 122)	2% <sup>3</sup> (4 932)	1.5% <sup>3</sup> (3 801)	1.5%	1.4%	1.3%	1.2%
Coverage of cervical cancer screening coverage per year <sup>4</sup>	HIV and AIDS, Tuberculosis, and Maternal and Child Health		55.4%	58.3%	54.5%	60%	62%	67%	68%
Coverage per year of first dose human papilloma virus immunisation	HIV and AIDS, Tuberculosis, and Maternal and Child Health		– <sup>5</sup>	– <sup>5</sup>	91.8% (419 589)	80%	87%	88%	90%
Total number of functional ward based outreach teams	Primary Health Care Services		– <sup>5</sup>	1 063	1 748	2 000	2 000	2 000	2 000
Percentage of backlog eliminated for blood alcohol tests	Hospitals, Tertiary Health Services and Human Resource Development		– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>	70%	100%	100%	100%
Percentage of backlog eliminated for toxicology tests	Hospitals, Tertiary Health Services and Human Resource Development		– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>	70%	100%	100%	100%
Percentage of food tests completed within targeted turnaround time (30 days for perishable and 60 days for non-perishable) per year	Hospitals, Tertiary Health Services and Human Resource Development		– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>	70%	100%	100%	100%

1. This was incorrectly published as 2.4 million in the 2015 Estimates of National Expenditure. The correct performance outcome is 2.7 million.

2. This is an indicator for mother-to-child transmission of HIV, which shows the infants tested positive for HIV within 10 weeks as a proportion of all live births by HIV positive mothers.

3. Indicator has changed from 6 weeks to 10 weeks in line with the new guidelines on the prevention of mother-to-child transmission. The historical performance is for a rate at 6 weeks after birth.

4. Estimate of the percentage of the female population over 30 years of age who are screened for cervical cancer every 10 years.

5. No historical data is available as these are new indicators.

## Expenditure analysis

In line with the vision of the national development plan and outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework, the Department of Health will focus over the medium term on sustainably expanding HIV and AIDS and tuberculosis treatment and prevention, revitalising public health care facilities, and ensuring the provision of specialised tertiary hospital services. Spending on these three areas will take up 85.1 per cent (R109 billion) of the department's total budget over the MTEF period, and the activities will contribute to sub-outcome 6 (improved health management and leadership), sub-outcome 7 (improved health facility planning and infrastructure delivery) and sub-outcome 8 (HIV and AIDS and tuberculosis prevented and successfully managed).

The recent release of the White Paper on National Health Insurance for South Africa highlights the rollout of national health insurance, although this is not yet a large spending area. Pilot activities will be scaled up, and health information systems strengthened over the medium term in preparation for the rollout. National health insurance is prescribed in sub-outcome 1 (universal health coverage progressively achieved through implementation of national health insurance) of the 2014-2019 medium term strategic framework.

The department transfers 88.2 per cent (R112.8 billion) of its budget over the medium term to provincial departments of health in the form of conditional grants.

The department's compensation of employees budget has been reduced by R45.6 million for 2017/18 and R71.5 million for 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

### Sustainably expanding the HIV and AIDS and tuberculosis treatment and prevention

Over the past 2 years, government has developed HIV and tuberculosis investment cases. An investment case sets out how to optimise investments, and describes the long term returns. Based on a systematic review of cost effectiveness data, the most cost effective mix of interventions to combat HIV and tuberculosis has been identified. Increased funding of R1.9 billion has been allocated in 2017/18 and 2018/19 to support the implementation of the 2 investment cases and to ensure the sustained expansion of antiretroviral treatment. Expenditure in the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme increases at an average annual rate of 13.7 per cent over the medium term as a result of the funding increases.

Of the R1.9 billion, R240 million in 2017/18 and R500 million in 2018/19 is dedicated to support the recommendations of the tuberculosis investment case, such as intensified screening campaigns to ensure early detection and treatment. These funds are added to the renamed comprehensive HIV, AIDS and TB conditional

grant in the *HIV and AIDS* subprogramme of the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme. The spending is expected to improve detection and to increase the tuberculosis treatment success rate from the current 83 per cent to 90 per cent in 2018/19.

The HIV investment case identified scaling up antiretroviral treatment and HIV prevention programmes as key interventions to curb the HIV epidemic. The department expects antiretroviral therapy to reach 5 million South Africans by 2018/19, supported by an increase in the grant of R1 billion in that year as part of the additional R1.9 billion. This expansion is part of South Africa's progressive scaling up towards 90-90-90 targets for 2020 of the Joint United Nations Programme on HIV and AIDS (UNAIDS), namely: 90 per cent of all people living with HIV will know their HIV status, 90 per cent of all people with diagnosed HIV infection will receive sustained antiretroviral therapy, and 90 per cent of all people receiving antiretroviral therapy will have viral suppression. Further increases in the *HIV and AIDS, Tuberculosis, Maternal and Child Health* programme of R60 million in 2017/18 and R140 million in 2018/19 will go towards scaling up HIV prevention programmes, such as condom distribution, medical male circumcision and social behaviour change communication campaigns.

### **Revitalising public health care facilities**

Quality health infrastructure and health technology are essential for delivering quality health services at all levels of care. This is expressed in sub-outcome 7 (improved health facility planning and infrastructure delivery) of government's 2014-2019 medium term strategic framework. A baseline audit on all health facilities in South Africa, conducted in 2012, found that many facilities require major refurbishment, and some require being completely replaced.

The department will invest R19.8 billion in health infrastructure over the MTEF period. These funds will be managed as 2 conditional grants in the *Health Facilities Infrastructure Management* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme, which is set to grow at an average annual rate of 5.7 per cent over the period.

The health facility revitalisation direct grant is transferred to provincial departments of health to fund new facilities and refurbishments. R17.1 billion is allocated for this grant over the medium term.

The health facility revitalisation component of the national health insurance indirect grant is allocated R2.7 billion over the medium term. This grant is exclusively for infrastructure improvements in the 11 health insurance pilot districts. The department is working closely with implementing agents to ensure that all 872 primary health care facilities in these districts, which are distributed nationally, are refurbished, and that 216 primary health care facilities are constructed or revitalised by 2019/20.

Cabinet approved reductions of R705.3 million over the medium term have been made in these two grants.

### **Ensuring the provision of specialised tertiary health services**

Tertiary health services are for inpatients in hospitals that have specialised personnel and facilities for advanced medical investigation and treatment. These services are unevenly distributed across South Africa's 9 provinces, causing people to seek specialised care in provinces other than the one in which they reside. To compensate provinces for treating patients coming from other provinces, the department will continue to subsidise funding for tertiary health services in 28 hospitals and hospital complexes over the medium term. The department will also continue to modernise tertiary facilities by upgrading medical equipment on an ongoing basis. These activities are funded through the national tertiary services grant to provincial departments of health. R10.8 billion in 2016/17, R11.5 billion in 2017/18 and R12.2 billion in 2018/19 will be transferred through the *Tertiary Health Care Planning and Policy* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

### **National health insurance**

The department aims to achieve universal health coverage through the phased in implementation of national health insurance. National health insurance comprises a number of health system reforms as outlined in the recently published white paper. These reforms include: re-engineering the primary health care approach; implementing Operation Phakisa's ideal clinic realisation and maintenance programme; implementing various quality and management improvement initiatives across all health facilities; transforming emergency medical

services; improving human resources for health; and improving the strategic management and functioning of central hospitals. Over the medium term, a key strategic intervention is the creation of the National Health Insurance Fund, which will strategically purchase health services from selected public and private healthcare providers on behalf of the population. The share of health budgets channelled through the Fund will gradually increase.

R4.5 billion over the medium term is allocated for national health insurance, R4.3 billion of which is allocated through the national health insurance indirect grant (previously named the national health grant). This includes R2.7 billion allocated to the grant's health facility revitalisation component in the *Hospitals, Tertiary Health Services and Human Resource Development* programme and R912.7 million allocated to the grant's contracting component in the *National Health Insurance, Health Planning and Systems Enablement* programme. The contracting component will be used to contract private health professionals to provide primary health care services in public facilities, and to continue piloting a central chronic medicines dispensing and distribution model, which already gives 380 000 patients access to their chronic medications at alternative pick-up points, such as private sector pharmacies, without having to visit a public health facility.

The department receives increased funding for new information systems in the *National Health Insurance, Health Planning and Systems Enablement* programme, which accounts for the average annual 26.8 per cent growth over the medium term. The department is currently piloting an integrated patient based information system for primary health care facilities in the national health insurance pilot districts. This will be expanded over the medium term, supported by funding of R76 million in 2017/18 and R200 million in 2018/19 in the *Technical Policy and Planning* subprogramme. In addition, the department will establish an electronic stock management system, including an early warning system for stock-outs of medicine in primary health care clinics and hospitals, funded by R100 million in 2017/18 and R200 million in 2018/19 in the *Sector-wide Procurement* subprogramme.

In addition to these activities funded by the national health insurance indirect grant, provinces will continue to pilot health system reforms and innovation at the district level through funds from the direct national health insurance conditional grant, also allocated in the *National Health Insurance, Health Planning and Systems Enablement* programme. However, this grant will end after 2016/17.

The department is also developing a new diagnosis related groups model, which will be used to reimburse central hospitals based on patient volumes and case mix. R80 million over the MTEF period is earmarked in the *Health Financing and National Health Insurance* subprogramme for this. The model is expected to be completed by 2018/19.

A new component has been added to the national health insurance indirect grant for the rollout of the Ideal Clinic programme. This programme aims to improve all 3 500 primary healthcare facilities nationally to reach the determined ideal status by addressing infrastructure backlogs, reducing queues, improving information systems, integrating services, and implementing uniform protocols, guidelines and staffing norms. R90 million over the medium term is allocated to this component.

## Expenditure trends

**Table 16.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. National Health Insurance, Health Planning and Systems Enablement														
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health														
4. Primary Health Care Services														
5. Hospitals, Tertiary Health Services and Human Resource Development														
6. Health Regulation and Compliance Management														
Programme														
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	357.9	403.3	372.9	411.0	405.7	347.3	389.7	389.7	386.5	457.1	456.6	452.2	96.5%	94.2%
Programme 2	315.1	315.1	315.4	491.9	491.8	222.6	652.0	658.9	338.2	587.8	596.6	489.8	66.7%	66.2%
Programme 3	9 089.9	9 074.9	8 979.3	10 829.9	10 842.8	10 763.5	12 840.7	12 840.7	12 827.5	14 442.1	14 378.9	14 193.0	99.1%	99.2%
Programme 4	193.4	224.9	206.3	214.0	207.2	183.5	200.5	216.2	206.3	225.0	224.9	217.4	97.7%	93.2%
Programme 5	16 918.0	17 348.0	17 378.6	17 908.2	17 715.4	17 493.3	18 929.5	18 816.5	18 448.6	19 159.1	18 950.2	18 801.4	98.9%	99.0%
Programme 6	1 063.4	1 071.6	1 008.9	1 252.1	1 261.7	1 214.4	1 367.6	1 403.1	1 331.9	1 596.9	1 603.9	1 600.0	97.6%	96.5%
<b>Total</b>	<b>27 937.6</b>	<b>28 437.8</b>	<b>28 261.5</b>	<b>31 107.1</b>	<b>30 924.6</b>	<b>30 224.5</b>	<b>34 380.0</b>	<b>34 325.1</b>	<b>33 539.0</b>	<b>36 468.0</b>	<b>36 211.1</b>	<b>35 753.8</b>	<b>98.4%</b>	<b>98.4%</b>
Change to 2015 Budget estimate											(256.9)			
Economic classification														
<b>Current payments</b>	<b>1 365.4</b>	<b>1 473.0</b>	<b>1 265.6</b>	<b>1 743.3</b>	<b>1 732.5</b>	<b>1 262.3</b>	<b>2 041.0</b>	<b>2 245.1</b>	<b>1 740.1</b>	<b>2 351.5</b>	<b>2 250.2</b>	<b>1 924.3</b>	<b>82.6%</b>	<b>80.4%</b>
Compensation of employees	567.3	575.0	554.3	631.8	631.8	628.0	649.1	656.5	686.3	772.1	774.3	774.3	100.9%	100.2%
Goods and services	798.2	897.9	711.3	1 111.5	1 100.7	634.4	1 391.9	1 588.6	1 053.8	1 579.5	1 476.0	1 150.0	72.7%	70.1%
of which:														
Administrative fees	1.2	6.2	0.8	2.0	2.0	0.2	1.0	1.0	0.7	1.0	1.0	1.0	53.0%	27.1%
Advertising	56.4	58.0	11.9	23.8	23.4	11.8	59.1	57.8	9.3	32.4	32.4	27.9	35.5%	35.5%
Minor assets	13.7	13.6	3.4	17.0	17.0	2.4	18.0	29.7	8.2	15.5	15.5	12.0	40.5%	34.3%
Audit costs: External	18.5	18.5	23.8	29.4	29.5	30.6	31.7	30.7	27.9	35.7	35.7	23.6	91.8%	92.5%
Bursaries: Employees	1.4	1.6	0.9	1.6	1.6	1.1	1.5	1.5	1.1	1.6	1.6	1.6	76.8%	74.3%
Catering: Departmental activities	7.2	7.2	3.0	8.4	8.4	2.8	7.6	7.7	3.2	8.2	8.2	8.2	54.7%	54.7%
Communication	26.5	28.0	14.8	29.1	29.1	12.3	23.1	27.4	15.7	23.3	22.5	22.2	63.8%	60.8%
Computer services	22.1	24.4	9.3	26.1	27.2	6.6	21.3	29.6	13.8	23.9	23.4	19.0	52.1%	46.6%
Consultants: Business and advisory services	122.2	184.8	186.2	146.2	148.2	156.7	108.5	114.4	54.8	123.1	112.3	73.0	94.2%	84.1%
Infrastructure and planning services	-	-	-	-	-	-	-	171.5	4.3	13.0	13.0	13.0	133.0%	9.4%
Laboratory services	0.1	0.1	0.0	0.1	0.1	-	0.1	0.1	-	0.1	0.1	0.1	31.2%	31.2%
Legal services	-	-	10.5	-	-	11.1	45.2	1.1	6.2	10.2	1.2	1.2	52.2%	1 254.8%
Science and technological services	1.0	1.1	14.6	1.1	1.1	4.1	1.1	43.6	11.7	1.2	10.0	7.9	867.3%	68.7%
Contractors	20.9	26.0	9.8	318.2	313.8	16.9	416.0	415.9	95.3	341.5	333.9	260.5	34.9%	35.1%
Agency and support/outourced services	18.7	13.6	19.8	14.2	15.2	3.7	12.4	17.4	92.4	222.4	141.4	121.4	88.6%	126.5%
Entertainment	0.8	0.8	0.1	0.8	0.8	0.1	0.8	0.8	0.0	0.8	0.8	0.8	30.8%	31.0%
Fleet services (including government motor transport)	-	-	-	-	-	16.4	-	29.8	27.2	23.6	25.2	25.2	291.7%	125.3%
Inventory: Clothing material and accessories	-	-	-	-	-	0.0	-	2.8	2.7	-	-	-	-	99.2%
Inventory: Food and food supplies	-	-	0.0	-	-	0.1	-	-	0.1	-	-	-	-	-
Inventory: Fuel, oil and gas	0.5	0.5	0.9	0.5	0.5	1.1	0.5	0.5	1.1	0.5	0.5	0.5	182.9%	182.9%
Inventory: Learner and teacher support material	0.2	0.2	-	0.2	0.2	-	0.2	0.2	-	0.2	0.2	0.2	26.4%	26.3%
Inventory: Materials and supplies	0.6	0.6	0.1	0.5	0.5	0.2	0.5	1.5	0.3	0.7	0.7	0.7	55.3%	38.8%
Inventory: Medical supplies	135.6	135.6	112.4	140.8	140.8	70.5	149.2	153.2	209.6	189.3	189.3	56.3	73.0%	72.5%
Inventory: Medicine	1.1	31.0	32.1	1.1	1.1	0.5	201.4	142.5	177.2	196.2	196.2	151.2	90.3%	97.3%

**Table 16.2 Vote expenditure trends by programme and economic classification**

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Medgas inventory interface	-	1.5	-	1.6	1.6	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	12.2	6.9	11.5	11.5	7.9	12.4	12.4	10.3	14.9	14.9	14.9	103.1%	78.5%
Consumable supplies	13.7	0.7	0.3	0.7	0.7	0.6	-	-	1.7	-	0.3	0.3	20.1%	175.9%
Consumables: Stationery, printing and office supplies	46.0	44.6	16.4	47.1	47.1	22.2	40.2	39.0	18.4	37.4	35.4	30.3	51.1%	52.6%
Operating leases	93.6	96.1	85.6	102.0	106.0	86.9	109.3	111.3	93.5	127.9	127.9	146.6	95.3%	93.5%
Rental and hiring	-	-	0.0	-	-	-	-	-	0.1	-	-	-	-	-
Property payments	5.4	5.4	9.6	5.5	5.5	11.4	5.6	5.6	22.6	8.8	8.8	8.8	206.9%	206.9%
Transport provided: Departmental activity	-	3.6	3.2	3.1	4.0	0.3	0.7	0.7	-	0.7	0.7	0.7	93.4%	47.2%
Travel and subsistence	129.2	120.6	88.6	112.7	111.2	81.9	62.3	72.6	82.7	66.1	63.1	62.9	85.4%	86.0%
Training and development	3.2	3.2	5.5	3.9	3.2	3.5	5.5	9.3	4.8	4.8	4.8	4.8	106.5%	90.6%
Operating payments	35.4	35.6	33.8	38.7	26.9	60.5	34.5	35.2	50.3	35.9	36.6	36.2	125.1%	134.6%
Venues and facilities	23.1	22.9	6.9	23.7	22.7	10.1	22.4	22.2	6.5	18.5	18.5	17.1	46.3%	47.0%
<b>Transfers and subsidies</b>	<b>26 543.4</b>	<b>26 929.1</b>	<b>26 969.9</b>	<b>28 538.0</b>	<b>28 725.6</b>	<b>28 787.4</b>	<b>31 314.1</b>	<b>31 591.1</b>	<b>31 570.6</b>	<b>33 448.5</b>	<b>33 496.1</b>	<b>33 496.1</b>	<b>100.8%</b>	<b>100.1%</b>
Provinces and municipalities	25 501.9	25 882.9	25 882.0	27 317.5	27 686.5	27 487.2	29 902.1	30 164.1	30 179.9	31 857.9	31 904.7	31 904.7	100.8%	99.8%
Departmental agencies and accounts	846.7	850.8	890.5	1 026.9	839.5	1 089.1	1 202.9	1 212.9	1 169.3	1 416.4	1 417.1	1 417.1	101.6%	105.7%
Higher education institutions	-	-	-	-	-	-	3.0	3.0	-	3.1	3.1	3.1	51.1%	51.1%
Foreign governments and international organisations	-	-	-	-	-	-	-	2.7	2.6	-	-	-	-	98.6%
Public corporations and private enterprises	-	0.0	0.0	-	-	0.2	-	-	-	-	-	-	-	475.0%
Non-profit institutions	194.8	195.3	196.2	193.6	199.7	209.6	206.1	208.4	215.3	171.1	171.1	171.1	103.5%	102.3%
Households	0.0	0.0	1.1	0.0	0.0	1.5	0.0	0.0	3.5	-	-	-	14 381.0%	14 381.0%
<b>Payments for capital assets</b>	<b>28.8</b>	<b>35.7</b>	<b>20.3</b>	<b>825.9</b>	<b>466.5</b>	<b>173.0</b>	<b>1 024.9</b>	<b>488.9</b>	<b>227.4</b>	<b>668.0</b>	<b>464.7</b>	<b>333.4</b>	<b>29.6%</b>	<b>51.8%</b>
Buildings and other fixed structures	-	-	-	807.0	440.0	113.7	979.9	378.4	168.9	562.5	354.6	287.6	24.3%	48.6%
Machinery and equipment	28.8	35.7	20.3	18.8	26.4	59.3	45.1	100.7	58.4	105.5	110.1	45.8	92.7%	67.3%
Software and other intangible assets	-	-	-	-	-	-	-	9.8	0.2	-	-	-	-	1.8%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>5.7</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>27 937.6</b>	<b>28 437.8</b>	<b>28 261.5</b>	<b>31 107.1</b>	<b>30 924.6</b>	<b>30 224.5</b>	<b>34 380.0</b>	<b>34 325.1</b>	<b>33 539.0</b>	<b>36 468.0</b>	<b>36 211.1</b>	<b>35 753.8</b>	<b>98.4%</b>	<b>98.4%</b>

## Expenditure estimates

**Table 16.3 Vote expenditure estimates by programme and economic classification**

Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	452.2	3.9%	1.2%	463.5	516.6	549.1	6.7%	1.2%
Programme 2	489.8	15.8%	1.1%	559.8	739.7	998.5	26.8%	1.7%
Programme 3	14 193.0	16.1%	36.6%	16 018.6	18 432.7	20 855.0	13.7%	42.4%
Programme 4	217.4	-1.1%	0.6%	257.8	286.3	317.2	13.4%	0.7%
Programme 5	18 801.4	2.7%	56.4%	19 573.5	21 072.4	22 224.5	5.7%	49.9%
Programme 6	1 600.0	14.3%	4.0%	1 690.2	1 730.4	1 789.9	3.8%	4.2%
<b>Total</b>	<b>35 753.8</b>	<b>7.9%</b>	<b>100.0%</b>	<b>38 563.3</b>	<b>42 778.1</b>	<b>46 734.2</b>	<b>9.3%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				(360.2)	440.9	2 047.2		

**Table 16.3 Vote expenditure estimates by programme and economic classification**

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
<b>Current payments</b>	<b>1 924.3</b>	<b>9.3%</b>	<b>4.8%</b>	<b>2 304.8</b>	<b>2 752.3</b>	<b>2 942.8</b>	<b>15.2%</b>	<b>6.1%</b>
Compensation of employees	774.3	10.4%	2.1%	873.4	878.3	954.3	7.2%	2.1%
Goods and services	1 150.0	8.6%	2.8%	1 431.4	1 874.0	1 988.5	20.0%	3.9%
of which:								
Administrative fees	1.0	-44.7%	0.0%	0.8	4.5	2.3	30.8%	0.0%
Advertising	27.9	-21.7%	0.0%	11.8	14.8	16.8	-15.6%	0.0%
Minor assets	12.0	-4.2%	0.0%	6.1	9.1	6.1	-20.0%	0.0%
Audit costs: External	23.6	8.4%	0.1%	31.1	38.0	39.3	18.6%	0.1%
Bursaries: Employees	1.6	-0.2%	0.0%	2.2	2.0	2.1	10.7%	0.0%
Catering: Departmental activities	8.2	4.4%	0.0%	4.2	3.7	3.9	-22.2%	0.0%
Communication	22.2	-7.5%	0.1%	19.5	23.7	24.3	3.0%	0.1%
Computer services	19.0	-8.0%	0.0%	15.2	24.1	25.6	10.4%	0.1%
Consultants: Business and advisory services	73.0	-26.6%	0.4%	105.8	174.2	324.6	64.4%	0.4%
Infrastructure and planning services	13.0	-	0.0%	8.0	39.3	14.2	2.9%	0.0%
Laboratory services	0.1	17.0%	0.0%	0.3	-	1.0	132.1%	0.0%
Legal services	1.2	-	0.0%	1.0	9.0	8.4	92.4%	0.0%
Science and technological services	7.9	92.3%	0.0%	11.4	19.5	17.5	30.5%	0.0%
Contractors	260.5	115.6%	0.3%	276.5	352.9	376.2	13.0%	0.8%
Agency and support/outsourced services	121.4	107.6%	0.2%	211.3	324.7	437.1	53.3%	0.7%
Entertainment	0.8	3.6%	0.0%	0.3	0.4	0.2	-38.1%	0.0%
Fleet services (including government motor transport)	25.2	-	0.1%	19.2	30.8	32.5	8.9%	0.1%
Inventory: Clothing material and accessories	-	-	0.0%	2.0	1.0	-	-	0.0%
Inventory: Food and food supplies	-	-	0.0%	0.3	0.2	0.4	-	0.0%
Inventory: Fuel, oil and gas	0.5	1.5%	0.0%	1.7	3.2	2.6	72.3%	0.0%
Inventory: Learner and teacher support material	0.2	3.1%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Materials and supplies	0.7	7.1%	0.0%	0.8	2.5	2.2	45.4%	0.0%
Inventory: Medical supplies	56.3	-25.4%	0.4%	192.4	199.7	211.7	55.5%	0.4%
Inventory: Medicine	151.2	69.5%	0.3%	177.0	176.7	2.1	-75.8%	0.3%
Inventory: Other supplies	14.9	7.1%	0.0%	12.4	15.1	12.0	-7.1%	0.0%
Consumable supplies	0.3	-28.7%	0.0%	2.8	10.1	6.6	198.1%	0.0%
Consumables: Stationery, printing and office supplies	30.3	-12.1%	0.1%	22.1	24.8	29.6	-0.7%	0.1%
Operating leases	146.6	15.1%	0.3%	136.2	179.1	183.6	7.8%	0.4%
Rental and hiring	-	-	0.0%	0.3	0.2	0.5	-	0.0%
Property payments	8.8	17.5%	0.0%	13.2	25.2	28.5	47.8%	0.0%
Transport provided: Departmental activity	0.7	-40.9%	0.0%	1.0	-	-	-100.0%	0.0%
Travel and subsistence	62.9	-19.5%	0.2%	79.8	87.7	88.1	11.9%	0.2%
Training and development	4.8	14.4%	0.0%	8.5	8.7	12.0	35.4%	0.0%
Operating payments	36.2	0.5%	0.1%	48.0	57.3	64.9	21.5%	0.1%
Venues and facilities	17.1	-9.2%	0.0%	8.0	11.8	11.6	-12.2%	0.0%
<b>Transfers and subsidies</b>	<b>33 496.1</b>	<b>7.5%</b>	<b>94.6%</b>	<b>35 637.0</b>	<b>39 290.1</b>	<b>43 021.2</b>	<b>8.7%</b>	<b>92.4%</b>
Provinces and municipalities	31 904.7	7.2%	90.4%	33 972.0	37 588.2	41 247.4	8.9%	88.3%
Departmental agencies and accounts	1 417.1	18.5%	3.6%	1 494.5	1 516.6	1 577.8	3.6%	3.7%
Higher education institutions	3.1	-	0.0%	3.3	3.5	3.7	5.4%	0.0%
Non-profit institutions	171.1	-4.3%	0.6%	167.2	181.8	192.3	4.0%	0.4%
<b>Payments for capital assets</b>	<b>333.4</b>	<b>110.5%</b>	<b>0.6%</b>	<b>621.5</b>	<b>735.7</b>	<b>770.1</b>	<b>32.2%</b>	<b>1.5%</b>
Buildings and other fixed structures	287.6	-	0.4%	471.9	564.6	608.1	28.3%	1.2%
Machinery and equipment	45.8	8.6%	0.1%	149.6	171.1	162.1	52.4%	0.3%
<b>Total</b>	<b>35 753.8</b>	<b>7.9%</b>	<b>100.0%</b>	<b>38 563.3</b>	<b>42 778.1</b>	<b>46 734.2</b>	<b>9.3%</b>	<b>100.0%</b>

## Personnel information

**Table 16.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Programmes		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment																		
Number of posts estimated for 31 March 2016		Medium-term expenditure estimate															Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19			
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit				
<b>Health</b>		<b>2 000</b>	<b>77</b>	<b>1 884</b>	<b>686.3</b>	<b>0.4</b>	<b>1 993</b>	<b>774.3</b>	<b>0.4</b>	<b>1 962</b>	<b>873.4</b>	<b>0.4</b>	<b>1 962</b>	<b>923.9</b>	<b>0.5</b>	<b>1 962</b>	<b>1 025.8</b>	<b>0.5</b>	<b>-0.5%</b>	<b>100.0%</b>
Salary level																				
1 – 6	680	34	626	99.2	0.2	677	120.8	0.2	646	133.8	0.2	646	141.7	0.2	646	155.7	0.2	-1.6%	33.2%	
7 – 10	882	29	856	276.7	0.3	880	332.8	0.4	880	389.5	0.4	880	411.9	0.5	880	452.7	0.5	-	44.7%	
11 – 12	298	10	267	160.3	0.6	297	182.5	0.6	297	197.3	0.7	297	209.2	0.7	297	229.9	0.8	-	15.1%	
13 – 16	138	4	133	145.6	1.1	137	134.2	1.0	137	148.4	1.1	137	156.6	1.1	137	182.5	1.3	-	7.0%	
Other	2	-	2	4.5	2.3	2	4.0	2.0	2	4.3	2.1	2	4.5	2.3	2	5.0	2.5	-	0.1%	
<b>Programme</b>	<b>2 000</b>	<b>77</b>	<b>1 884</b>	<b>686.3</b>	<b>0.4</b>	<b>1 993</b>	<b>774.3</b>	<b>0.4</b>	<b>1 962</b>	<b>873.4</b>	<b>0.4</b>	<b>1 962</b>	<b>923.9</b>	<b>0.5</b>	<b>1 962</b>	<b>1 025.8</b>	<b>0.5</b>	<b>-0.5%</b>	<b>100.0%</b>	
Programme 1	471	-	470	167.5	0.4	471	177.1	0.4	470	192.5	0.4	470	203.5	0.4	470	223.6	0.5	-0.1%	23.9%	
Programme 2	184	-	177	91.5	0.5	183	95.5	0.5	173	97.3	0.6	173	102.7	0.6	173	123.3	0.7	-1.9%	8.9%	
Programme 3	133	-	137	65.3	0.5	133	72.3	0.5	142	75.8	0.5	142	81.0	0.6	142	89.0	0.6	2.2%	7.1%	
Programme 4	490	31	440	151.3	0.3	488	175.9	0.4	459	215.6	0.5	459	227.8	0.5	459	250.4	0.5	-2.0%	23.7%	
Programme 5	308	-	302	104.7	0.3	304	116.0	0.4	304	131.7	0.4	304	139.3	0.5	304	153.0	0.5	-	15.4%	
Programme 6	414	46	358	106.1	0.3	414	137.4	0.3	414	160.5	0.4	414	169.7	0.4	414	186.5	0.5	-	21.0%	
<b>Reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45.6)</b>	<b>-</b>	<b>-</b>	<b>(71.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 000</b>	<b>77</b>	<b>1 884</b>	<b>686.3</b>	<b>0.4</b>	<b>1 993</b>	<b>774.3</b>	<b>0.4</b>	<b>1 962</b>	<b>873.4</b>	<b>0.4</b>	<b>-</b>	<b>878.3</b>	<b>-</b>	<b>-</b>	<b>954.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. The department's compensation of employees budget has been reduced by R117.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Departmental receipts

**Table 16.5 Departmental receipts by economic classification**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
<b>Departmental receipts</b>	<b>33 830</b>	<b>71 606</b>	<b>66 140</b>	<b>44 605</b>	<b>52 417</b>	<b>15.7%</b>	<b>100.0%</b>	<b>54 860</b>	<b>58 517</b>	<b>60 553</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>37 714</b>	<b>67 091</b>	<b>54 031</b>	<b>38 860</b>	<b>49 068</b>	<b>9.2%</b>	<b>92.8%</b>	<b>51 377</b>	<b>54 860</b>	<b>56 738</b>	<b>5.0%</b>	<b>93.7%</b>
Sales by market establishments of which:	145	165	154	144	153	1.8%	0.3%	161	169	177	5.0%	0.3%
Parking	145	165	154	144	153	1.8%	0.3%	161	169	177	5.0%	0.3%
Administrative fees of which:	37 307	66 677	53 594	37 703	48 500	9.1%	92.0%	50 834	54 271	56 110	5.0%	92.7%
Medical (drug control) licences	2 223	3 193	2 961	2 500	2 000	-3.5%	4.6%	2 100	3 000	2 300	4.8%	4.2%
Drug control	35 084	63 484	50 633	34 848	45 800	9.3%	87.1%	48 000	50 500	53 000	5.0%	87.2%
Inspection fees	-	-	-	355	700	-	0.3%	734	771	810	5.0%	1.3%
Other sales of which:	262	249	283	1 013	415	16.6%	0.5%	382	420	451	2.8%	0.7%
Yellow fever vaccination licences	79	33	33	660	60	-8.8%	0.1%	36	56	69	4.8%	0.1%
Replacement of security cards	11	10	8	3	5	-23.1%	-	5	6	6	6.3%	-
Commission on insurance	172	206	242	350	350	26.7%	0.4%	341	358	376	2.4%	0.6%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>36</b>	<b>45</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-56.3%</b>	<b>-</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>10.1%</b>	<b>-</b>
Scrap paper	36	16	3	3	3	-56.3%	-	3	4	4	10.1%	-
Scrap	-	29	-	-	-	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>460</b>	<b>1 858</b>	<b>6 337</b>	<b>5 000</b>	<b>2 300</b>	<b>71.0%</b>	<b>4.9%</b>	<b>2 400</b>	<b>2 500</b>	<b>2 600</b>	<b>4.2%</b>	<b>4.3%</b>
Interest	460	1 858	6 337	5 000	2 300	71.0%	4.9%	2 400	2 500	2 600	4.2%	4.3%
<b>Transactions in financial assets and liabilities</b>	<b>(4 380)</b>	<b>2 612</b>	<b>5 769</b>	<b>742</b>	<b>1 046</b>	<b>-162.0%</b>	<b>2.3%</b>	<b>1 080</b>	<b>1 153</b>	<b>1 211</b>	<b>5.0%</b>	<b>2.0%</b>
<b>Total</b>	<b>33 830</b>	<b>71 606</b>	<b>66 140</b>	<b>44 605</b>	<b>52 417</b>	<b>15.7%</b>	<b>100.0%</b>	<b>54 860</b>	<b>58 517</b>	<b>60 553</b>	<b>4.9%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

Provide strategic leadership, management and support services to the department.

### Expenditure trends and estimates

**Table 16.6 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16	2018/19				
R thousand																
Ministry	25 547	27 595	28 851	31 417	7.1%	7.3%	31 534	31 840	34 264	2.9%	6.5%					
Management	13 011	13 878	20 885	19 641	14.7%	4.3%	20 069	19 746	22 005	3.9%	4.1%					
Corporate Services	158 081	157 816	178 331	213 467	10.5%	45.3%	206 733	207 523	225 355	1.8%	43.0%					
Office Accommodation	92 978	93 532	110 449	125 810	10.6%	27.0%	143 695	192 179	197 912	16.3%	33.2%					
Financial Management	83 305	54 521	47 960	66 243	-7.4%	16.1%	61 433	65 352	69 535	1.6%	13.2%					
<b>Total</b>	<b>372 922</b>	<b>347 342</b>	<b>386 476</b>	<b>456 578</b>	<b>7.0%</b>	<b>100.0%</b>	<b>463 464</b>	<b>516 640</b>	<b>549 071</b>	<b>6.3%</b>	<b>100.0%</b>					
Change to 2015 Budget estimate				(500)			7 506	24 588	28 479							
<b>Economic classification</b>	<b>362 225</b>	<b>340 637</b>	<b>381 821</b>	<b>443 993</b>	<b>7.0%</b>	<b>97.8%</b>	<b>456 419</b>	<b>509 297</b>	<b>541 207</b>	<b>6.8%</b>	<b>98.2%</b>					
<b>Current payments</b>																
Compensation of employees	133 952	149 850	167 468	177 115	9.8%	40.2%	192 521	188 973	204 939	5.0%	38.5%					
Goods and services	228 273	190 787	214 353	266 878	5.3%	57.6%	263 898	320 324	336 268	8.0%	59.8%					
of which:																
Administrative fees	187	160	505	197	1.8%	0.1%	280	200	206	1.5%	-					
Advertising	2 386	2 673	5 367	12 148	72.0%	1.4%	4 978	900	952	-57.2%	1.0%					
Minor assets	962	811	675	1 828	23.9%	0.3%	1 109	1 000	1 152	-14.3%	0.3%					
Audit costs: External	22 763	30 560	27 921	32 000	12.0%	7.2%	29 039	35 500	36 643	4.6%	6.7%					
Bursaries: Employees	797	1 115	1 076	1 485	23.1%	0.3%	1 750	2 000	2 110	12.4%	0.4%					
Catering: Departmental activities	754	1 127	616	1 018	10.5%	0.2%	881	1 100	1 059	1.3%	0.2%					
Communication	10 444	8 372	8 895	13 789	9.7%	2.7%	13 576	15 432	15 999	5.1%	3.0%					
Computer services	6 327	3 672	8 835	13 817	29.7%	2.1%	10 951	6 200	7 548	-18.3%	1.9%					
Consultants: Business and advisory services	36 296	3 630	2 180	2 335	-59.9%	2.8%	3 687	4 335	4 675	26.0%	0.8%					
Infrastructure and planning services	-	-	-	-	-	-	-	200	-	-	-	-				
Legal services	14 592	3 690	5 029	915	-60.3%	1.5%	970	7 000	7 406	100.8%	0.8%					
Science and technological services	-	-	-	(4 122)	-	-0.3%	34	-	-	-100.0%	-0.2%					
Contractors	5 861	4 822	2 352	13 930	33.5%	1.7%	18 067	9 889	12 416	-3.8%	2.7%					
Agency and support/outourced services	78	500	668	2 632	223.1%	0.2%	591	400	423	-45.6%	0.2%					
Entertainment	45	15	8	300	88.2%	-	49	-	-	-100.0%	-					
Fleet services (including government motor transport)	-	3 706	4 991	9 000	-	1.1%	1 171	1 513	2 656	-33.4%	0.7%					
Inventory: Clothing material and accessories	-	2	4	-	-	-	-	-	-	-	-					
Inventory: Food and food supplies	11	22	38	-	-100.0%	-	-	-	-	-	-					
Inventory: Fuel, oil and gas	489	126	4	108	-39.6%	-	536	100	106	-0.6%	-					
Inventory: Materials and supplies	6	7	154	194	218.6%	-	-	-	-	-100.0%	-					
Inventory: Medical supplies	-	2	-	1	-	-	-	-	-	-100.0%	-					
Inventory: Medicine	1	2	-	-	-100.0%	-	-	-	-	-	-					
Inventory: Other supplies	287	-	-	844	43.3%	0.1%	312	-	-	-100.0%	0.1%					
Consumable supplies	-	224	528	-	-	-	-	200	212	-	-					
Consumables: Stationery, printing and office supplies	7 622	7 859	9 084	9 356	7.1%	2.2%	7 865	5 590	7 909	-5.4%	1.5%					
Operating leases	82 670	83 940	90 241	119 954	13.2%	24.1%	131 440	170 579	174 654	13.3%	30.0%					
Property payments	9 554	11 374	22 311	8 819	-2.6%	3.3%	10 644	24 000	24 827	41.2%	3.4%					
Travel and subsistence	20 888	15 415	15 664	14 913	-10.6%	4.3%	16 781	18 280	19 814	9.9%	3.5%					
Training and development	2 376	3 472	4 591	4 699	25.5%	1.0%	6 984	8 645	8 436	21.5%	1.4%					
Operating payments	2 296	3 147	1 427	5 342	32.5%	0.8%	1 542	6 761	6 642	7.5%	1.0%					
Venues and facilities	581	342	1 189	1 376	33.3%	0.2%	661	500	423	-32.5%	0.1%					
<b>Transfers and subsidies</b>	<b>615</b>	<b>2 041</b>	<b>2 150</b>	<b>2 742</b>	<b>64.6%</b>	<b>0.5%</b>	<b>2 594</b>	<b>2 746</b>	<b>2 905</b>	<b>1.9%</b>	<b>0.6%</b>					
Departmental agencies and accounts	479	1 309	1 366	2 742	78.9%	0.4%	2 594	2 746	2 905	1.9%	0.6%					
Households	136	732	784	-	-100.0%	0.1%	-	-	-	-	-					
<b>Payments for capital assets</b>	<b>5 394</b>	<b>4 158</b>	<b>2 322</b>	<b>9 843</b>	<b>22.2%</b>	<b>1.4%</b>	<b>4 451</b>	<b>4 597</b>	<b>4 959</b>	<b>-20.4%</b>	<b>1.2%</b>					
Machinery and equipment	5 394	4 158	2 322	9 843	22.2%	1.4%	4 451	4 597	4 959	-20.4%	1.2%					
<b>Payments for financial assets</b>	<b>4 688</b>	<b>506</b>	<b>183</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
<b>Total</b>	<b>372 922</b>	<b>347 342</b>	<b>386 476</b>	<b>456 578</b>	<b>7.0%</b>	<b>100.0%</b>	<b>463 464</b>	<b>516 640</b>	<b>549 071</b>	<b>6.3%</b>	<b>100.0%</b>					
Proportion of total programme expenditure to vote expenditure	1.3%	1.1%	1.2%	1.3%	-	-	1.2%	1.2%	1.2%	-	-					
<b>Details of transfers and subsidies</b>																
Departmental agencies and accounts																
Departmental agencies (non-business entities)																
Current	479	1 309	1 366	2 742	78.9%	0.4%	2 594	2 746	2 905	1.9%	0.6%					
Health and Welfare Sector Education and Training Authority	479	1 259	1 276	2 536	74.3%	0.4%	2 464	2 609	2 760	2.9%	0.5%					
Public Service Sector Education and Training Authority	-	50	90	206	-	-	130	137	145	-11.0%	-					
Households																
Social benefits																
Current	136	732	784	-	-100.0%	0.1%	-	-	-	-	-					
Employee social benefits	136	732	784	-	-100.0%	0.1%	-	-	-	-	-					

## Personnel information

**Table 16.7 Administration personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)	
		2014/15		Unit	2015/16		Unit	2016/17			2017/18			2018/19					2015/16 - 2018/19
Administration		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	471	–	470	167.5	0.4	471	177.1	0.4	470	192.5	0.4	470	203.5	0.4	470	223.6	0.5	-0.1%	100.0%
1 – 6	241	–	245	40.0	0.2	241	45.2	0.2	241	48.0	0.2	241	50.8	0.2	241	55.9	0.2	–	51.2%
7 – 10	140	–	133	41.9	0.3	140	54.6	0.4	140	58.8	0.4	140	62.3	0.4	140	68.4	0.5	–	29.8%
11 – 12	51	–	49	30.3	0.6	51	36.5	0.7	51	38.7	0.8	51	40.9	0.8	51	45.0	0.9	–	10.8%
13 – 16	37	–	41	50.8	1.2	37	36.8	1.0	36	42.7	1.2	36	45.0	1.2	36	49.4	1.4	-0.9%	7.7%
Other	2	–	2	4.5	2.3	2	4.0	2.0	2	4.3	2.1	2	4.5	2.3	2	5.0	2.5	–	0.4%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(14.5)	–	–	(18.7)	–	–	–
<b>Total</b>	<b>471</b>	<b>–</b>	<b>470</b>	<b>167.5</b>	<b>0.4</b>	<b>471</b>	<b>177.1</b>	<b>0.4</b>	<b>470</b>	<b>192.5</b>	<b>0.4</b>	<b>–</b>	<b>189.0</b>	<b>–</b>	<b>–</b>	<b>204.9</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R33.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

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

### Programme purpose

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

### Objectives

- Achieve universal health coverage through the phased implementation of the national health insurance scheme by 2030.
- Enable strategic active purchasing of personal healthcare services by establishing a national health insurance fund by 2017/18.
- Reform hospital reimbursement through the development and implementation of diagnosis related groups by 2018/19.
- Strengthen revenue collection by implementing a revenue retention model in all 10 central hospitals by 2019/20.
- Improve the contracting and supply of medicines through the establishment of 7 provincial control towers and ensuring that 1.5 million patients receive chronic medicines through a centralised chronic medicine dispensing and distribution system by 2019/20.
- Strengthen the monitoring of the availability of medicines through the establishment of a national stock management surveillance centre that reports stock availability at all health facilities by 2019/20.
- Implement the eHealth strategy through the development of a system design for a national integrated patient based information system to be completed by 2019/20.
- Enhance the capacity of the monitoring and evaluation system by developing and implementing an integrated monitoring and evaluation plan that is aligned to health outcomes and outputs contained in the health sector strategy 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.

- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy analysis and implementation.
- *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.
- *Sector-wide Procurement* is responsible for developing systems to ensure access to essential pharmaceutical commodities. This is achieved through the selection of essential medicines, development of standard treatment guidelines, administration of health tenders, and licensing of persons and premises that deliver pharmaceutical services and related policies.
- *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 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.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the Southern African Development Community (SADC), the African Union (AU), United Nations (UN) agencies, as well as other developing countries and economic groupings of countries such as the Brazil-Russia-India-South Africa (BRICS) group of countries, 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.

## Expenditure trends and estimates

**Table 16.8 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19			
R thousand													
Programme Management	1 393	353	331	3 020	29.4%	0.3%	3 184	3 180	3 427	4.3%	0.4%		
Technical Policy and Planning	24 856	16 704	9 979	19 869	-7.2%	4.8%	22 011	100 860	226 571	125.1%	12.8%		
Health Information Management, Monitoring and Evaluation	49 973	44 355	51 800	85 042	19.4%	15.7%	55 491	61 444	61 611	-10.2%	9.1%		
Sector-wide Procurement	19 838	20 817	24 347	29 429	14.0%	6.4%	39 550	139 531	242 529	102.0%	15.6%		
Health Financing and National Health Insurance	166 377	76 029	177 446	395 765	33.5%	55.4%	373 528	364 800	381 578	-1.2%	52.4%		
International Health and Development	52 951	64 298	74 296	63 521	6.3%	17.3%	65 998	69 927	82 769	9.2%	9.7%		
<b>Total</b>	<b>315 388</b>	<b>222 556</b>	<b>338 199</b>	<b>596 646</b>	<b>23.7%</b>	<b>100.0%</b>	<b>559 762</b>	<b>739 742</b>	<b>998 485</b>	<b>18.7%</b>	<b>100.0%</b>		
Change to 2015 Budget estimate				8 839			(16 846)	57 597	276 776				
<b>Economic classification</b>													
<b>Current payments</b>	<b>141 305</b>	<b>154 761</b>	<b>233 458</b>	<b>507 961</b>	<b>53.2%</b>	<b>70.4%</b>	<b>421 349</b>	<b>685 796</b>	<b>942 956</b>	<b>22.9%</b>	<b>88.4%</b>		
Compensation of employees	81 779	85 612	91 491	95 534	5.3%	24.1%	97 271	95 413	112 946	5.7%	13.9%		
Goods and services	59 526	69 149	141 967	412 427	90.6%	46.4%	324 078	590 383	830 010	26.3%	74.5%		
of which:													
Administrative fees	464	21	12	253	-18.3%	0.1%	233	200	200	-7.5%	-		
Advertising	894	768	338	1 300	13.3%	0.2%	1 315	700	434	-30.6%	0.1%		
Minor assets	356	391	111	1 015	41.8%	0.1%	569	600	724	-10.7%	0.1%		
Bursaries: Employees	102	-	-	-	-100.0%	-	-	-	-	-	-	-	
Catering: Departmental activities	603	434	490	710	5.6%	0.2%	656	500	824	5.1%	0.1%		
Communication	1 081	713	839	928	-5.0%	0.2%	1 170	1 488	1 059	4.5%	0.2%		
Computer services	208	181	646	2 539	130.3%	0.2%	366	10 600	11 662	66.2%	0.9%		
Consultants: Business and advisory services	2 672	9 823	9 698	32 405	129.8%	3.7%	3 849	83 100	208 133	85.9%	11.3%		
Infrastructure and planning services	-	-	-	-	-	-	-	-	100	-	-		
Legal services	13	30	258	-	-100.0%	-	-	-	-	-	-		
Science and technological services	-	-	-	6 343	-	0.4%	7 493	10 640	11 214	20.9%	1.2%		
Contractors	68	5 106	75 735	314 234	1565.6%	26.8%	248 325	324 592	340 733	2.7%	42.4%		
Agency and support/outourced services	5 331	789	239	2 421	-23.1%	0.6%	2 773	92 400	192 446	330.0%	10.0%		
Entertainment	15	39	8	193	134.3%	-	17	100	100	-19.7%	-		
Fleet services (including government motor transport)	-	1 973	1 517	4 000	-	0.5%	1 600	3 799	3 844	-1.3%	0.5%		
Inventory: Farming supplies	4	-	-	-	-100.0%	-	-	-	-	-	-		
Inventory: Food and food supplies	8	16	13	-	-100.0%	-	-	-	200	-	-		

**Table 16.8 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R thousand											
<i>Inventory: Fuel, oil and gas</i>	7	6	6	2	-34.1%	-	-	1 000	100	268.4%	-
<i>Inventory: Materials and supplies</i>	-	-	1	60	-	-	-	1 000	300	71.0%	-
<i>Inventory: Medical supplies</i>	-	-	-	-	-	-	-	-	200	-	-
<i>Inventory: Medicine</i>	2	1	1	-	-100.0%	-	-	-	100	-	-
<i>Inventory: Other supplies</i>	5	-	-	1 117	506.8%	0.1%	447	1 428	200	-43.6%	0.1%
<i>Consumable supplies</i>	329	195	38	-	-100.0%	-	-	400	412	-	-
<i>Consumables: Stationery, printing and office supplies</i>	3 134	1 270	740	5 617	21.5%	0.7%	5 273	3 100	2 381	-24.9%	0.6%
<i>Operating leases</i>	433	662	576	1 068	35.1%	0.2%	602	900	829	-8.1%	0.1%
<i>Rental and hiring</i>	-	-	-	-	-	-	-	-	200	-	-
<i>Property payments</i>	-	-	6	-	-	-	-	-	300	-	-
<i>Transport provided: Departmental activity</i>	3 227	259	-	734	-39.0%	0.3%	-	-	-	-100.0%	-
<i>Travel and subsistence</i>	17 689	21 208	24 925	13 543	-8.5%	5.3%	18 343	22 608	20 587	15.0%	2.6%
<i>Training and development</i>	3 135	7	-	-	-100.0%	0.2%	1 436	-	500	-	0.1%
<i>Operating payments</i>	17 983	23 182	24 054	17 461	-1.0%	5.6%	27 287	28 828	30 500	20.4%	3.6%
<i>Venues and facilities</i>	1 763	2 075	1 716	6 484	54.4%	0.8%	2 324	2 400	1 728	-35.6%	0.4%
<b>Transfers and subsidies</b>	<b>172 635</b>	<b>66 368</b>	<b>103 745</b>	<b>86 097</b>	<b>-20.7%</b>	<b>29.1%</b>	<b>110 591</b>	<b>25 949</b>	<b>27 453</b>	<b>-31.7%</b>	<b>8.6%</b>
Provinces and municipalities	150 000	50 953	76 956	61 077	-25.9%	23.0%	85 227	-	-	-100.0%	5.1%
Departmental agencies and accounts	9 503	-	-	900	-54.4%	0.7%	-	-	-	-100.0%	-
Non-profit institutions	12 852	15 231	26 537	24 120	23.3%	5.3%	25 364	25 949	27 453	4.4%	3.6%
Households	280	184	252	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 266</b>	<b>1 409</b>	<b>940</b>	<b>2 588</b>	<b>26.9%</b>	<b>0.4%</b>	<b>27 822</b>	<b>27 997</b>	<b>28 076</b>	<b>121.4%</b>	<b>3.0%</b>
Machinery and equipment	1 266	1 409	765	2 588	26.9%	0.4%	27 822	27 997	28 076	121.4%	3.0%
Software and other intangible assets	-	-	175	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>182</b>	<b>18</b>	<b>56</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>315 388</b>	<b>222 556</b>	<b>338 199</b>	<b>596 646</b>	<b>23.7%</b>	<b>100.0%</b>	<b>559 762</b>	<b>739 742</b>	<b>998 485</b>	<b>18.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.1%</b>	<b>0.7%</b>	<b>1.0%</b>	<b>1.6%</b>	<b>-</b>	<b>-</b>	<b>1.5%</b>	<b>1.7%</b>	<b>2.1%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	7	-	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>9 503</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>-54.4%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Council for Science and Industrial Research	4 041	-	-	-	-100.0%	0.3%	-	-	-	-	-
South African Medical Research Council	5 000	-	-	-	-100.0%	0.3%	-	-	-	-	-
Human Sciences Research Council	-	-	-	900	-	0.1%	-	-	-	-100.0%	-
National Health Laboratory Services Cancer Registry	462	-	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>273</b>	<b>184</b>	<b>252</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	273	184	252	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>12 852</b>	<b>15 231</b>	<b>26 537</b>	<b>24 120</b>	<b>23.3%</b>	<b>5.3%</b>	<b>25 364</b>	<b>25 949</b>	<b>27 453</b>	<b>4.4%</b>	<b>3.6%</b>
Wits University Foundation	-	-	-	650	-	-	650	-	-	-100.0%	-
Non-profit institutions	4 600	-	13 670	-	-100.0%	1.2%	-	-	-	-	-
Health Information Systems Programme	-	4 979	-	12 103	-	1.2%	12 745	13 382	14 158	5.4%	1.8%
Health Systems Trust	8 252	10 252	12 867	11 367	11.3%	2.9%	11 969	12 567	13 295	5.4%	1.7%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>150 000</b>	<b>50 953</b>	<b>76 956</b>	<b>61 077</b>	<b>-25.9%</b>	<b>23.0%</b>	<b>85 227</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>5.1%</b>
National health insurance grant	150 000	50 953	76 956	61 077	-25.9%	23.0%	85 227	-	-	-100.0%	5.1%

## Personnel information

**Table 16.9 National Health Insurance, Health Planning and Systems Enablement personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National Health Insurance, Health Planning and Systems Enablement		184	177	91.5	0.5	183	95.5	0.5	173	97.3	0.6	173	102.7	0.6	173	123.3	0.7	-1.9%	100.0%
Salary level																			
1 – 6	43	–	37	6.6	0.2	43	9.3	0.2	40	9.1	0.2	40	9.7	0.2	40	10.6	0.3	-2.4%	23.2%
7 – 10	76	–	77	25.6	0.3	75	29.8	0.4	70	30.7	0.4	70	32.5	0.5	70	35.7	0.5	-2.3%	40.6%
11 – 12	37	–	37	22.9	0.6	37	26.3	0.7	36	27.2	0.8	36	28.8	0.8	36	31.6	0.9	-0.9%	20.7%
13 – 16	28	–	26	36.5	1.4	28	30.1	1.1	27	30.2	1.1	27	31.8	1.2	27	45.3	1.7	-1.2%	15.5%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(7.3)	–	–	(10.3)	–	–	–
<b>Total</b>	<b>184</b>	<b>–</b>	<b>177</b>	<b>91.5</b>	<b>0.5</b>	<b>183</b>	<b>95.5</b>	<b>0.5</b>	<b>173</b>	<b>97.3</b>	<b>0.6</b>	<b>173</b>	<b>102.7</b>	<b>0.6</b>	<b>173</b>	<b>123.3</b>	<b>0.7</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R17.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 3: HIV and AIDS, Tuberculosis, and Maternal and Child Health

### Programme purpose

Develop national policies, guidelines, norms and standards, and targets to decrease the burden of disease related to the HIV and tuberculosis epidemics; support the implementation of these; and monitor and evaluate their impact. Minimise maternal and child mortality and morbidity; and optimise good health for children, adolescents and women.

### Objectives

- Reduce the maternal mortality ratio to under 100 per 100 000 live births by 2019/20 through upscaling and sustaining essential steps for training in obstetric emergencies, conducting maternal mortality reviews and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 6 per 1 000 live births by 2019/20 through capacitating health care workers to manage sick and small neonates, and procuring essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by ensuring that at least 75 per cent of couples are accessing modern contraceptive methods by 2019/20.
- Protect girls against cervical cancer in later stages of life by vaccinating 90 per cent of grade 4 girls against the human papilloma virus by 2018/19.
- Reduce the mother-to-child transmission rate of HIV to below 1 per cent by 2019/20 through the effective implementation of the guidelines on the prevention of mother-to-child transmission.
- Reduce the mortality rate for children under 5 years to less than 30 per 1 000 live births by implementing the recommendations of the committee on morbidity and mortality in children under 5 years by 2019.
- Contribute to the health and wellbeing of learners by screening 50 per cent of grade 1 learners and 25 per cent of grade 8 learners per year for health related barriers to learning by 2019/20.
- Achieve a tuberculosis treatment success rate of 90 per cent and a 3 per cent or less tuberculosis loss to follow-up rate by 2019/20 by increasing the identification of tuberculosis patients and ensuring that they take and complete their treatment.
- Achieve a 70 per cent multi-drug resistant tuberculosis treatment success rate by 2019/20 by providing earlier initiation and decentralised treatment to patients.
- Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 7.5 million by 2019/20.

- Reduce new HIV infections by scaling up a combination of prevention interventions such as HIV counselling and testing, medical male circumcisions and condom distribution over the medium term.

## Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of development partners, funders, academic and research organisations, non-governmental and civil society organisations and civil society at large all contribute in a coherent, integrated fashion.
- *HIV and AIDS* is responsible for policy formulation, coordination, and monitoring and evaluation of HIV and sexually transmitted diseases services. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. Other important functions of this subprogramme are the management and oversight of the large conditional grant implementation by the provinces, and the coordination and direction of donor funding for HIV and AIDS.
- *Tuberculosis* develops national policies and guidelines, and sets norms and standards for tuberculosis services and monitors the implementation of these in line with the vision of achieving zero infections, mortality, stigma and discrimination from tuberculosis and HIV and AIDS, as outlined in the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, sets norms and standards for maternal and women's health services, and monitors the implementation of these. Over the medium term, key initiatives will be implemented as indicated in the maternal and child health strategic plan.
- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and monitoring and evaluation of child, youth and school health services. Each province also has a unit responsible for fulfilling this role, and for facilitating implementation at the provincial level. This subprogramme also implements the human papilloma virus vaccination programme and coordinates other stakeholders outside of the health sector, which play key roles in promoting improved child and youth health and nutrition.

## Expenditure trends and estimates

**Table 16.10 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Programme Management	3 497	3 905	4 225	3 652	1.5%	–	4 736	4 752	5 105	11.8%	–
HIV and AIDS	8 938 272	10 705 079	12 572 819	14 106 361	16.4%	98.7%	15 744 874	18 156 977	20 573 984	13.4%	98.4%
Tuberculosis	13 426	23 800	21 783	27 571	27.1%	0.2%	27 370	28 209	30 060	2.9%	0.2%
Women's Maternal and Reproductive Health	10 724	14 117	12 422	18 578	20.1%	0.1%	18 924	20 020	21 472	4.9%	0.1%
Child, Youth and School Health	13 388	16 603	207 447	222 716	155.3%	1.0%	222 664	222 718	224 387	0.2%	1.3%
<b>Total</b>	<b>8 979 307</b>	<b>10 763 504</b>	<b>12 818 696</b>	<b>14 378 878</b>	<b>17.0%</b>	<b>100.0%</b>	<b>16 018 568</b>	<b>18 432 676</b>	<b>20 855 008</b>	<b>13.2%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				(63 266)			15 893	459 739	1 839 639		
<b>Economic classification</b>											
<b>Current payments</b>	<b>219 485</b>	<b>213 779</b>	<b>515 858</b>	<b>543 259</b>	<b>35.3%</b>	<b>3.2%</b>	<b>553 239</b>	<b>581 914</b>	<b>438 549</b>	<b>-6.9%</b>	<b>3.0%</b>
Compensation of employees	59 447	62 475	65 285	72 303	6.7%	0.6%	75 779	77 590	83 236	4.8%	0.4%
Goods and services	160 038	151 304	450 573	470 956	43.3%	2.6%	477 460	504 324	355 313	-9.0%	2.6%
of which:											
Administrative fees	–	–	9	345	–	–	100	700	500	13.2%	–
Advertising	6 040	5 808	611	14 668	34.4%	0.1%	1 697	8 551	9 522	-13.4%	–
Minor assets	335	429	694	1 653	70.2%	–	392	1 700	629	-27.5%	–
Catering: Departmental activities	656	429	347	3 049	66.9%	–	887	1 000	629	-40.9%	–
Communication	626	523	1 024	737	5.6%	–	710	1 588	803	2.9%	–
Computer services	1	2	–	144	424.1%	–	100	200	–	-100.0%	–
Consultants: Business and advisory services	9 505	12 914	10 901	18 391	24.6%	0.1%	55 886	48 023	54 597	43.7%	0.3%
Legal services	–	65	845	–	–	–	–	1 000	–	–	–
Contractors	1 099	3 833	9 414	2 994	39.7%	–	2 263	4 300	9 232	45.6%	–
Agency and support/outourced services	1 401	–	2 604	5 490	57.7%	–	2 541	400	–	-100.0%	–
Entertainment	–	–	–	200	–	–	177	200	100	-20.6%	–
Fleet services (including government motor transport)	–	3 277	11 418	5 000	–	–	5 578	11 577	11 137	30.6%	–
Inventory: Food and food supplies	8	13	13	–	-100.0%	–	77	200	134	–	–
Inventory: Fuel, oil and gas	5	5	3	4	-7.2%	–	200	400	1 100	550.3%	–

**Table 16.10 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
<i>Inventory: Materials and supplies</i>	–	–	–	2	–	–	–	–	523	539.5%	–
<i>Inventory: Medical supplies</i>	112 353	70 134	209 221	187 473	18.6%	1.2%	191 109	196 909	208 801	3.7%	1.1%
<i>Inventory: Medicine</i>	–	1	177 110	195 000	–	0.8%	175 000	176 100	1 000	-82.8%	0.8%
<i>Inventory: Other supplies</i>	7	296	–	54	97.6%	–	–	1 608	523	113.2%	–
<i>Consumable supplies</i>	–	26	15	250	–	–	200	2 300	500	26.0%	–
<i>Consumables: Stationery, printing and office supplies</i>	1 386	6 059	2 447	9 724	91.4%	–	2 515	9 300	12 403	8.4%	–
<i>Operating leases</i>	369	416	235	753	26.8%	–	506	1 700	1 617	29.0%	–
<i>Rental and hiring</i>	–	–	–	–	–	–	272	200	200	–	–
<i>Property payments</i>	–	–	–	–	–	–	1 000	–	–	–	–
<i>Transport provided: Departmental activity</i>	–	–	–	–	–	–	1 000	–	–	–	–
<i>Travel and subsistence</i>	18 870	15 499	11 892	11 482	-15.3%	0.1%	19 743	14 865	13 692	6.0%	0.1%
<i>Operating payments</i>	5 383	25 940	9 657	8 373	15.9%	0.1%	12 538	15 161	21 275	36.5%	0.1%
<i>Venues and facilities</i>	1 994	5 635	2 113	7 704	56.9%	–	2 969	6 342	6 396	-6.0%	–
<b>Transfers and subsidies</b>	<b>8 758 779</b>	<b>10 548 544</b>	<b>12 301 747</b>	<b>13 833 817</b>	<b>16.5%</b>	<b>96.8%</b>	<b>15 449 467</b>	<b>17 833 995</b>	<b>20 414 589</b>	<b>13.8%</b>	<b>96.9%</b>
Provinces and municipalities	8 573 184	10 334 687	12 102 108	13 670 730	16.8%	95.2%	15 290 603	17 660 333	20 231 872	14.0%	95.9%
Departmental agencies and accounts	7 000	25 951	15 000	15 840	31.3%	0.1%	16 711	17 547	17 547	3.5%	0.1%
Higher education institutions	–	–	–	3 138	–	–	3 304	3 469	3 670	5.4%	–
Public corporations and private enterprises	40	–	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	178 507	187 637	184 346	144 109	-6.9%	1.5%	138 849	152 646	161 500	3.9%	0.9%
Households	48	269	293	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>989</b>	<b>1 170</b>	<b>531</b>	<b>1 802</b>	<b>22.1%</b>	<b>–</b>	<b>15 862</b>	<b>16 767</b>	<b>1 870</b>	<b>1.2%</b>	<b>0.1%</b>
Machinery and equipment	989	1 170	531	1 802	22.1%	–	15 862	16 767	1 870	1.2%	0.1%
<b>Payments for financial assets</b>	<b>54</b>	<b>11</b>	<b>560</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>8 979 307</b>	<b>10 763 504</b>	<b>12 818 696</b>	<b>14 378 878</b>	<b>17.0%</b>	<b>100.0%</b>	<b>16 018 568</b>	<b>18 432 676</b>	<b>20 855 008</b>	<b>13.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>31.8%</b>	<b>35.6%</b>	<b>38.2%</b>	<b>39.7%</b>	<b>–</b>	<b>–</b>	<b>41.5%</b>	<b>43.1%</b>	<b>44.6%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>7 000</b>	<b>25 951</b>	<b>15 000</b>	<b>15 840</b>	<b>31.3%</b>	<b>0.1%</b>	<b>16 711</b>	<b>17 547</b>	<b>17 547</b>	<b>3.5%</b>	<b>0.1%</b>
Human Sciences Research Council	7 000	–	–	–	-100.0%	–	–	–	–	–	–
South African National AIDS Council	–	25 951	15 000	15 840	–	0.1%	16 711	17 547	17 547	3.5%	0.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>48</b>	<b>269</b>	<b>293</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	48	269	293	–	-100.0%	–	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>178 507</b>	<b>187 637</b>	<b>184 346</b>	<b>144 109</b>	<b>-6.9%</b>	<b>1.5%</b>	<b>138 849</b>	<b>152 646</b>	<b>161 500</b>	<b>3.9%</b>	<b>0.9%</b>
Non-governmental organisations: Lifeline	17 627	18 308	19 023	19 898	4.1%	0.2%	20 953	22 000	23 276	5.4%	0.1%
Non-governmental organisations: loveLife	66 124	70 430	69 843	54 396	-6.3%	0.6%	57 808	61 200	64 750	6.0%	0.3%
Non-governmental organisations: Soul City	13 876	22 820	15 561	16 277	5.5%	0.1%	17 140	17 996	19 040	5.4%	0.1%
Non-governmental organisations: HIV and AIDS	67 903	76 079	79 919	53 538	-7.6%	0.6%	42 948	51 450	54 434	0.6%	0.3%
South African AIDS Vaccine Institute	12 977	–	–	–	-100.0%	–	–	–	–	–	–
Maternal, child and women's health	–	–	–	–	–	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>8 573 184</b>	<b>10 334 687</b>	<b>12 102 108</b>	<b>13 670 730</b>	<b>16.8%</b>	<b>95.2%</b>	<b>15 290 603</b>	<b>17 660 333</b>	<b>20 231 872</b>	<b>14.0%</b>	<b>95.9%</b>
Comprehensive HIV and AIDS grant	8 573 184	10 334 687	12 102 108	13 670 730	16.8%	95.2%	–	–	–	-100.0%	19.6%
Human papilloma virus grant	–	–	–	–	–	–	–	–	200 000	–	0.3%
Comprehensive HIV, AIDS and TB grant	–	–	–	–	–	–	15 290 603	17 660 333	20 031 872	–	76.0%
<b>Higher education institutions</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 138</b>	<b>–</b>	<b>–</b>	<b>3 304</b>	<b>3 469</b>	<b>3 670</b>	<b>5.4%</b>	<b>–</b>
University of Limpopo: Pharmacovigilance	–	–	–	2 092	–	–	2 203	2 313	2 447	5.4%	–
University of Cape Town: Pharmacovigilance	–	–	–	1 046	–	–	1 101	1 156	1 223	5.3%	–
University of the Witwatersrand	–	–	–	–	–	–	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>40</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Topco Media	40	–	–	–	-100.0%	–	–	–	–	–	–

## Personnel information

**Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
HIV and AIDS, Tuberculosis, and Maternal and Child Health		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	133	–	137	65.3	0.5	133	72.3	0.5	142	75.8	0.5	142	81.0	0.6	142	89.0	0.6	2.2%	100.0%
1 – 6	20	–	22	4.2	0.2	20	4.4	0.2	22	5.2	0.2	22	5.5	0.3	22	6.1	0.3	3.2%	15.4%
7 – 10	71	–	73	29.0	0.4	71	32.0	0.5	75	33.2	0.4	75	35.0	0.5	75	38.5	0.5	1.8%	53.0%
11 – 12	26	–	26	17.7	0.7	26	19.5	0.7	27	20.7	0.8	27	21.9	0.8	27	24.0	0.9	1.3%	19.1%
13 – 16	16	–	16	14.5	0.9	16	16.4	1.0	18	16.7	0.9	18	18.6	1.0	18	20.4	1.1	4.0%	12.5%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(3.4)	–	–	(5.8)	–	–	–
<b>Total</b>	<b>133</b>	<b>–</b>	<b>137</b>	<b>65.3</b>	<b>0.5</b>	<b>133</b>	<b>72.3</b>	<b>0.5</b>	<b>142</b>	<b>75.8</b>	<b>0.5</b>	<b>–</b>	<b>77.6</b>	<b>–</b>	<b>–</b>	<b>83.2</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R9.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 4: Primary Health Care Services

### Programme purpose

Develop and oversee the 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.

### Objectives

- Improve district governance and strengthen the management and leadership of the district health system through the establishment of approved standardised district management structures in all 52 health districts by 2019/20.
- Improve access to community based primary health care services through the establishment of 3 500 ward based primary health care outreach teams by 2019/20.
- Improve the quality of services by ensuring that at least 75 per cent of all public primary health care facilities in 52 districts qualify as ideal clinics by 2019/20.
- Reduce risk factors and improve the management of non-communicable diseases by implementing the strategic plan for the prevention and control of non-communicable diseases over the medium term.
- Improve access to and the quality of mental health services in South Africa through the implementation of the national mental health policy framework and strategic plan over the medium term.
- Strengthen health promotion, surveillance, vector control and the case management of malaria in order to eliminate malaria by 2018/19.
- Improve South Africa's response to influenza prevention and control through the implementation of a vaccination programme among high risk groups over the medium term.
- Improve access to disability and rehabilitation services by developing a framework and model for rehabilitation and disability services, and ensuring implementation of this in 30 districts, by 2019/20.

### Subprogrammes

- *Programme Management* supports and provides leadership for 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.
- *District Health Services* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; and implements the stream of primary

health care re-engineering on ward based primary health care outreach teams inclusive of community based services.

- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. It strengthens disease detection through improved surveillance; strengthens preparedness and core response capacities for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control, neglected tropical disease prevention and control programmes, and the elimination of malaria.
- *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.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease, it implements the approved health promotion strategy to reduce risk factors for disease, and promotes an integrated approach to work towards an optimal nutritional status for all South Africans.
- *Environmental and Port Health Services* coordinates the delivery of environmental health including the monitoring and delivery of municipal health services, and ensures compliance with international health regulations by coordinating and implementing port health services in all of South Africa's 44 points of entry.

## Expenditure trends and estimates

**Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Programme Management	1 897	1 689	2 834	3 095	17.7%	1.2%	2 994	2 942	3 103	0.1%	1.1%
District Health Services	24 932	13 970	25 790	24 481	-0.6%	10.9%	26 047	46 644	67 662	40.3%	15.2%
Communicable Diseases	43 624	13 784	23 366	18 088	-25.4%	12.0%	21 561	22 509	23 504	9.1%	7.9%
Non-Communicable Diseases	22 692	25 541	25 282	23 533	1.2%	11.8%	21 598	22 631	23 735	0.3%	8.4%
Health Promotion and Nutrition	14 114	23 880	18 353	25 625	22.0%	10.0%	22 723	26 697	25 059	-0.7%	9.2%
Environmental and Port Health Services	99 121	104 624	110 697	130 095	9.5%	54.1%	162 916	164 871	174 107	10.2%	58.2%
<b>Total</b>	<b>206 380</b>	<b>183 488</b>	<b>206 322</b>	<b>224 917</b>	<b>2.9%</b>	<b>100.0%</b>	<b>257 839</b>	<b>286 294</b>	<b>317 170</b>	<b>12.1%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				(88)			18 572	34 501	50 772		
<b>Economic classification</b>											
<b>Current payments</b>	<b>201 530</b>	<b>174 750</b>	<b>195 103</b>	<b>219 691</b>	<b>2.9%</b>	<b>96.3%</b>	<b>252 922</b>	<b>280 769</b>	<b>311 325</b>	<b>12.3%</b>	<b>98.0%</b>
Compensation of employees	126 907	140 861	151 285	175 878	11.5%	72.5%	215 633	211 609	229 425	9.3%	76.6%
Goods and services	74 623	33 889	43 818	43 813	-16.3%	23.9%	37 289	69 160	81 900	23.2%	21.4%
of which:											
Administrative fees	2	22	-	65	219.1%	-	200	200	430	87.7%	0.1%
Advertising	1 104	747	1 684	876	-7.4%	0.5%	1 004	1 000	1 446	18.2%	0.4%
Minor assets	322	99	336	475	13.8%	0.2%	1 349	2 200	750	16.4%	0.4%
Audit costs: External	-	-	-	140	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	377	415	711	1 609	62.2%	0.4%	614	600	629	-26.9%	0.3%
Communication	352	479	1 411	3 211	108.9%	0.7%	649	800	1 320	-25.6%	0.6%
Computer services	14	1	-	1 379	361.8%	0.2%	1 011	1 000	700	-20.2%	0.4%
Consultants: Business and advisory services	4 364	86	1 347	3 699	-5.4%	1.2%	2 663	16 600	31 022	103.2%	5.0%
Science and technological services	10 557	11 113	11 743	11 187	2.0%	5.4%	3 032	8 863	6 299	-17.4%	2.7%
Contractors	18	4	312	139	97.7%	0.1%	200	179	200	12.9%	0.1%
Agency and support/outourced services	8 734	-	-	23	-86.2%	1.1%	935	1 000	990	250.5%	0.3%
Entertainment	-	-	-	73	-	-	59	-	-	-100.0%	-
Fleet services (including government motor transport)	-	1 539	1 283	4 189	-	0.9%	3 700	7 700	8 116	24.7%	2.2%
Inventory: Clothing material and accessories	-	-	2 446	-	-	0.3%	1 000	1 000	-	-	0.2%
Inventory: Food and food supplies	8	11	11	-	-100.0%	-	-	-	100	-	-
Inventory: Fuel, oil and gas	3	3	3	221	319.2%	-	-	522	200	-3.3%	0.1%
Inventory: Learner and teacher support material	-	-	-	192	-	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	-	-	95	17	-	-	100	100	600	228.0%	0.1%
Inventory: Medical supplies	-	45	-	-	-	-	-	-	100	-	-
Inventory: Medicine	32 083	451	-	1 116	-67.4%	4.1%	2 002	501	935	-5.7%	0.4%

**Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
<i>Inventory: Other supplies</i>	9	-	-	69	97.2%	-	-	-	300	63.2%	-
<i>Consumable supplies</i>	-	18	27	-	-	-	2 600	5 100	5 200	-	1.2%
<i>Consumables: Stationery, printing and office supplies</i>	2 103	4 772	3 241	4 825	31.9%	1.8%	3 760	4 100	1 897	-26.7%	1.3%
<i>Operating leases</i>	325	369	354	499	15.4%	0.2%	447	2 600	1 194	33.8%	0.4%
<i>Rental and hiring</i>	-	-	-	-	-	-	-	-	100	-	-
<i>Property payments</i>	-	-	-	-	-	-	1 000	-	200	-	0.1%
<i>Travel and subsistence</i>	8 340	8 659	7 325	5 940	-10.7%	3.7%	6 963	10 122	11 977	26.3%	3.2%
<i>Training and development</i>	13	-	-	17	9.4%	-	-	-	3 000	460.9%	0.3%
<i>Operating payments</i>	4 150	3 424	10 182	2 501	-15.5%	2.5%	2 965	3 100	2 179	-4.5%	1.0%
<i>Venues and facilities</i>	1 745	1 632	1 307	1 351	-8.2%	0.7%	1 036	1 873	2 016	14.3%	0.6%
<b>Transfers and subsidies</b>	<b>3 543</b>	<b>6 935</b>	<b>7 169</b>	<b>2 901</b>	<b>-6.4%</b>	<b>2.5%</b>	<b>3 036</b>	<b>3 170</b>	<b>3 353</b>	<b>4.9%</b>	<b>1.1%</b>
Foreign governments and international organisations	-	-	2 622	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises	-	150	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 528	6 686	4 400	2 901	-6.3%	2.1%	3 036	3 170	3 353	4.9%	1.1%
Households	15	99	147	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>621</b>	<b>661</b>	<b>4 015</b>	<b>2 325</b>	<b>55.3%</b>	<b>0.9%</b>	<b>1 881</b>	<b>2 355</b>	<b>2 492</b>	<b>2.3%</b>	<b>0.8%</b>
Machinery and equipment	621	661	4 015	2 325	55.3%	0.9%	1 881	2 355	2 492	2.3%	0.8%
<b>Payments for financial assets</b>	<b>686</b>	<b>1 142</b>	<b>35</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>206 380</b>	<b>183 488</b>	<b>206 322</b>	<b>224 917</b>	<b>2.9%</b>	<b>100.0%</b>	<b>257 839</b>	<b>286 294</b>	<b>317 170</b>	<b>12.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>-</b>	<b>-</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	-	-	100	-	-	-	-	-	-	-	-
Donation for conference on paediatric cardiology and cardiac surgery	-	-	100	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	15	99	47	-	-100.0%	-	-	-	-	-	-
Employee social benefits	15	99	47	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	3 528	6 686	4 400	2 901	-6.3%	2.1%	3 036	3 170	3 353	4.9%	1.1%
Non-communicable disease non-governmental organisations	1 100	-	-	-	-100.0%	0.1%	-	-	-	-	-
District services and environmental health non-governmental organisations	844	-	-	-	-100.0%	0.1%	-	-	-	-	-
South African Federation for Mental Health	290	305	320	335	4.9%	0.2%	353	371	393	5.5%	0.1%
South African National Council for the Blind	651	684	718	752	4.9%	0.3%	792	832	880	5.4%	0.3%
Medical Research Council: South African Community Epidemiology Network on Drug Use	351	428	512	471	10.3%	0.2%	496	520	550	5.3%	0.2%
Inter-Academy Medical Panel	-	100	-	-	-	-	-	-	-	-	-
Non-governmental organisations: Mental health	-	169	82	190	-	0.1%	200	210	222	5.3%	0.1%
National Council Against Smoking	292	5 000	768	803	40.1%	0.8%	845	887	938	5.3%	0.3%
National Kidney Foundation of South Africa	-	-	-	350	-	-	350	350	370	1.9%	0.1%
Health Systems Global: South Africa	-	-	2 000	-	-	0.2%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	-	150	-	-	-	-	-	-	-	-	-
Public Health Association of South Africa	-	100	-	-	-	-	-	-	-	-	-
Albinism Society of South Africa	-	50	-	-	-	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	-	-	2 622	-	-	0.3%	-	-	-	-	-
World Health Organisation	-	-	2 622	-	-	0.3%	-	-	-	-	-

## Personnel information

**Table 16.13 Primary Health Care Services personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)	
		2014/15		Unit	2015/16		Unit	2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Primary Health Care Services</b>																			
Salary level	490	31	440	151.3	0.3	488	175.9	0.4	459	215.6	0.5	459	227.8	0.5	459	250.4	0.5	-2.0%	100.0%
1 – 6	125	31	86	13.5	0.2	123	19.1	0.2	93	23.0	0.2	93	24.3	0.3	93	26.7	0.3	-8.9%	21.6%
7 – 10	309	–	306	102.0	0.3	309	112.4	0.4	310	145.1	0.5	310	153.1	0.5	310	168.3	0.5	0.1%	66.4%
11 – 12	37	–	33	21.8	0.7	37	26.6	0.7	37	27.5	0.7	37	29.1	0.8	37	32.0	0.9	–	7.9%
13 – 16	19	–	15	14.0	0.9	19	17.9	0.9	19	20.1	1.1	19	21.2	1.1	19	23.3	1.2	–	4.1%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(16.2)	–	–	(20.9)	–	–	–
<b>Total</b>	<b>490</b>	<b>31</b>	<b>440</b>	<b>151.3</b>	<b>0.3</b>	<b>488</b>	<b>175.9</b>	<b>0.4</b>	<b>459</b>	<b>215.6</b>	<b>0.5</b>	<b>–</b>	<b>211.6</b>	<b>–</b>	<b>–</b>	<b>229.4</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R37.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

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

### Programme purpose

Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure the alignment of academic medical centres with health workforce programmes. Ensure that the planning of health infrastructure meets the health needs of the country.

### Objectives

- Accelerate the construction and maintenance of health infrastructure by enhancing the capacity to deliver health infrastructure on an ongoing basis.
- Increase the management capacity of central hospitals through training, coaching and mentoring to facilitate semi-autonomy and the implementation of cost centre management in all 10 central hospitals by 2018/19.
- Ensure equitable access to tertiary health services through the implementation of the national tertiary health services plan and ensuring that the full designated tertiary health services package is provided in all 17 tertiary hospitals by 2019/20.
- Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities through the development and implementation of staffing norms and standards in the health workforce over the medium term.
- Improve the quality of nursing training and practice by ensuring that all 17 nursing colleges are accredited to offer the new nursing qualification by 2019/20.
- Ensure access to the efficient and effective delivery of quality emergency medical services by ensuring that all provinces fully comply with the regulations pertaining to emergency medical services by 2019/20.
- Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol, toxicology and food tests in forensic chemistry laboratories by 2016/17, and reducing turnaround times on an ongoing basis.
- Improve the management of health facilities at all levels of care by ensuring that 90 per cent of all hospital chief executives and primary health care facility managers benefit from a coaching and mentoring programme by 2019/20.

## Subprogrammes

- *Programme Management* supports and provides leadership for 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.
- *Health Facilities Infrastructure Management* coordinates and funds health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care. This subprogramme is responsible for two conditional allocations for health infrastructure: the provincial health facility revitalisation grant and, since 2013/14, the health facility revitalisation component of the national health insurance indirect grant.
- *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.
- *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.
- *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 strategy, facilitating capacity development for the planning of a sustainable health workforce, and developing and implementing human resources information systems for planning and monitoring purposes.
- *Nursing Services* is 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.
- *Forensic Chemistry Laboratories* is responsible for the analysis of blood alcohol levels for drunken driving (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.
- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services.

## Expenditure trends and estimates

**Table 16.14 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand												
Programme Management	798	2 263	4 191	3 619	65.5%	–	3 713	3 692	3 971	3.1%	–	
Health Facilities Infrastructure Management	6 314 812	5 546 053	5 807 614	6 032 785	–1.5%	32.8%	6 078 821	6 735 676	7 055 362	5.4%	31.7%	
Tertiary Health Care Planning and Policy	8 882 258	9 624 393	10 172 223	10 384 206	5.3%	54.1%	10 851 438	11 530 763	12 199 642	5.5%	55.0%	
Hospital Management	21 427	5 664	4 583	4 962	–38.6%	0.1%	5 159	5 155	5 539	3.7%	–	
Human Resources for Health	2 090 834	2 208 908	2 340 618	2 398 285	4.7%	12.5%	2 500 069	2 656 018	2 810 448	5.4%	12.7%	
Nursing Services	503	1 093	2 563	4 741	111.2%	–	6 627	6 562	7 076	14.3%	–	
Forensic Chemistry Laboratories	64 221	93 851	110 056	114 450	21.2%	0.5%	120 533	127 405	134 795	5.6%	0.6%	
Violence, Trauma and EMS	3 699	11 024	6 730	7 133	24.5%	–	7 138	7 149	7 673	2.5%	–	
<b>Total</b>	<b>17 378 552</b>	<b>17 493 249</b>	<b>18 448 578</b>	<b>18 950 181</b>	<b>2.9%</b>	<b>100.0%</b>	<b>19 573 498</b>	<b>21 072 420</b>	<b>22 224 506</b>	<b>5.5%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				(208 884)			(387 869)	(147 530)	(226 201)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>207 136</b>	<b>227 726</b>	<b>239 485</b>	<b>340 164</b>	<b>18.0%</b>	<b>1.4%</b>	<b>409 592</b>	<b>464 474</b>	<b>480 402</b>	<b>12.2%</b>	<b>2.1%</b>	
Compensation of employees	65 952	94 956	104 678	116 037	20.7%	0.5%	131 726	136 168	145 094	7.7%	0.6%	
Goods and services	141 184	132 770	134 807	224 127	16.7%	0.9%	277 866	328 306	335 308	14.4%	1.4%	
of which:												
Administrative fees	78	–	81	133	19.5%	–	–	1 000	1 000	95.9%	–	
Advertising	283	780	153	1 499	74.3%	–	951	2 002	2 358	16.3%	–	
Minor assets	845	463	5 840	1 728	26.9%	–	1 123	1 600	929	–18.7%	–	
Bursaries: Employees	–	–	–	72	–	–	–	–	–	–100.0%	–	

**Table 16.14 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Catering: Departmental activities	188	113	248	1 162	83.5%	–	287	200	394	-30.3%	–
Communication	963	847	1 761	1 690	20.6%	–	1 644	2 200	3 265	24.5%	–
Computer services	1 842	582	2 473	2 203	6.1%	–	1 717	1 700	1 741	-7.5%	–
Consultants: Business and advisory services	112 944	104 472	916	40 084	-29.2%	0.4%	23 734	3 768	18 274	-23.0%	0.1%
Infrastructure and planning services	–	–	4 286	13 000	–	–	8 000	39 095	14 083	2.7%	0.1%
Laboratory services	9	–	–	80	107.1%	–	263	–	1 000	132.1%	–
Legal services	–	150	–	–	–	–	–	302	1 000	–	–
Science and technological services	–	–	–	1 200	–	–	890	–	–	-100.0%	–
Contractors	1 990	1 644	4 976	1 082	-18.4%	–	5 550	13 269	12 283	124.7%	–
Agency and support/outourced services	2 627	1 641	88 115	129 787	266.9%	0.3%	201 262	228 389	241 077	22.9%	1.0%
Entertainment	2	–	–	18	108.0%	–	–	136	–	-100.0%	–
Fleet services (including government motor transport)	–	1 368	1 305	3 000	–	–	4 404	4 000	4 287	12.6%	–
Inventory: Clothing material and accessories	–	29	183	–	–	–	1 000	–	–	–	–
Inventory: Farming supplies	–	–	1	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	5	7	9	–	-100.0%	–	271	–	–	–	–
Inventory: Fuel, oil and gas	416	960	1 050	175	-25.1%	–	957	1 200	1 002	78.9%	–
Inventory: Materials and supplies	23	11	80	223	113.2%	–	159	159	468	28.0%	–
Inventory: Medical supplies	33	213	311	1 090	220.9%	–	800	1 300	2 375	29.6%	–
Inventory: Medicine	11	18	8	40	53.8%	–	12	–	–	-100.0%	–
Inventory: Other supplies	6 291	7 477	10 247	11 647	22.8%	–	11 379	10 800	10 842	-2.4%	0.1%
Consumable supplies	–	42	418	–	–	–	–	–	200	–	–
Consumables: Stationery, printing and office supplies	939	804	903	1 923	27.0%	–	1 068	1 256	1 575	-6.4%	–
Operating leases	804	567	819	5 092	85.0%	–	1 438	1 277	1 475	-33.8%	–
Rental and hiring	23	–	64	–	-100.0%	–	25	–	–	–	–
Property payments	–	–	18	–	–	–	–	–	–	–	–
Travel and subsistence	8 355	9 010	9 502	4 886	-16.4%	–	8 098	11 981	12 670	37.4%	–
Training and development	–	–	–	131	–	–	100	100	106	-6.8%	–
Operating payments	1 820	1 320	875	718	-26.7%	–	1 812	1 902	2 075	42.4%	–
Venues and facilities	693	252	165	1 464	28.3%	–	922	670	829	-17.3%	–
<b>Transfers and subsidies</b>	<b>17 160 216</b>	<b>17 101 605</b>	<b>17 992 739</b>	<b>18 172 941</b>	<b>1.9%</b>	<b>97.4%</b>	<b>18 596 182</b>	<b>19 927 889</b>	<b>21 015 571</b>	<b>5.0%</b>	<b>95.0%</b>
Provinces and municipalities	17 158 834	17 101 539	17 992 004	18 172 941	1.9%	97.4%	18 596 182	19 927 889	21 015 571	5.0%	95.0%
Non-profit institutions	1 326	–	–	–	-100.0%	–	–	–	–	–	–
Households	56	66	735	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>11 186</b>	<b>163 891</b>	<b>216 301</b>	<b>437 076</b>	<b>239.3%</b>	<b>1.1%</b>	<b>567 724</b>	<b>680 057</b>	<b>728 533</b>	<b>18.6%</b>	<b>2.9%</b>
Buildings and other fixed structures	–	113 726	168 329	354 629	–	0.9%	471 883	564 646	608 073	19.7%	2.4%
Machinery and equipment	11 186	50 165	47 972	82 447	94.6%	0.3%	95 841	115 411	120 460	13.5%	0.5%
Payments for financial assets	14	27	53	–	-100.0%	–	–	–	–	–	–
<b>Total</b>	<b>17 378 552</b>	<b>17 493 249</b>	<b>18 448 578</b>	<b>18 950 181</b>	<b>2.9%</b>	<b>100.0%</b>	<b>19 573 498</b>	<b>21 072 420</b>	<b>22 224 506</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>61.5%</b>	<b>57.9%</b>	<b>55.0%</b>	<b>52.3%</b>	–	–	<b>50.8%</b>	<b>49.3%</b>	<b>47.6%</b>	–	–
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>56</b>	<b>66</b>	<b>735</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	56	66	735	–	-100.0%	–	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1 326</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Health facilities and infrastructure management: Non-profit institutions	1 326	–	–	–	-100.0%	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>10 968 258</b>	<b>11 810 723</b>	<b>12 490 023</b>	<b>12 755 896</b>	<b>5.2%</b>	<b>66.5%</b>	<b>13 323 502</b>	<b>14 157 994</b>	<b>14 979 157</b>	<b>5.5%</b>	<b>67.5%</b>
Health professions training and development grant	2 075 248	2 190 366	2 321 788	2 374 722	4.6%	12.4%	2 476 724	2 631 849	2 784 496	5.4%	12.5%
National tertiary services grant	8 878 010	9 620 357	10 168 235	10 381 174	5.4%	54.0%	10 846 778	11 526 145	12 194 661	5.5%	54.9%
2013 Africa Cup of Nations medical services grant	15 000	–	–	–	-100.0%	–	–	–	–	–	–
<b>Capital</b>	<b>6 190 576</b>	<b>5 290 816</b>	<b>5 501 981</b>	<b>5 417 045</b>	<b>-4.4%</b>	<b>31.0%</b>	<b>5 272 680</b>	<b>5 769 895</b>	<b>6 036 414</b>	<b>3.7%</b>	<b>27.5%</b>
Health facility revitalisation grant	4 289 595	5 290 816	5 501 981	5 417 045	8.1%	28.4%	5 272 680	5 769 895	6 036 414	3.7%	27.5%
Health infrastructure grant	1 800 981	–	–	–	-100.0%	–	–	–	–	–	–
Nursing colleges grant	100 000	–	–	–	-100.0%	0.1%	–	–	–	–	–

## Personnel information

**Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
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	308	–	302	104.7	0.3	304	116.0	0.4	304	131.7	0.4	304	139.3	0.5	304	153.0	0.5	–	100.0%
1 – 6	79	–	70	12.1	0.2	78	16.1	0.2	78	17.2	0.2	78	18.1	0.2	78	19.9	0.3	–	25.7%
7 – 10	183	–	190	56.1	0.3	182	64.5	0.4	182	75.8	0.4	182	80.2	0.4	182	88.2	0.5	–	59.9%
11 – 12	25	–	22	17.7	0.8	24	17.2	0.7	24	18.2	0.8	24	19.3	0.8	24	21.2	0.9	–	7.9%
13 – 16	21	–	20	18.8	0.9	20	18.2	0.9	20	20.4	1.0	20	21.6	1.1	20	23.8	1.2	–	6.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(3.1)	–	–	(7.9)	–	–	–
<b>Total</b>	<b>308</b>	<b>–</b>	<b>302</b>	<b>104.7</b>	<b>0.3</b>	<b>304</b>	<b>116.0</b>	<b>0.4</b>	<b>304</b>	<b>131.7</b>	<b>0.4</b>	<b>–</b>	<b>136.2</b>	<b>–</b>	<b>–</b>	<b>145.1</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R11 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 6: Health Regulation and Compliance Management

### Programme 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 improving the quality of health care.

### Objectives

- Improve the efficiency of the regulation of health products by establishing a national health products regulation authority over the medium term.
- Strengthen food safety by expanding laboratory testing capabilities for adulterants such as colourants, protein and allergens, and creating partnerships with food laboratories over the medium term.
- Improve the oversight and corporate governance of public entities and statutory councils to ensure that 4 health public entities and 6 statutory health professional councils are compliant with good governance practices over the medium term.
- Improve the performance of the compensation system for miners and ex-miners by establishing one-stop service centres in each province by 2019/20, as well as setting up linkages with a competent compensation fund service provider by 2016/17.
- Ensure that the compensation commissioner eliminates the backlog of audited annual financial statements by 2017/18 through the appointment of external actuarial and financial experts to support this process.
- Provide for coordinated disease and injury surveillance and research by establishing a national public health institute, pending Cabinet approval.

### Subprogrammes

- *Programme Management* provides leadership to the programme by supporting the development of regulations for the procurement of medicines and pharmaceutical supplies, food control and the trade of health products and health technology. This subprogramme also provides oversight to regulatory bodies and public entities for effective governance and quality health care.
- *Food Control* regulates foodstuffs and non-medical health products for human and animal use with the aim of ensuring that they are safe, efficacious and of high quality.
- *Pharmaceutical Trade and Product Regulation* regulates the procurement of medicines and pharmaceutical supplies, and provides oversight of the trade of health products to ensure access to safe and affordable medicines.

- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils falling within the mandate of health legislation with regard to planning and budget procedures; performance and financial reporting, remuneration, governance and accountability.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of benefits to active miners and ex-miners who have been certified to be suffering from lung related diseases as a result of the risk work they performed in controlled mines and works. It is also responsible for providing for benefit medical examinations for ex-workers in controlled mines and works.

## Expenditure trends and estimates

**Table 16.16 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Programme Management	2 693	2 834	3 758	3 670	10.9%	0.3%	4 062	4 028	4 334	5.7%	0.2%
Food Control	9 928	7 156	6 871	9 798	-0.4%	0.7%	9 972	11 786	11 564	5.7%	0.6%
Pharmaceutical Trade and Product Regulation	85 848	105 781	120 504	131 772	15.4%	8.6%	139 572	152 993	148 417	4.0%	8.4%
Public Entities Management	874 300	1 062 170	1 162 942	1 399 991	17.0%	87.1%	1 474 937	1 496 491	1 556 790	3.6%	87.0%
Compensation Commissioner for Occupational Diseases and Occupational Health	36 181	36 440	46 626	58 644	17.5%	3.4%	61 643	65 064	68 838	5.5%	3.7%
<b>Total</b>	<b>1 008 950</b>	<b>1 214 381</b>	<b>1 340 701</b>	<b>1 603 875</b>	<b>16.7%</b>	<b>100.0%</b>	<b>1 690 186</b>	<b>1 730 362</b>	<b>1 789 943</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2015				6 956			2 514	12 000	77 715		
Budget estimate											
<b>Economic classification</b>	<b>133 930</b>	<b>150 674</b>	<b>174 365</b>	<b>195 179</b>	<b>13.4%</b>	<b>12.7%</b>	<b>211 249</b>	<b>230 037</b>	<b>228 397</b>	<b>5.4%</b>	<b>12.7%</b>
<b>Current payments</b>											
Compensation of employees	86 274	94 202	106 122	137 411	16.8%	8.2%	160 468	168 545	178 676	9.1%	9.5%
Goods and services	47 656	56 472	68 243	57 768	6.6%	4.5%	50 781	61 492	49 721	-4.9%	3.2%
of which:											
Administrative fees	32	25	133	51	16.8%	-	29	2 200	-	-100.0%	-
Advertising	1 165	1 063	1 158	1 880	17.3%	0.1%	1 834	1 600	2 041	2.8%	0.1%
Minor assets	573	227	579	8 767	148.3%	0.2%	1 578	2 000	1 945	-39.5%	0.2%
Audit costs: External	1 000	1	-	3 536	52.3%	0.1%	2 100	2 500	2 703	-8.6%	0.2%
Bursaries: Employees	1	-	-	-	-100.0%	-	451	-	-	-	-
Catering: Departmental activities	396	315	810	624	16.4%	-	878	300	317	-20.2%	-
Communication	1 377	1 358	1 793	2 135	15.7%	0.1%	1 751	2 216	1 814	-5.3%	0.1%
Computer services	930	2 135	1 822	1 227	9.7%	0.1%	1 045	4 400	3 900	47.0%	0.2%
Consultants: Business and advisory services	20 399	25 753	29 773	15 428	-8.9%	1.8%	15 957	18 367	7 864	-20.1%	0.8%
Legal services	-	150	65	266	-	-	-	700	-	-100.0%	-
Contractors	734	1 445	2 500	1 474	26.2%	0.1%	2 099	700	1 370	-2.4%	0.1%
Agency and support/outourced services	1 658	743	737	1 015	-15.1%	0.1%	3 195	2 100	2 169	28.8%	0.1%
Entertainment	2	2	2	59	209.0%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	4 581	6 687	-	-	0.2%	2 700	2 224	2 454	-	0.1%
Inventory: Clothing material and accessories	-	8	75	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	3	11	9	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	25	10	-	-100.0%	-	-	-	100	-	-
Inventory: Materials and supplies	24	178	4	220	109.3%	-	523	1 200	312	12.4%	-
Inventory: Medical supplies	31	125	24	718	185.0%	-	534	1 443	212	-33.4%	-
Inventory: Medicine	31	1	73	58	23.2%	-	32	100	100	19.9%	-
Inventory: Other supplies	269	99	85	1 211	65.1%	-	293	1 300	100	-56.5%	-
Consumable supplies	6	112	661	-	-100.0%	-	-	2 100	100	-	-
Consumables: Stationery, printing and office supplies	1 248	1 466	1 944	3 942	46.7%	0.2%	1 611	1 500	3 475	-4.1%	0.2%
Operating leases	969	938	1 307	547	-17.4%	0.1%	1 813	2 036	3 822	91.2%	0.1%
Rental and hiring	-	-	33	-	-	-	-	-	-	-	-
Property payments	22	15	257	-	-100.0%	-	522	1 201	3 158	-	0.1%
Travel and subsistence	14 496	12 104	13 437	12 303	-5.3%	1.0%	9 877	9 805	9 313	-8.9%	0.6%
Training and development	6	-	198	-	-100.0%	-	-	-	-	-	-
Operating payments	2 178	3 459	4 067	2 175	-	0.2%	1 859	1 500	2 252	1.2%	0.1%
Venues and facilities	104	133	-	132	8.3%	-	100	-	200	14.9%	-
<b>Transfers and subsidies</b>	<b>874 104</b>	<b>1 061 952</b>	<b>1 163 002</b>	<b>1 397 643</b>	<b>16.9%</b>	<b>87.0%</b>	<b>1 475 150</b>	<b>1 496 350</b>	<b>1 557 340</b>	<b>3.7%</b>	<b>87.0%</b>
Departmental agencies and accounts	873 565	1 061 833	1 161 716	1 397 643	17.0%	87.0%	1 475 150	1 496 350	1 557 340	3.7%	87.0%
Households	539	119	1 286	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>885</b>	<b>1 751</b>	<b>3 288</b>	<b>11 053</b>	<b>132.0%</b>	<b>0.3%</b>	<b>3 787</b>	<b>3 975</b>	<b>4 206</b>	<b>-27.5%</b>	<b>0.3%</b>
Buildings and other fixed structures	-	-	536	-	-	-	-	-	-	-	-
Machinery and equipment	885	1 751	2 752	11 053	132.0%	0.3%	3 787	3 975	4 206	-27.5%	0.3%
<b>Payments for financial assets</b>	<b>31</b>	<b>4</b>	<b>46</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 008 950</b>	<b>1 214 381</b>	<b>1 340 701</b>	<b>1 603 875</b>	<b>16.7%</b>	<b>100.0%</b>	<b>1 690 186</b>	<b>1 730 362</b>	<b>1 789 943</b>	<b>3.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	3.6%	4.0%	4.0%	4.4%	-	-	4.4%	4.0%	3.8%	-	-

**Table 16.16 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies											
	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>870 649</b>	<b>1 058 771</b>	<b>1 158 501</b>	<b>1 394 280</b>	<b>17.0%</b>	<b>86.7%</b>	<b>1 471 609</b>	<b>1 492 632</b>	<b>1 553 406</b>	<b>3.7%</b>	<b>86.8%</b>
South African Medical Research Council	283 863	419 460	446 331	623 892	30.0%	34.3%	657 590	614 961	624 829	0.1%	37.0%
National Health Laboratory Service	558 801	603 534	674 052	678 926	6.7%	48.7%	711 871	746 464	789 759	5.2%	43.0%
Office of Health Standards Compliance	23 675	31 252	33 367	88 906	55.4%	3.4%	100 535	125 711	133 003	14.4%	6.6%
Council for Medical Schemes	4 310	4 525	4 751	2 556	-16.0%	0.3%	1 613	5 496	5 815	31.5%	0.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>539</b>	<b>119</b>	<b>1 286</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	539	119	1 286	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	<b>2 916</b>	<b>3 062</b>	<b>3 215</b>	<b>3 363</b>	<b>4.9%</b>	<b>0.2%</b>	<b>3 541</b>	<b>3 718</b>	<b>3 934</b>	<b>5.4%</b>	<b>0.2%</b>
Compensation Fund	2 916	3 062	3 215	3 363	4.9%	0.2%	3 541	3 718	3 934	5.4%	0.2%

## Personnel information

**Table 16.17 Health Regulation and Compliance Management personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%) 2015/16 - 2018/19	Salary level/total: Average (%)		
		2014/15		2015/16		2016/17		2017/18		2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
<b>Health Regulation and Compliance Management</b>																	
<b>Salary level</b>	<b>414</b>	<b>46</b>	<b>358</b>	<b>106.1</b>	<b>0.3</b>	<b>414</b>	<b>137.4</b>	<b>0.3</b>	<b>414</b>	<b>160.5</b>	<b>0.4</b>	<b>414</b>	<b>169.7</b>	<b>0.4</b>	<b>414</b>	<b>186.5</b>	<b>0.5</b>
1 – 6	172	3	166	22.8	0.1	172	26.7	0.2	172	31.2	0.2	172	33.3	0.2	172	36.5	0.2
7 – 10	103	29	77	22.2	0.3	103	39.5	0.4	103	45.9	0.4	103	48.8	0.5	103	53.6	0.5
11 – 12	122	10	100	50.0	0.5	122	56.6	0.5	122	65.0	0.5	122	69.2	0.6	122	76.1	0.6
13 – 16	17	4	15	11.1	0.7	17	14.6	0.9	17	18.3	1.1	17	18.4	1.1	17	20.3	1.2
<b>Reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.1)</b>	<b>-</b>	<b>-</b>	<b>(7.8)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>414</b>	<b>46</b>	<b>358</b>	<b>106.1</b>	<b>0.3</b>	<b>414</b>	<b>137.4</b>	<b>0.3</b>	<b>414</b>	<b>160.5</b>	<b>0.4</b>	<b>-</b>	<b>168.5</b>	<b>-</b>	<b>-</b>	<b>178.7</b>	<b>-</b>

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

2. This programme's compensation of employees budget has been reduced by R8.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Entities

### National Health Laboratory Service

#### Mandate

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The entity is mandated to support the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and supports health research. It is the largest diagnostic pathology service in South Africa, servicing more than 80 per cent of the population, through a national network of 268 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

**Table 16.18 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of CD4 tests completed per year within 72 hours in laboratory	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	85%	90%	89%	90%	90%	90%	90%
Percentage of viral load tests completed per year within 4 days in laboratory	Laboratory tests		85%	86%	81%	90%	90%	90%	90%
Percentage of tuberculosis microscopy/GeneXpert tests completed per year within 48 hours in laboratory per year	Laboratory tests		90%	92%	92%	90%	90%	90%	90%
Percentage of HIV polymerase chain reaction tests completed per year within 5 days in laboratory	Laboratory tests		85%	82%	70%	90%	90%	90%	90%
Percentage of cervical smear tests completed per year within 13 days in laboratory	Laboratory tests		- <sup>1</sup>	63%	57%	75%	80%	85%	90%
Number of autopsy examinations conducted and reported per year	Surveillance of communicable diseases		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	1 000	1 000	1 000
Number of published scientific articles and reports per year	Surveillance of communicable diseases		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	25	25	25	25
Number of occupational health and safety assessments conducted per year	Surveillance of communicable diseases		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	31	31	31	31
Percentage of academic laboratories accredited per year	Research		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	88%	100%	100%	100%
Number of research reports submitted to influence policy per year	Research		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	4	6	8	9

1. No historical data is available as these are new indicators.

## Expenditure analysis

The focus of the National Health Laboratory Service will continue to be on administering laboratory tests for health care facilities mainly in the public sector. By providing accurate laboratory tests with short turnaround times, the service makes an important contribution to the national development plan's vision of improving the quality of health care services and controlling epidemics, as well as to outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework. The service also contributes to research and development through the National Institute for Communicable Diseases and the National Institute for Occupational Health, and provides a training platform for students of pathology.

Together with the Department of Health, the service is researching an alternative reimbursement model for laboratory tests, using a global budget allocation instead of fee for service, and is planning to pilot this model over the medium term. The service will strive to ensure that at least 90 per cent of laboratory tests are completed within the targeted turnaround time for each test category by 2018/19. This, in addition to inflation and an anticipated 20 per cent increase in test volumes over the medium term, is expected to drive an increase in expenditure on tests by 7.1 per cent per year, from R4.8 billion in 2015/16 to R5.9 billion in 2018/19. Chemical reagents and other items necessary to perform laboratory tests are likely to drive expenditure on goods and services within the laboratory tests programme. Laboratory tests comprise the largest area of expenditure, accounting for 78.1 per cent (R16.5 billion) of total expected expenditure over the MTEF period.

Providing laboratory tests for patients largely from public sector health facilities is expected to generate on average R6.2 billion per year, 87.9 per cent of the service's revenue between 2015/16 and 2018/19. This revenue is expected to increase at an average annual rate of 5.6 per cent over the medium term. The service also receives an annual transfer from the department, which since 2015/16 funds the surveillance of communicable diseases through the National Institute for Communicable Diseases, occupational health through the National Institute of Occupational Health, and other research and training functions carried out by the service. This transfer is set to grow at an average annual rate of 5.2 per cent from R678.9 million in 2015/16 to R789.8 million over the medium term. This funding will enable the service and its associated institutes to maintain its research output at 25 research articles or reports per year, and ensure that all academic health laboratories become accredited by the service over the medium term.

## Programmes/objectives/activities

Table 16.19 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	425 231	473 588	621 173	565 377	10.0%	9.1%	606 168	655 800	691 970	7.0%	9.2%	
Surveillance of communicable diseases	146 936	161 249	167 042	305 390	27.6%	3.4%	319 659	334 642	352 518	4.9%	4.8%	
Occupational health	60 268	71 186	72 666	103 176	19.6%	1.3%	108 335	113 751	119 098	4.9%	1.6%	
Laboratory tests	4 002 123	4 717 831	4 901 632	4 779 169	6.1%	80.3%	5 159 140	5 492 555	5 871 340	7.1%	78.1%	
Research	396 586	365 048	179 799	394 000	-0.2%	5.9%	409 000	438 400	462 038	5.5%	6.2%	
<b>Total</b>	<b>5 031 144</b>	<b>5 788 902</b>	<b>5 942 312</b>	<b>6 147 112</b>	<b>6.9%</b>	<b>100.0%</b>	<b>6 602 302</b>	<b>7 035 148</b>	<b>7 496 964</b>	<b>6.8%</b>	<b>100.0%</b>	

## Statements of historical financial performance and position

Table 16.20 National Health Laboratory Service statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>3 496 482</b>	<b>4 209 228</b>	<b>4 328 595</b>	<b>4 802 780</b>	<b>4 970 361</b>	<b>5 323 912</b>	<b>5 237 415</b>	<b>5 819 767</b>	<b>111.8%</b>
Sale of goods and services other than capital assets	3 460 482	3 962 441	4 267 295	4 598 261	4 906 361	5 049 847	5 172 095	5 742 732	108.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 460 482	3 962 441	4 267 295	4 598 261	4 906 361	5 049 847	5 172 095	5 742 732	108.7%
Other non-tax revenue	36 000	246 787	61 300	204 519	64 000	274 065	65 320	77 035	354.1%
<b>Transfers received</b>	<b>99 435</b>	<b>757 852</b>	<b>105 463</b>	<b>833 923</b>	<b>225 280</b>	<b>799 315</b>	<b>219 598</b>	<b>678 926</b>	<b>472.5%</b>
<b>Total revenue</b>	<b>3 595 917</b>	<b>4 967 080</b>	<b>4 434 058</b>	<b>5 636 703</b>	<b>5 195 641</b>	<b>6 123 227</b>	<b>5 457 013</b>	<b>6 498 693</b>	<b>124.3%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>3 538 419</b>	<b>5 031 144</b>	<b>4 399 583</b>	<b>5 788 902</b>	<b>5 057 290</b>	<b>5 942 312</b>	<b>5 353 342</b>	<b>6 147 112</b>	<b>124.9%</b>
Compensation of employees	1 796 716	2 151 296	2 333 593	2 090 509	2 107 700	2 112 434	2 409 822	2 423 485	101.5%
Goods and services	1 598 183	2 803 152	1 910 254	3 625 681	2 898 470	3 726 454	2 883 820	3 672 684	148.8%
Depreciation	133 520	74 075	145 736	66 691	44 720	101 769	49 200	40 442	75.8%
Interest, dividends and rent on land	10 000	2 621	10 000	6 021	6 400	1 655	10 500	10 500	56.4%
<b>Total expenses</b>	<b>3 538 419</b>	<b>5 031 144</b>	<b>4 399 583</b>	<b>5 788 902</b>	<b>5 057 290</b>	<b>5 942 312</b>	<b>5 353 342</b>	<b>6 147 112</b>	<b>124.9%</b>
<b>Surplus/(Deficit)</b>	<b>57 498</b>	<b>(64 064)</b>	<b>34 475</b>	<b>(152 199)</b>	<b>138 351</b>	<b>180 915</b>	<b>103 671</b>	<b>351 581</b>	
<b>Statement of financial position</b>									
Carrying value of assets	641 881	570 048	620 467	551 049	676 309	521 894	764 229	764 229	89.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	-	(177 412)	(194 000)	(186 042)	(213 400)	(47 641)	(526 425)	(526 425)	100.4%
Inventory	122 901	63 798	97 447	81 042	100 281	88 970	103 201	103 201	79.5%
Receivables and prepayments	1 367 391	1 796 168	2 505 106	2 408 606	1 549 228	2 817 322	1 576 341	2 135 463	130.9%
Cash and cash equivalents	192 930	664 714	639 308	347 952	677 421	651 166	699 424	699 424	107.0%
Non-current assets held for sale	227 357	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>2 552 460</b>	<b>3 094 728</b>	<b>3 862 328</b>	<b>3 388 649</b>	<b>3 003 239</b>	<b>4 079 352</b>	<b>3 143 195</b>	<b>3 702 317</b>	<b>113.6%</b>
Accumulated surplus/(deficit)	1 306 061	1 805 906	1 365 989	1 468 835	1 363 770	1 692 255	1 484 714	2 043 836	127.0%
Capital and reserves	60 000	42 837	42 837	42 837	42 837	332	42 837	42 837	68.3%
Capital reserve fund	-	-	80 000	-	80 000	-	-	-	-
Finance lease	-	434	-	137	-	-	-	-	-
Deferred income	83 897	105 375	-	57 992	-	52 264	-	-	257.0%
Trade and other payables	237 597	288 416	1 282 475	759 825	436 407	1 080 795	439 431	439 431	107.2%
Provisions	864 905	851 760	1 091 027	1 059 023	1 080 225	1 253 706	1 176 213	1 176 213	103.0%
<b>Total equity and liabilities</b>	<b>2 552 460</b>	<b>3 094 728</b>	<b>3 862 328</b>	<b>3 388 649</b>	<b>3 003 239</b>	<b>4 079 352</b>	<b>3 143 195</b>	<b>3 702 317</b>	<b>113.6%</b>

## Statements of estimates of financial performance and position

**Table 16.21 National Health Laboratory Service statements of estimates of financial performance and position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>5 819 767</b>	<b>11.4%</b>	<b>86.6%</b>	<b>6 143 703</b>	<b>6 516 190</b>	<b>6 904 243</b>	<b>5.9%</b>	<b>89.7%</b>	
Sale of goods and services other than capital assets	5 742 732	13.2%	83.0%	6 008 256	6 373 398	6 760 734	5.6%	87.9%	
<i>of which:</i>									
<i>Sales by market establishment</i>	5 742 732	13.2%	83.0%	6 008 256	6 373 398	6 760 734	5.6%	87.9%	
Other non-tax revenue	77 035	-32.2%	3.6%	135 447	142 792	143 509	23.0%	1.7%	
<b>Transfers received</b>	<b>678 926</b>	<b>-3.6%</b>	<b>13.4%</b>	<b>711 871</b>	<b>746 464</b>	<b>789 759</b>	<b>5.2%</b>	<b>10.3%</b>	
<b>Total revenue</b>	<b>6 498 693</b>	<b>9.4%</b>	<b>100.0%</b>	<b>6 855 574</b>	<b>7 262 654</b>	<b>7 694 002</b>	<b>5.8%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>6 147 112</b>	<b>6.9%</b>	<b>100.0%</b>	<b>6 602 302</b>	<b>7 035 148</b>	<b>7 496 965</b>	<b>6.8%</b>	<b>-</b>	
Compensation of employees	2 423 485	4.1%	38.5%	2 571 778	2 658 045	2 955 811	6.8%	38.9%	
Goods and services	3 672 684	9.4%	60.2%	3 975 989	4 314 007	4 476 203	6.8%	60.2%	
Depreciation	40 442	-18.3%	1.2%	44 535	53 896	55 291	11.0%	0.7%	
Interest, dividends and rent on land	10 500	58.8%	0.1%	10 000	9 200	9 660	-2.7%	0.1%	
<b>Total expenses</b>	<b>6 147 112</b>	<b>6.9%</b>	<b>100.0%</b>	<b>6 602 302</b>	<b>7 035 148</b>	<b>7 496 965</b>	<b>6.8%</b>	<b>-</b>	
<b>Surplus/(Deficit)</b>	<b>351 581</b>	<b>(3)</b>		<b>253 272</b>	<b>227 506</b>	<b>197 037</b>	<b>-17.6%</b>		
<b>Statement of financial position</b>									
Carrying value of assets	764 229	10.3%	17.0%	685 955	892 483	1 079 681	12.2%	18.8%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(526 425)	43.7%	-6.7%	(250 000)	(235 000)	(225 000)	-24.7%	-7.3%	
Inventory	103 201	17.4%	2.4%	110 276	111 375	112 492	2.9%	2.4%	
Receivables and prepayments	2 135 463	5.9%	64.0%	2 742 572	2 879 020	3 022 285	12.3%	59.2%	
Cash and cash equivalents	699 424	1.7%	16.7%	889 856	946 523	1 033 313	13.9%	19.6%	
<b>Total assets</b>	<b>3 702 317</b>	<b>6.2%</b>	<b>100.0%</b>	<b>4 428 659</b>	<b>4 829 401</b>	<b>5 247 771</b>	<b>12.3%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	2 043 836	4.2%	49.6%	2 297 108	2 524 614	2 721 651	10.0%	52.8%	
Capital and reserves	42 837	-	1.0%	332	332	332	-80.2%	0.3%	
Deferred income	-	-100.0%	1.6%	58 171	61 371	64 746	-	1.0%	
Trade and other payables	439 431	15.1%	17.5%	696 723	864 981	1 081 160	35.0%	16.5%	
Benefits payable	-	-	-	24 839	24 864	24 889	-	0.4%	
Provisions	1 176 213	11.4%	30.3%	1 351 486	1 353 239	1 354 993	4.8%	29.0%	
<b>Total equity and liabilities</b>	<b>3 702 317</b>	<b>6.2%</b>	<b>100.0%</b>	<b>4 428 659</b>	<b>4 829 401</b>	<b>5 247 771</b>	<b>-30.4%</b>	<b>100.0%</b>	

## Personnel information

**Table 16.22 National Health Laboratory Service personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
National Health Laboratory Service		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	7 286	7 286	7 286	2 112.4	0.3	7 286	2 423.5	0.3	7 286	2 571.8	0.4	7 286	2 658.0	0.4	7 286	2 955.8	0.4	6.8%	100.0%
1 - 6	4 539	4 539	4 539	707.2	0.2	4 539	810.3	0.2	4 539	859.7	0.2	4 539	888.5	0.2	4 539	988.2	0.2	6.8%	62.3%
7 - 10	2 125	2 125	2 125	788.7	0.4	2 125	904.5	0.4	2 125	959.7	0.5	2 125	991.8	0.5	2 125	1 103.0	0.5	6.8%	29.2%
11 - 12	424	424	424	317.8	1.7	424	365.5	0.9	424	387.8	0.9	424	400.8	1.9	424	445.7	1.1	6.8%	5.8%
13 - 16	196	196	196	294.1	1.5	196	337.9	1.7	196	359.0	1.8	196	371.1	1.9	196	412.5	2.1	6.9%	2.7%
17 - 22	2	2	2	4.6	2.3	2	5.3	2.6	2	5.6	2.8	2	5.8	2.9	2	6.4	3.2	6.8%	0.0%

<sup>1</sup> Rand million.

## Compensation Commissioner for Occupational Diseases in Mines and Works

### Mandate

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: collect levies from controlled mines and works; to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardio-respiratory organs; and to reimburse workers for loss of earnings incurred during tuberculosis treatment. The commissioner compensates the dependants of deceased workers and also administers pensions for qualifying ex-workers or their dependants.

## Selected performance indicators

**Table 16.23 Compensation Commissioner for Occupational Diseases in Mines and Works performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of workers and ex-workers in controlled mines and works accessing benefit medical examinations per year	Compensation of ex-miners	Outcome 2: A long and healthy life for all South Africans	11 750	10 694	9 718	10 500	15 000	16 000	20 000
Number of claims processed by the certification committee per year	Compensation of ex-miners		4 376	4 444	6 324	8 000	10 000	12 000	14 000
Number of controlled mines and works inspected per year to verify levies payable based on risk shifts worked	Administration		- <sup>1</sup>	29	58	40	50	60	70
Number of outreach and awareness activities with service providers, unions, employers, workers and ex-workers conducted per year	Compensation of ex-miners		4	6	8	10	60	70	80
Number of workers in controlled mines and works paid for the loss of earnings while undergoing tuberculosis treatment per year	Compensation of tuberculosis		1 453	1 923	459	750	770	850	950
Number of persons with compensable diseases paid by the Compensation Commissioner (excluding pensioners) per year	Compensation of ex-miners		1 779	3 124	1 979	3 000	3 300	6 000	7 000

1. No historical data is available as this indicator was introduced in 2013/14.

## Expenditure analysis

The Compensation Commissioner for Occupational Diseases in Mines and Works administers the Mines and Works Compensation Fund. The commissioner's focus over the medium term will be on increasing the number of claims paid out and fast-tracking claim processes. This is in line with the national development plan's vision of providing welfare for vulnerable groups, and outcome 13 (an inclusive and responsive social protection system) and outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework.

In increasing the number of claims paid out and fast-tracking claim processes over the MTEF period, 95.7 per cent (R546 million) of the organisation's budget is for transfers to households. However, in the past 3 years, there has been significant underspending in the compensation of pensioners programme, the compensation of ex-miners programme, and the compensation of tuberculosis programme, with only 1 979 claims paid out in 2014/15 out of a target of 2 700 (excluding compensation for tuberculosis). This is partly due to claimants not submitting the documents required for the commissioner to pay out benefits, and because claimants previously had to come from all over South Africa and neighbouring countries to submit claims at the Johannesburg office.

To address these challenges, the commissioner is implementing a turnaround strategy that includes the provision of decentralised services to bring service delivery closer to current and former workers. To date, 2 decentralised centres have been opened: in Mthatha in Eastern Cape and Carletonville in Gauteng, with the construction costs carried by the department and donations from the mining industry. 1 892 medical benefit examinations had been received from Mthatha by the end of October 2015, and 1 034 from Carletonville by the end of July 2014. Given the success of these centres, 2 additional centres in Kuruman in Northern Cape, and Burgersfort in Limpopo, are being considered for 2016/17. These sites have been identified as areas from which many mine workers originate, and the initial budget estimate is R10 million for both sites.

Another measure to address the commissioner's underspending is through outreach activities with unions and employers, as well as current and former workers, about their rights and the process to follow in lodging claims. To do this, the commissioner intends to increase the number of outreach activities over the medium term from 10 in 2015/16 to 80 in 2018/19. Consideration is also being given to sourcing administrative support for the commissioner through a private company, which would manage compensation for miners through the Compensation Fund within the Department of Labour.

As a result of these interventions, it is anticipated that the number of people accessing benefit medical examinations will increase from 9 718 in 2014/15 to 20 000 in 2018/19, and that claims payments will reach

7 000 in 2018/19. This growth is expected to increase transfers to households in the compensation of pensioners programme, the compensation of ex-miners programme, and the compensation of tuberculosis programme at an average annual rate of 5.4 per cent over the medium term, from R164.1 million in 2015/16 to R191.9 million in 2018/19. The Minister of Health has approved an increase in pension levels with the agreement of the Minister of Finance. This will be funded by the annual transfer from the Department of Health, and is expected to grow at an average annual rate of 5.4 per cent over the medium term from R3.4 million in 2015/16 to R3.9 million in 2018/19.

Compensation of ex-miners is the commissioner's largest area of expenditure. It is funded by levies collected from controlled mines and works, based on the number of risk shifts worked in the mine, multiplied by a specific rate per commodity mined. Inspections are carried out to ensure that the number of risk shifts is not understated. The commission plans to increase these inspections from 58 in 2014/15 to 70 per year in 2018/19. Coupled with the levy increase approved by the Minister of Health in 2015, these inspections will ensure that revenue generated from levies increases at an estimated average annual rate of 5.3 per cent over the medium term.

## Programmes/objectives/activities

**Table 16.24 Compensation Commissioner for Occupational Diseases in Mines and Works expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Administration	7 839	7 724	7 411	7 839	–	5.3%	8 127	8 393	7 360	-2.1%	4.3%
Compensation of pensioners	2 916	3 062	3 215	3 363	4.9%	2.1%	3 215	3 718	3 904	5.1%	1.9%
Compensation of ex-miners	92 640	113 996	132 244	134 244	13.2%	79.0%	140 956	148 003	151 300	4.1%	77.6%
Compensation of tuberculosis	12 839	18 961	22 068	25 599	25.9%	13.1%	22 068	34 445	36 650	12.7%	15.9%
Eastern Cape project	571	843	981	860	14.6%	0.5%	981	670	75	-55.7%	0.4%
<b>Total</b>	<b>116 805</b>	<b>144 586</b>	<b>165 919</b>	<b>171 905</b>	<b>13.7%</b>	<b>100.0%</b>	<b>175 347</b>	<b>195 229</b>	<b>199 289</b>	<b>5.1%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 16.25 Compensation Commissioner for Occupational Diseases in Mines and Works statements of historical financial performance and position**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R thousand									
<b>Revenue</b>									
Tax revenue	293 418	286 316	255 995	269 202	346 354	260 939	296 795	296 795	93.3%
Non-tax revenue	111 779	114 230	94 607	130 851	152 435	172 104	144 263	201 170	122.9%
Sale of goods and services other than capital assets	–	–	–	–	–	1 621	–	–	–
of which:									
Other sales	–	–	–	–	–	1 621	–	–	–
Other non-tax revenue	111 779	114 230	94 607	130 851	152 435	170 483	144 263	201 170	122.6%
Transfers received	2 916	2 916	3 100	3 062	3 215	3 215	3 363	3 363	99.7%
<b>Total revenue</b>	<b>408 113</b>	<b>403 462</b>	<b>353 702</b>	<b>403 115</b>	<b>502 004</b>	<b>436 258</b>	<b>444 421</b>	<b>501 328</b>	<b>102.1%</b>
<b>Expenses</b>									
Current expenses	282	7 839	768	7 724	7 016	7 411	7 839	7 839	193.7%
Goods and services	–	7 804	173	7 480	6 975	7 175	7 614	7 614	203.7%
Interest, dividends and rent on land	282	35	595	244	41	236	225	225	64.7%
Transfers and subsidies	130 980	108 966	155 786	136 862	248 100	158 508	164 066	164 066	81.3%
<b>Total expenses</b>	<b>131 262</b>	<b>116 805</b>	<b>156 554</b>	<b>144 586</b>	<b>255 116</b>	<b>165 919</b>	<b>171 905</b>	<b>171 905</b>	<b>83.8%</b>
<b>Surplus/(Deficit)</b>	<b>276 851</b>	<b>286 657</b>	<b>197 147</b>	<b>258 529</b>	<b>246 888</b>	<b>270 339</b>	<b>272 516</b>	<b>329 423</b>	<b>–</b>
<b>Statement of financial position</b>									
Investments	1 948 769	2 229 267	2 469 866	2 606 886	2 593 359	2 963 136	2 953 513	3 163 067	110.0%
Receivables and prepayments	51 000	3 017	30 611	29 578	35 000	40 488	3 800	27 338	83.4%
Cash and cash equivalents	66 649	169 797	49 000	74 618	52 000	58 995	60 000	60 000	159.6%
<b>Total assets</b>	<b>2 066 418</b>	<b>2 402 081</b>	<b>2 549 477</b>	<b>2 711 082</b>	<b>2 680 359</b>	<b>3 062 619</b>	<b>3 017 313</b>	<b>3 250 405</b>	<b>110.8%</b>
Accumulated surplus/(deficit)	1 526 215	842 673	112 454	1 353 934	238 359	1 891 950	342 653	2 176 824	282.3%
Trade and other payables	8 500	4 601	3 500	45 753	3 600	27 024	3 700	19 560	502.3%
Provisions	531 703	1 554 807	2 433 523	1 311 395	2 438 400	1 143 645	2 670 960	1 054 021	62.7%
<b>Total equity and liabilities</b>	<b>2 066 418</b>	<b>2 402 081</b>	<b>2 549 477</b>	<b>2 711 082</b>	<b>2 680 359</b>	<b>3 062 619</b>	<b>3 017 313</b>	<b>3 250 405</b>	<b>110.8%</b>

## Statements of estimates of financial performance and position

**Table 16.26 Compensation Commissioner for Occupational Diseases in Mines and Works statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19		
R thousand	2015/16							
<b>Revenue</b>								
Tax revenue	296 795	1.2%	64.2%	311 635	320 984	346 662	5.3%	61.8%
Non-tax revenue	201 170	20.8%	35.1%	193 123	183 467	196 310	-0.8%	37.5%
Other non-tax revenue	201 170	20.8%	35.0%	193 123	183 467	196 310	-0.8%	37.5%
Transfers received	3 363	4.9%	0.7%	3 541	3 718	3 934	5.4%	0.7%
<b>Total revenue</b>	<b>501 328</b>	<b>7.5%</b>	<b>100.0%</b>	<b>508 299</b>	<b>508 169</b>	<b>546 906</b>	<b>2.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	7 839	-	5.3%	8 127	8 393	7 360	-2.1%	-
Goods and services	7 614	-0.8%	5.2%	7 908	8 188	7 165	-2.0%	4.2%
Interest, dividends and rent on land	225	85.9%	0.1%	219	205	195	-4.7%	0.1%
Transfers and subsidies	164 066	14.6%	94.7%	167 220	186 836	191 929	5.4%	95.7%
<b>Total expenses</b>	<b>171 905</b>	<b>13.7%</b>	<b>100.0%</b>	<b>175 347</b>	<b>195 229</b>	<b>199 289</b>	<b>5.1%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>329 423</b>	<b>0</b>	<b>-</b>	<b>332 952</b>	<b>312 940</b>	<b>347 617</b>	<b>1.8%</b>	<b>-</b>
<b>Statement of financial position</b>								
Investments	3 163 067	12.4%	95.8%	3 336 253	3 283 545	3 462 257	3.1%	97.4%
Receivables and prepayments	27 338	108.5%	0.8%	18 360	4 200	14 650	-18.8%	0.5%
Cash and cash equivalents	60 000	-29.3%	3.4%	70 000	75 000	85 000	12.3%	2.1%
<b>Total assets</b>	<b>3 250 405</b>	<b>10.6%</b>	<b>100.0%</b>	<b>3 424 613</b>	<b>3 362 745</b>	<b>3 561 907</b>	<b>3.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	2 176 824	37.2%	53.4%	2 467 229	2 444 745	2 784 687	8.6%	72.5%
Trade and other payables	19 560	62.0%	0.8%	16 363	3 230	12 450	-14.0%	0.4%
Provisions	1 054 021	-12.2%	45.7%	941 021	914 770	764 770	-10.1%	27.1%
<b>Total equity and liabilities</b>	<b>3 250 405</b>	<b>10.6%</b>	<b>100.0%</b>	<b>3 424 613</b>	<b>3 362 745</b>	<b>3 561 907</b>	<b>-15.6%</b>	<b>100.0%</b>

## Council for Medical Schemes

### Mandate

The Council for Medical Schemes was established in terms of the Medical Schemes Act (1998), as a regulatory authority responsible for overseeing the medical schemes industry in South Africa. Section 7 of the act sets out the functions of the council, which include protecting the interests of beneficiaries, controlling and coordinating the functioning of medical schemes, collecting and disseminating information about private health care and advising the Minister of Health on any matter concerning medical schemes.

**Table 16.27 Council for Medical Schemes performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of compliant brokers and broker organisations accredited within 21 working days of receipt of complete applications per year	Accreditation	Outcome 2: A long and healthy life for all South Africans	4 259	5 564 <sup>1</sup>	5 027	5 192	4 580	4 045	4 980
Percentage of interim rule amendments processed within 14 days of receipt of required information per year	Benefit management		- <sub>2</sub> (280)	- <sub>2</sub> (212)	- <sub>2</sub> (242)	- <sub>2</sub> (212)	100% (129)	100% (129)	100% (129)
Percentage of complaints resolved per year within 120 working days	Complaints adjudication		76%	63%	73%	73%	76%	79%	85%
Percentage of non-compliance cases against regulated entities, where enforcement interventions are undertaken, per year	Compliance and investigation		- <sub>3</sub>	- <sub>3</sub>	- <sub>3</sub>	- <sub>3</sub>	100% (40)	100% (35)	100% (30)
Number of research projects and support projects finalised per year	Research and monitoring		5	13 <sup>1</sup>	11	8	8	8	9
Percentage of clinical matters reviewed per year within 30 days of receipt	Strategy office		- <sub>2</sub>	- <sub>2</sub>	- <sub>2</sub>	- <sub>2</sub>	90% (550)	95% (500)	100% (450)

1. This indicator was amended from the 2015 Estimates of National Expenditure to align with the council's 2014/15 annual report.

2. Percentages were unattainable for the current and historical financial years.

3. No historical data is available as these are new indicators.

## Expenditure analysis

Addressing the problems of access to health care and inequities in its quality and provision are government priorities, as articulated in the national development plan and outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework, which also calls for the introduction of

national health insurance. To strengthen this objective, the Council for Medical Schemes has prepared a preventative primary health care benefits package for consideration by the Department of Health, and will work closely with it in the development and implementation of the national health insurance scheme.

The council's focus over the medium term will be on strengthening its monitoring and compliance activities to ensure that registered medical schemes comply with the Medical Schemes Act (1998); providing a platform for the resolution of complaints by medical scheme beneficiaries; and developing a register of patients covered by medical schemes. Given the highly specialised and labour intensive nature of the work undertaken by the council to deliver on these focus areas, spending on compensation of employees is expected to increase from 62.7 per cent (R82.4 million) of total expenditure in 2015/16 to 64.1 per cent (R103.9 million) in 2018/19. The human resources unit is looking into strategies such as succession planning to enable the council to retain and empower highly skilled personnel, and to ensure continuity in its operations.

As the governance of medical schemes continues to be a challenge, the council conducts a number of investigations into governance irregularities in medical schemes. This frequently results in the appointment of curators who effectively take over the administration of board functions to stabilise the governance of affected schemes. This process attracts high legal costs as external senior counsel are often appointed to ensure that beneficiaries are protected. The scheme also employs its own lawyers and other legal experts to ensure favourable outcomes in litigation and provide necessary support. The legal services unit is thus a key cost driver in administration, the council's largest programme, in which expenditure is set to grow at an average annual rate of 6.4 per cent, from R71.7 million in 2015/16 to R86.5 million in 2018/19.

The regulations on the demarcation between health insurance policies and medical schemes promulgated by National Treasury will have an impact on the operations of the council, as it will have to adjudicate on whether health insurance products do the business of a medical scheme without being registered in terms of the Medical Schemes Act (1998). The effect of demarcation products will be realised during 2017/18 as income is expected to increase as a result of more companies paying levies to the council to be registered as medical schemes, although this will also lead to an increase in expenditure as the council will have to review and regulate these additional companies and their products.

A project has been initiated to define prescribed minimum benefits to further clarify members' rights, and the council will collaborate with academic institutions and experts to fast-track this process. The strategy office programme will be strengthened to address these challenges, and its budget is expected to grow at an average annual rate of 12.4 per cent over the medium term. The council has hired an additional clinical analyst and medical adviser, and this is expected to lead to an increase in the percentage of complaints resolved within the targeted 120 days from 73 per cent in 2015/16 to 85 per cent in 2018/19.

Government recognises the importance of and need for a central repository containing all funded medical scheme patients in South Africa. For this reason, the Minister of Health has conferred on the council the function of establishing and administering a registry of beneficiaries. The data collected will be used for health resource planning and claim verification, among other regulatory functions. These projects will be funded from the annual transfer from the department, which is set to increase from R2.6 million in 2015/16 to R5.8 million in 2018/19.

The council is almost wholly funded from revenue derived from levies collected from medical schemes based on the number of scheme members.

## Programmes/objectives/activities

**Table 16.28 Council for Medical Schemes expenditure trends and estimates by programme/objective/activity**

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand												
Administration	59 446	63 292	72 408	71 709		6.5%	57.4%	75 367	82 621	86 483	6.4%	53.8%
Accreditation	5 792	6 116	7 166	8 061		11.6%	5.8%	8 500	9 150	9 597	6.0%	6.0%
Benefit management	4 364	4 574	4 758	5 590		8.6%	4.2%	6 276	6 721	7 194	8.8%	4.4%
Complaints adjudication	4 045	4 435	5 010	5 425		10.3%	4.1%	5 864	6 294	6 714	7.4%	4.1%
Compliance and investigation	4 979	5 307	6 719	7 428		14.3%	5.2%	8 438	9 041	9 769	9.6%	5.9%
Financial supervision	8 089	8 816	9 742	10 394		8.7%	8.0%	11 081	11 964	12 867	7.4%	7.9%
Research and monitoring	5 654	5 683	6 045	6 917		7.0%	5.2%	7 565	7 998	8 638	7.7%	5.3%
Stakeholder relations	7 055	7 670	8 596	9 064		8.7%	7.0%	9 728	10 404	11 147	7.1%	6.9%
Strategy office	53	3 823	4 935	6 759		403.3%	3.2%	8 333	8 939	9 607	12.4%	5.7%
<b>Total</b>	<b>99 477</b>	<b>109 716</b>	<b>125 379</b>	<b>131 347</b>		<b>9.7%</b>	<b>100.0%</b>	<b>141 152</b>	<b>153 132</b>	<b>162 016</b>	<b>7.2%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 16.29 Council for Medical Schemes statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>100 362</b>	<b>99 399</b>	<b>110 131</b>	<b>110 106</b>	<b>115 348</b>	<b>117 448</b>	<b>123 858</b>	<b>128 791</b>	101.3%
Sale of goods and services other than capital assets	99 162	96 659	109 291	105 836	114 448	113 815	121 858	126 358	99.5%
<i>of which:</i>									
Administrative fees	99 162	96 659	109 291	105 836	114 448	113 815	121 858	126 358	99.5%
Other non-tax revenue	1 200	2 740	840	4 270	900	3 633	2 000	2 433	264.7%
<b>Transfers received</b>	<b>-</b>	<b>4 341</b>	<b>4 525</b>	<b>4 935</b>	<b>4 751</b>	<b>4 856</b>	<b>4 970</b>	<b>2 556</b>	117.1%
<b>Total revenue</b>	<b>100 362</b>	<b>103 740</b>	<b>114 656</b>	<b>115 041</b>	<b>120 099</b>	<b>122 304</b>	<b>128 828</b>	<b>131 347</b>	101.8%
<b>Expenses</b>									
<b>Current expenses</b>	<b>100 387</b>	<b>99 473</b>	<b>114 656</b>	<b>109 709</b>	<b>123 075</b>	<b>125 359</b>	<b>131 295</b>	<b>131 295</b>	99.2%
Compensation of employees	66 816	63 061	73 417	66 198	77 008	74 357	82 412	82 412	95.5%
Goods and services	31 531	33 610	39 542	40 874	43 656	47 230	45 111	45 111	104.4%
Depreciation	2 039	2 802	1 697	2 637	2 411	3 772	3 772	3 772	130.9%
<b>Transfers and subsidies</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>20</b>	<b>52</b>	<b>52</b>	159.6%
<b>Total expenses</b>	<b>100 387</b>	<b>99 477</b>	<b>114 656</b>	<b>109 716</b>	<b>123 075</b>	<b>125 379</b>	<b>131 347</b>	<b>131 347</b>	99.2%
<b>Surplus/(Deficit)</b>	<b>(24)</b>	<b>4 263</b>	<b>-</b>	<b>5 325</b>	<b>(2 976)</b>	<b>(3 075)</b>	<b>(2 519)</b>	<b>-</b>	
<b>Statement of financial position</b>									
Carrying value of assets	4 741	14 665	6 370	13 737	14 665	17 521	12 682	19 852	171.0%
<i>of which:</i>									
Acquisition of assets	(2 015)	(8 857)	(2 619)	(1 957)	(2 200)	(7 612)	(3 326)	(6 103)	241.4%
Receivables and prepayments	1 529	3 738	3 622	5 627	3 738	6 836	5 628	6 836	158.7%
Cash and cash equivalents	4 865	16 901	10 123	15 086	14 134	10 515	8 772	7 749	132.6%
<b>Total assets</b>	<b>11 135</b>	<b>35 304</b>	<b>20 115</b>	<b>34 450</b>	<b>32 537</b>	<b>34 872</b>	<b>27 082</b>	<b>34 437</b>	153.0%
Accumulated surplus/(deficit)	(404)	14 822	8 130	20 147	13 018	17 072	12 779	16 637	204.9%
Trade and other payables	7 917	19 518	7 897	13 147	19 519	16 772	13 147	16 772	136.6%
Provisions	3 621	964	4 088	1 156	-	1 028	1 156	1 028	47.1%
<b>Total equity and liabilities</b>	<b>11 135</b>	<b>35 304</b>	<b>20 115</b>	<b>34 450</b>	<b>32 537</b>	<b>34 872</b>	<b>27 082</b>	<b>34 437</b>	153.0%

## Statements of estimates of financial performance and position

**Table 16.30 Council for Medical Schemes statements of estimates of financial performance and position**

Statement of financial performance		Revised estimate	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term estimate			Average growth rate (%)		Expenditure/ Total: Average (%)	
			2015/16	2012/13	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19				
R thousand														
<b>Revenue</b>														
<b>Non-tax revenue</b>		128 791	9.0%	96.4%	139 539	147 636	156 201	6.6%	97.4%					
Sale of goods and services other than capital assets		126 358	9.3%	93.6%	137 198	145 155	153 575	6.7%	95.7%					
of which:														
Administrative fees		126 358	9.3%	93.6%	137 198	145 155	153 575	6.7%	95.7%					
Other non-tax revenue		2 433	-3.9%	2.8%	2 341	2 481	2 626	2.6%	1.7%					
<b>Transfers received</b>		2 556	-16.2%	3.6%	1 613	5 496	5 815	31.5%	2.6%					
<b>Total revenue</b>		131 347	8.2%	100.0%	141 152	153 132	162 016	7.2%	100.0%					
<b>Expenses</b>														
<b>Current expenses</b>		131 295	9.7%	100.0%	141 098	153 074	161 955	7.2%	-					
Compensation of employees		82 412	9.3%	61.4%	90 790	97 537	103 850	8.0%	63.7%					
Goods and services		45 111	10.3%	35.8%	47 884	52 972	55 391	7.1%	34.3%					
Depreciation		3 772	10.4%	2.8%	2 424	2 565	2 714	-10.4%	2.0%					
<b>Transfers and subsidies</b>		52	135.1%	0.0%	54	58	61	5.5%	0.0%					
<b>Total expenses</b>		131 347	9.7%	100.0%	141 152	153 132	162 016	7.2%	-					
<b>Surplus/(Deficit)</b>		-	(1)	-	-	-	-	-	-					
<b>Statement of financial position</b>														
Carrying value of assets		19 852	10.6%	47.3%	19 852	19 852	19 852	-	57.6%					
of which:														
Acquisition of assets		(6 103)	-11.7%	-17.6%	(2 424)	(2 564)	(2 713)	-23.7%	-10.0%					
Receivables and prepayments		6 836	22.3%	16.6%	6 836	6 836	6 836	-	19.9%					
Cash and cash equivalents		7 749	-22.9%	36.1%	7 749	7 749	7 749	-	22.5%					
<b>Total assets</b>		34 437	-0.8%	100.0%	34 437	34 437	34 437	-	100.0%					
Accumulated surplus/(deficit)		16 637	3.9%	49.4%	16 637	16 637	16 637	-	48.3%					
Trade and other payables		16 772	-4.9%	47.6%	16 772	16 772	16 772	-	48.7%					
Provisions		1 028	2.2%	3.0%	1 028	1 028	1 028	-	3.0%					
<b>Total equity and liabilities</b>		34 437	-0.8%	100.0%	34 437	34 437	34 437	-	100.0%					

## Personnel information

**Table 16.31 Council for Medical Schemes personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 on approved establishment	2014/15			2015/16			2016/17		2017/18		2018/19		2015/16 - 2018/19					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Number	Cost	Number	Cost	Unit Cost					
Council for Medical Schemes		109	74.4	0.7	109	82.4	0.8	109	90.8	0.8	109	97.5	0.9	109	103.9	1.0	8.0%	100.0%	
Salary level																			
7 – 10	48	48	43	18.9	0.4	48	22.3	0.5	48	25.3	0.5	48	27.2	0.6	48	29.1	0.6	9.2%	44.0%
11 – 12	37	37	36	25.6	0.7	37	28.8	0.8	37	30.9	0.8	37	33.2	0.9	37	35.7	1.0	7.5%	33.9%
13 – 16	24	24	23	29.9	1.3	24	31.3	1.3	24	34.6	1.4	24	37.2	1.5	24	39.1	1.6	7.7%	22.0%

<sup>1</sup> Rand million.

## Office of Health Standards Compliance

### Mandate

The Office of Health Standards Compliance was established in terms of the National Health Amendment Act (2013). The office is mandated to: monitor and enforce the compliance of health establishments with the norms and standards prescribed by the Minister of Health in relation to the national health system; and ensure the consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner.

## Selected performance indicators

**Table 16.32 Office of Health Standards Compliance performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of compliant establishments per year that are certified within the regulated timeframe	Administration		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	75%	80%	100%	100%
Percentage of persistently non-compliant establishments per year for which regulated actions are initiated within 180 days	Administration		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	40%	50%	70%	80%
Percentage of private sector healthcare facilities inspected per year	Compliance inspectorate	Outcome 2: A long and healthy life for all South Africans	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	20% (74 of 369)	25% (92 of 369)	30% (110 of 369)
Percentage of non-compliant health establishments re-inspected or reviewed within 6 months per year	Compliance inspectorate		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	30%	35%	40%	45%
Percentage of public sector health facilities inspected per year	Compliance inspectorate		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	17% (648 of 3 816)	18% (687 of 3 816)	19% (725 of 3 816)
Percentage of complaints investigated and resolved within 6 months per year	Complaints management		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	50%	60%	70%	80%

1. No historical data is available as these are new indicators.

## Expenditure analysis

Improving the quality of health care services is one of the key priorities of the national development plan, which highlights the establishment of the Office of Health Standards Compliance as an important reform. The office was established as a public entity in 2015/16, and serves as a regulator with the powers of inspection, issuing of notices, and progressive enforcement of compliance. As a newly established entity, its focus over the medium term will be on strengthening its capacity to carry out its core functions of compliance inspections and complaints management.

To improve the coverage of inspections of public and private health care facilities, as well as the progressive enforcement of compliance, as dictated by the National Health Amendment Act (2013), 13 additional inspectors will be recruited in the compliance inspectorate, the office's largest programme. This will enable the office to scale up inspection coverage from 10 per cent of private and public facilities in 2015/16 to a projected 30 per cent of private facilities and 19 per cent of public facilities in 2018/19. Expenditure in this programme is expected to grow at an average annual rate of 15.1 per cent over the medium term.

The operationalisation of a call centre to allow people to lodge complaints about the quality of health care services they have received is expected to increase the percentage of complaints investigated and resolved within 6 months from 50 per cent currently to 80 per cent in 2018/19. The call centre will work closely with the office's ombud for health services to monitor the implementation of recommendations emanating from complaints. Expenditure in the complaints management programme is expected to grow at an average annual rate of 37.3 per cent, from R7 million in 2015/16 to R18.2 million in 2018/19.

The health standards design, analysis and support programme provides overall policy guidelines on aspects relating to the office's core functions. It designs standards and tools, tracks and analyses health establishment data, and provides guidance and support material for health care establishments. The programme accounts for 9.4 per cent (R34 million) of total expenditure over the medium term.

To facilitate these activities, the transfer from the Department of Health will increase at an average annual rate of 14.4 per cent from R88.9 million in 2015/16 to R133 million in 2018/19. This increase will enable the expected increase in the number of personnel from the current 96 to 151 in 2018/19, which is expected to drive a significant increase in expenditure on compensation of employees over this period.

## Programmes/objectives/activities

**Table 16.33 Office of Health Standards Compliance expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15		2012/13	2015/16		2016/17	2017/18	2018/19		
Administration	–	–	16 054	36 659	–	22.3%	39 242	47 018	45 575	7.5%	38.0%	
Compliance Inspectorate	23 675	31 252	12 482	34 501	13.4%	69.1%	39 430	48 028	52 627	15.1%	38.9%	
Complaints Management	–	–	1 686	7 030	–	3.2%	10 476	16 097	18 212	37.3%	11.2%	
Health Standards Design, Analysis and Support	–	–	2 715	8 177	–	4.3%	8 864	11 644	13 509	18.2%	9.4%	
Ombud	–	–	430	2 538	–	1.0%	2 524	2 924	3 080	6.7%	2.5%	
<b>Total</b>	<b>23 675</b>	<b>31 252</b>	<b>33 367</b>	<b>88 906</b>	<b>55.4%</b>	<b>100.0%</b>	<b>100 535</b>	<b>125 711</b>	<b>133 003</b>	<b>14.4%</b>	<b>100.0%</b>	

## Statements of historical financial performance

**Table 16.34 Office of Health Standards Compliance statements of historical financial performance**

Statement of financial performance													
R thousand	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Outcome/ Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2015/16				
<b>Revenue</b>													
Non-tax revenue	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers received	23 675	23 675	34 305	31 252	76 953	33 367	138 347	88 906					64.8%
<b>Total revenue</b>	<b>23 675</b>	<b>23 675</b>	<b>34 305</b>	<b>31 252</b>	<b>76 953</b>	<b>33 367</b>	<b>138 347</b>	<b>88 906</b>					<b>64.8%</b>
<b>Expenses</b>													
Current expenses	23 668	23 668	34 296	31 243	76 203	33 042	137 597	88 906					65.1%
Compensation of employees	16 395	16 395	20 754	20 754	31 174	13 517	53 428	53 100					85.2%
Goods and services	7 273	7 273	13 542	10 489	45 028	19 525	84 169	35 806					48.7%
Transfers and subsidies	7	7	9	9	750	325	750	–					22.5%
<b>Total expenses</b>	<b>23 675</b>	<b>23 675</b>	<b>34 305</b>	<b>31 252</b>	<b>76 953</b>	<b>33 367</b>	<b>138 347</b>	<b>88 906</b>					<b>64.8%</b>
Surplus/(Deficit)	–	–	–	–	–	–	–	–					–

## Statements of estimates of financial performance

**Table 16.35 Office of Health Standards Compliance statements of estimates of financial performance**

Statement of financial performance									
R thousand	Revised estimate 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
		2012/13	2015/16		2016/17	2017/18	2018/19		
<b>Revenue</b>									
Transfers received	88 906	55.4%	100.0%	100 535	125 711	133 003	14.4%	100.0%	
<b>Total revenue</b>	<b>88 906</b>	<b>55.4%</b>	<b>100.0%</b>	<b>100 535</b>	<b>125 711</b>	<b>133 003</b>	<b>14.4%</b>	<b>100.0%</b>	
<b>Expenses</b>									
Current expenses	88 906	55.4%	99.7%	100 535	125 711	133 003	14.4%	–	
Compensation of employees	53 100	48.0%	59.0%	64 645	86 267	99 076	23.1%	66.8%	
Goods and services	35 806	70.1%	40.8%	35 890	39 443	33 928	-1.8%	33.2%	
<b>Total expenses</b>	<b>88 906</b>	<b>55.4%</b>	<b>100.0%</b>	<b>100 535</b>	<b>125 711</b>	<b>133 003</b>	<b>14.4%</b>	<b>–</b>	
Surplus/(Deficit)	–	–	–	–	–	–	–	–	–

## Personnel information

**Table 16.36 Office of Health Standards Compliance personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
Office of Health Standards Compliance		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	96	96	51	13.5	0.3	96	53.1	0.6	108	64.6	0.6	137	86.3	0.6	151	99.1	0.7	23.1%	100.0%
1 – 6	1	1	2	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	10.2%	0.8%
7 – 10	58	58	36	8.5	0.2	58	22.2	0.4	66	27.9	0.4	82	36.1	0.4	92	42.1	0.5	23.7%	60.6%
11 – 12	22	22	4	1.0	0.2	22	14.2	0.6	24	17.1	0.7	34	25.9	0.8	38	31.1	0.8	29.7%	23.8%
13 – 16	15	15	9	3.9	0.4	15	16.5	1.1	17	19.5	1.1	20	24.0	1.2	20	25.7	1.3	15.9%	14.8%

1. Rand million.

## South African Medical Research Council

### Mandate

The South African Medical Research Council was established in terms of the South African Medical Research Council Act (1969), as amended. The Intellectual Property Rights from Publicly Financed Research and Development Act (2008) also informs the council's mandate. The council is mandated to promote the improvement of health and quality of life through research, development and technology transfer. Research and innovation are primarily conducted through council funded research units located within the council and in higher education institutions and play a key role in achieving outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework.

### Selected performance indicators

**Table 16.37 South African Medical Research Council performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of articles with an author affiliated to the council that are published in International Science Index journals per year	Core research	Outcome 2: A long and healthy life for all South Africans	446	376	400	450	500	550	600
Number of articles published per year in International Science Index journals with the acknowledgement of support from the council	Core research		- <sup>1</sup>	89	100	115	130	145	160
Number of articles published per year in the top 4 journals (New England Journal of Medicine, The Lancet, Science and Nature) with an author affiliated to the council	Core research		- <sup>1</sup>	13	10	12	14	16	18
Number of International Science Index journal articles published per year where the first author is affiliated to the council	Core research		- <sup>1</sup>	169	160	165	170	175	180
Number of new local/international policies and guidelines per year that reference the council	Core research		- <sup>1</sup>	4	4	4	4	5	5
Number of research grants awarded by the council per year	Core research		120	169	100	110	120	130	140
Number of new innovation and technology projects funded to develop new diagnostics, devices, vaccines and therapeutics per year	Innovation and technology		9	34	30	30	30	30	30
Number of bursaries/scholarships/fellowships provided for postgraduate study at masters, doctoral and postdoctoral levels per year	Capacity development		99	72	60	65	70	75	80

1. No historical data is available as these are new indicators.

## Expenditure analysis

The focus of the South African Medical Research Council over the medium term will be on promoting the improvement of the health and quality of life of South Africans through research, development and technology transfer. This includes supporting academic scholarship, particularly of previously disadvantaged individuals, through the recently launched initiative to strengthen research capacity and training in selected historically disadvantaged South African universities, and is in line with outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework.

Over the medium term, the council will prioritise functions such as core research, capacity development, and innovation and technology, which will enable it to increase the volume and improve the quality of its research output. The number of articles by authors affiliated with the council published in International Science Index journals is expected to increase from 400 in 2014/15 to 600 in 2018/19, and the number of articles published for which the first author is affiliated with the council is expected to increase from 160 to 180 over the same period. To improve efficiency and effectiveness in support and administration services, expenditure in the administration programme is set to be reduced by an average annual rate of 2.7 per cent from R196.4 million in 2015/16 to R180.9 million in 2018/19.

In 2015/16, the council launched Grand Challenges South Africa with the Bill and Melinda Gates Foundation to fund research in areas such as hypertension in pregnancy and post-partum haemorrhaging, which was made possible by a R30 million annual allocation in the innovation and technology programme to leverage funding from international donors. After significantly increasing spending on innovation and technology from R7.8 million in 2012/13 to R216.9 million in 2015/16, expenditure on these items is set to decrease by an average annual rate of 5 per cent over the MTEF period as a result of the economic competitiveness support package being phased out.

The council plans to sustain the National Health Scholars programme, which aims to support the education and training of 1 000 doctoral students in health science over 10 years. The programme is funded by the Department of Health and the Public Enhancement Fund, although the department's funding is expected to end in 2016/17. In 2018/19, the council will scale up its support to selected historically disadvantaged universities to fund research in areas such as HIV, indigenous medicines, cancer, environmental health and non-communicable diseases. Through the council's efforts to strengthen its research capacity, expenditure in the capacity development programme has almost doubled over the past 3 years, and is expected to continue to grow, although more moderately, at an average annual rate of 4.7 per cent from R41.3 million to R47.5 million over the medium term.

The council's main source of revenue comes from an annual transfer from the department, which doubled between 2012/13 and 2015/16, largely due to significant funding received from government's economic competitiveness support package. Although this package is now being phased out, a Cabinet approved allocation of R80 million will be made in 2018/19 to ensure that priority projects continue over the medium term. These include the flagship projects that have produced 14 high impact journal articles, 56 masters degrees, 51 doctoral degrees, and 28 post-doctoral degrees since their inception in 2013/14.

The council uses its revenue to generate substantial co-funding from international partners. Such arrangements include research into the causes of maternal and neonatal mortality, for which the council has committed R30 million and the Bill and Melinda Gates Foundation US\$3 million. Similarly, the council has committed R30 million towards research on the implementation of tuberculosis control through partnerships between South African and British researchers, which will be met by a R40 million contribution from the Medical Research Council in the United Kingdom.

## Programmes/objectives/activities

Table 16.38 South African Medical Research Council expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
Administration	156 463	175 327	163 116	196 354	7.9%	22.8%	185 450	185 749	180 891	-2.7%	17.9%
Core research	406 011	471 099	444 501	612 782	14.7%	62.9%	620 212	598 715	626 162	0.7%	58.9%
Innovation and technology	7 752	59 015	112 058	216 896	203.6%	11.2%	203 848	180 842	186 111	-5.0%	18.8%
Capacity development	6 726	22 312	34 229	41 340	83.2%	3.2%	51 234	42 684	47 487	4.7%	4.4%
<b>Total</b>	<b>576 952</b>	<b>727 753</b>	<b>753 904</b>	<b>1 067 372</b>	<b>22.8%</b>	<b>100.0%</b>	<b>1 060 744</b>	<b>1 007 990</b>	<b>1 040 651</b>	<b>-0.8%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 16.39 South African Medical Research Council statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>331 750</b>	<b>282 754</b>	<b>349 135</b>	<b>315 827</b>	<b>308 056</b>	<b>303 806</b>	<b>396 181</b>	<b>413 480</b>	<b>95.0%</b>
Sale of goods and services other than capital assets	305 000	257 569	321 885	287 805	283 006	278 813	356 980	359 221	93.4%
<i>of which:</i>									
<i>Sales by market establishment</i>	305 000	257 569	321 885	287 805	283 006	278 813	356 980	359 221	93.4%
Other non-tax revenue	26 750	25 185	27 250	28 022	25 050	24 993	39 201	54 259	112.0%
<b>Transfers received</b>	<b>279 690</b>	<b>249 003</b>	<b>416 460</b>	<b>416 460</b>	<b>460 638</b>	<b>446 331</b>	<b>623 892</b>	<b>623 892</b>	<b>97.5%</b>
<b>Total revenue</b>	<b>611 440</b>	<b>531 757</b>	<b>765 595</b>	<b>732 287</b>	<b>768 694</b>	<b>750 137</b>	<b>1 020 073</b>	<b>1 037 372</b>	<b>96.4%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>634 511</b>	<b>576 952</b>	<b>767 406</b>	<b>676 609</b>	<b>808 694</b>	<b>699 092</b>	<b>958 658</b>	<b>990 754</b>	<b>92.9%</b>
Compensation of employees	312 087	316 120	330 722	298 099	235 811	277 270	320 148	312 162	100.4%
Goods and services	309 573	244 503	417 483	356 022	553 358	402 430	619 510	658 192	87.4%
Depreciation	12 750	16 176	19 100	16 556	19 500	18 022	19 000	20 400	101.1%
Interest, dividends and rent on land	101	153	101	5 932	25	1 370	-	-	3 284.1%
<b>Total expenses</b>	<b>634 511</b>	<b>576 952</b>	<b>767 406</b>	<b>727 753</b>	<b>808 694</b>	<b>753 904</b>	<b>1 034 281</b>	<b>1 067 372</b>	<b>96.3%</b>
<b>Surplus/(Deficit)</b>	<b>(23 071)</b>	<b>(45 195)</b>	<b>(1 811)</b>	<b>4 534</b>	<b>(40 000)</b>	<b>(3 767)</b>	<b>(14 208)</b>	<b>(30 000)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	132 371	130 559	137 000	124 093	142 000	119 508	126 313	146 475	96.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	(16 500)	(9 431)	(24 402)	(25 602)	(24 500)	(16 617)	(17 913)	(17 913)	83.5%
Investments	37 000	5 225	42 200	5 884	44 440	6 571	6 500	6 500	18.6%
Inventory	130	-	140	-	-	-	-	-	-
Receivables and prepayments	36 000	29 385	37 000	35 741	37 500	31 886	37 984	32 438	87.2%
Cash and cash equivalents	386 615	368 162	282 761	335 127	237 660	313 790	372 755	288 699	102.0%
Taxation	-	1 619	-	8 294	-	-	-	-	-
<b>Total assets</b>	<b>592 116</b>	<b>534 950</b>	<b>499 101</b>	<b>509 139</b>	<b>461 600</b>	<b>471 755</b>	<b>543 552</b>	<b>474 112</b>	<b>94.9%</b>
Accumulated surplus/(deficit)	269 657	241 358	245 493	245 892	206 640	242 124	201 891	212 124	101.9%
Capital and reserves	1 848	-	2 859	-	3 330	-	-	-	-
Capital reserve fund	-	209 238	180 000	122 717	180 000	123 425	187 082	141 939	109.2%
Finance lease	160	8	-	-	-	-	-	-	5.0%
Deferred income	255 000	-	1 099	-	1 130	-	-	-	-
Trade and other payables	57 288	50 479	58 000	97 476	58 500	64 929	120 584	81 448	100.0%
Taxation	-	-	1 250	-	1 300	-	13 500	16 250	101.2%
Provisions	700	33 867	10 400	43 054	10 700	41 277	20 495	22 351	332.3%
Managed funds (e.g. poverty alleviation fund)	1 109	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>585 762</b>	<b>534 950</b>	<b>499 101</b>	<b>509 139</b>	<b>461 600</b>	<b>471 755</b>	<b>543 552</b>	<b>474 112</b>	<b>95.2%</b>

## Statements of estimates of financial performance and position

**Table 16.40 South African Medical Research Council statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>413 480</b>	<b>13.5%</b>	<b>44.2%</b>	<b>381 154</b>	<b>393 029</b>	<b>415 822</b>	<b>0.2%</b>	<b>38.9%</b>
Sale of goods and services other than capital assets	359 221	11.7%	39.9%	322 954	330 309	349 469	-0.9%	33.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	359 221	11.7%	39.9%	322 954	330 309	349 469	-0.9%	33.0%
Other non-tax revenue	54 259	29.2%	4.3%	58 200	62 720	66 353	6.9%	5.9%
<b>Transfers received</b>	<b>623 892</b>	<b>35.8%</b>	<b>55.8%</b>	<b>657 590</b>	<b>614 961</b>	<b>624 829</b>	<b>0.1%</b>	<b>61.1%</b>
<b>Total revenue</b>	<b>1 037 372</b>	<b>25.0%</b>	<b>100.0%</b>	<b>1 038 744</b>	<b>1 007 990</b>	<b>1 040 651</b>	<b>0.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>990 754</b>	<b>19.7%</b>	<b>94.6%</b>	<b>979 987</b>	<b>932 469</b>	<b>963 962</b>	<b>-0.9%</b>	<b>-</b>
Compensation of employees	312 162	-0.4%	40.4%	334 638	357 394	378 124	6.6%	33.1%
Goods and services	658 192	39.1%	51.6%	624 849	554 075	563 620	-5.0%	57.4%
Depreciation	20 400	8.0%	2.3%	20 500	21 000	22 218	2.9%	2.0%
<b>Total expenses</b>	<b>1 067 372</b>	<b>22.8%</b>	<b>100.0%</b>	<b>1 060 744</b>	<b>1 007 990</b>	<b>1 040 651</b>	<b>-0.8%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>(30 000)</b>	<b>(0)</b>	<b>-</b>	<b>(22 000)</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	146 475	3.9%	26.3%	152 820	145 670	135 270	-2.6%	30.6%
<i>of which:</i>								
<i>Acquisition of assets</i>	(17 913)	23.8%	-3.5%	(15 662)	(21 915)	(19 000)	2.0%	-3.9%
Investments	6 500	7.5%	1.2%	6 800	7 000	7 560	5.2%	1.5%
Receivables and prepayments	32 438	3.3%	6.5%	31 950	35 980	38 858	6.2%	7.3%
Cash and cash equivalents	288 699	-7.8%	65.5%	266 812	290 576	308 457	2.2%	60.7%
<b>Total assets</b>	<b>474 112</b>	<b>-3.9%</b>	<b>100.0%</b>	<b>458 382</b>	<b>479 226</b>	<b>490 145</b>	<b>1.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	212 124	-4.2%	47.4%	190 124	190 124	190 124	-3.6%	41.2%
Capital reserve fund	141 939	-12.1%	29.8%	165 728	182 301	191 416	10.5%	35.8%
Trade and other payables	81 448	17.3%	14.9%	73 360	79 251	85 453	1.6%	16.8%
Taxation	16 250	-	0.9%	12 450	9 761	10 542	-13.4%	2.6%
Provisions	22 351	-12.9%	7.1%	16 720	17 790	12 610	-17.4%	3.7%
<b>Total equity and liabilities</b>	<b>474 112</b>	<b>-3.9%</b>	<b>100.0%</b>	<b>458 382</b>	<b>479 226</b>	<b>490 145</b>	<b>-22.3%</b>	<b>100.0%</b>

## Personnel information

**Table 16.41 South African Medical Research Council personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
South African Medical Research Council		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	570	570	578	277.3	0.5	571	312.2	0.5	571	334.6	0.6	571	357.4	0.6	570	378.1	0.7	6.6%	100.0%
1 – 6	122	122	133	21.9	0.2	123	19.7	0.2	116	19.4	0.2	89	15.1	0.2	85	14.7	0.2	-9.2%	18.1%
7 – 10	296	296	321	121.0	0.4	295	114.9	0.4	298	122.5	0.4	326	137.0	0.4	319	138.0	0.4	6.3%	54.2%
11 – 12	92	92	79	64.4	1.8	90	73.6	0.8	94	81.3	0.9	93	85.7	0.9	103	100.2	1.0	10.8%	16.6%
13 – 16	57	57	42	63.5	1.5	59	95.1	1.6	59	102.0	1.7	58	107.4	1.9	58	111.3	1.9	5.4%	10.2%
17 – 22	3	3	3	6.5	2.2	4	8.9	2.2	4	9.5	2.4	5	12.1	2.4	5	13.9	2.8	16.0%	0.8%

1. Rand million.

## Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Conditional grants to provinces</b>							
<b>National Health Insurance, Health Planning and Systems Enablement</b>							
National health insurance grant	150 000	50 953	76 956	61 077	85 227	–	–
<b>HIV and AIDS, Tuberculosis, and Maternal and Child Health</b>							
Comprehensive HIV and AIDS grant	8 573 184	10 334 687	12 102 108	13 670 730	–	–	–
Human papilloma virus grant	–	–	–	–	–	–	200 000
Comprehensive HIV, AIDS and TB grant	–	–	–	–	15 290 603	17 660 333	20 031 872
<b>Hospitals, Tertiary Health Services and Human Resource Development</b>							
Health professions training and development grant	2 075 248	2 190 366	2 321 788	2 374 722	2 476 724	2 631 849	2 784 496
National tertiary services grant	8 878 010	9 620 357	10 168 235	10 381 174	10 846 778	11 526 145	12 194 661
Health facility revitalisation grant	4 289 595	5 290 816	5 501 981	5 417 045	5 272 680	5 769 895	6 036 414
Health infrastructure grant	1 800 981	–	–	–	–	–	–
Nursing colleges grant	100 000	–	–	–	–	–	–
2013 Africa Cup of Nations medical services grant	15 000	–	–	–	–	–	–
<b>Total</b>	<b>25 882 018</b>	<b>27 487 179</b>	<b>30 171 068</b>	<b>31 904 748</b>	<b>33 972 012</b>	<b>37 588 222</b>	<b>41 247 443</b>

1. Detail provided in the Division of Revenue Act (2016).

Table 16.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
<b>Departmental infrastructure</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Eastern Cape: Zithulele Hospital	Replacement of hospital	Identification	1 298 682	-	-	-	111	-	52 838	88 306
Free State: Dithlabeng Hospital emergency ward	Emergency repairs	Design	168 614	-	-	-	269	98 227	70 118	-
Free State: Dithlabeng Hospital	Replacement of hospital	Identification	2 018 888	-	-	-	-	-	-	-
Gauteng: Soshanguve Hospital	Building of new hospital	Identification	1 111 356	-	-	-	-	13 009	33 157	51 215
Gauteng: Odi Hospital	Replacement of hospital	Identification	1 300 000	-	-	-	-	1 227	-	-
Limpopo: Tshilizini Hospital	Replacement of hospital	Identification	2 301 442	-	-	-	-	-	-	-
Limpopo: Sioam Hospital	Replacement of hospital	Construction	1 598 990	-	-	36 391	121 955	34 000	-	228 224
Limpopo: Elim Hospital	Replacement of hospital	Identification	1 869 891	-	-	-	-	-	-	-
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Eastern Cape: Bambisana Hospital	Replacement of hospital	Identification	664 322	-	-	-	155	-	-	-
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Limpopo: Limpopo Academic Hospital	Planning and design of new hospital	Identification	15 000	-	-	-	-	15 000	-	-
Eastern Cape: Nelson Mandela Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	3 867	-	3 867	-	-	-	-	-
KwaZulu-Natal: Kind Edward Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	5 398	-	4 352	228	-	818	-	-
Gauteng: Chris Hani Baragwanath Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	7 401	-	4 365	3 035	-	-	-	-
Gauteng: Dr George Mukhari Academic Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	13 490	-	11 633	1 040	-	818	-	-
Eastern Cape: Nolutha Clinic	Replacement of clinic	Construction	31 169	-	-	1 971	9 764	15 080	4 354	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Construction	30 424	-	-	1 812	14 049	10 738	3 826	-
Eastern Cape: Lutuben Clinic	Replacement of clinic	Construction	31 369	-	-	2 523	7 000	15 192	6 654	-
Eastern Cape: Maxwele Clinic	Replacement of clinic	Construction	28 927	-	-	1 898	9 777	13 293	3 959	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Construction	31 599	-	-	3 200	11 042	13 274	4 083	-
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Construction	82 438	-	-	1 458	9 071	28 129	33 898	9 882
Eastern Cape: Gengqo Clinic	Replacement of clinic	Construction	28 143	-	-	1 556	8 359	14 211	4 017	-
Eastern Cape: Sakhela Clinic	Replacement of clinic	Construction	30 668	-	-	1 184	9 420	13 821	6 244	-
Free State: Clocolan Clinic	Replacement of clinic	Construction	48 479	-	70	81	732	3 848	16 564	27 183
Free State: Borwa Clinic	Replacement of clinic	Design	84 942	-	260	91	939	5 000	19 436	23 303
Free State: Lusaka Community Health Centre	Replacement of community health centre	Design	124 710	-	-	-	1 099	-	26 581	42 911
Limpopo: Maqwedza Clinic	Replacement of clinic	Design	52 166	-	-	-	730	5 000	21 006	25 430
Limpopo: Thengwe Clinic	Replacement of clinic	Design	49 638	-	-	-	730	-	24 416	24 492
Limpopo: Mlenzhe Clinic	Replacement of clinic	Design	50 165	-	-	-	730	-	24 680	24 755
Limpopo: Makonde Clinic	Replacement of clinic	Design	52 163	-	-	-	730	-	25 679	25 754
Limpopo: Cbeberg Community Health Centre	Replacement of community health centre	Design	136 135	-	-	-	730	-	37 022	46 377
Mpumalanga: Musukaligwa Community Day Centre	Replacement of clinic	Design	146 761	-	-	-	500	5 000	11 862	37 880

Table 16.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		2018/19
				2012/13	2013/14		2014/15	2015/16	
R thousand									
Mpumalanga: Makondo Community Day Centre	Replacement of clinic	Design	146 761	-	-	2 299	5 000	11 862	37 880
Mpumalanga: Vukuzakhe Clinic	Replacement of clinic	Design	54 565	-	-	1 765	-	5 250	24 000
Mpumalanga: Balfour Community Health Centre (24-hour mini-hospital)	Replacement of community health centre	Design	299 123	-	-	2 500	-	-	20 000
Mpumalanga: Nhlazathse 6 Clinic	Replacement of clinic	Design	54 565	-	-	1 765	-	5 250	-
Eastern Cape: Butterworth Nursing College	Rehabilitate existing nursing education institute facility	Construction	17 288	-	-	11 989	3 645	-	-
Gauteng: Baragwanath Nursing College	Rehabilitate existing nursing education institute facility	Construction	20 919	-	-	9 093	11 037	-	-
Limpopo: Thohoyandou Nursing College	Rehabilitate existing nursing education institute facility	Construction	23 646	-	-	13 601	7 911	-	-
Mpumalanga: Middelburg Nursing College	Rehabilitate existing nursing education institute facility	Construction	15 784	-	-	9 402	4 586	-	-
Northern Cape: Hennieita Nursing College	Rehabilitate existing nursing education institute facility	Feasibility	14 136	-	-	1 423	12 713	-	-
Doctors consulting rooms	Provision of doctors consulting rooms	Hand over	325 120	-	115 929	104 739	28 048	-	-
Eastern Cape: Rehabilitation of 37 clinics through the Development Bank of Southern Africa	Rehabilitate existing clinics	Construction	108 242	-	-	74 483	-	-	-
Eastern Cape: Additions to 37 clinics through the Development Bank of Southern Africa	Clinic upgrade and additions	Identification	226 314	-	-	-	-	226 314	-
National health insurance rehabilitation contracts	Rehabilitation and maintenance	Construction	2 985 451	-	-	51 277	202 833	241 098	242 487
Generators for national health insurance clinics	Clinic upgrade and additions	Construction	100 252	-	-	10 252	90 000	-	-
Health technology for national health insurance facilities	Various	Construction	83 344	-	-	-	50 000	-	-
Non-capital infrastructure projects, including maintenance	Maintenance, provincial management support unit, project management information system, conditional assessments of facilities in NHI pilot districts, in-locu supervision and 10 year health infrastructure plan	On-going	316 765	-	42 215	110 246	71 624	28 816	8 280
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>									
Health facility revitalisation grant: Eastern Cape	Construction of new and upgrading of existing health facilities	On-going	4 197 512	676 201	562 792	603 876	619 041	555 288	581 083
Health facility revitalisation grant: Free State	Construction of new and upgrading of existing health facilities	On-going	3 863 185	786 617	538 962	608 505	474 692	485 128	502 319
Health facility revitalisation grant: Gauteng	Construction of new and upgrading of existing health facilities	On-going	5 148 372	918 280	771 033	313 630	777 818	831 337	865 241
Health facility revitalisation grant: KwaZulu-Natal	Construction of new and upgrading of existing health facilities	On-going	8 205 537	1 176 452	1 072 531	1 229 775	1 114 693	1 095 910	1 153 707
Health facility revitalisation grant: Limpopo	Construction of new and upgrading of existing health facilities	On-going	3 145 342	581 481	457 442	358 512	379 089	440 114	461 262

Table 16.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation		Medium-term expenditure estimate	
				2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
R thousand										
Health facility revitalisation grant: Mpumalanga	Construction of new and upgrading of existing health facilities	On-going	2 367 483	418 711	283 721	343 509	359 935	281 174	333 023	347 410
Health facility revitalisation grant: Northern Cape	Construction of new and upgrading of existing health facilities	On-going	3 257 786	450 421	478 428	451 428	641 482	472 267	374 258	389 502
Health facility revitalisation grant: North West	Construction of new and upgrading of existing health facilities	On-going	3 737 809	544 597	496 121	500 121	712 939	480 434	491 371	512 226
Health facility revitalisation grant: Western Cape	Construction of new and upgrading of existing health facilities	On-going	4 609 358	637 816	629 786	639 786	837 153	673 472	582 424	608 921
Health facility revitalisation grant: Incentive-based portion yet to be allocated to provinces	Construction of new and upgrading of existing health facilities	On-going	1 195 786	-	-	-	-	-	-	614 743
<b>Total</b>			<b>57 937 682</b>	<b>6 190 576</b>	<b>5 473 507</b>	<b>5 794 326</b>	<b>6 278 533</b>	<b>6 065 762</b>	<b>6 718 880</b>	<b>7 024 773</b>

Table 16.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
							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 and control of HIV and AIDS, and other related infectious diseases	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2009 - 2012	122 500	Goods and services	Strengthen HIV and AIDS programmes and capacity building	22 433	8 342	34 114	23 050	34 500	-
United States: Centres for Disease Control	Implementation of a primary health care programme in South Africa under the United States President's Emergency Plan for AIDS Relief	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2012 - 2014	50 452	Goods and services	Strengthen the capacity of the Department of Health to scale up primary health care services to improve the management of HIV and AIDS services	5 924	-	4 572	6 900	13 000	7 000
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	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	164 601	250 468	202 000	200 000	124 800
European Union	Masibambane	Primary Health Care Services	2009 - 2011	1 551	Goods and services	Collaboration with the Department of Water Affairs	196	238	526	320	271	-
Belgium	Knowledge translation contract	HIV and AIDS, Tuberculosis, and Maternal and Child Health	2008 - 2011	16 976	Goods and services	Strengthen capacity building with the support of technical assistants	1 295	-	-	-	-	-
Canada	Human resources for health implementation	Hospitals, Tertiary Health Services and Human Resource Development	2008 - 2012	19 446	Compensation of Employees	Strengthen health workforce planning and management capacity	1 459	-	-	-	-	-

Table 16.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate				
							2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
R thousand														
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2016 - 2019	1 488 221	Goods and services	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	-	-	-	-	541 227	490 534	456 459	
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 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	228 926	-	-	-	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis and Malaria	Single stream funding	National Health Insurance, Health Planning and Systems Enablement	2013 - 2016	1 893 892	Goods and services	Reduce the rate of new HIV infections in South Africa by 50 per cent; provide appropriate packages of treatment, care and support to 80 per cent of HIV positive people and their families	-	460 747	658 118	404 473	353 797	16 757	-	-
<b>Foreign In kind</b>														
United Nations Population Fund	Sexual and reproductive health and rights and HIV prevention	HIV and AIDS, Tuberculosis, and 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	-	-	-	-	-	-
<b>Local In cash</b>														
Health and Welfare Sector Education and Training Authority	National skills fund growth and development strategy	Hospitals, Tertiary Health Services and Human Resource Development	2010 - 2014	6 488	Goods and services	Improve the skills of data capturers at health facilities	1 796	534	67	560	-	-	-	-
<b>Total</b>				<b>6 085 692</b>			<b>422 727</b>	<b>666 266</b>	<b>947 865</b>	<b>637 303</b>	<b>1 142 795</b>	<b>645 091</b>	<b>463 459</b>	



# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA