

# **Estimates of National Expenditure 2023**

## **Vote 18: Health**

**National Treasury  
Republic of South Africa**





# Vote 18

## Health

### Budget summary

R million	2023/24				2024/25	2025/26
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
<b>MTEF allocation</b>						
Administration	788.7	2.6	9.7	800.9	840.2	879.6
National Health Insurance	793.1	694.7	54.8	1 542.6	1 617.9	1 692.1
Communicable and Non-communicable Diseases	466.6	24 153.6	21.5	24 641.7	25 745.5	26 890.9
Primary Health Care	75.2	2 931.3	1.0	3 007.4	3 141.1	3 281.5
Hospital Systems	226.1	21 143.8	1 212.1	22 582.0	23 585.2	24 759.4
Health System Governance and Human Resources	203.3	7 325.4	8.1	7 536.8	7 514.4	7 854.4
<b>Total expenditure estimates</b>	<b>2 553.0</b>	<b>56 251.3</b>	<b>1 307.1</b>	<b>60 111.4</b>	<b>62 444.3</b>	<b>65 357.9</b>

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

The Estimates of National Expenditure is available at [www.treasury.gov.za](http://www.treasury.gov.za). Additional tables in Excel format can be found at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

### Vote purpose

Lead and coordinate 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 that it provides a framework for a structured and uniform health system for South Africa and sets out the responsibilities of the 3 levels of government in the provision of health services. Its mission is to improve health by preventing illness and disease, and promoting healthy lifestyles. It aims to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability.

### Selected performance indicators

**Table 18.1 Performance indicators by programme and related priority**

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total number of primary health care facilities with youth zones	Communicable and Non-communicable Diseases	Priority 3: Education, skills and health	-1	652	1 264	2 000	2 140	2 200	2 300
Total number of health care facilities offering HIV self-screening	Communicable and Non-communicable Diseases		-1	-1	-1	200	340	380	500
Total number of clients remaining on antiretroviral treatment	Communicable and Non-communicable Diseases		5 million	5.1 million	5.2 million	5.5 million	6 million	6.7 million	7 million
Number of primary health care facilities that qualify as ideal clinics per year	Primary Health Care		1 906	1 444	1 928	2 200	2 250	2 600	2 800
Number of ports of entry services compliant with international health regulations per year	Administration		-1	9	18	25	30	35	35

**Table 18.1 Performance indicators by programme and related priority (continued)**

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total number of health facilities implementing the national quality improvement programme	Health System Governance and Human Resources	Priority 3: Education, skills and health	– <sup>1</sup>	16 quality learning centres identified to cover 80 hospitals and 64 primary health care facilities	90 primary health care facilities, 102 hospitals and 25 emergency medical services	100 primary health care facilities and 80 hospitals	200 primary health care facilities and 160 hospitals	300 primary health care facilities and 240 hospitals	400 primary health care facilities and 300 hospitals
Number of parcels delivered to pick up points from the central chronic medication dispensing and distribution programme per year	National Health Insurance		– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	5 million	5.5 million	6 million
Number of public health facilities (clinics, hospitals, nursing colleges, emergency medical services base stations) maintained, repaired and/or refurbished per year	Hospital Systems		– <sup>1</sup>	150	121	120	300	400	600

1. No historical data available.

## Expenditure overview

The department's focus over the medium term will be on preventing and treating communicable and non-communicable diseases, overseeing primary health care services, strengthening the health system, supporting tertiary health care services, improving health infrastructure, and developing human resources for the health sector.

An estimated 89.2 per cent (R169 billion) of the department's budget over the MTEF period will be transferred to provincial departments of health through conditional grants. Total spending is projected to increase at an average annual rate of 0.4 per cent, from R64.6 billion in 2022/23 to R65.4 billion in 2025/26. This nominal increase is due to baseline reductions implemented in the 2021 Budget and one-off allocations to the department in 2020/21, 2021/22 and 2022/23 for government's response to the COVID-19 pandemic, including the vaccination programme. The baseline reductions in the 2021 Budget included the conditional grants for HIV and AIDS and tertiary services. These may need to be reviewed in future budgets. The COVID-19 vaccination programme is increasingly being integrated into routine services and does not have dedicated budget allocations over the medium term.

### ***Preventing and treating communicable and non-communicable diseases***

South Africa has a high burden of communicable and non-communicable diseases, many of which require dedicated and targeted prevention and treatment programmes. The comprehensive HIV and AIDS component of the *district health programmes grant* in the *Communicable and Non-communicable Diseases* programme is allocated an average of R25 billion per year over the medium term to fund the prevention and treatment of HIV and TB. These funds are expected to ensure that a targeted 7 million people per year receive antiretroviral treatment by 2025/26. During the COVID-19 pandemic, adherence to antiretroviral treatment decreased and the budget for this programme may need to be reviewed over the MTEF period as performance improves. Allocations of R10 million per year in 2023/24 and 2024/25 have been reprioritised from the *Administration* programme to the *Communicable Diseases* subprogramme to provide for the COVID-19 vaccine no-fault compensation scheme, which was established by the department to provide compensation to individuals who suffered severe injury from adverse reactions to COVID-19 vaccinations. The large variability in spending across the *Communicable and Non-communicable Diseases* programme relates mostly to the large allocations for the COVID-19 vaccine programme, mainly from 2020/21 to 2022/23.

### ***Overseeing primary health care services***

From 1 April 2023, the department's port health services function will be shifted from the *Primary Health Care* programme to the Border Management Authority, a newly established entity of the Department of Home Affairs. This involves shifting R162 million in 2023/24, R171.1 million in 2024/25 and R178.9 million in 2025/26;

and an estimated 295 employees from the programme to the authority. The department will continue to provide policy guidance to the authority for port health services. The district health component of the *district health programmes grant* is allocated R9.2 billion over the medium term to fund the prevention and treatment of malaria, human papillomavirus and outreach services provided by community health workers. The large one-off increase in the *Primary Health Care* programme in 2022/23 was to support provinces to roll out COVID-19 vaccinations.

### ***Strengthening the health system and planning for national health insurance***

The National Health Insurance Bill is being considered by Parliament. If enacted, it will have considerable implications for how health care in South Africa is funded and organised. An amount of R2.2 billion over the medium term is allocated to the direct *national health insurance grant* for provincial health departments to contract health professionals and health care services, including primary health care doctors, oncology services and mental health services. The department also manages the *national health insurance indirect grant*, which has 3 components and a budget of R6.9 billion over the medium term. The non-personal services component of R2 billion over the next 3 years supports activities aimed at strengthening the health system, such as health information systems, quality improvement initiatives and the dispensing and distribution of chronic medicines. The personal services component is allocated R299.9 million over the MTEF period and is aimed at piloting the establishment of contracting units for primary care, through which public and private health care providers will be contracted. The third component of the grant, which seeks to revitalise health facilities, falls within the department's infrastructure interventions.

### ***Supporting tertiary health care services***

The *national tertiary services grant* is allocated R14 billion in 2023/24, R14.7 billion in 2024/25 and R15.3 billion in 2025/26 in the *Hospital Systems* programme to subsidise highly specialised services at the country's 31 tertiary and central hospitals. These hospitals are generally in urban areas and are unequally distributed across provinces, resulting in a large number of referrals of patients from rural provinces to provinces with greater tertiary services capacity. The grant aims to compensate these provinces for providing hospital care and has a developmental allocation earmarked to establish tertiary services in provinces with limited access to them. For example, oncology services are planned to be rolled out in Mpumalanga and Limpopo to reduce referrals to Gauteng.

### ***Improving health infrastructure***

South Africa's public health infrastructure has many shortcomings, including old and often poorly maintained health facilities in need of repair, refurbishment and sometimes replacement. There is also a need to invest in new infrastructure where there are gaps in service delivery because of historical inequities or demographic changes. In an effort to address this, the department plans to invest a projected R26.9 billion in the *Hospital Systems* programme over the medium term. Of this amount, R22.2 billion is set to be transferred to provinces through the *health facility revitalisation grant*, and the remainder through the health facility revitalisation component of the *national health insurance indirect grant*. This includes provisions for continuing with the construction of the Limpopo Central Hospital in Polokwane, which will be the first central hospital in the province.

### ***Developing human resources for the health sector***

Compared to other middle-income countries, South Africa has a shortage of medical doctors and specialists. To improve the country's doctor-to-patient ratio, government has increased the number of doctors trained at domestic medical schools through a combination of bursary schemes that target students from underprivileged areas, and has increased the general intake at medical schools. As a supplementary measure, government has also funded training for South African doctors in other countries such as Cuba. As part of the final stages of their training, medical students must complete statutory internships and community service in the public sector. In line with the increased training, the number of medical interns appointed by provinces has increased from 1 500 in 2015 to 2 625 in 2022, and community service doctors from 1 322 to 2 369 over the same period. This increase was funded in the 2022 Budget. Provinces are partially compensated for employing these interns and doctors through the statutory human resources component of the *human resources and training grant*, which is allocated R7.8 billion over the medium term in the *Health System Governance and Human Resources*

programme. A further R8.7 billion is allocated to the grant’s training component for doctors to pursue specialist training.

## Expenditure trends and estimates

**Table 18.2 Vote expenditure trends and estimates by programme and economic classification**

<b>Programmes</b>											
1. Administration											
2. National Health Insurance											
3. Communicable and Non-communicable Diseases											
4. Primary Health Care											
5. Hospital Systems											
6. Health System Governance and Human Resources											
<b>Programme</b>	<b>Audited outcome</b>			<b>Adjusted appropriation</b>	<b>Average growth rate (%)</b>		<b>Medium-term expenditure estimate</b>			<b>Average growth rate (%)</b>	<b>Average Expenditure/ Total (%)</b>
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
Programme 1	542.4	551.0	672.7	786.1	13.2%	1.1%	800.9	840.2	879.6	3.8%	1.3%
Programme 2	934.4	1 023.2	1 216.5	1 534.1	18.0%	2.0%	1 542.6	1 617.9	1 692.1	3.3%	2.5%
Programme 3	20 965.9	25 455.4	32 819.7	26 916.7	8.7%	44.5%	24 641.7	25 745.5	26 890.9	0.0%	41.3%
Programme 4	1 964.5	3 206.7	3 056.2	5 153.6	37.9%	5.6%	3 007.4	3 141.1	3 281.5	-14.0%	5.8%
Programme 5	20 413.7	21 188.5	21 011.8	22 641.6	3.5%	35.7%	22 582.0	23 585.2	24 759.4	3.0%	37.1%
Programme 6	5 951.9	6 661.3	6 360.5	7 523.5	8.1%	11.1%	7 536.8	7 514.4	7 854.4	1.4%	12.1%
<b>Total</b>	<b>50 772.8</b>	<b>58 086.1</b>	<b>65 137.4</b>	<b>64 555.7</b>	<b>8.3%</b>	<b>100.0%</b>	<b>60 111.4</b>	<b>62 444.3</b>	<b>65 357.9</b>	<b>0.4%</b>	<b>100.0%</b>
Change to 2022 Budget estimate <sup>1</sup>				24.8			(509.0)	286.7	415.6		
<b>Economic classification</b>											
<b>Current payments</b>	<b>2 114.8</b>	<b>2 966.5</b>	<b>9 976.9</b>	<b>4 792.8</b>	<b>31.4%</b>	<b>8.3%</b>	<b>2 553.0</b>	<b>2 559.2</b>	<b>2 680.7</b>	<b>-17.6%</b>	<b>5.0%</b>
Compensation of employees	830.9	927.3	848.2	812.1	-0.8%	1.4%	682.1	710.0	744.3	-2.9%	1.2%
Goods and services <sup>1</sup>	1 283.8	2 039.2	9 128.6	3 980.8	45.8%	6.9%	1 870.9	1 849.2	1 936.4	-21.4%	3.8%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	345.2	400.6	335.6	299.0	-4.7%	0.6%	303.2	216.9	226.4	-8.9%	0.4%
<i>Contractors</i>	357.8	556.5	404.0	590.1	18.1%	0.8%	601.2	638.6	666.9	4.2%	1.0%
<i>Inventory: Medical supplies</i>	34.8	39.9	38.3	107.1	45.5%	0.1%	115.7	118.2	123.5	4.9%	0.2%
<i>Operating leases</i>	104.2	111.3	160.5	127.2	6.9%	0.2%	130.1	139.9	146.1	4.7%	0.2%
<i>Travel and subsistence</i>	3.8	100.0	47.1	133.9	229.0%	0.1%	139.2	141.6	155.0	5.0%	0.2%
<i>Operating payments</i>	15.5	120.8	189.9	99.5	86.0%	0.2%	105.5	110.6	115.5	5.1%	0.2%
<b>Transfers and subsidies<sup>1</sup></b>	<b>47 863.5</b>	<b>54 288.5</b>	<b>54 491.9</b>	<b>58 330.9</b>	<b>6.8%</b>	<b>90.1%</b>	<b>56 251.3</b>	<b>58 333.5</b>	<b>60 939.3</b>	<b>1.5%</b>	<b>92.6%</b>
Provinces and municipalities	45 863.4	52 082.0	52 462.2	56 251.5	7.0%	86.6%	54 183.4	56 170.8	58 687.2	1.4%	89.2%
Departmental agencies and accounts	1 830.3	2 033.8	1 842.1	1 890.3	1.1%	3.2%	1 869.2	1 954.9	2 044.9	2.7%	3.1%
Non-profit institutions	167.3	170.6	181.4	189.0	4.2%	0.3%	189.8	198.3	207.2	3.1%	0.3%
Households	2.5	2.1	6.2	-	-100.0%	0.0%	9.0	9.5	-	0.0%	0.0%
<b>Payments for capital assets</b>	<b>794.5</b>	<b>831.1</b>	<b>660.3</b>	<b>1 432.0</b>	<b>21.7%</b>	<b>1.6%</b>	<b>1 307.1</b>	<b>1 551.7</b>	<b>1 737.8</b>	<b>6.7%</b>	<b>2.4%</b>
Buildings and other fixed structures	592.0	740.1	591.3	1 083.5	22.3%	1.3%	1 194.7	1 406.8	1 571.3	13.2%	2.1%
Machinery and equipment	202.5	91.0	69.0	347.3	19.7%	0.3%	112.4	144.9	166.5	-21.7%	0.3%
Software and other intangible assets	-	-	-	1.2	0.0%	0.0%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>8.4</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total</b>	<b>50 772.8</b>	<b>58 086.1</b>	<b>65 137.4</b>	<b>64 555.7</b>	<b>8.3%</b>	<b>100.0%</b>	<b>60 111.4</b>	<b>62 444.3</b>	<b>65 357.9</b>	<b>0.4%</b>	<b>100.0%</b>

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

## Transfers and subsidies expenditure trends and estimates

**Table 18.3 Vote transfers and subsidies trends and estimates**

	<b>Audited outcome</b>			<b>Adjusted appropriation</b>	<b>Average growth rate (%)</b>		<b>Medium-term expenditure estimate</b>			<b>Average growth rate (%)</b>	<b>Average Expenditure/ Total (%)</b>
R thousand	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>2 454</b>	<b>1 928</b>	<b>6 181</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Employee social benefits	2 454	1 928	6 181	-	-100.0%	-	-	-	-	-	
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											

Table 18.3 Vote transfers and subsidies trends and estimates (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R thousand											
<b>Current</b>	<b>1 826 249</b>	<b>2 029 761</b>	<b>1 840 663</b>	<b>1 888 800</b>	<b>1.1%</b>	<b>3.5%</b>	<b>1 867 454</b>	<b>1 953 038</b>	<b>2 042 996</b>	<b>2.7%</b>	<b>3.3%</b>
Health and Welfare Sector Education and Training Authority	2 642	679	2 536	2 530	-1.4%	-	2 552	2 667	2 786	3.3%	-
South African National AIDS Council	18 066	18 106	28 901	19 380	2.4%	-	20 234	21 143	22 090	4.5%	-
South African Medical Research Council	688 312	854 643	855 214	780 623	4.3%	1.5%	797 597	833 489	870 829	3.7%	1.4%
National Health Laboratory Service	791 497	855 583	643 547	772 521	-0.8%	1.4%	725 255	757 891	791 845	0.8%	1.3%
Office of Health Standards Compliance	136 471	137 648	157 997	157 509	4.9%	0.3%	162 726	171 599	181 749	4.9%	0.3%
Council for Medical Schemes	5 987	6 530	6 181	6 272	1.6%	-	6 537	6 831	7 137	4.4%	-
South African Health Products Regulatory Authority	183 274	156 572	146 287	149 965	-6.5%	0.3%	152 553	159 418	166 560	3.6%	0.3%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>9</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>9 000</b>	<b>9 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	-	160	-	-	-	-	-	-	-	-	-
Gifts to households	9	-	-	-	-100.0%	-	-	-	-	-	-
No-fault compensation scheme	-	-	-	-	-	-	9 000	9 500	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>167 285</b>	<b>170 574</b>	<b>181 401</b>	<b>189 000</b>	<b>4.2%</b>	<b>0.3%</b>	<b>189 786</b>	<b>198 309</b>	<b>207 194</b>	<b>3.1%</b>	<b>0.3%</b>
Non-governmental organisations: LifeLine	24 579	27 150	28 030	28 875	5.5%	0.1%	28 986	30 288	31 645	3.1%	0.1%
Non-governmental organisations: loveLife	68 376	59 527	61 976	64 327	-2.0%	0.1%	64 635	67 538	70 564	3.1%	0.1%
Non-governmental organisations: Soul City	21 336	23 567	24 331	25 065	5.5%	-	25 161	26 291	27 469	3.1%	-
Non-governmental organisations: HIV and AIDS	49 687	58 796	63 989	67 529	10.8%	0.1%	67 788	70 832	74 005	3.1%	0.1%
South African Renal Registry	391	433	447	460	5.6%	-	461	482	504	3.1%	-
South African Federation for Mental Health	415	459	473	488	5.5%	-	490	512	535	3.1%	-
South African National Council for the Blind	929	-	1 060	1 092	5.5%	-	1 096	1 145	1 196	3.1%	-
South African Medical Research Council	581	642	-	-	-100.0%	-	-	-	-	-	-
National Council Against Smoking	991	-	1 095	1 164	5.5%	-	1 169	1 221	1 276	3.1%	-
<b>Provinces and municipalities</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>39 517 135</b>	<b>45 766 702</b>	<b>46 027 032</b>	<b>49 471 990</b>	<b>7.8%</b>	<b>84.1%</b>	<b>47 063 505</b>	<b>48 809 610</b>	<b>50 996 280</b>	<b>1.0%</b>	<b>84.0%</b>
Human resources capacitation grant	905 696	-	-	-	-100.0%	0.4%	-	-	-	-	-
Human papillomavirus vaccine grant	157 200	-	-	-	-100.0%	0.1%	-	-	-	-	-
District health programmes grant: Comprehensive HIV and AIDS component	-	-	-	24 134 521	-	11.2%	23 934 604	25 009 495	26 129 920	2.7%	42.4%
District health programmes grant: District health component	-	-	-	4 888 597	-	2.3%	2 931 257	3 062 899	3 200 117	-13.2%	6.0%
National tertiary services grant	13 185 528	14 013 153	13 707 798	14 306 059	2.8%	25.7%	14 023 946	14 653 754	15 310 242	2.3%	24.9%
Human resources and training grant	-	4 309 290	4 297 681	5 449 066	-	6.5%	5 479 023	5 366 517	5 606 937	1.0%	9.4%
Health professionals training and development grant	2 940 428	-	-	-	-100.0%	1.4%	-	-	-	-	-
National health insurance grant	289 288	246 464	268 677	693 747	33.9%	0.7%	694 675	716 945	749 064	2.6%	1.2%
HIV, TB, malaria and community outreach grant: Mental health services component	-	-	143 401	-	-	0.1%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Oncology services component	-	-	234 933	-	-	0.1%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: HIV and AIDS component	19 963 270	20 376 176	22 563 773	-	-100.0%	29.3%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: TB component	485 300	507 780	506 117	-	-100.0%	0.7%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: COVID-19 component	-	3 422 157	1 500 000	-	-	2.3%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Human papillomavirus vaccine component	-	218 781	220 258	-	-	0.2%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Malaria elimination component	90 425	116 234	104 181	-	-100.0%	0.1%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Community outreach services component	1 500 000	2 556 667	2 480 213	-	-100.0%	3.0%	-	-	-	-	-
<b>Capital</b>	<b>6 346 273</b>	<b>6 315 281</b>	<b>6 435 188</b>	<b>6 779 546</b>	<b>2.2%</b>	<b>12.0%</b>	<b>7 119 860</b>	<b>7 361 181</b>	<b>7 690 962</b>	<b>4.3%</b>	<b>12.4%</b>
Health facility revitalisation grant	6 346 273	6 315 281	6 435 188	6 779 546	2.2%	12.0%	7 119 860	7 361 181	7 690 962	4.3%	12.4%
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	<b>4 050</b>	<b>4 058</b>	<b>1 437</b>	<b>1 544</b>	<b>-27.5%</b>	<b>-</b>	<b>1 735</b>	<b>1 813</b>	<b>1 894</b>	<b>7.0%</b>	<b>-</b>
Mines and Works Compensation Fund	4 050	4 058	1 437	1 544	-27.5%	-	1 735	1 813	1 894	7.0%	-
<b>Total</b>	<b>47 863 455</b>	<b>54 288 464</b>	<b>54 491 902</b>	<b>58 330 880</b>	<b>6.8%</b>	<b>100.0%</b>	<b>56 251 340</b>	<b>58 333 451</b>	<b>60 939 326</b>	<b>1.5%</b>	<b>100.0%</b>

## Personnel information

**Table 18.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)	
Number of posts estimated for 31 March 2023		Actual			Revised estimate			Medium-term expenditure estimate					2022/23 - 2025/26						
Number of funded posts	Number of posts additional to the establishment	2021/22			2022/23			2023/24		2024/25		2025/26							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Health</b>		<b>1 473</b>	<b>1 412</b>	<b>848.2</b>	<b>0.6</b>	<b>1 281</b>	<b>811.7</b>	<b>0.6</b>	<b>1 046</b>	<b>682.1</b>	<b>0.7</b>	<b>1 031</b>	<b>710.0</b>	<b>0.7</b>	<b>1 054</b>	<b>744.3</b>	<b>0.7</b>	<b>-6.3%</b>	<b>100.0%</b>
Salary level																			
1 – 6	491	3	502	160.3	0.3	430	142.6	0.3	359	116.0	0.3	355	122.1	0.3	360	126.8	0.4	-5.8%	34.1%
7 – 10	625	6	602	346.8	0.6	557	333.1	0.6	367	208.9	0.6	362	218.6	0.6	367	226.4	0.6	-13.0%	37.5%
11 – 12	207	1	185	181.0	1.0	175	176.7	1.0	191	187.1	1.0	188	195.2	1.0	193	203.4	1.1	3.3%	16.9%
13 – 16	148	5	122	155.0	1.3	117	153.9	1.3	128	164.7	1.3	125	168.4	1.4	132	181.8	1.4	4.2%	11.4%
Other	2	–	2	5.2	2.6	2	5.4	2.7	2	5.5	2.7	2	5.8	2.9	2	5.9	2.9	–	0.2%
<b>Programme</b>	<b>1 473</b>	<b>–</b>	<b>1 412</b>	<b>848.2</b>	<b>0.6</b>	<b>1 281</b>	<b>811.7</b>	<b>0.6</b>	<b>1 046</b>	<b>682.1</b>	<b>0.7</b>	<b>1 031</b>	<b>710.0</b>	<b>0.7</b>	<b>1 054</b>	<b>744.3</b>	<b>0.7</b>	<b>-6.3%</b>	<b>100.0%</b>
Programme 1	454	4	410	246.2	0.6	399	247.6	0.6	403	249.4	0.6	399	261.3	0.7	405	270.9	0.7	0.5%	36.4%
Programme 2	144	11	81	42.7	0.5	88	52.0	0.6	139	93.0	0.7	137	97.5	0.7	140	101.4	0.7	16.7%	11.4%
Programme 3	217	–	189	127.4	0.7	197	140.9	0.7	200	140.0	0.7	196	146.3	0.7	200	153.2	0.8	0.5%	18.0%
Programme 4	412	–	395	223.3	0.6	395	232.5	0.6	100	60.8	0.6	98	62.0	0.6	101	67.8	0.7	-36.5%	15.7%
Programme 5	42	–	28	23.3	0.8	36	30.4	0.8	36	30.2	0.8	35	31.0	0.9	37	33.0	0.9	0.9%	3.3%
Programme 6	204	–	309	185.5	0.6	165	108.3	0.7	169	108.6	0.6	167	111.9	0.7	171	117.9	0.7	1.1%	15.2%

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

2. Rand million.

## Departmental receipts

**Table 18.5 Departmental receipts by economic classification**

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2019/20	2020/21	2021/22					2022/23	2023/24	2024/25		
R thousand												
<b>Departmental receipts</b>	<b>7 934</b>	<b>3 773</b>	<b>5 21 023</b>	<b>3 010 783</b>	<b>1 412 574</b>	<b>462.6%</b>	<b>100.0%</b>	<b>18 879</b>	<b>19 022</b>	<b>14 155</b>	<b>-78.4%</b>	<b>100.0%</b>
Sales of goods and services produced by department	3 713	3 301	4 25 640	3 004 845	1 404 728	623.3%	94.5%	12 172	12 195	7 218	-82.7%	98.1%
Sales by market establishments	113	120	112	121	121	2.3%	–	60	63	66	-18.3%	–
of which:												
Parking	113	120	112	121	121	2.3%	–	60	63	66	-18.3%	–
Administrative fees	3 200	2 778	3 075	4 302	4 302	10.4%	0.7%	1 800	1 800	1 800	-25.2%	0.7%
of which:												
Medical (drug control) licences	2 216	2 043	2 105	3 001	3 001	10.6%	0.5%	1 800	1 800	1 800	-15.7%	0.6%
Inspection fees	984	735	970	1 301	1 301	9.8%	0.2%	–	–	–	-100.0%	0.1%
Other sales	400	403	422 453	3 000 422	1 400 305	1418.4%	93.7%	10 312	10 332	5 352	-84.4%	97.4%
of which:												
Sale of vaccines	–	–	422 073	3 000 000	1 400 000	–	93.7%	10 000	10 000	5 000	-84.7%	97.3%
Replacement of security cards	4	–	2	2	2	-20.6%	–	1	1	1	-20.6%	–
Commission on insurance	392	403	378	415	300	-8.5%	0.1%	310	330	350	5.3%	0.1%
Replacement: Lost office property	4	–	–	5	3	-9.1%	–	1	1	1	-30.7%	–
Sales of scrap, waste, arms and other used current goods	–	–	–	–	2	–	–	2	2	2	–	–
of which:												
Scrap paper	–	–	–	–	2	–	–	2	2	2	–	–
Interest, dividends and rent on land	3 554	336	17 469	3 938	6 000	19.1%	1.4%	6 300	6 400	6 500	2.7%	1.7%
Interest	3 554	336	17 469	3 938	6 000	19.1%	1.4%	6 300	6 400	6 500	2.7%	1.7%
Sales of capital assets	298	–	–	–	–	-100.0%	–	–	–	–	–	–
Transactions in financial assets and liabilities	369	136	77 914	2 000	1 844	71.0%	4.1%	405	425	435	-38.2%	0.2%
<b>Total</b>	<b>7 934</b>	<b>3 773</b>	<b>5 21 023</b>	<b>3 010 783</b>	<b>1 412 574</b>	<b>462.6%</b>	<b>100.0%</b>	<b>18 879</b>	<b>19 022</b>	<b>14 155</b>	<b>-78.4%</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 18.6 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24			2024/25
R million												
Ministry	39.1	32.2	33.0	44.0	4.0%	5.8%	42.0	39.5	41.3	-2.1%	5.0%	
Management	8.6	7.1	7.2	10.2	5.7%	1.3%	10.1	11.4	11.9	5.4%	1.3%	
Corporate Services	273.5	310.9	356.2	391.4	12.7%	52.2%	428.3	448.3	470.4	6.3%	52.6%	
Property Management	120.0	112.9	172.9	163.7	10.9%	22.3%	168.9	180.4	188.5	4.8%	21.2%	
Financial Management	101.1	87.9	103.4	176.9	20.5%	18.4%	151.6	160.6	167.5	-1.8%	19.9%	
<b>Total</b>	<b>542.4</b>	<b>551.0</b>	<b>672.7</b>	<b>786.1</b>	<b>13.2%</b>	<b>100.0%</b>	<b>800.9</b>	<b>840.2</b>	<b>879.6</b>	<b>3.8%</b>	<b>100.0%</b>	
Change to 2022				4.4			(11.5)	(11.9)	(10.7)			
Budget estimate												
<b>Economic classification</b>												
<b>Current payments</b>	<b>533.3</b>	<b>546.7</b>	<b>653.6</b>	<b>767.9</b>	<b>12.9%</b>	<b>98.0%</b>	<b>788.7</b>	<b>827.4</b>	<b>866.2</b>	<b>4.1%</b>	<b>98.3%</b>	
Compensation of employees	249.3	245.9	246.2	250.1	0.1%	38.8%	249.4	261.3	270.9	2.7%	31.2%	
Goods and services	284.0	300.7	407.4	517.8	22.2%	59.2%	539.3	566.1	595.3	4.8%	67.1%	
of which:												
Computer services	11.0	23.0	51.7	51.4	67.2%	5.4%	58.2	59.9	60.7	5.7%	7.0%	
Consultants: Business and advisory services	27.4	39.1	42.7	42.9	16.1%	6.0%	50.9	53.2	55.6	9.0%	6.1%	
Operating leases	92.1	99.3	150.9	123.8	10.4%	18.3%	126.6	136.1	142.2	4.7%	16.0%	
Property payments	28.7	18.2	24.2	52.4	22.2%	4.8%	56.2	58.8	61.4	5.4%	6.9%	
Travel and subsistence	3.4	6.8	27.8	47.5	140.9%	3.3%	51.0	53.6	62.3	9.5%	6.5%	
Operating payments	1.6	51.8	26.8	39.8	193.9%	4.7%	44.5	46.5	48.6	6.9%	5.4%	
<b>Transfers and subsidies</b>	<b>3.3</b>	<b>1.8</b>	<b>4.9</b>	<b>2.5</b>	<b>-8.2%</b>	<b>0.5%</b>	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>	<b>3.3%</b>	<b>0.3%</b>	
Departmental agencies and accounts	2.6	0.7	2.5	2.5	-1.4%	0.3%	2.6	2.7	2.8	3.3%	0.3%	
Households	0.6	1.1	2.3	-	-100.0%	0.2%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>5.8</b>	<b>2.5</b>	<b>7.8</b>	<b>15.7</b>	<b>39.0%</b>	<b>1.2%</b>	<b>9.7</b>	<b>10.1</b>	<b>10.6</b>	<b>-12.4%</b>	<b>1.4%</b>	
Machinery and equipment	5.8	2.5	7.8	15.7	39.0%	1.2%	9.7	10.1	10.6	-12.4%	1.4%	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>6.5</b>	<b>-</b>	<b>-</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>542.4</b>	<b>551.0</b>	<b>672.7</b>	<b>786.1</b>	<b>13.2%</b>	<b>100.0%</b>	<b>800.9</b>	<b>840.2</b>	<b>879.6</b>	<b>3.8%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.1%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	<b>0.6</b>	<b>1.1</b>	<b>2.3</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Employee social benefits	0.6	1.1	2.3	-	-100.0%	0.2%	-	-	-	-	-	
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Gifts to households	0.0	-	-	-	-100.0%	-	-	-	-	-	-	
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>2.6</b>	<b>0.7</b>	<b>2.5</b>	<b>2.5</b>	<b>-1.4%</b>	<b>0.3%</b>	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>	<b>3.3%</b>	<b>0.3%</b>	
Health and Welfare Sector Education and Training Authority	2.6	0.7	2.5	2.5	-1.4%	0.3%	2.6	2.7	2.8	3.3%	0.3%	

## Personnel information

**Table 18.7 Administration personnel numbers and cost by salary level<sup>1</sup>**

Salary level	Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment										Average growth rate (%)	Average: Salary level/ Total (%)					
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate												
			2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26											
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Administration	454	4	410	246.2	0.6	399	247.6	0.6	403	249.4	0.6	399	261.3	0.7	405	270.9	0.7	0.5%	100.0%
1 – 6	197	-	191	62.9	0.3	188	64.7	0.3	188	63.3	0.3	186	66.7	0.4	189	69.5	0.4	0.2%	46.8%
7 – 10	155	-	131	80.2	0.6	129	82.7	0.6	130	82.6	0.6	130	87.7	0.7	131	90.3	0.7	0.5%	32.5%
11 – 12	55	1	48	49.4	1.0	47	50.6	1.1	49	52.6	1.1	48	54.6	1.1	49	56.7	1.2	1.4%	12.0%
13 – 16	45	3	38	48.5	1.3	33	44.2	1.3	34	45.4	1.3	33	46.5	1.4	34	48.5	1.4	0.4%	8.3%
Other	2	-	2	5.2	2.6	2	5.4	2.7	2	5.5	2.7	2	5.8	2.9	2	5.9	2.9	-	0.5%

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

2. Rand million.

## Programme 2: National Health Insurance

### Programme purpose

Achieve universal health coverage by improving the quality and coverage of health services through the development and implementation of policies and health financing reforms.

### Objectives

- Expand access to chronic medication, including antiretroviral drugs, for stable patients by delivering 6 million medicine parcels per year through the central chronic medication dispensing and distribution programme by March 2026.
- Progressively implement an equitable budgeting system and reduce fragmentation by developing a capitation-based model for contracting primary health care services and testing it in 9 contracting units for primary care by March 2024.

### Subprogrammes

- *Programme Management* provides leadership to the programme to improve access to high-quality health care services by developing and implementing universal health coverage policies and health financing reform.
- *Affordable Medicine* is responsible for developing systems to ensure the sustained availability of and equitable access to pharmaceutical commodities. This is achieved through the development of the governance frameworks to support: the selection and use of essential medicines, the development of standard treatment guidelines, the administration and management of pharmaceutical tenders, the development of provincial pharmaceutical budget forecasts, the reformation of the medicine supply chain, and the licensing of people and premises that deliver pharmaceutical services.
- *Health Financing and National Health Insurance* designs and tests policies, legislation and frameworks to achieve universal health coverage and to inform proposals for national health insurance. It develops health financing reforms, including policies affecting the medical schemes environment; provides technical oversight of the Council for Medical Schemes; and manages the direct *national health insurance grant* and the *national health insurance indirect grant*. It also implements the single exit price regulations, including policy development and implementation initiatives in terms of dispensing and logistical fees. This subprogramme will increasingly focus on evolving health financing functions such as user and provider management, health care benefits and provider payment, digital health information, and risk identification and fraud management.

### Expenditure trends and estimates

**Table 18.8 National Health Insurance expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management	4.3	3.3	4.6	6.9	17.0%	0.4%	7.1	9.3	9.6	11.5%	0.5%
Affordable Medicine	35.4	32.4	37.3	56.0	16.5%	3.4%	56.0	47.9	50.0	-3.7%	3.3%
Health Financing and National Health Insurance	894.7	987.5	1 174.5	1 471.2	18.0%	96.2%	1 479.5	1 560.7	1 632.5	3.5%	96.2%
<b>Total</b>	<b>934.4</b>	<b>1 023.2</b>	<b>1 216.5</b>	<b>1 534.1</b>	<b>18.0%</b>	<b>100.0%</b>	<b>1 542.6</b>	<b>1 617.9</b>	<b>1 692.1</b>	<b>3.3%</b>	<b>100.0%</b>
Change to 2022 Budget estimate				6.7			4.5	5.0	6.9		

**Table 18.8 National Health Insurance expenditure trends and estimates by subprogramme and economic classification (continued)**

Economic classification	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million											
<b>Current payments</b>	<b>568.6</b>	<b>760.9</b>	<b>553.6</b>	<b>784.8</b>	<b>11.3%</b>	<b>56.7%</b>	<b>793.1</b>	<b>843.8</b>	<b>883.2</b>	<b>4.0%</b>	<b>51.7%</b>
Compensation of employees	43.0	42.1	42.7	51.9	6.5%	3.8%	93.0	97.5	101.4	25.0%	5.4%
Goods and services	525.7	718.8	511.0	732.8	11.7%	52.9%	700.1	746.3	781.8	2.2%	46.4%
of which:											
Advertising	0.9	0.1	0.1	18.9	175.2%	0.4%	19.2	20.4	21.3	4.1%	1.2%
Minor assets	3.5	3.2	0.9	10.7	45.7%	0.4%	10.8	11.5	12.1	4.1%	0.7%
Consultants: Business and advisory services	128.9	126.9	4.4	48.0	-28.1%	6.5%	46.7	49.7	54.0	4.0%	3.1%
Contractors	324.2	538.2	381.4	547.3	19.1%	38.0%	554.3	593.2	619.8	4.2%	36.2%
Agency and support/outsourced services	–	–	–	72.4	–	1.5%	31.7	31.9	33.3	-22.8%	2.7%
Travel and subsistence	0.2	2.2	0.3	18.9	331.4%	0.5%	19.3	20.4	21.3	4.1%	1.2%
<b>Transfers and subsidies</b>	<b>289.5</b>	<b>246.5</b>	<b>647.3</b>	<b>693.7</b>	<b>33.8%</b>	<b>39.9%</b>	<b>694.7</b>	<b>716.9</b>	<b>749.1</b>	<b>2.6%</b>	<b>44.7%</b>
Provinces and municipalities	289.3	246.5	647.0	693.7	33.9%	39.9%	694.7	716.9	749.1	2.6%	44.7%
Households	0.2	0.0	0.3	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>76.2</b>	<b>15.9</b>	<b>15.5</b>	<b>55.6</b>	<b>-10.0%</b>	<b>3.5%</b>	<b>54.8</b>	<b>57.2</b>	<b>59.8</b>	<b>2.4%</b>	<b>3.6%</b>
Machinery and equipment	76.2	15.9	15.5	54.4	-10.6%	3.4%	54.8	57.2	59.8	3.2%	3.5%
Software and other intangible assets	–	–	–	1.2	–	–	–	–	–	-100.0%	–
<b>Total</b>	<b>934.4</b>	<b>1 023.2</b>	<b>1 216.5</b>	<b>1 534.1</b>	<b>18.0%</b>	<b>100.0%</b>	<b>1 542.6</b>	<b>1 617.9</b>	<b>1 692.1</b>	<b>3.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>2.4%</b>	–	–	<b>2.6%</b>	<b>2.6%</b>	<b>2.6%</b>	–	–
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	0.2	0.0	0.3	–	-100.0%	–	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>289.3</b>	<b>246.5</b>	<b>647.0</b>	<b>693.7</b>	<b>33.9%</b>	<b>39.9%</b>	<b>694.7</b>	<b>716.9</b>	<b>749.1</b>	<b>2.6%</b>	<b>44.7%</b>
National health insurance grant	289.3	246.5	268.7	693.7	33.9%	31.8%	694.7	716.9	749.1	2.6%	44.7%
HIV, TB, malaria and community outreach grant: Mental health services component	–	–	143.4	–	–	3.0%	–	–	–	–	–
HIV, TB, malaria and community outreach grant: Oncology services component	–	–	234.9	–	–	5.0%	–	–	–	–	–

## Personnel information

**Table 18.9 National Health Insurance personnel numbers and cost by salary level<sup>1</sup>**

National Health Insurance	Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						2022/23 - 2025/26						
			2021/22		2022/23		2023/24		2024/25		2025/26								
	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost					
National Health Insurance	144	11	81	42.7	0.5	88	52.0	0.6	139	93.0	0.7	137	97.5	0.7	140	101.4	0.7	16.7%	100.0%
Salary level	29	3	25	6.4	0.3	26	7.0	0.3	27	7.0	0.3	26	7.1	0.3	26	7.3	0.3	–	20.8%
1 – 6	44	6	34	15.3	0.4	34	16.0	0.5	42	19.3	0.5	42	20.5	0.5	44	22.1	0.5	9.0%	32.1%
7 – 10	42	–	14	11.9	0.8	14	12.4	0.9	43	36.8	0.9	42	38.1	0.9	42	38.7	0.9	44.2%	28.0%
11 – 12	29	2	8	9.1	1.1	14	16.6	1.2	27	29.9	1.1	27	31.7	1.2	28	33.3	1.2	26.0%	19.0%
13 – 16																			

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

2. Rand million.

## Programme 3: Communicable and Non-communicable Diseases

### Programme purpose

Develop and support the implementation of national policies, guidelines, norms and standards, and the achievement of targets for the national response needed to decrease morbidity and mortality associated with communicable and non-communicable diseases. Develop strategies and implement programmes that reduce maternal and child mortality.

## Objectives

- Reduce the risk of women developing cervical cancer by vaccinating 80 per cent of eligible girls in grade 5 against the human papillomavirus in each year over the medium term.
- Support the effective implementation of the national strategic plan on malaria elimination over the medium term by:
  - ensuring indoor residual insecticide spray coverage of at least 95 per cent of households in malaria-endemic municipalities
  - conducting information and communication campaigns on malaria prevention
  - investigating and classifying confirmed cases within 72 hours.
- Increase the total number of HIV-positive people accessing antiretroviral treatment from 5.2 million in March 2022 to 7 million in March 2026 by implementing the universal test-and-treat policy.
- Reduce new HIV infections by implementing a combination of prevention interventions such as providing HIV counselling and testing, offering medical male circumcision, and distributing condoms over the medium term.
- Contribute to the reduction of HIV infections among young people by ensuring that 2 300 primary health care facilities have youth zones that provide HIV prevention and other sexual and reproductive health services tailored for young people by March 2026.
- Reduce premature mortality as a result of non-communicable diseases by screening 60 per cent of clients for hypertension and diabetes in 2023/24.

## Subprogrammes

- *Programme Management* is responsible for ensuring that efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of provincial departments of health, development partners, donors, academic and research organisations, and non-governmental and civil society organisations all contribute in a coherent and integrated way.
- *HIV, AIDS and STIs* is responsible for policy formulation for HIV and sexually transmitted disease services, and the monitoring and evaluation of these services. This entails ensuring the implementation of the health sector's national strategic plan on HIV, TB and STIs. This subprogramme also manages and oversees the comprehensive HIV and AIDS component of the *district health programmes grant* implemented by provinces, and the coordination and direction of donor funding for HIV and AIDS. This includes the United States President's Emergency Plan for AIDS Relief; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the United States Centres for Disease Control and Prevention.
- *Tuberculosis Management* develops national policies and guidelines for TB services, sets norms and standards, and monitors their implementation in line with the vision of eliminating infections, mortality, stigma and discrimination. This subprogramme is also responsible for the coordination and management of the national response to the TB epidemic, and incorporates strategies needed to prevent, diagnose and treat both drug-sensitive TB and drug-resistant TB.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines for maternal and women's health services, sets norms and standards, and monitors and evaluates the implementation of these services. This subprogramme supports the implementation of key initiatives as indicated in the maternal and child health strategic plan and the reports of the ministerial committees on maternal, perinatal and child mortality.
- *Child, Youth and School Health* is responsible for policy formulation and coordination for, and the monitoring and evaluation of, child, youth and school health services. This subprogramme is also responsible for the management and oversight of the human papillomavirus vaccination programme, and coordinates stakeholders outside of the health sector to play key roles in promoting improved health and nutrition for children and young people. It supports provincial units responsible for the implementation of policies and guidelines, and focuses on recommendations made by the ministerial committee on morbidity and mortality in children. These are aimed at reducing mortality in children younger than 5, increasing the number of HIV-positive children on treatment, strengthening the expanded programme on immunisation, and ensuring that health services are friendly to children and young people.

- *Communicable Diseases* develops policies and supports provinces in ensuring the control of infectious diseases with the support of the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. It improves surveillance for disease detection; strengthens preparedness and core response capacity for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control programmes, tropical disease prevention and control programmes, and malaria elimination. This subprogramme comprises 2 components – communicable disease control, and malaria and other vector-borne diseases.
- *Non-communicable Diseases* establishes policy, legislation and guidelines, and assists provinces in implementing and monitoring services for chronic non-communicable diseases. This includes disability and rehabilitation, as well as for older people; eye health; palliative care; mental health and substance abuse; and forensic mental health. The department supports a continuum of care for these diseases, from primary prevention, early identification and screening through to treatment and control at all levels of care, including palliative.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease (TB, HIV and AIDS; maternal and child mortality; non-communicable diseases; and violence and injury), this subprogramme implements the health-promotion strategy of reducing risk factors for disease and promotes an integrated approach to working towards an optimal nutritional status for all South Africans.

## Expenditure trends and estimates

**Table 18.10 Communicable and Non-communicable Diseases expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management	5.5	3.1	2.9	7.9	13.0%	–	7.9	8.2	8.5	2.3%	–
HIV, AIDS and STIs	20 784.5	24 635.9	24 932.1	24 568.2	5.7%	89.4%	24 379.8	25 474.7	26 616.3	2.7%	97.0%
Tuberculosis Management	23.4	14.2	16.7	27.6	5.6%	0.1%	28.6	28.4	29.7	2.5%	0.1%
Women's Maternal and Reproductive Health	13.4	9.8	10.6	17.4	9.2%	–	17.6	19.6	20.5	5.6%	0.1%
Child, Youth and School Health	23.8	18.0	22.6	28.3	5.9%	0.1%	28.0	29.9	31.3	3.4%	0.1%
Communicable Diseases	51.2	718.8	7 778.5	2 151.3	247.7%	10.1%	60.5	63.1	55.5	-70.4%	2.2%
Non-communicable Diseases	35.4	31.9	28.7	83.9	33.3%	0.2%	86.6	89.1	95.2	4.3%	0.3%
Health Promotion and Nutrition	28.8	23.8	27.6	32.2	3.8%	0.1%	32.6	32.5	33.9	1.8%	0.1%
<b>Total</b>	<b>20 965.9</b>	<b>25 455.4</b>	<b>32 819.7</b>	<b>26 916.7</b>	<b>8.7%</b>	<b>100.0%</b>	<b>24 641.7</b>	<b>25 745.5</b>	<b>26 890.9</b>	<b>–</b>	<b>100.0%</b>
Change to 2022 Budget estimate				3.6			12.4	12.5	5.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>330.9</b>	<b>949.6</b>	<b>8 036.6</b>	<b>2 555.0</b>	<b>97.6%</b>	<b>11.2%</b>	<b>466.6</b>	<b>505.5</b>	<b>530.0</b>	<b>-40.8%</b>	<b>3.9%</b>
Compensation of employees	138.4	131.9	127.4	140.4	0.5%	0.5%	140.0	146.3	153.2	2.9%	0.6%
Goods and services	192.5	817.6	7 909.2	2 414.5	132.3%	10.7%	326.5	359.2	376.9	-46.2%	3.3%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	59.2	135.5	58.2	42.5	-10.5%	0.3%	36.6	38.0	41.5	-0.8%	0.2%
<i>Agency and support/outsourced services</i>	2.3	2.3	0.1	13.5	81.3%	–	1.4	22.4	23.4	20.1%	0.1%
<i>Inventory: Medical supplies</i>	34.7	39.9	38.0	106.9	45.5%	0.2%	115.5	118.0	123.2	4.9%	0.4%
<i>Inventory: Medicine</i>	–	462.8	7 588.6	2 120.5	–	9.6%	37.7	39.4	41.2	-73.1%	2.1%
<i>Travel and subsistence</i>	–	81.7	8.9	35.0	–	0.1%	38.3	39.8	41.4	5.8%	0.1%
<i>Operating payments</i>	5.0	62.8	157.7	53.1	120.0%	0.3%	54.5	57.2	59.8	4.0%	0.2%
<b>Transfers and subsidies</b>	<b>20 634.6</b>	<b>24 495.5</b>	<b>24 781.3</b>	<b>24 342.9</b>	<b>5.7%</b>	<b>88.8%</b>	<b>24 153.6</b>	<b>25 238.4</b>	<b>26 359.2</b>	<b>2.7%</b>	<b>96.1%</b>
Provinces and municipalities	20 448.6	24 306.1	24 569.9	24 134.5	5.7%	88.0%	23 934.6	25 009.5	26 129.9	2.7%	95.2%
Departmental agencies and accounts	18.1	18.1	28.9	19.4	2.4%	0.1%	20.2	21.1	22.1	4.5%	0.1%
Non-profit institutions	167.3	170.6	181.4	189.0	4.2%	0.7%	189.8	198.3	207.2	3.1%	0.8%
Households	0.7	0.8	1.1	–	-100.0%	–	9.0	9.5	–	–	–
<b>Payments for capital assets</b>	<b>0.3</b>	<b>10.3</b>	<b>–</b>	<b>18.9</b>	<b>284.9%</b>	<b>–</b>	<b>21.5</b>	<b>1.5</b>	<b>1.6</b>	<b>-56.0%</b>	<b>–</b>
Machinery and equipment	0.3	10.3	–	18.9	284.9%	–	21.5	1.5	1.6	-56.0%	–
Payments for financial assets	–	–	1.9	–	–	–	–	–	–	–	–
<b>Total</b>	<b>20 965.9</b>	<b>25 455.4</b>	<b>32 819.7</b>	<b>26 916.7</b>	<b>8.7%</b>	<b>100.0%</b>	<b>24 641.7</b>	<b>25 745.5</b>	<b>26 890.9</b>	<b>–</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	41.3%	43.8%	50.4%	41.7%	–	–	41.0%	41.2%	41.1%	–	–

**Table 18.10 Communicable and Non-communicable Diseases expenditure trends and estimates by subprogramme and economic classification (continued)**

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
		2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>												
		0.7	0.6	1.1	–	-100.0%	–	–	–	–	–	–
Employee social benefits		0.7	0.6	1.1	–	-100.0%	–	–	–	–	–	–
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>												
		–	0.2	–	–	–	–	9.0	9.5	–	–	–
Employee social benefits		–	0.2	–	–	–	–	–	–	–	–	–
No-fault compensation scheme		–	–	–	–	–	–	9.0	9.5	–	–	–
<b>Non-profit institutions</b>												
<b>Current</b>												
		167.3	170.6	181.4	189.0	4.2%	0.7%	189.8	198.3	207.2	3.1%	0.8%
Non-governmental organisations: LifeLine		24.6	27.2	28.0	28.9	5.5%	0.1%	29.0	30.3	31.6	3.1%	0.1%
Non-governmental organisations: loveLife		68.4	59.5	62.0	64.3	-2.0%	0.2%	64.6	67.5	70.6	3.1%	0.3%
Non-governmental organisations: Soul City		21.3	23.6	24.3	25.1	5.5%	0.1%	25.2	26.3	27.5	3.1%	0.1%
Non-governmental organisations: HIV and AIDS		49.7	58.8	64.0	67.5	10.8%	0.2%	67.8	70.8	74.0	3.1%	0.3%
South African Renal Registry		0.4	0.4	0.4	0.5	5.6%	–	0.5	0.5	0.5	3.1%	–
South African Federation for Mental Health		0.4	0.5	0.5	0.5	5.5%	–	0.5	0.5	0.5	3.1%	–
South African National Council for the Blind		0.9	–	1.1	1.1	5.5%	–	1.1	1.1	1.2	3.1%	–
South African Medical Research Council		0.6	0.6	–	–	-100.0%	–	–	–	–	–	–
National Council Against Smoking		1.0	–	1.1	1.2	5.5%	–	1.2	1.2	1.3	3.1%	–
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>												
		18.1	18.1	28.9	19.4	2.4%	0.1%	20.2	21.1	22.1	4.5%	0.1%
South African National AIDS Council		18.1	18.1	28.9	19.4	2.4%	0.1%	20.2	21.1	22.1	4.5%	0.1%
<b>Provinces and municipalities</b>												
<b>Provinces</b>												
<b>Provincial revenue funds</b>												
<b>Current</b>												
		20 448.6	24 306.1	24 569.9	24 134.5	5.7%	88.0%	23 934.6	25 009.5	26 129.9	2.7%	95.2%
District health programmes grant: Comprehensive HIV and AIDS component		–	–	–	24 134.5	–	22.7%	23 934.6	25 009.5	26 129.9	2.7%	95.2%
HIV, TB, malaria and community outreach grant: HIV and AIDS component		19 963.3	20 376.2	22 563.8	–	-100.0%	59.3%	–	–	–	–	–
HIV, TB, malaria and community outreach grant: TB component		485.3	507.8	506.1	–	-100.0%	1.4%	–	–	–	–	–
HIV, TB, malaria and community outreach grant: COVID-19 component		–	3 422.2	1 500.0	–	–	4.6%	–	–	–	–	–

## Personnel information

**Table 18.11 Communicable and Non-communicable Diseases personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/Total (%)		
		Actual			Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26						
Number of funded posts	Number of posts additional to the establishment	2021/22		2022/23			2023/24		2024/25		2025/26									
		Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Communicable and Non-communicable Diseases		217	–	189	127.4	0.7	197	140.9	0.7	200	140.0	0.7	196	146.3	0.7	200	153.2	0.8	0.5%	100.0%
Salary level		38	–	21	7.1	0.3	21	7.4	0.3	24	8.2	0.3	23	8.4	0.4	23	8.6	0.4	3.1%	11.6%
7 – 10		103	–	91	47.7	0.5	96	51.9	0.5	96	51.2	0.5	93	52.5	0.6	93	53.5	0.6	-1.0%	47.5%
11 – 12		49	–	55	48.9	0.9	55	51.1	0.9	55	50.8	0.9	55	53.9	1.0	58	57.8	1.0	1.8%	28.1%
13 – 16		27	–	22	23.7	1.1	26	30.5	1.2	25	29.8	1.2	25	31.6	1.3	26	33.3	1.3	0.9%	12.9%

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

2. Rand million.

## Programme 4: Primary Health Care

### Programme purpose

Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform, well-functioning district health system, including for emergency, environmental and port health services.

### Objectives

- Improve the quality of care at primary health care facilities by ensuring that 2 400 of these qualify as ideal clinics by March 2024.
- Mitigate the spread of communicable diseases by ensuring that 35 points of entry are compliant with international health regulations by March 2025.
- Ensure continuity of care in line with the referral policy by ensuring that community health workers conduct 23.9 million household visits per year over the medium term.
- Strengthen environmental health services by ensuring that 52 metropolitan and district municipalities are compliant with national environmental health norms and standards by March 2025.
- Improve the quality and safety of care by assessing all provinces for compliance with emergency medical services regulations in each year over the medium term.

### Subprogrammes

- *Programme Management* supports and provides leadership for the development and implementation of legislation, policies, systems, norms and standards for a uniform district health system, and emergency, environmental and port health systems.
- *District Health Services* promotes, coordinates and institutionalises the district health system, integrates programme implementation using the primary health care approach by improving the quality of care, and coordinates the traditional medicine programme. This subprogramme is responsible for managing the district health component of the *district health programmes grant*.
- *Environmental and Port Health Services* coordinates the delivery of environmental health services, including the monitoring and delivery of municipal health services; and ensures compliance with international health regulations by coordinating port health services at all of South Africa's points of entry. This subprogramme provides oversight and support through policy development, support and implementation monitoring for district and metropolitan municipalities to deliver municipal health services.
- *Emergency Medical Services and Trauma* is responsible for improving the governance, management and functioning of emergency medical services in South Africa by formulating policies, guidelines, norms and standards; strengthening the capacity and skills of emergency medical services personnel; identifying needs and service gaps; and providing oversight to emergency medical services in provinces.

### Expenditure trends and estimates

**Table 18.12 Primary Health Care expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management	4.8	3.5	4.0	7.0	13.5%	0.1%	6.9	6.8	7.1	0.6%	0.2%
District Health Services	1 764.3	2 905.7	2 819.1	4 909.9	40.7%	92.7%	2 951.1	3 082.9	3 221.0	-13.1%	97.1%
Environmental and Port Health Services	187.3	290.6	226.4	228.4	6.8%	7.0%	40.8	43.0	44.7	-42.0%	2.4%
Emergency Medical Services and Trauma	8.1	6.8	6.7	8.4	1.1%	0.2%	8.6	8.4	8.8	1.6%	0.2%
<b>Total</b>	<b>1 964.5</b>	<b>3 206.7</b>	<b>3 056.2</b>	<b>5 153.6</b>	<b>37.9%</b>	<b>100.0%</b>	<b>3 007.4</b>	<b>3 141.1</b>	<b>3 281.5</b>	<b>-14.0%</b>	<b>100.0%</b>
Change to 2022 Budget estimate <sup>1</sup>				3.4			(158.5)	(167.4)	(175.2)		

**Table 18.12 Primary Health Care expenditure trends and estimates by subprogramme and economic classification (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26
<b>Current payments</b>	<b>215.9</b>	<b>314.8</b>	<b>250.2</b>	<b>262.5</b>	<b>6.7%</b>	<b>7.8%</b>	<b>75.2</b>	<b>77.2</b>	<b>80.7</b>	<b>-32.5%</b>	<b>3.4%</b>
Compensation of employees	192.0	296.2	223.3	231.0	6.4%	7.0%	60.8	62.0	67.8	-33.5%	2.9%
Goods and services	23.8	18.6	27.0	31.5	9.7%	0.8%	14.4	15.2	12.8	-25.9%	0.5%
of which:											
Catering: Departmental activities	0.4	0.0	0.0	0.5	8.2%	-	0.5	0.5	0.5	-3.0%	-
Communication	1.2	1.2	1.0	1.9	15.7%	-	0.6	0.7	0.3	-45.2%	-
Fleet services (including government motor transport)	10.6	10.9	19.4	13.7	8.7%	0.4%	4.9	5.4	2.1	-46.7%	0.2%
Operating leases	0.4	0.6	0.3	0.6	11.7%	-	0.6	0.6	0.7	3.4%	-
Travel and subsistence	0.0	2.8	1.5	9.1	787.9%	0.1%	5.2	5.2	6.4	-11.1%	0.2%
Venues and facilities	-	0.2	0.0	1.5	-	-	1.4	1.5	1.5	0.1%	-
<b>Transfers and subsidies</b>	<b>1 748.1</b>	<b>2 891.7</b>	<b>2 805.7</b>	<b>4 888.6</b>	<b>40.9%</b>	<b>92.2%</b>	<b>2 931.3</b>	<b>3 062.9</b>	<b>3 200.1</b>	<b>-13.2%</b>	<b>96.6%</b>
Provinces and municipalities	1 747.6	2 891.7	2 804.7	4 888.6	40.9%	92.2%	2 931.3	3 062.9	3 200.1	-13.2%	96.6%
Households	0.4	0.0	1.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.2</b>	<b>0.2</b>	<b>2.5</b>	<b>65.2%</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>	<b>0.7</b>	<b>-34.0%</b>	<b>-</b>
Machinery and equipment	0.6	0.2	0.2	2.5	65.2%	-	1.0	1.0	0.7	-34.0%	-
<b>Total</b>	<b>1 964.5</b>	<b>3 206.7</b>	<b>3 056.2</b>	<b>5 153.6</b>	<b>37.9%</b>	<b>100.0%</b>	<b>3 007.4</b>	<b>3 141.1</b>	<b>3 281.5</b>	<b>-14.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.9%</b>	<b>5.5%</b>	<b>4.7%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.4</b>	<b>0.0</b>	<b>1.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	0.4	0.0	1.1	-	-100.0%	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>1 747.6</b>	<b>2 891.7</b>	<b>2 804.7</b>	<b>4 888.6</b>	<b>40.9%</b>	<b>92.2%</b>	<b>2 931.3</b>	<b>3 062.9</b>	<b>3 200.1</b>	<b>-13.2%</b>	<b>96.6%</b>
Human papillomavirus vaccine grant	157.2	-	-	-	-100.0%	1.2%	-	-	-	-	-
District health programmes grant: District health component	-	-	-	4 888.6	-	36.5%	2 931.3	3 062.9	3 200.1	-13.2%	96.6%
HIV, TB, malaria and community outreach grant: Human papillomavirus vaccine component	-	218.8	220.3	-	-	3.3%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Malaria elimination component	90.4	116.2	104.2	-	-100.0%	2.3%	-	-	-	-	-
HIV, TB, malaria and community outreach grant: Community outreach services component	1 500.0	2 556.7	2 480.2	-	-100.0%	48.9%	-	-	-	-	-

1. The reduction compared to the 2022 Budget estimates is due to the function shift of port health services to the Border Management Authority.

## Personnel information

**Table 18.13 Primary Health Care personnel numbers and cost by salary level<sup>1</sup>**

Primary Health Care	Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)	
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26			
			2021/22	2022/23	2022/23	2023/24	2024/25	2025/26									
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost
Salary level	412	-	395	223.3	0.6	395	232.5	0.6	100	60.8	0.6	98	62.0	0.6	101	67.8	0.7
1 – 6	123	-	118	37.1	0.3	118	37.9	0.3	39	11.2	0.3	39	11.9	0.3	39	12.2	0.3
7 – 10	246	-	236	142.0	0.6	236	148.5	0.6	37	22.3	0.6	36	22.8	0.6	37	24.0	0.7
11 – 12	27	-	26	25.1	1.0	26	26.2	1.0	11	10.5	1.0	11	11.1	1.0	11	11.3	1.1
13 – 16	16	-	15	19.0	1.3	15	19.9	1.3	13	16.8	1.3	12	16.2	1.4	15	20.4	1.4

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

2. Rand million.

## Programme 5: Hospital Systems

### Programme purpose

Develop national policies and plans for all levels of hospital services to strengthen the referral system and facilitate the improvement of hospitals. Ensure that the planning, coordination, delivery and oversight of health infrastructure meet the country's health needs.



## Objectives

- Expand the package of services available to the population based on cost effectiveness and equity by developing a comprehensive hospital strategy by March 2024.
- Improve the financing and delivery of health care infrastructure by March 2026 by:
  - constructing or revitalising 58 primary health care facilities
  - constructing or revitalising 50 hospitals
  - maintaining, repairing and/or refurbishing 600 public health facilities.

## Subprogrammes

- *Programme Management* supports and provides leadership for the development of national policy on hospital services, including the management of health facility infrastructure and hospital systems.
- *Health Facilities Infrastructure Management* coordinates and funds health care 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 also responsible for the direct *health facility revitalisation grant* and the health facility revitalisation component of the *national health insurance indirect grant*.
- *Hospital Systems* focuses on the modernised and reconfigured provision of tertiary hospital services, identifies tertiary and regional hospitals to serve as centres of excellence for disseminating best practices for quality improvements, and is responsible for the management of the *national tertiary services grant*.

## Expenditure trends and estimates

**Table 18.14 Hospital Systems expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management	1.1	1.0	1.0	5.0	66.6%	–	5.0	6.4	6.6	9.9%	–
Health Facilities Infrastructure Management	7 219.0	7 167.1	7 295.6	8 320.6	4.8%	35.2%	8 542.5	8 914.8	9 431.1	4.3%	37.6%
Hospital Systems	13 193.6	14 020.4	13 715.2	14 316.0	2.8%	64.8%	14 034.5	14 664.0	15 321.7	2.3%	62.3%
<b>Total</b>	<b>20 413.7</b>	<b>21 188.5</b>	<b>21 011.8</b>	<b>22 641.6</b>	<b>3.5%</b>	<b>100.0%</b>	<b>22 582.0</b>	<b>23 585.2</b>	<b>24 759.4</b>	<b>3.0%</b>	<b>100.0%</b>
Change to 2022 Budget estimate				2.5			(369.6)	434.4	571.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>173.0</b>	<b>76.2</b>	<b>232.2</b>	<b>221.8</b>	<b>8.6%</b>	<b>0.8%</b>	<b>226.1</b>	<b>97.0</b>	<b>102.0</b>	<b>-22.8%</b>	<b>0.7%</b>
Compensation of employees	23.7	23.5	23.3	30.2	8.4%	0.1%	30.2	31.0	33.0	3.0%	0.1%
Goods and services	149.3	52.6	208.9	191.6	8.7%	0.7%	195.9	66.0	69.0	-28.9%	0.6%
of which:											
Minor assets	2.1	–	–	6.1	43.4%	–	6.3	4.6	4.8	-8.0%	–
Consultants: Business and advisory services	87.2	48.9	206.2	118.6	10.8%	0.5%	120.8	25.5	22.5	-42.5%	0.3%
Contractors	0.1	0.1	–	2.5	248.0%	–	2.6	1.9	1.9	-8.0%	–
Fleet services (including government motor transport)	0.7	0.2	0.1	1.7	36.5%	–	1.9	1.5	1.6	-2.1%	–
Consumable supplies	53.7	1.8	–	47.1	-4.2%	0.1%	47.9	19.8	24.8	-19.3%	0.1%
Travel and subsistence	0.1	1.4	1.7	13.0	383.0%	–	13.7	10.5	11.0	-5.3%	0.1%
<b>Transfers and subsidies</b>	<b>19 532.0</b>	<b>20 328.4</b>	<b>20 143.2</b>	<b>21 085.6</b>	<b>2.6%</b>	<b>95.1%</b>	<b>21 143.8</b>	<b>22 014.9</b>	<b>23 001.2</b>	<b>2.9%</b>	<b>93.2%</b>
Provinces and municipalities	19 531.8	20 328.4	20 143.0	21 085.6	2.6%	95.1%	21 143.8	22 014.9	23 001.2	2.9%	93.2%
Households	0.1	–	0.2	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>708.8</b>	<b>783.9</b>	<b>636.4</b>	<b>1 334.2</b>	<b>23.5%</b>	<b>4.1%</b>	<b>1 212.1</b>	<b>1 473.3</b>	<b>1 656.2</b>	<b>7.5%</b>	<b>6.1%</b>
Buildings and other fixed structures	592.0	740.1	591.3	1 083.5	22.3%	3.5%	1 194.7	1 406.8	1 571.3	13.2%	5.6%
Machinery and equipment	116.7	43.8	45.1	250.7	29.0%	0.5%	17.4	66.5	84.9	-30.3%	0.4%
<b>Total</b>	<b>20 413.7</b>	<b>21 188.5</b>	<b>21 011.8</b>	<b>22 641.6</b>	<b>3.5%</b>	<b>100.0%</b>	<b>22 582.0</b>	<b>23 585.2</b>	<b>24 759.4</b>	<b>3.0%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	40.2%	36.5%	32.3%	35.1%	–	–	37.6%	37.8%	37.9%	–	–

**Table 18.14 Hospital Systems expenditure trends and estimates by subprogramme and economic classification (continued)**

Details of transfers and subsidies		Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2019/20	2020/21	2021/22		2019/20	2022/23	2023/24	2024/25	2025/26		
R million												
Households												
Social benefits												
Current		0.1	–	0.2	–	-100.0%	–	–	–	–	–	–
Employee social benefits		0.1	–	0.2	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities												
Provinces												
Provincial revenue funds												
Current		13 185.5	14 013.2	13 707.8	14 306.1	2.8%	64.8%	14 023.9	14 653.8	15 310.2	2.3%	62.3%
National tertiary services grant		13 185.5	14 013.2	13 707.8	14 306.1	2.8%	64.8%	14 023.9	14 653.8	15 310.2	2.3%	62.3%
Capital		6 346.3	6 315.3	6 435.2	6 779.5	2.2%	30.4%	7 119.9	7 361.2	7 691.0	4.3%	30.9%
Health facility revitalisation grant		6 346.3	6 315.3	6 435.2	6 779.5	2.2%	30.4%	7 119.9	7 361.2	7 691.0	4.3%	30.9%

## Personnel information

**Table 18.15 Hospital Systems personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22			2022/23			2023/24			2024/25			2025/26			2022/23 - 2025/26		
Hospital Systems		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	42	–	28	23.3	0.8	36	30.4	0.8	36	30.2	0.8	35	31.0	0.9	37	33.0	0.9	0.9%	100.0%
1 – 6	8	–	5	1.6	0.3	6	2.1	0.3	6	2.0	0.3	6	2.1	0.4	6	2.2	0.4	–	16.7%
7 – 10	12	–	8	4.5	0.6	11	6.4	0.6	11	6.3	0.6	11	6.7	0.6	12	7.5	0.6	2.9%	31.3%
11 – 12	12	–	8	8.2	1.0	11	11.3	1.0	11	11.3	1.0	10	10.8	1.1	11	11.9	1.1	–	29.9%
13 – 16	10	–	7	8.9	1.3	8	10.7	1.3	8	10.7	1.3	8	11.3	1.4	8	11.5	1.4	–	22.2%

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

2. Rand million.

## Programme 6: Health System Governance and Human Resources

### Programme purpose

Develop policies and systems for the planning, managing and training of health sector human resources, and for planning, monitoring, evaluation and research in the sector. Provide oversight to all public entities in the sector and statutory health professional councils in South Africa.

### Objectives

- Improve the quality and safety of care by ensuring that 400 primary health care facilities and 300 hospitals implement the quality improvement programme by March 2026.
- Improve the quality and safety of care by supporting the development of curriculums for nurse/midwifery specialist training in 9 nursing colleges by March 2024.
- Monitor the compliance of public entities and statutory health councils with applicable legislation, policies and guidelines by producing biannual governance reports over the medium term.
- Improve food safety by finalising and gazetting food labelling regulations by March 2025.

### Subprogrammes

- *Programme Management* supports and provides leadership for health workforce programmes, key governance functions such as planning and monitoring, public entity oversight, and forensic chemistry laboratories.
- *Policy and Planning* provides advisory and strategic technical assistance on policy and planning, coordinates the planning system of the health sector, and supports policy analysis and implementation.
- *Public Entities Management and Laboratories* supports the executive authority's oversight function and provides guidance to health entities and statutory councils that fall within the mandate of health legislation

with regards to planning and budget procedures, performance and financial reporting, remuneration, governance and accountability.

- *Nursing Services* develops and monitors the implementation of a policy framework for the development of required nursing skills and capacity to deliver effective nursing services.
- *Health Information, Monitoring and Evaluation* develops and maintains an integrated national health information system, commissions and coordinates research, and monitors and evaluates departmental performance and strategic health programmes.
- *Human Resources for Health* is responsible for medium-term to long-term health workforce planning, development and management in the public health sector. This entails facilitating the implementation of the national human resources for health strategy, health workforce capacity development for sustainable service delivery, the coordination of transversal human resources management policies, and the provision of in-service training for health workers. This subprogramme is responsible for the *human resources and training grant*.

## Expenditure trends and estimates

**Table 18.16 Health System Governance and Human Resources expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Programme Management	5.9	5.3	5.4	8.2	12.0%	0.1%	8.1	8.5	8.8	2.1%	0.1%
Policy and Planning	6.1	5.4	5.8	7.1	5.4%	0.1%	7.3	7.9	8.3	5.0%	0.1%
Public Entities Management and Laboratories	1 986.7	2 234.2	1 982.3	1 954.6	-0.5%	30.8%	1 936.7	2 025.7	2 120.0	2.7%	26.4%
Nursing Services	8.3	7.4	8.6	10.3	7.5%	0.1%	10.1	10.3	10.7	1.4%	0.1%
Health Information, Monitoring and Evaluation	59.5	49.0	37.8	71.9	6.5%	0.8%	72.5	73.2	76.5	2.1%	1.0%
Human Resources for Health	3 885.5	4 360.0	4 320.7	5 471.3	12.1%	68.1%	5 502.0	5 388.8	5 630.2	1.0%	72.3%
<b>Total</b>	<b>5 951.9</b>	<b>6 661.3</b>	<b>6 360.5</b>	<b>7 523.5</b>	<b>8.1%</b>	<b>100.0%</b>	<b>7 536.8</b>	<b>7 514.4</b>	<b>7 854.4</b>	<b>1.4%</b>	<b>100.0%</b>
Change to 2022 Budget estimate				4.2			13.7	14.1	18.2		
<b>Economic classification</b>											
<b>Current payments</b>	<b>293.0</b>	<b>318.5</b>	<b>250.6</b>	<b>200.9</b>	<b>-11.8%</b>	<b>4.0%</b>	<b>203.3</b>	<b>208.3</b>	<b>218.5</b>	<b>2.8%</b>	<b>2.7%</b>
Compensation of employees	184.5	187.7	185.5	108.3	-16.3%	2.5%	108.6	111.9	117.9	2.9%	1.5%
Goods and services	108.5	130.8	65.2	92.6	-5.2%	1.5%	94.7	96.3	100.6	2.8%	1.3%
of which:											
Audit costs: External	4.2	2.8	2.6	2.5	-15.8%	-	2.8	3.0	3.1	6.8%	-
Consultants: Business and advisory services	42.4	50.2	24.0	46.9	3.4%	0.6%	48.2	50.3	52.6	3.9%	0.7%
Contractors	27.8	10.5	11.2	13.3	-21.8%	0.2%	9.1	7.1	7.4	-17.7%	0.1%
Fleet services (including government motor transport)	3.3	0.9	1.7	3.0	-2.8%	-	3.4	3.5	3.7	6.4%	-
Travel and subsistence	-	5.1	6.9	10.5	-	0.1%	11.6	12.1	12.6	6.2%	0.2%
Operating payments	1.2	2.3	2.5	2.8	33.9%	-	3.0	3.2	3.3	5.9%	-
<b>Transfers and subsidies</b>	<b>5 656.0</b>	<b>6 324.5</b>	<b>6 109.6</b>	<b>7 317.5</b>	<b>9.0%</b>	<b>95.9%</b>	<b>7 325.4</b>	<b>7 297.6</b>	<b>7 627.0</b>	<b>1.4%</b>	<b>97.2%</b>
Provinces and municipalities	3 846.1	4 309.3	4 297.7	5 449.1	12.3%	67.6%	5 479.0	5 366.5	5 606.9	1.0%	72.0%
Departmental agencies and accounts	1 809.6	2 015.0	1 810.7	1 868.4	1.1%	28.3%	1 846.4	1 931.0	2 020.0	2.6%	25.2%
Households	0.3	0.2	1.2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.9</b>	<b>18.3</b>	<b>0.3</b>	<b>5.1</b>	<b>21.6%</b>	<b>0.1%</b>	<b>8.1</b>	<b>8.5</b>	<b>8.9</b>	<b>20.1%</b>	<b>0.1%</b>
Machinery and equipment	2.9	18.3	0.3	5.1	21.6%	0.1%	8.1	8.5	8.9	20.1%	0.1%
<b>Total</b>	<b>5 951.9</b>	<b>6 661.3</b>	<b>6 360.5</b>	<b>7 523.5</b>	<b>8.1%</b>	<b>100.0%</b>	<b>7 536.8</b>	<b>7 514.4</b>	<b>7 854.4</b>	<b>1.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	11.7%	11.5%	9.8%	11.7%	-	-	12.5%	12.0%	12.0%	-	-

**Table 18.16 Health System Governance and Human Resources expenditure trends and estimates by subprogramme and economic classification (continued)**

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
		2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>												
		0.3	0.2	1.2	–	-100.0%	–	–	–	–	–	–
Employee social benefits		0.3	0.2	1.2	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>												
		1 805.5	2 011.0	1 809.2	1 866.9	1.1%	28.3%	1 844.7	1 929.2	2 018.1	2.6%	25.2%
South African Medical Research Council		688.3	854.6	855.2	780.6	4.3%	12.0%	797.6	833.5	870.8	3.7%	10.8%
National Health Laboratory Service		791.5	855.6	643.5	772.5	-0.8%	11.6%	725.3	757.9	791.8	0.8%	10.0%
Office of Health Standards Compliance		136.5	137.6	158.0	157.5	4.9%	2.2%	162.7	171.6	181.7	4.9%	2.2%
Council for Medical Schemes		6.0	6.5	6.2	6.3	1.6%	0.1%	6.5	6.8	7.1	4.4%	0.1%
South African Health Products Regulatory Authority		183.3	156.6	146.3	150.0	-6.5%	2.4%	152.6	159.4	166.6	3.6%	2.1%
<b>Provinces and municipalities</b>												
<b>Provinces</b>												
<b>Provincial revenue funds</b>												
<b>Current</b>												
		3 846.1	4 309.3	4 297.7	5 449.1	12.3%	67.6%	5 479.0	5 366.5	5 606.9	1.0%	72.0%
Human resources capacitation grant		905.7	–	–	–	-100.0%	3.4%	–	–	–	–	–
Human resources and training grant		–	4 309.3	4 297.7	5 449.1	–	53.0%	5 479.0	5 366.5	5 606.9	1.0%	72.0%
Health professionals training and development grant		2 940.4	–	–	–	-100.0%	11.1%	–	–	–	–	–
<b>Departmental agencies and accounts</b>												
<b>Social security funds</b>												
<b>Current</b>												
		4.1	4.1	1.4	1.5	-27.5%	–	1.7	1.8	1.9	7.0%	–
Mines and Works Compensation Fund		4.1	4.1	1.4	1.5	-27.5%	–	1.7	1.8	1.9	7.0%	–

## Personnel information

**Table 18.17 Health System Governance and Human Resources personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2023		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment										Average growth rate (%)	Average: Salary level/ Total (%)						
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate												
		2021/22		2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26						
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
<b>Health System Governance and Human Resources</b>																			
Salary level	204	–	309	185.5	0.6	165	108.3	0.7	169	108.6	0.6	167	111.9	0.7	171	117.9	0.7	1.1%	100.0%
1 – 6	96	–	142	45.2	0.3	71	23.6	0.3	74	24.3	0.3	74	25.8	0.3	76	27.1	0.4	2.6%	44.0%
7 – 10	65	–	101	57.0	0.6	51	27.5	0.5	51	27.2	0.5	50	28.4	0.6	50	29.0	0.6	-0.7%	30.2%
11 – 12	22	–	34	37.5	1.1	22	25.2	1.1	22	25.1	1.1	22	26.6	1.2	22	27.0	1.2	–	13.3%
13 – 16	21	–	32	45.8	1.4	21	32.0	1.5	21	32.1	1.5	20	31.1	1.6	22	34.8	1.6	1.4%	12.6%

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

2. Rand million.

## Entities

### Council for Medical Schemes

#### Selected performance indicators

**Table 18.18 Council for Medical Schemes performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of interim rule amendments processed within 14 working days of receipt of all information per year	Regulations	Priority 3: Education, skills and health	92.6% (88/95)	96.8% (91/94)	97.5% (117/120)	80%	80%	80%	80%

**Table 18.18 Council for Medical Schemes performance indicators by programme/objective/activity and related priority (continued)**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of annual rule amendments processed before 31 December of each year	Regulations	Priority 3: Education, skills and health	100% (77)	100% (74)	100% (92)	90%	90%	90%	90%
Percentage of broker and broker organisation applications accredited within 30 working days on receipt of complete information per year	Regulations		74.4% (4 308/ 5 787)	84.8% (3 861/ 4 554)	92.6% (5 487/ 5 928)	80%	80%	80%	80%
Percentage of governance interventions implemented per year	Regulations		100% (102)	100% (93)	100% (31)	70%	70%	70%	70%
Number of research and support projects published in support of the national health policy per year	Policy, research and monitoring		15	12	12	17	17	17	17

### Entity overview

The Council for Medical Schemes was established in terms of the Medical Schemes Act (1998) as the 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 medical scheme 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.

The council plays a significant role in supporting the department and coordinating the medical industry's efforts towards realising universal health coverage. Over the MTEF period, the council aims to complete a review of the prescribed minimum benefits that all medical schemes must cover, promote the consolidation of options and medical schemes, and support presidential health compact activities related to the standardisation of health care technology, infrastructure and architecture.

Total expenditure is expected to increase at average annual rate of 4.7 per cent, from R193.4 million in 2022/23 to R221.9 million in 2025/26. The council expects to generate an estimated 95.2 per cent (R616.4 million) of its revenue over the medium term through the collection of levies from medical schemes and 3.2 per cent (R20.4 million) through transfers from the department. Revenue is set to increase in line with spending.

### Programmes/Objectives/Activities

**Table 18.19 Council for Medical Schemes expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
Administration	114.7	120.5	100.0	111.4	-1.0%	59.5%	120.4	120.2	124.2	3.7%	57.0%
Accreditation	9.5	7.7	7.4	—	-100.0%	3.3%	—	—	—	—	—
Benefit management	7.1	5.4	4.9	—	-100.0%	2.3%	—	—	—	—	—
Complaints adjudication	7.7	8.7	8.4	—	-100.0%	3.4%	—	—	—	—	—
Compliance and investigation	15.4	11.8	10.2	—	-100.0%	5.0%	—	—	—	—	—
Financial supervision	13.3	11.6	10.5	—	-100.0%	4.7%	—	—	—	—	—
Research and monitoring	8.5	6.2	6.8	—	-100.0%	2.9%	—	—	—	—	—
Stakeholder relations	13.6	8.6	8.5	—	-100.0%	4.1%	—	—	—	—	—
Strategy office	13.3	9.9	7.9	—	-100.0%	4.1%	—	—	—	—	—
Strategy, performance and risk	—	—	—	5.7	—	0.7%	2.8	3.0	3.1	-18.3%	1.8%
Regulation	—	—	—	40.9	—	5.3%	43.6	45.7	48.3	5.7%	21.3%
Policy, research and monitoring	—	—	—	9.7	—	1.3%	12.9	13.9	14.7	14.8%	6.1%
Member protection	—	—	—	25.7	—	3.3%	28.8	29.9	31.6	7.1%	13.9%
<b>Total</b>	<b>203.0</b>	<b>190.3</b>	<b>164.6</b>	<b>193.4</b>	<b>-1.6%</b>	<b>100.0%</b>	<b>208.4</b>	<b>212.6</b>	<b>221.9</b>	<b>4.7%</b>	<b>100.0%</b>

**Statements of financial performance, cash flow and financial position****Table 18.20 Council for Medical Schemes statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>171.2</b>	<b>178.9</b>	<b>182.5</b>	<b>188.2</b>	<b>3.2%</b>	<b>96.5%</b>	<b>204.4</b>	<b>206.9</b>	<b>216.2</b>	<b>4.7%</b>	<b>96.8%</b>	
Sale of goods and services other than capital assets	167.0	175.6	179.3	185.9	3.6%	94.8%	200.9	203.2	212.3	4.5%	95.2%	
Other non-tax revenue	4.2	3.2	3.2	2.3	-18.1%	1.8%	3.5	3.7	3.9	18.8%	1.6%	
<b>Transfers received</b>	<b>6.7</b>	<b>6.7</b>	<b>6.2</b>	<b>6.3</b>	<b>-2.2%</b>	<b>3.5%</b>	<b>6.5</b>	<b>6.8</b>	<b>7.1</b>	<b>4.4%</b>	<b>3.2%</b>	
<b>Total revenue</b>	<b>177.9</b>	<b>185.5</b>	<b>188.8</b>	<b>194.5</b>	<b>3.0%</b>	<b>100.0%</b>	<b>210.9</b>	<b>213.7</b>	<b>223.3</b>	<b>4.7%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>203.0</b>	<b>190.3</b>	<b>164.6</b>	<b>193.4</b>	<b>-1.6%</b>	<b>100.0%</b>	<b>208.4</b>	<b>212.6</b>	<b>221.9</b>	<b>4.7%</b>	<b>100.0%</b>	
Compensation of employees	115.1	113.2	106.3	121.4	1.8%	60.9%	135.1	140.7	149.3	7.2%	65.3%	
Goods and services	83.3	73.9	55.4	72.0	-4.7%	37.7%	73.3	71.9	72.6	0.2%	34.7%	
Depreciation	4.6	3.2	2.9	0.0	-78.3%	1.4%	-	-	-	-100.0%	-	
<b>Total expenses</b>	<b>203.0</b>	<b>190.3</b>	<b>164.6</b>	<b>193.4</b>	<b>-1.6%</b>	<b>100.0%</b>	<b>208.4</b>	<b>212.6</b>	<b>221.9</b>	<b>4.7%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(25.2)</b>	<b>(4.8)</b>	<b>24.1</b>	<b>1.0</b>	<b>-134.1%</b>		<b>2.5</b>	<b>1.1</b>	<b>1.4</b>	<b>11.9%</b>		
<b>Cash flow statement</b>												
<b>Cash flow from operating activities</b>	<b>(18.6)</b>	<b>5.0</b>	<b>14.5</b>	<b>1.1</b>	<b>-138.8%</b>	<b>100.0%</b>	<b>2.5</b>	<b>1.1</b>	<b>1.4</b>	<b>9.8%</b>	<b>100.0%</b>	
<b>Receipts</b>												
<b>Non-tax receipts</b>	<b>170.3</b>	<b>172.3</b>	<b>189.8</b>	<b>188.2</b>	<b>3.4%</b>	<b>96.4%</b>	<b>204.4</b>	<b>206.9</b>	<b>216.2</b>	<b>4.7%</b>	<b>96.8%</b>	
Sales of goods and services other than capital assets	167.0	170.6	187.5	185.9	3.6%	95.1%	200.9	203.2	212.3	4.5%	95.2%	
Other tax receipts	3.3	1.6	2.4	2.3	-11.4%	1.3%	3.5	3.7	3.9	18.8%	1.6%	
<b>Transfers received</b>	<b>6.7</b>	<b>6.7</b>	<b>6.2</b>	<b>6.3</b>	<b>-2.2%</b>	<b>3.5%</b>	<b>6.5</b>	<b>6.8</b>	<b>7.1</b>	<b>4.4%</b>	<b>3.2%</b>	
<b>Financial transactions in assets and liabilities</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total receipts</b>	<b>177.9</b>	<b>178.9</b>	<b>196.1</b>	<b>194.5</b>	<b>3.0%</b>	<b>100.0%</b>	<b>210.9</b>	<b>213.7</b>	<b>223.3</b>	<b>4.7%</b>	<b>100.0%</b>	
<b>Payment</b>												
<b>Current payments</b>	<b>196.5</b>	<b>173.9</b>	<b>181.5</b>	<b>193.4</b>	<b>-0.5%</b>	<b>100.0%</b>	<b>208.4</b>	<b>212.6</b>	<b>221.9</b>	<b>4.7%</b>	<b>100.0%</b>	
Compensation of employees	115.1	111.4	116.4	121.4	1.8%	62.4%	135.1	140.7	149.3	7.2%	65.3%	
Goods and services	81.4	62.6	65.1	72.0	-4.0%	37.6%	73.3	71.9	72.6	0.2%	34.7%	
<b>Total payments</b>	<b>196.5</b>	<b>173.9</b>	<b>181.5</b>	<b>193.4</b>	<b>-0.5%</b>	<b>100.0%</b>	<b>208.4</b>	<b>212.6</b>	<b>221.9</b>	<b>4.7%</b>	<b>100.0%</b>	
<b>Net cash flow from investing activities</b>	<b>(3.1)</b>	<b>(4.7)</b>	<b>(1.6)</b>	<b>(1.1)</b>	<b>-29.5%</b>	<b>100.0%</b>	<b>(2.5)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>9.8%</b>	<b>100.0%</b>	
Acquisition of property, plant, equipment and intangible assets	(2.4)	(0.8)	(0.8)	(1.0)	-24.0%	60.1%	(2.5)	(1.1)	(1.4)	11.4%	98.9%	
Acquisition of software and other intangible assets	(0.8)	(0.1)	(0.6)	(0.0)	-60.7%	17.9%	-	-	-	-100.0%	1.1%	
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	-	0.0	-	-100.0%	-0.3%	-	-	-	-	-	
Other flows from investing activities	-	(3.8)	(0.1)	-	-	22.3%	-	-	-	-	-	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(21.7)</b>	<b>0.2</b>	<b>12.9</b>	<b>(0.0)</b>	<b>-100.0%</b>	<b>-0.7%</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>50.3%</b>	<b>-</b>	
<b>Statement of financial position</b>												
Carrying value of assets	14.7	12.4	10.9	34.0	32.2%	42.4%	35.5	35.5	35.5	1.5%	43.1%	
<i>of which:</i>												
<b>Acquisition of assets</b>	<b>(2.4)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(1.0)</b>	<b>-24.0%</b>	<b>100.0%</b>	<b>(2.5)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>11.4%</b>	<b>100.0%</b>	
Investments	-	3.8	4.0	-	-	5.6%	-	-	-	-	-	
Loans	0.0	-	-	0.1	93.7%	-	0.1	0.1	0.1	1.5%	0.1%	
Accrued investment interest	0.0	-	-	0.0	23.6%	-	0.0	0.0	0.0	1.5%	-	
Receivables and prepayments	4.9	11.9	4.2	10.8	30.2%	20.2%	11.3	11.3	11.3	1.5%	13.7%	
Cash and cash equivalents	4.9	5.2	18.1	33.9	90.2%	31.8%	35.5	35.5	35.5	1.5%	43.1%	
<b>Total assets</b>	<b>24.5</b>	<b>33.3</b>	<b>37.2</b>	<b>78.8</b>	<b>47.6%</b>	<b>100.0%</b>	<b>82.3</b>	<b>82.3</b>	<b>82.3</b>	<b>1.5%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	(17.6)	(21.9)	2.3	51.6	-243.0%	-16.5%	43.5	43.5	43.5	-5.5%	56.0%	
Capital reserve fund	2.1	2.1	2.1	0.9	-23.3%	5.4%	1.0	1.0	1.0	1.5%	1.2%	
Finance lease	-	-	-	-	-	-	-	-	10.3	-	3.1%	
Trade and other payables	33.3	46.1	26.7	21.4	-13.7%	93.3%	32.7	32.7	22.4	1.5%	33.5%	
Provisions	6.8	7.0	6.2	4.9	-10.4%	17.9%	5.1	5.1	3.4	-11.1%	5.7%	
Derivatives financial instruments	-	-	-	-	-	-	-	-	1.7	-	0.5%	
<b>Total equity and liabilities</b>	<b>24.5</b>	<b>33.3</b>	<b>37.2</b>	<b>78.8</b>	<b>47.6%</b>	<b>100.0%</b>	<b>82.3</b>	<b>82.3</b>	<b>82.3</b>	<b>1.5%</b>	<b>100.0%</b>	

## Personnel information

**Table 18.21 Council for Medical Schemes personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023			Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26	
			2021/22		2022/23		2023/24			2024/25			2025/26						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
<b>Council for Medical Schemes</b>	<b>132</b>	<b>153</b>	<b>127</b>	<b>106.3</b>	<b>0.8</b>	<b>133</b>	<b>121.4</b>	<b>0.9</b>	<b>140</b>	<b>135.1</b>	<b>1.0</b>	<b>137</b>	<b>140.7</b>	<b>1.0</b>	<b>137</b>	<b>149.3</b>	<b>1.1</b>	<b>1.0%</b>	<b>100.0%</b>
Salary level																			
1 – 6	9	11	9	1.4	0.2	9	1.4	0.2	9	1.7	0.2	9	1.8	0.2	9	1.9	0.2	–	6.6%
7 – 10	48	54	48	25.9	0.5	49	26.6	0.5	55	35.2	0.6	53	37.5	0.7	53	39.1	0.7	2.7%	38.4%
11 – 12	30	36	30	27.0	0.9	30	27.8	0.9	30	33.3	1.1	30	34.7	1.2	30	36.3	1.2	–	21.9%
13 – 16	38	45	36	44.7	1.2	39	51.2	1.3	39	49.8	1.3	39	50.9	1.3	39	55.5	1.4	–	28.5%
17 – 22	7	7	4	7.3	1.8	6	14.3	2.4	7	15.2	2.2	6	15.9	2.6	6	16.6	2.8	–	4.6%

1. Rand million.

## Mines and Works Compensation Fund

### Selected performance indicators

**Table 18.22 Mines and Works Compensation Fund performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of controlled mines and works inspected per year	Administration		81	41	139	77	77	77	77
Percentage of claims finalised per year within 90 days of receipt of all completed claim documents	Administration		– <sup>1</sup>	82% (4 372/ 5 354)	90% (5 543/ 6 155)	70%	80%	90%	90%
Annual reports, including annual financial statements of the Mines and Works Compensation Fund, submitted to the Auditor-General per year	Administration		2015/16 and 2016/17 annual reports and annual financial statements	2017/18 and 2018/19 annual reports and annual financial statements	2019/20 and 2020/21 annual reports and annual financial statements	2021/22 annual report and annual financial statements	2022/23 annual report and annual financial statements	2023/24 annual report and annual financial statements	2024/25 annual report and annual financial statements
Percentage of controlled mines and works liable for the payment of levies to the Mines and Works Compensation Fund per year	Administration	Priority 3: Education, skills and health	70% (2 021/ 2 894)	65% (1 907/ 2 928)	83% (2 111/ 2 537)	80%	80%	80%	80%
Number of certifications finalised on the mineworkers compensation system per year	Compensation of examiners		13 874	13 084	5 969	13 200	14 100	15 000	15 000
Number of benefit payments made by the Compensation Commissioner for Occupational Diseases in Mines and Works per year	Compensation of examiners		– <sup>1</sup>	4 212	4 678	7 600	8 100	8 600	8 600
Number of claims finalised by the Compensation Commissioner for Occupational Diseases in Mines and Works per year	Compensation of examiners		7 291	5 354	6 155	8 470	9 035	9 600	9 600

### Entity overview

The Mines and Works Compensation Fund was established in terms of the Occupational Diseases in Mines and Works Act (1973). It is not yet listed as a public entity and the administration of the fund is done by the department, but legislation is being prepared to formally establish it as a schedule 3A public entity. The act mandates the fund to collect levies from controlled mines and works; compensate workers, former workers and the dependants of deceased workers in controlled mines and works who have developed occupational diseases in their cardiorespiratory organs; and reimburse workers for any loss of earnings while being treated for TB.

Over the MTEF period, the fund will focus on increasing the number of benefit payments made from 7 600 in 2022/23 to 8 600 in 2025/26 and the number of certifications finalised from 13 200 to 15 000 over the same period. Beneficiary payments are expected to increase from R449.8 million in 2022/23 to R543.3 million in 2025/26 at an average annual rate of 6.5 per cent, mainly driven by the unwinding adjustment on the provision for the outstanding claims liability, which increases from R312.2 million in 2022/23 to R396.5 million in 2025/26.

Over the medium term, the fund expects to derive 74.4 per cent (R1.2 billion) of its revenue through interest received from investments and 25.6 per cent (R399.9 million) through the levies it receives from controlled mines and works. Revenue is expected to increase at an average annual rate of 7.8 per cent, from R433.1 million in 2022/23 to R542.3 million in 2025/26.

### Programmes/Objectives/Activities

**Table 18.23 Mines and Works Compensation Fund expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	93.3	290.3	–	–	-100.0%	23.7%	–	–	–	–	–
Compensation of pensioners	1.0	0.8	0.5	0.4	-27.4%	0.2%	0.3	0.2	0.2	-19.3%	0.1%
Compensation of ex-miners	159.8	169.8	271.3	449.4	41.2%	72.8%	471.6	506.0	543.1	6.5%	99.9%
Compensation for TB	38.7	–	–	–	-100.0%	3.3%	–	–	–	–	–
<b>Total</b>	<b>292.7</b>	<b>461.0</b>	<b>271.8</b>	<b>449.8</b>	<b>15.4%</b>	<b>100.0%</b>	<b>471.9</b>	<b>506.3</b>	<b>543.3</b>	<b>6.5%</b>	<b>100.0%</b>

### Statements of financial performance, cash flow and financial position

**Table 18.24 Mines and Works Compensation Fund statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
<b>Revenue</b>											
Tax revenue	114.5	107.0	128.2	126.3	3.3%	26.9%	126.8	133.2	139.8	3.5%	25.6%
Non-tax revenue	660.0	212.5	294.0	306.4	-22.6%	72.9%	404.9	435.0	402.2	9.5%	74.4%
Other non-tax revenue	660.0	212.5	294.0	306.4	-22.6%	72.9%	404.9	435.0	402.2	9.5%	74.4%
Transfers received	1.0	0.8	0.5	0.4	-27.8%	0.1%	0.3	0.2	0.2	-20.0%	0.1%
<b>Total revenue</b>	<b>775.5</b>	<b>320.3</b>	<b>422.7</b>	<b>433.1</b>	<b>-17.7%</b>	<b>100.0%</b>	<b>532.0</b>	<b>568.4</b>	<b>542.3</b>	<b>7.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
Current expenses	93.3	460.2	271.3	449.4	68.9%	82.9%	471.6	506.0	543.1	6.5%	99.9%
Goods and services	9.4	174.8	9.0	137.3	144.8%	18.7%	133.3	139.8	146.6	2.2%	28.3%
Interest, dividends and rent on land	83.9	285.3	262.3	312.2	54.9%	64.1%	338.3	366.2	396.5	8.3%	71.6%
Transfers and subsidies	199.5	0.8	0.5	0.4	-87.7%	17.1%	0.3	0.2	0.2	-19.9%	0.1%
<b>Total expenses</b>	<b>292.7</b>	<b>461.0</b>	<b>271.8</b>	<b>449.8</b>	<b>15.4%</b>	<b>100.0%</b>	<b>471.9</b>	<b>506.3</b>	<b>543.3</b>	<b>6.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>482.8</b>	<b>(140.6)</b>	<b>151.0</b>	<b>(16.8)</b>	<b>-132.6%</b>		<b>60.1</b>	<b>62.1</b>	<b>(1.1)</b>	<b>-59.7%</b>	
<b>Cash flow statement</b>											
Cash flow from operating activities	205.6	234.6	153.6	281.7	11.1%	100.0%	371.2	399.5	365.2	9.0%	100.0%
<b>Receipts</b>											
Tax receipts	110.5	95.9	127.9	126.4	4.6%	30.6%	126.8	132.7	139.4	3.3%	25.7%
Non-tax receipts	304.4	317.1	169.5	302.9	-0.2%	69.4%	401.3	431.4	398.7	9.6%	74.3%
Other tax receipts	304.4	317.1	169.5	302.9	-0.2%	69.4%	401.3	431.4	398.7	9.6%	74.3%
<b>Total receipts</b>	<b>414.9</b>	<b>413.0</b>	<b>297.4</b>	<b>429.3</b>	<b>1.1%</b>	<b>100.0%</b>	<b>528.1</b>	<b>564.1</b>	<b>538.1</b>	<b>7.8%</b>	<b>100.0%</b>
<b>Payment</b>											
Current payments	4.2	7.8	6.1	4.3	0.2%	3.4%	6.5	6.8	7.2	19.0%	3.8%
Goods and services	1.3	5.0	2.9	0.9	-12.6%	1.5%	2.9	3.1	3.2	55.3%	1.6%
Interest and rent on land	2.9	2.8	3.2	3.4	4.9%	1.9%	3.6	3.7	3.9	5.0%	2.3%
Transfers and subsidies	205.0	170.6	137.7	143.3	-11.3%	96.6%	150.4	157.8	165.7	4.9%	96.2%
<b>Total payments</b>	<b>209.3</b>	<b>178.4</b>	<b>143.8</b>	<b>147.6</b>	<b>-11.0%</b>	<b>100.0%</b>	<b>156.9</b>	<b>164.7</b>	<b>172.8</b>	<b>5.4%</b>	<b>100.0%</b>
<b>Net cash flow from investing activities</b>	<b>(205.2)</b>	<b>(193.7)</b>	<b>(164.0)</b>	<b>(302.9)</b>	<b>13.9%</b>	<b>100.0%</b>	<b>(401.3)</b>	<b>(381.4)</b>	<b>(398.7)</b>	<b>9.6%</b>	<b>100.0%</b>
Other flows from investing activities	(205.2)	(193.7)	(164.0)	(302.9)	13.9%	100.0%	(401.3)	(381.4)	(398.7)	9.6%	100.0%
<b>Net cash flow from financing activities</b>	<b>4.1</b>	<b>4.1</b>	<b>1.4</b>	<b>1.5</b>	<b>-27.5%</b>	<b>100.0%</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>5.5%</b>	<b>100.0%</b>
Deferred income	4.1	4.1	1.4	1.5	-27.5%	100.0%	1.7	1.8	1.8	5.5%	100.0%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4.5</b>	<b>45.0</b>	<b>(9.0)</b>	<b>(19.6)</b>	<b>-263.6%</b>	<b>0.9%</b>	<b>(28.4)</b>	<b>19.9</b>	<b>(31.7)</b>	<b>17.3%</b>	<b>-3.1%</b>



**Table 18.24 Mines and Works Compensation Fund statements of financial performance, cash flow and financial position (continued)**

Statement of financial position				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2022/23				2019/20 - 2022/23	2023/24	2024/25		
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26	2022/23 - 2025/26
Investments	4 755.8	4 852.5	5 055.3	5 351.6	4.0%	98.2%	5 753.0	6 134.4	6 533.1	6.9%	99.0%
Receivables and prepayments	13.5	14.5	9.3	9.2	-12.0%	0.2%	9.2	9.7	10.2	3.5%	0.2%
Cash and cash equivalents	53.6	98.6	89.6	70.0	9.3%	1.5%	41.6	61.5	29.9	-24.7%	0.9%
<b>Total assets</b>	<b>4 822.9</b>	<b>4 965.7</b>	<b>5 154.3</b>	<b>5 430.8</b>	<b>4.0%</b>	<b>100.0%</b>	<b>5 803.8</b>	<b>6 205.6</b>	<b>6 573.1</b>	<b>6.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 591.4	1 450.8	1 601.7	1 585.0	-0.1%	30.6%	1 645.0	1 707.2	1 706.1	2.5%	27.7%
Trade and other payables	110.0	118.4	121.5	126.1	4.6%	2.3%	131.1	136.4	141.9	4.0%	2.2%
Provisions	3 121.5	3 396.5	3 431.0	3 719.8	6.0%	67.0%	4 027.7	4 362.1	4 725.1	8.3%	70.0%
<b>Total equity and liabilities</b>	<b>4 822.9</b>	<b>4 965.7</b>	<b>5 154.3</b>	<b>5 430.8</b>	<b>4.0%</b>	<b>100.0%</b>	<b>5 803.8</b>	<b>6 205.6</b>	<b>6 573.1</b>	<b>6.6%</b>	<b>100.0%</b>

## National Health Laboratory Service

### Selected performance indicators

**Table 18.25 National Health Laboratory Service performance indicators by programme/objective/activity and related priority**

Indicator	Programme/ Objective/Activity	MTSF priority	Audited performance		Estimated performance		MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of outbreaks responded to per year within 24 hours of notification	Surveillance of communicable diseases	Priority 3: Education, skills and health	100% (33 373)	100% (1 193)	100% (126)	100%	100%	100%	100%
Percentage of occupational and environmental health laboratory tests conducted within the predefined turnaround time per year	Occupational health		93% (15 478/ 16 706)	97% (14 491/ 14 959)	98% (2 839/ 2 906)	90%	90%	90%	90%
Percentage of CD4 tests performed within 40 hours per year	Laboratory tests		94% (2 576 647/ 2 752 726)	95% (2 122 442/ 2 324 176)	93% (2 118 943/ 2 268 494)	94%	95%	95%	95%
Percentage of HIV viral load tests performed within 96 hours per year	Laboratory tests		79% (4 445 591/ 5 631 340)	80% (4 692 425/ 5 838 922)	93% (5 707 235/ 6 125 024)	82%	94%	95%	95%
Percentage of TB GeneXpert tests performed within 40 hours per year	Laboratory tests		94% (1 958 190/ 2 094 401)	95% (1 451 824/ 1 535 865)	94% (2 031 792/ 2 155 430)	93%	94%	95%	95%
Percentage of HIV polymerase chain reaction tests performed within 96 hours per year	Laboratory tests		72% (436 147/ 605 978)	83% (561 792/ 673 596)	90% (631 796/ 703 346)	81%	92%	94%	95%
Percentage of cervical smear tests performed within 5 weeks per year	Laboratory tests		86% (1 729 128/ 2 022 064)	95% (622 123/ 654 225)	97% (732 283/ 755 252)	91%	95%	95%	95%
Total number of national central laboratories accredited by the South African National Accreditation System	Research		51	53	52	53	53	53	53
Percentage of laboratories achieving proficiency testing scheme performance standards of 80% per year	Research		88% (618/ 699)	99% (247/ 249)	99% (250/ 252)	92%	94%	96%	98%
Number of articles published in the peer-reviewed journals per year	Research		600	620	688	660	680	700	720

### Entity overview

The National Health Laboratory Service was established in terms of the National Health Laboratory Service Act (2000), and provides pathology services for the majority of the South African population through its 233 laboratories across the country. This includes forensic chemistry laboratory services, which the service took

over from the department in 2022/23. The service also houses the National Institute for Communicable Diseases and the National Institute for Occupational Health.

Total expenditure is expected to increase at an average annual rate of 9.6 per cent, from R11.6 billion in 2022/23 to R15.3 billion in 2025/26. Laboratory tests are expected to comprise 73.8 per cent (R32 billion) of the service's total spending over the medium term. Expenditure on these tests is projected to increase at an average annual rate of 11.1 per cent due to the projected increase in test volumes other than COVID-19 tests as services normalise. This will result in increased expenditure on material (reagents) and the maintenance of laboratory equipment. Accordingly, the service expects to improve turnaround times for laboratory tests, with the majority of HIV viral load tests set to be completed within 96 hours and TB GeneXpert tests within 40 hours.

The National Institute for Communicable Diseases is responsible for disease surveillance, specialised diagnostic services, outbreak response, public health research and capacity building. To carry out related activities, R1.5 billion is allocated over the next 3 years through the surveillance of communicable diseases programme. The primary responsibility of the National Institute for Occupational Health is to develop and support occupational health initiatives to improve and maintain the health of the South African workforce. It is allocated R551.9 million over the medium term through the occupational health programme.

The service expects to derive 92.4 per cent (R40 billion) of its revenue over the MTEF period through fees charged for laboratory tests and 5.6 per cent (R2.3 billion) through transfers from the department. Laboratory tests are funded through revenue generated from fees charged for the tests. This revenue is expected to increase at an average annual rate of 10.1 per cent, from R10.7 billion in 2022/23 to R14.3 billion in 2025/26, in line with the projected increase in test volumes. The service's research programme and institutes are primarily funded through transfers from the department.

### Programmes/Objectives/Activities

**Table 18.26 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	795.3	886.6	2 834.0	1 805.4	31.4%	13.6%	1 897.8	1 995.5	2 095.3	5.1%	14.3%
Surveillance of communicable diseases	420.4	418.2	401.5	459.9	3.0%	3.9%	483.8	508.7	534.1	5.1%	3.7%
Occupational health	137.8	139.7	135.8	166.0	6.4%	1.3%	174.7	184.0	193.2	5.2%	1.3%
Laboratory tests	7 210.3	10 015.4	9 010.6	8 322.3	4.9%	77.8%	9 978.1	10 640.8	11 415.9	11.1%	73.8%
Research	108.8	227.5	381.6	355.0	48.3%	2.3%	377.9	400.3	420.3	5.8%	2.9%
Forensic chemistry laboratories	–	–	–	490.5	–	1.1%	530.9	566.6	604.6	7.2%	4.0%
<b>Total</b>	<b>8 672.6</b>	<b>11 687.5</b>	<b>12 763.4</b>	<b>11 599.1</b>	<b>10.2%</b>	<b>100.0%</b>	<b>13 443.1</b>	<b>14 295.9</b>	<b>15 263.4</b>	<b>9.6%</b>	<b>100.0%</b>

### Statements of financial performance, cash flow and financial position

**Table 18.27 National Health Laboratory Service statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>8 961.7</b>	<b>10 994.0</b>	<b>12 199.8</b>	<b>10 892.7</b>	<b>6.7%</b>	<b>93.5%</b>	<b>12 776.7</b>	<b>13 610.0</b>	<b>14 551.7</b>	<b>10.1%</b>	<b>94.4%</b>
Sale of goods and services other than capital assets	8 465.2	9 778.6	11 597.6	10 692.2	8.1%	88.0%	12 474.7	13 313.9	14 256.8	10.1%	92.4%
Other non-tax revenue	496.5	1 215.4	602.2	200.5	-26.1%	5.5%	302.0	296.1	294.9	13.7%	2.0%
<b>Transfers received</b>	<b>785.5</b>	<b>758.9</b>	<b>640.1</b>	<b>772.5</b>	<b>-0.6%</b>	<b>6.5%</b>	<b>725.3</b>	<b>757.9</b>	<b>791.8</b>	<b>0.8%</b>	<b>5.6%</b>
<b>Total revenue</b>	<b>9 747.2</b>	<b>11 752.9</b>	<b>12 839.8</b>	<b>11 665.3</b>	<b>6.2%</b>	<b>100.0%</b>	<b>13 502.0</b>	<b>14 367.9</b>	<b>15 343.6</b>	<b>9.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>8 672.6</b>	<b>11 687.5</b>	<b>12 763.4</b>	<b>11 599.1</b>	<b>10.2%</b>	<b>100.0%</b>	<b>13 443.1</b>	<b>14 295.9</b>	<b>15 263.4</b>	<b>9.6%</b>	<b>100.0%</b>
Compensation of employees	3 930.6	4 202.4	4 783.6	5 491.2	11.8%	41.5%	5 929.9	6 350.9	6 801.8	7.4%	45.1%
Goods and services	4 590.7	7 280.7	7 559.7	5 691.0	7.4%	55.9%	7 163.3	7 577.9	8 076.1	12.4%	52.1%
Depreciation	144.9	200.8	411.6	414.8	42.0%	2.5%	337.1	353.6	371.3	-3.6%	2.7%
Interest, dividends and rent on land	6.3	3.6	8.5	2.0	-31.8%	–	12.8	13.4	14.1	92.1%	0.1%
<b>Total expenses</b>	<b>8 672.6</b>	<b>11 687.5</b>	<b>12 763.4</b>	<b>11 599.1</b>	<b>10.2%</b>	<b>100.0%</b>	<b>13 443.1</b>	<b>14 295.9</b>	<b>15 263.4</b>	<b>9.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 074.6</b>	<b>65.4</b>	<b>76.4</b>	<b>66.2</b>	<b>-60.5%</b>		<b>58.8</b>	<b>72.0</b>	<b>80.2</b>	<b>6.6%</b>	

**Table 18.27 National Health Laboratory Service statements of financial performance, cash flow and financial position (continued)**

Cash flow statement	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
	R million										
<b>Cash flow from operating activities</b>	<b>2 038.8</b>	<b>(738.1)</b>	<b>875.1</b>	<b>183.3</b>	<b>-55.2%</b>	<b>100.0%</b>	<b>(285.3)</b>	<b>106.3</b>	<b>108.2</b>	<b>-16.1%</b>	<b>100.0%</b>
<b>Receipts</b>											
<b>Non-tax receipts</b>	<b>9 747.6</b>	<b>10 421.3</b>	<b>12 001.0</b>	<b>10 266.2</b>	<b>1.7%</b>	<b>93.2%</b>	<b>12 061.1</b>	<b>12 847.9</b>	<b>13 737.6</b>	<b>10.2%</b>	<b>93.9%</b>
Sales of goods and services other than capital assets	9 433.7	10 255.5	11 802.1	10 157.6	2.5%	91.5%	11 850.9	12 648.2	13 544.0	10.1%	92.5%
Other tax receipts	313.9	165.8	198.9	108.6	-29.8%	1.8%	210.1	199.6	193.6	21.3%	1.4%
<b>Transfers received</b>	<b>785.5</b>	<b>758.9</b>	<b>640.1</b>	<b>864.4</b>	<b>3.2%</b>	<b>6.8%</b>	<b>725.3</b>	<b>757.9</b>	<b>791.8</b>	<b>-2.9%</b>	<b>6.1%</b>
<b>Total receipts</b>	<b>10 533.1</b>	<b>11 180.2</b>	<b>12 641.0</b>	<b>11 130.7</b>	<b>1.9%</b>	<b>100.0%</b>	<b>12 786.3</b>	<b>13 605.7</b>	<b>14 529.4</b>	<b>9.3%</b>	<b>100.0%</b>
<b>Payment</b>											
<b>Current payments</b>	<b>8 493.5</b>	<b>11 918.3</b>	<b>11 766.0</b>	<b>10 947.3</b>	<b>8.8%</b>	<b>100.0%</b>	<b>13 071.6</b>	<b>13 499.5</b>	<b>14 421.2</b>	<b>9.6%</b>	<b>100.0%</b>
Compensation of employees	3 938.1	4 171.4	4 659.4	4 942.1	7.9%	41.5%	5 929.9	6 350.9	6 801.8	11.2%	46.2%
Goods and services	4 555.3	7 746.8	7 099.0	6 005.3	9.6%	58.5%	7 136.3	7 143.9	7 615.4	8.2%	53.8%
Interest and rent on land	0.1	0.0	7.5	-	-100.0%	-	5.4	4.6	3.9	-	-
<b>Transfers and subsidies</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>8 494.3</b>	<b>11 918.3</b>	<b>11 766.0</b>	<b>10 947.3</b>	<b>8.8%</b>	<b>100.0%</b>	<b>13 071.6</b>	<b>13 499.5</b>	<b>14 421.2</b>	<b>9.6%</b>	<b>100.0%</b>
<b>Net cash flow from investing activities</b>	<b>(112.9)</b>	<b>(388.7)</b>	<b>(319.1)</b>	<b>(660.0)</b>	<b>80.1%</b>	<b>100.0%</b>	<b>(740.0)</b>	<b>(600.0)</b>	<b>(490.0)</b>	<b>-9.5%</b>	<b>100.0%</b>
Acquisition of property, plant, equipment and intangible assets	(109.3)	(386.0)	(318.9)	(650.0)	81.2%	98.6%	(720.0)	(590.0)	(485.0)	-9.3%	98.3%
Acquisition of software and other intangible assets	(4.5)	(2.6)	(0.1)	(10.0)	30.7%	1.5%	(20.0)	(10.0)	(5.0)	-20.6%	1.7%
Proceeds from the sale of property, plant, equipment and intangible assets	0.9	-	-	-	-100.0%	-0.2%	-	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>(28.2)</b>	<b>(26.9)</b>	<b>(24.8)</b>	<b>(24.4)</b>	<b>-4.7%</b>	<b>100.0%</b>	<b>(12.1)</b>	<b>(12.1)</b>	<b>(12.1)</b>	<b>-20.9%</b>	<b>100.0%</b>
Repayment of finance leases	(28.2)	(26.9)	(24.8)	(24.4)	-4.7%	100.0%	(12.1)	(12.1)	(12.1)	-20.9%	100.0%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1 897.7</b>	<b>(1 153.7)</b>	<b>531.2</b>	<b>(501.1)</b>	<b>-164.2%</b>	<b>3.0%</b>	<b>(1 037.4)</b>	<b>(505.8)</b>	<b>(393.8)</b>	<b>-7.7%</b>	<b>-4.5%</b>
<b>Statement of financial position</b>											
Carrying value of assets of which:	1 053.0	1 458.7	1 484.2	1 447.4	11.2%	18.2%	1 629.9	1 715.7	1 805.5	7.6%	28.7%
<i>Acquisition of assets</i>	<i>(109.3)</i>	<i>(386.0)</i>	<i>(318.9)</i>	<i>(650.0)</i>	<i>81.2%</i>	<i>100.0%</i>	<i>(720.0)</i>	<i>(590.0)</i>	<i>(485.0)</i>	<i>-9.3%</i>	<i>100.0%</i>
Inventory	166.1	1 120.8	837.9	1 422.7	104.6%	11.7%	704.9	712.0	719.1	-20.3%	14.6%
Receivables and prepayments	1 715.9	1 847.4	1 979.5	2 302.8	10.3%	26.3%	2 004.2	1 929.0	1 858.1	-6.9%	34.3%
Cash and cash equivalents	4 105.8	2 952.1	3 483.3	2 451.0	-15.8%	43.8%	1 527.1	1 021.3	627.5	-36.5%	22.4%
Taxation	-	-	0.1	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>7 040.8</b>	<b>7 379.1</b>	<b>7 785.0</b>	<b>7 623.9</b>	<b>2.7%</b>	<b>100.0%</b>	<b>5 866.1</b>	<b>5 378.0</b>	<b>5 010.2</b>	<b>-13.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	3 780.5	3 845.9	3 922.3	4 174.4	3.4%	52.7%	1 956.6	1 399.0	953.5	-38.9%	33.3%
Capital and reserves	654.9	654.9	654.9	654.9	-	8.8%	654.9	654.9	654.9	-	11.3%
Finance lease	37.1	18.8	-	23.7	-13.8%	0.3%	-	-	-	-100.0%	0.1%
Deferred income	35.6	113.1	70.9	15.0	-25.0%	0.8%	78.1	82.0	86.1	79.1%	1.2%
Trade and other payables	730.9	1 144.7	1 474.2	1 075.9	13.8%	14.7%	1 156.5	1 214.3	1 275.0	5.8%	20.5%
Taxation	2.1	2.5	1.3	1.5	-11.6%	-	-	-	-	-100.0%	-
Provisions	1 759.9	1 556.6	1 619.6	1 641.0	-2.3%	22.1%	1 962.0	1 966.8	1 976.6	6.4%	32.7%
Derivatives financial instruments	39.7	42.4	41.7	37.5	-1.9%	0.5%	58.1	61.0	64.0	19.5%	1.0%
<b>Total equity and liabilities</b>	<b>7 040.8</b>	<b>7 379.1</b>	<b>7 785.0</b>	<b>7 623.9</b>	<b>2.7%</b>	<b>100.0%</b>	<b>5 866.1</b>	<b>5 378.0</b>	<b>5 010.2</b>	<b>-13.1%</b>	<b>100.0%</b>

**Personnel information****Table 18.28 National Health Laboratory Service personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment										Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)						
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate													
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost								
National Health Laboratory Service			Unit cost		Unit cost		Unit cost		Unit cost		Unit cost		Unit cost						
Salary level	8 733	8 765	8 659	4 783.6	0.6	8 759	5 491.2	0.6	8 801	5 929.9	0.7	8 800	6 350.9	0.7	8 800	6 801.8	0.8	0.2%	100.0%
1 - 6	1 334	1 351	1 313	212.3	0.2	1 353	233.6	0.2	1 353	246.2	0.2	1 353	263.9	0.2	1 353	282.8	0.2	-	15.4%
7 - 10	5 945	5 956	5 891	2 702.7	0.5	5 952	3 090.2	0.5	5 950	3 237.7	0.5	5 949	3 462.2	0.6	5 949	3 705.6	0.6	-0.0%	67.7%
11 - 12	832	836	836	750.8	0.9	832	940.1	1.1	836	1 007.2	1.2	836	1 079.6	1.3	836	1 156.8	1.4	0.2%	9.5%
13 - 16	537	537	534	877.1	1.6	537	954.0	1.8	537	1 009.6	1.9	537	1 082.1	2.0	537	1 159.5	2.2	-	6.1%
17 - 22	85	85	85	240.7	2.8	85	273.4	3.2	125	429.1	3.4	125	463.0	3.7	125	497.2	4.0	13.7%	1.3%

1. Rand million.

## Office of Health Standards Compliance

## Selected performance indicators

Table 18.29 Office of Health Standards Compliance performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of public sector health establishments inspected for compliance with norms and standards per year	Compliance inspectorate	Priority 3: Education, skills and health	17% (647/ 3 816)	10.1% (387/ 3 816)	14.5% (544/ 3 741)	21%	18.4%	18.4%	18.4%
Percentage of private sector health establishments inspected for compliance with norms and standards per year	Compliance inspectorate		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	12%	15%	20%	21%
Percentage of low-risk complaints resolved within 25 working days of being lodged in the call centre per year	Complaints management and office of the ombud		95.6% (1 580/ 1 651)	91.8% (2 108/ 2 296)	83.1% (2 756/ 3 317)	80%	85%	90%	90%
Percentage of user complaints resolved through assessment within 30 working days of receipt of a response from the complainant and/or health establishment per year	Complaints management and office of the ombud		- <sup>1</sup>	2.6% (5/203)	26.7% (39/146)	65%	70%	75%	75%
Number of recommendation reports for improvement in the health care sector made to relevant authorities per year	Health standards design, analysis and support		- <sup>1</sup>	3	3	3	3	3	3
Percentage of health establishments issued with a certificate of compliance within 15 days from the date of the final inspection report and a recommendation by an inspector per year	Certification and enforcement		- <sup>1</sup>	100% (33)	85.2% (161/ 189)	100%	100%	100%	100%
Percentage of health establishments against which enforcement action has been initiated within 10 days from the date of the final inspection report and a recommendation by an inspector per year	Certification and enforcement		- <sup>1</sup>	- <sup>1</sup>	0% (0/23)	100%	100%	100%	100%

1. No historical data available.

## Entity overview

The Office of Health Standards Compliance was established in terms of the National Health Amendment Act (2013) to promote and protect the health and safety of the users of health services. It 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 noncompliance with prescribed norms and standards in a procedurally fair, economical

and expeditious manner.

In an effort to strengthen the quality of health care delivery, the office is expected to increase the number of health establishments it inspects and certifies for compliance with norms and standards. The percentage of public health facilities inspected is expected to increase from 14.5 per cent in 2021/22 to 18.4 per cent in 2025/26. This is enabled by additional allocations of R10 million in 2023/24, R12 million in 2024/25 and R15 million in 2025/26. The bulk of this funding is allocated to the compliance inspectorate programme, which carries out most of the office's work and constitutes an estimated 35.7 per cent (R182.1 million) of its total projected expenditure over the MTEF period. Expenditure is expected to increase at an average annual rate of 4.9 per cent, from R157.5 million in 2022/23 to R181.7 million in 2025/26. The office derives its revenue entirely through transfers from the department. These are expected to amount to R516.1 million over the medium term.

### Programmes/Objectives/Activities

**Table 18.30 Office of Health Standards Compliance expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	66.4	61.8	65.4	64.7	-0.9%	43.6%	69.3	73.4	79.6	7.2%	42.5%
Compliance inspectorate	55.4	41.0	50.9	58.5	1.8%	34.5%	57.7	60.9	63.5	2.8%	35.7%
Complaints management and office of the ombud	18.8	18.8	19.8	20.9	3.6%	13.2%	21.4	22.4	23.0	3.2%	13.0%
Health standards design, analysis and support	13.5	9.2	10.7	11.0	-6.7%	7.4%	11.5	12.0	12.4	4.1%	7.0%
Certification and enforcement	–	2.2	2.3	2.5	–	1.2%	2.8	2.9	3.4	10.4%	1.7%
<b>Total</b>	<b>154.1</b>	<b>133.1</b>	<b>149.0</b>	<b>157.5</b>	<b>0.7%</b>	<b>100.0%</b>	<b>162.7</b>	<b>171.6</b>	<b>181.7</b>	<b>4.9%</b>	<b>100.0%</b>

### Statements of financial performance, cash flow and financial position

**Table 18.31 Office of Health Standards Compliance statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
<b>Revenue</b>											
Non-tax revenue	7.2	1.5	2.1	–	-100.0%	1.9%	–	–	–	–	–
Other non-tax revenue	7.2	1.5	2.1	–	-100.0%	1.9%	–	–	–	–	–
Transfers received	136.5	137.6	158.0	157.5	4.9%	98.1%	162.7	171.6	181.7	4.9%	100.0%
<b>Total revenue</b>	<b>143.7</b>	<b>139.2</b>	<b>160.1</b>	<b>157.5</b>	<b>3.1%</b>	<b>100.0%</b>	<b>162.7</b>	<b>171.6</b>	<b>181.7</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Expenses</b>											
Current expenses	154.1	133.1	149.0	157.5	0.7%	100.0%	162.7	171.6	181.7	4.9%	100.0%
Compensation of employees	97.4	89.8	100.3	98.8	0.5%	65.2%	108.7	113.7	114.0	4.9%	64.6%
Goods and services	50.2	36.2	41.9	58.7	5.4%	31.3%	54.0	57.9	67.8	4.9%	35.4%
Depreciation	6.5	7.1	6.9	–	-100.0%	3.5%	–	–	–	–	–
<b>Total expenses</b>	<b>154.1</b>	<b>133.1</b>	<b>149.0</b>	<b>157.5</b>	<b>0.7%</b>	<b>100.0%</b>	<b>162.7</b>	<b>171.6</b>	<b>181.7</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(10.4)</b>	<b>6.1</b>	<b>11.0</b>	<b>–</b>	<b>-100.0%</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Cash flow statement</b>											
<b>Cash flow from operating activities</b>	<b>(5.0)</b>	<b>10.9</b>	<b>17.0</b>	<b>(0.0)</b>	<b>-97.5%</b>	<b>100.0%</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
<b>Receipts</b>											
Non-tax receipts	2.8	1.5	2.0	–	-100.0%	1.1%	–	–	–	–	–
Other tax receipts	2.8	1.5	2.0	–	-100.0%	1.1%	–	–	–	–	–
Transfers received	136.5	137.6	158.0	157.5	4.9%	98.9%	162.7	171.6	181.7	4.9%	100.0%
Financial transactions in assets and liabilities	–	–	0.0	–	–	–	–	–	–	–	–
<b>Total receipts</b>	<b>139.2</b>	<b>139.2</b>	<b>160.1</b>	<b>157.5</b>	<b>4.2%</b>	<b>100.0%</b>	<b>162.7</b>	<b>171.6</b>	<b>181.7</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Payment</b>											
Current payments	144.3	128.3	143.1	157.5	3.0%	100.0%	162.7	171.6	181.7	4.9%	100.0%
Compensation of employees	96.2	89.8	100.3	101.4	1.8%	67.8%	108.9	113.9	114.2	4.0%	65.1%
Goods and services	48.1	38.5	42.8	56.1	5.3%	32.2%	53.9	57.7	67.6	6.4%	34.9%
<b>Total payments</b>	<b>144.3</b>	<b>128.3</b>	<b>143.1</b>	<b>157.5</b>	<b>3.0%</b>	<b>100.0%</b>	<b>162.7</b>	<b>171.6</b>	<b>181.7</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Net cash flow from investing activities</b>	<b>(4.2)</b>	<b>(2.6)</b>	<b>(3.5)</b>	<b>–</b>	<b>-100.0%</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Acquisition of property, plant, equipment and intangible assets	(2.9)	(0.6)	(1.7)	–	-100.0%	–	–	–	–	–	–
Acquisition of software and other intangible assets	(1.3)	(2.0)	(1.8)	–	-100.0%	–	–	–	–	–	–
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9.2)</b>	<b>8.3</b>	<b>13.5</b>	<b>(0.0)</b>	<b>-98.0%</b>	<b>2.3%</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>

**Table 18.31 Office of Health Standards Compliance statements of financial performance, cash flow and financial position (continued)**

Statement of financial position		Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
		2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million												
Carrying value of assets		20.0	15.6	12.2	31.3	16.0%	25.7%	32.7	32.7	34.2	3.0%	33.1%
of which:												
Acquisition of assets		(2.9)	(0.6)	(1.7)	–	-100.0%	–	–	–	–	–	–
Receivables and prepayments		1.3	1.1	1.5	4.5	53.1%	2.6%	4.7	4.7	5.0	3.0%	4.8%
Cash and cash equivalents		42.7	51.0	64.5	58.6	11.1%	71.7%	61.3	61.3	64.0	3.0%	62.1%
<b>Total assets</b>		<b>64.0</b>	<b>67.7</b>	<b>78.1</b>	<b>94.5</b>	<b>13.8%</b>	<b>100.0%</b>	<b>98.7</b>	<b>98.7</b>	<b>103.1</b>	<b>3.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		50.8	54.7	65.8	64.2	8.1%	78.1%	67.1	67.1	70.1	3.0%	67.9%
Trade and other payables		4.6	5.1	6.5	17.9	57.3%	10.5%	18.7	18.7	19.5	3.0%	18.9%
Provisions		8.6	7.3	5.6	11.8	11.2%	11.0%	12.3	12.3	12.9	3.0%	12.5%
Derivatives financial instruments		–	0.6	0.3	0.6	–	0.5%	0.6	0.6	0.7	3.0%	0.7%
<b>Total equity and liabilities</b>		<b>64.0</b>	<b>67.7</b>	<b>78.1</b>	<b>94.5</b>	<b>13.8%</b>	<b>100.0%</b>	<b>98.7</b>	<b>98.7</b>	<b>103.1</b>	<b>3.0%</b>	<b>100.0%</b>

**Personnel information****Table 18.32 Office of Health Standards Compliance personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average Salary level/ Total (%)					
Number of funded posts	Number of approved establishment posts	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
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	127	127	127	100.3	0.8	129	98.8	0.8	131	108.7	0.8	131	113.7	0.9	131	114.0	0.9	0.5%	100.0%
7 – 10	34	34	33	9.0	0.3	37	16.2	0.4	38	19.7	0.5	38	20.6	0.5	38	20.8	0.5	0.9%	28.9%
11 – 12	74	74	76	66.7	0.9	74	58.6	0.8	72	59.9	0.8	72	62.6	0.9	72	62.8	0.9	-0.9%	55.6%
13 – 16	18	18	17	22.3	1.3	17	21.7	1.3	20	26.7	1.3	20	27.9	1.4	20	27.9	1.4	5.6%	14.7%
17 – 22	1	1	1	2.3	2.3	1	2.2	2.2	1	2.4	2.4	1	2.5	2.5	1	2.5	2.5	–	0.8%

1. Rand million.

**South African Health Products Regulatory Authority****Selected performance indicators****Table 18.33 South African Health Products Regulatory Authority performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of medicine registrations in the backlog cleared per year	Health product authorisation		58% (6 732/ 11 570)	53% (2 819/ 5 320)	75% (2 557/ 3 395)	100%	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>
Percentage of new chemical entities finalised within 400 working days per year	Health product authorisation		100% (93)	100% (72)	100% (44) finalised within 590 days	80%	80%	80% finalised within 360 working days	80% finalised within 360 working days
Percentage of generic medicines registered within 250 working days per year	Health product authorisation		– <sup>2</sup>	55% (131/ 240)	80% (148/ 184)	75%	80%	85%	85%
Percentage of new licences finalised per year that are related to good manufacturing practices and good wholesaling practices	Inspectorate and regulatory compliance	Priority 3: Education, skills and health	77% (168/ 218)	59% (17/ 29)	42% (13/ 31)	60%	70%	80%	80%
Percentage of human clinical trial applications finalised within 80 working days per year	Medicines evaluation and registration		100% (140)	96% (194/ 203)	95% (235/ 248)	80%	80%	80%	80%
Percentage of medical device establishment licence applications finalised within 90 days per year	Devices and radiation control		99% (911/ 916)	83% (629/ 757)	76% (613/ 804)	70%	70%	80%	80%

**Table 18.33 South African Health Products Regulatory Authority performance indicators by programme/objective/activity and related priority (continued)**

Indicator	Programme/ Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Medical device registration regulations implemented per year	Devices and radiation control	Priority 3: Education, skills and health	→ <sup>2</sup>	Draft regulations to form part of the medical registration framework were resubmitted to the Office of the State Law Adviser for review in September 2020	19 guidelines to support the medical device registration regulations were approved by the executive committee	Guidelines published to support the medical device registration regulations	Call-up notice published on the pilot project for the registration of class D (high-risk) medical devices	Call-up notice published for the registration of class D (high-risk) medical devices	Call-up notice published for the registration of class C (medium-risk) medical devices

1. Indicator discontinued.

2. No historical data available.

### Entity overview

The South African Health Products Regulatory Authority derives its mandate from the National Health Act (2003) and the Medicines and Related Substances Act (1965). The authority's key focus over the medium term will be on registering medicines and medical devices to support public health needs; licensing medicine and medical device manufacturers and importers; authorising, monitoring and evaluating clinical trials; and managing the safety, quality, efficacy and performance of health products throughout their life cycles.

The core activities of evaluating the safety, quality and therapeutic efficacy of medicines, and registering them, is expected to account for 31 per cent (R392.4 million) of the authority's expenditure over the MTEF period. To improve efficiency and enable access to medicines to be rapidly scaled up by improving timelines for scientific evaluation and clinical trials, the authority plans to upskill its personnel through talent management and recruit expertise in core areas. Accordingly, its number of personnel is set to increase from 292 in 2022/23 to 331 in 2023/24 and for the remainder of the MTEF period. This is expected to result in an increase in spending on compensation of employees, from R210.5 million in 2022/23 to R286 million in 2025/26. Total revenue and expenditure are expected to increase at an average annual rate of 7 per cent, from R349.4 million in 2022/23 to R428.4 million in 2025/26. The authority expects to derive 54.9 per cent (R696.8 million) of its revenue over the MTEF period through fees charged for its services and 40.1 per cent (R478.5 million) through transfers from the department.

### Programmes/Objectives/Activities

**Table 18.34 South African Health Products Regulatory Authority expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	79.8	110.7	115.6	127.7	17.0%	35.1%	135.4	140.6	145.7	4.5%	34.7%
Health product authorisation	28.9	55.4	73.7	51.6	21.4%	16.7%	36.3	38.1	40.0	-8.2%	10.6%
Inspectorate and regulatory compliance	40.0	35.7	35.4	37.3	-2.3%	12.5%	52.8	55.4	58.1	15.9%	12.8%
Medicines evaluation and registration	59.4	73.7	80.4	100.3	19.1%	25.4%	125.5	131.5	135.4	10.5%	31.0%
Devices and radiation control	22.2	38.1	34.3	32.4	13.4%	10.3%	44.8	47.1	49.3	15.0%	10.9%
<b>Total</b>	<b>230.4</b>	<b>313.6</b>	<b>339.3</b>	<b>349.4</b>	<b>14.9%</b>	<b>100.0%</b>	<b>394.8</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>

**Statements of financial performance, cash flow and financial position****Table 18.35 South African Health Products Regulatory Authority statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>78.3</b>	<b>137.4</b>	<b>221.3</b>	<b>199.4</b>	<b>36.5%</b>	<b>48.5%</b>	<b>228.3</b>	<b>253.2</b>	<b>261.9</b>	<b>9.5%</b>	<b>59.9%</b>	
Sale of goods and services other than capital assets	54.2	107.2	181.8	170.0	46.4%	38.8%	212.7	237.7	246.5	13.2%	54.9%	
Other non-tax revenue	24.2	30.1	39.5	29.4	6.7%	9.7%	15.7	15.5	15.4	-19.4%	5.0%	
<b>Transfers received</b>	<b>183.3</b>	<b>156.6</b>	<b>146.3</b>	<b>150.0</b>	<b>-6.5%</b>	<b>51.5%</b>	<b>152.6</b>	<b>159.4</b>	<b>166.6</b>	<b>3.6%</b>	<b>40.1%</b>	
<b>Total revenue</b>	<b>261.6</b>	<b>293.9</b>	<b>367.5</b>	<b>349.4</b>	<b>10.1%</b>	<b>100.0%</b>	<b>380.9</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>230.4</b>	<b>313.6</b>	<b>339.3</b>	<b>349.4</b>	<b>14.9%</b>	<b>100.0%</b>	<b>394.8</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>	
Compensation of employees	131.6	165.3	182.0	210.6	17.0%	55.9%	265.0	276.3	286.0	10.7%	65.3%	
Goods and services	96.6	142.1	150.3	138.8	12.8%	42.8%	129.8	136.3	142.4	0.9%	34.7%	
Depreciation	2.2	6.2	7.0	-	-100.0%	1.2%	-	-	-	-	-	
<b>Total expenses</b>	<b>230.4</b>	<b>313.6</b>	<b>339.3</b>	<b>349.4</b>	<b>14.9%</b>	<b>100.0%</b>	<b>394.8</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>31.2</b>	<b>(19.7)</b>	<b>28.2</b>	<b>-</b>	<b>-100.0%</b>		<b>(13.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash flow statement</b>												
<b>Cash flow from operating activities</b>	<b>28.4</b>	<b>49.9</b>	<b>97.8</b>	<b>(20.2)</b>	<b>-189.3%</b>	<b>100.0%</b>	<b>(13.9)</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	
<b>Receipts</b>												
<b>Non-tax receipts</b>	<b>80.0</b>	<b>150.9</b>	<b>270.6</b>	<b>179.2</b>	<b>30.8%</b>	<b>48.7%</b>	<b>228.3</b>	<b>253.2</b>	<b>261.9</b>	<b>13.5%</b>	<b>59.2%</b>	
Sales of goods and services other than capital assets	71.9	146.9	261.1	170.0	33.2%	46.4%	212.7	237.7	246.5	13.2%	55.7%	
Other tax receipts	8.1	4.0	9.5	9.2	4.0%	2.3%	15.7	15.5	15.4	18.8%	3.6%	
<b>Transfers received</b>	<b>183.3</b>	<b>173.3</b>	<b>155.1</b>	<b>150.0</b>	<b>-6.5%</b>	<b>51.3%</b>	<b>152.6</b>	<b>159.4</b>	<b>166.6</b>	<b>3.6%</b>	<b>40.8%</b>	
<b>Total receipts</b>	<b>263.3</b>	<b>324.1</b>	<b>425.7</b>	<b>329.2</b>	<b>7.7%</b>	<b>100.0%</b>	<b>380.9</b>	<b>412.6</b>	<b>428.4</b>	<b>9.2%</b>	<b>100.0%</b>	
<b>Payment</b>												
<b>Current payments</b>	<b>234.9</b>	<b>274.3</b>	<b>327.9</b>	<b>349.4</b>	<b>14.1%</b>	<b>100.0%</b>	<b>394.8</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>	
Compensation of employees	131.9	171.9	185.0	206.3	16.1%	58.6%	265.0	276.3	286.0	11.5%	65.0%	
Goods and services	103.0	102.4	142.9	143.1	11.6%	41.4%	129.8	136.3	142.4	-0.2%	35.0%	
<b>Total payments</b>	<b>234.9</b>	<b>274.3</b>	<b>327.9</b>	<b>349.4</b>	<b>14.1%</b>	<b>100.0%</b>	<b>394.8</b>	<b>412.6</b>	<b>428.4</b>	<b>7.0%</b>	<b>100.0%</b>	
<b>Net cash flow from investing activities</b>	<b>(10.1)</b>	<b>(21.1)</b>	<b>(4.2)</b>	<b>(7.1)</b>	<b>-10.9%</b>	<b>100.0%</b>	<b>(7.4)</b>	<b>(10.5)</b>	<b>(10.5)</b>	<b>13.8%</b>	<b>100.0%</b>	
Acquisition of property, plant, equipment and intangible assets	(9.8)	(19.3)	(3.3)	(7.1)	-10.0%	92.1%	(7.4)	(10.5)	(10.5)	13.8%	100.0%	
Acquisition of software and other intangible assets	(0.3)	(1.8)	(1.1)	-	-100.0%	9.1%	-	-	-	-	-	
Proceeds from the sale of property, plant, equipment and intangible assets	-	0.0	0.2	-	-	-1.2%	-	-	-	-	-	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18.3</b>	<b>28.8</b>	<b>93.6</b>	<b>(27.3)</b>	<b>-214.3%</b>	<b>9.2%</b>	<b>(21.3)</b>	<b>(10.5)</b>	<b>(10.5)</b>	<b>-27.3%</b>	<b>-4.6%</b>	
<b>Statement of financial position</b>												
Carrying value of assets	14.9	31.7	29.4	37.0	35.3%	13.0%	37.0	37.0	37.0	-	15.2%	
<i>of which:</i>												
<i>Acquisition of assets</i>	<i>(9.8)</i>	<i>(19.3)</i>	<i>(3.3)</i>	<i>(7.1)</i>	<i>-10.0%</i>	<i>100.0%</i>	<i>(7.4)</i>	<i>(10.5)</i>	<i>(10.5)</i>	<i>13.8%</i>	<i>100.0%</i>	
Receivables and prepayments	17.8	13.6	20.3	16.0	-3.5%	8.1%	16.0	16.0	16.0	-	6.6%	
Cash and cash equivalents	122.0	150.8	244.4	175.0	12.8%	78.9%	190.0	200.0	200.0	4.6%	78.3%	
<b>Total assets</b>	<b>154.7</b>	<b>196.0</b>	<b>294.1</b>	<b>228.0</b>	<b>13.8%</b>	<b>100.0%</b>	<b>243.0</b>	<b>253.0</b>	<b>253.0</b>	<b>3.5%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	45.1	25.4	53.6	56.5	7.8%	21.3%	55.4	58.9	58.9	1.4%	23.5%	
Capital reserve fund	-	-	3.4	-	-	0.3%	-	-	-	-	-	
Finance lease	-	1.6	3.3	-	-	0.5%	1.6	1.6	1.6	-	0.5%	
Deferred income	76.1	122.8	204.0	130.0	19.5%	59.6%	140.0	146.0	146.0	3.9%	57.5%	
Trade and other payables	21.4	32.1	15.7	31.0	13.2%	12.3%	35.0	35.0	35.0	4.1%	13.9%	
Provisions	12.1	14.2	14.2	10.5	-4.7%	6.1%	11.0	11.5	11.5	3.0%	4.5%	
<b>Total equity and liabilities</b>	<b>154.7</b>	<b>196.0</b>	<b>294.1</b>	<b>228.0</b>	<b>13.8%</b>	<b>100.0%</b>	<b>243.0</b>	<b>253.0</b>	<b>253.0</b>	<b>3.5%</b>	<b>100.0%</b>	



## Personnel information

**Table 18.36 South African Health Products Regulatory Authority personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023			Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)
Number of funded posts	Number of approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26	
			2021/22			2022/23			2023/24			2024/25			2025/26				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
17	408		274	182.0	0.7	292	210.6	0.7	331	265.0	0.8	331	276.3	0.8	331	286.0	0.9	4.3%	100.0%
1-6	-	54	45	12.3	0.3	46	13.6	0.3	46	15.5	0.3	46	16.3	0.4	46	17.1	0.4	-	14.4%
7-10	7	75	75	32.7	0.4	81	41.8	0.5	88	52.7	0.6	88	53.4	0.6	88	54.7	0.6	2.8%	26.9%
11-12	8	221	119	95.2	0.8	117	99.6	0.9	147	130.6	0.9	147	137.2	0.9	147	141.4	1.0	7.9%	43.3%
13-16	2	56	33	36.5	1.1	46	50.2	1.1	48	60.5	1.3	48	63.5	1.3	48	66.6	1.4	1.4%	14.8%
17-22	-	2	2	5.3	2.7	2	5.4	2.7	2	5.7	2.9	2	6.0	3.0	2	6.3	3.2	-	0.6%

1. Rand million.

## South African Medical Research Council

### Selected performance indicators

**Table 18.37 South African Medical Research Council performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of accepted and published journal articles, book chapters and books by council-affiliated and funded authors per year	Core research		1 187	1 261	1 169	700	700	600	600
Number of accepted and published journal articles by council grant holders with acknowledgement of the council per year	Core research		322	281	265	180	180	170	170
Number of accepted and published journal articles where the first and/or last author is affiliated to the council per year	Core research		672	718	637	420	300	255	255
Number of research grants awarded by the council per year	Core research		247	190	152	150	160	170	170
Number of new innovation and technology projects funded by the council aimed at developing, testing and/or implementing new or improved health solutions per year	Innovation and technology	Priority 3: Education, skills and health	- <sup>1</sup>	29	18	4	4	4	4
Number of ongoing innovation and technology projects funded by the council aimed at developing, testing and/or implementing new or improved health solutions per year	Innovation and technology		- <sup>1</sup>	41	40	30	30	30	30
Number of innovation disclosures made by the council's intramural research and innovation units and platforms per year	Innovation and technology		- <sup>1</sup>	1	3	1	1	1	1

**Table 18.37 South African Medical Research Council performance indicators by programme/objective/activity and related priority (continued)**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of awards (scholarships, fellowships and grants) by the council for MSc, PhD, postdocs and early career scientists per year	Capacity development	Priority 3: Education, skills and health	157	144	167	140	150	130	150
Number of awards by the council to female MSc, PhD, postdocs and early career scientists per year	Capacity development		- <sup>1</sup>	106	122	100	110	108	110
Number of awards by the council to black South African citizens and permanent residents (MSc, PhD, postdoc and early career scientists) classified as African per year	Capacity development		- <sup>1</sup>	86	108	105	110	90	110
Number of awards by the council to MSc, PhD, postdocs and early career scientists from historically disadvantaged institutions per year	Capacity development		- <sup>1</sup>	38	52	75	80	83	80
Number of MSc and PhD students graduated or completed who supported by the council per year	Capacity development		71	72	81	80	85	50	85

1. No historical data available.

### Entity overview

The council's mandate in terms of the South African Medical Research Council Act (1991) is to promote the improvement of the health and quality of life of the population through research, development and technology transfer. In line with this mandate, the council conducts and funds relevant and responsive health research, capacity development, innovation and research translation.

Over the MTEF period, the council aims to accept or publish approximately 1 900 journal articles, books and book chapters by authors affiliated with and/or funded by it. Core research of this kind accounts for an estimated 50.2 per cent (R2.1 billion) of the council's budget over the medium term. Of this amount, R1.2 billion is earmarked for university research programmes, R69 million for self-initiated research projects at universities, R18 million for TB research and R15 million for COVID-19 research.

Innovation and technology projects that aim to improve health are expected to account for an estimated 24.8 per cent (R1 billion) of the council's spending over the medium term. This includes building capacity in low-income and middle-income countries to produce mRNA vaccines, providing scholarship funding to build a vaccine-manufacturing workforce, and tracking COVID-19 viral RNA in wastewater across more than 80 wastewater treatment plants in South Africa to ensure that outbreaks of COVID-19 are detected early.

Total spending is projected to increase at an average annual rate of 0.7 per cent, from R1.4 billion in 2022/23 to R1.5 billion in 2025/26. The decrease in 2023/24 is due to one-off allocations for COVID-19 vaccine research in 2021/22 and 2022/23.

Transfers from the department comprise an estimated 60 per cent (R2.5 billion) of the council's revenue over the medium term, with the remaining R1.5 billion coming from research contracts with international donors, other funders and interest earned. Revenue is expected to increase at an average annual rate of 3.3 per cent, from R1.3 billion in 2022/23 to R1.5 billion in 2025/26.

**Programmes/Objectives/Activities****Table 18.38 South African Medical Research Council expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Administration	228.5	197.3	288.5	224.9	-0.5%	17.8%	234.7	266.3	278.9	7.4%	17.9%
Core research	598.2	805.2	726.9	725.1	6.6%	54.3%	692.3	673.5	721.9	-0.1%	50.2%
Innovation and technology	290.3	169.6	326.7	389.1	10.3%	22.1%	315.3	331.0	357.8	-2.8%	24.8%
Capacity development	77.6	67.6	75.4	88.1	4.4%	5.9%	93.2	95.2	98.5	3.8%	6.7%
Research translation	–	–	–	3.2	–	0.1%	3.3	4.3	4.3	10.2%	0.3%
<b>Total</b>	<b>1 194.5</b>	<b>1 239.7</b>	<b>1 417.4</b>	<b>1 430.5</b>	<b>6.2%</b>	<b>100.0%</b>	<b>1 338.9</b>	<b>1 370.3</b>	<b>1 461.4</b>	<b>0.7%</b>	<b>100.0%</b>

**Statements of financial performance, cash flow and financial position****Table 18.39 South African Medical Research Council statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>550.9</b>	<b>464.3</b>	<b>572.4</b>	<b>545.0</b>	<b>-0.4%</b>	<b>40.3%</b>	<b>515.4</b>	<b>536.9</b>	<b>590.5</b>	<b>2.7%</b>	<b>40.0%</b>
Sale of goods and services other than capital assets	500.6	431.8	534.7	499.7	-0.1%	37.1%	466.9	493.5	542.9	2.8%	36.6%
Other non-tax revenue	50.3	32.5	37.7	45.4	-3.4%	3.2%	48.5	43.3	47.6	1.6%	3.4%
<b>Transfers received</b>	<b>686.7</b>	<b>854.6</b>	<b>851.1</b>	<b>779.5</b>	<b>4.3%</b>	<b>59.7%</b>	<b>797.6</b>	<b>833.5</b>	<b>870.8</b>	<b>3.8%</b>	<b>60.0%</b>
<b>Total revenue</b>	<b>1 237.6</b>	<b>1 318.9</b>	<b>1 423.4</b>	<b>1 324.6</b>	<b>2.3%</b>	<b>100.0%</b>	<b>1 313.0</b>	<b>1 370.3</b>	<b>1 461.4</b>	<b>3.3%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 105.0</b>	<b>1 128.2</b>	<b>1 306.4</b>	<b>1 328.7</b>	<b>6.3%</b>	<b>92.1%</b>	<b>1 234.7</b>	<b>1 261.4</b>	<b>1 347.5</b>	<b>0.5%</b>	<b>92.3%</b>
Compensation of employees	402.7	386.4	436.8	436.0	2.7%	31.5%	464.4	494.6	524.2	6.3%	34.3%
Goods and services	685.2	715.1	845.5	868.3	8.2%	58.8%	743.4	737.1	792.2	-3.0%	56.1%
Depreciation	16.9	26.6	23.9	24.5	13.2%	1.7%	26.9	29.8	31.1	8.4%	2.0%
Interest, dividends and rent on land	0.2	0.1	0.2	–	-100.0%	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>89.6</b>	<b>111.5</b>	<b>111.0</b>	<b>101.7</b>	<b>4.3%</b>	<b>7.9%</b>	<b>104.2</b>	<b>108.9</b>	<b>113.8</b>	<b>3.8%</b>	<b>7.7%</b>
<b>Total expenses</b>	<b>1 194.5</b>	<b>1 239.7</b>	<b>1 417.4</b>	<b>1 430.5</b>	<b>6.2%</b>	<b>100.0%</b>	<b>1 338.9</b>	<b>1 370.3</b>	<b>1 461.4</b>	<b>0.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>43.0</b>	<b>79.2</b>	<b>6.0</b>	<b>(105.9)</b>	<b>-235.0%</b>	<b>–</b>	<b>(25.9)</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
<b>Cash flow statement</b>											
<b>Cash flow from operating activities</b>	<b>(59.1)</b>	<b>284.6</b>	<b>146.8</b>	<b>(143.9)</b>	<b>34.5%</b>	<b>100.0%</b>	<b>(49.9)</b>	<b>37.9</b>	<b>55.5</b>	<b>-172.8%</b>	<b>100.0%</b>
<b>Receipts</b>											
<b>Non-tax receipts</b>	<b>379.7</b>	<b>475.7</b>	<b>589.7</b>	<b>506.0</b>	<b>10.0%</b>	<b>37.9%</b>	<b>493.3</b>	<b>515.4</b>	<b>565.1</b>	<b>3.8%</b>	<b>38.8%</b>
Sales of goods and services other than capital assets	347.1	456.1	564.0	476.5	11.1%	35.8%	462.5	483.2	532.9	3.8%	36.5%
Other tax receipts	32.6	19.6	25.7	29.5	-3.3%	2.2%	30.8	32.2	32.3	3.1%	2.3%
<b>Transfers received</b>	<b>686.7</b>	<b>854.6</b>	<b>851.1</b>	<b>779.5</b>	<b>4.3%</b>	<b>62.1%</b>	<b>797.6</b>	<b>833.5</b>	<b>870.8</b>	<b>3.8%</b>	<b>61.2%</b>
<b>Total receipts</b>	<b>1 066.4</b>	<b>1 330.3</b>	<b>1 440.8</b>	<b>1 285.5</b>	<b>6.4%</b>	<b>100.0%</b>	<b>1 290.9</b>	<b>1 348.9</b>	<b>1 436.0</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Payment</b>											
<b>Current payments</b>	<b>1 125.5</b>	<b>1 045.8</b>	<b>1 293.9</b>	<b>1 429.4</b>	<b>8.3%</b>	<b>100.0%</b>	<b>1 340.7</b>	<b>1 311.0</b>	<b>1 380.4</b>	<b>-1.2%</b>	<b>100.0%</b>
Compensation of employees	397.2	394.2	434.0	436.0	3.2%	34.3%	464.4	494.6	524.2	6.3%	35.2%
Goods and services	728.1	651.3	859.7	993.2	10.9%	65.7%	876.1	816.1	855.9	-4.8%	64.8%
Interest and rent on land	0.3	0.3	0.2	0.3	-0.6%	–	0.3	0.3	0.3	2.9%	–
<b>Total payments</b>	<b>1 125.5</b>	<b>1 045.8</b>	<b>1 293.9</b>	<b>1 429.4</b>	<b>8.3%</b>	<b>100.0%</b>	<b>1 340.7</b>	<b>1 311.0</b>	<b>1 380.4</b>	<b>-1.2%</b>	<b>100.0%</b>
<b>Net cash flow from investing activities</b>	<b>(34.0)</b>	<b>(54.1)</b>	<b>(52.7)</b>	<b>(31.8)</b>	<b>-2.2%</b>	<b>100.0%</b>	<b>(32.8)</b>	<b>(34.3)</b>	<b>(37.0)</b>	<b>5.2%</b>	<b>100.0%</b>
Acquisition of property, plant, equipment and intangible assets	(31.0)	(49.3)	(48.9)	(29.1)	-2.0%	91.7%	(30.1)	(31.4)	(34.0)	5.3%	91.7%
Acquisition of software and other intangible assets	(4.0)	(4.8)	(3.8)	(2.7)	-12.7%	9.1%	(2.8)	(2.9)	(3.0)	3.9%	8.3%
Proceeds from the sale of property, plant, equipment and intangible assets	1.0	–	0.0	–	-100.0%	-0.8%	–	–	–	–	–
<b>Net cash flow from financing activities</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Borrowing activities	0.2	0.1	0.1	–	-100.0%	–	–	–	–	–	–
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(92.9)</b>	<b>230.6</b>	<b>94.2</b>	<b>(175.7)</b>	<b>23.7%</b>	<b>1.3%</b>	<b>(82.7)</b>	<b>3.6</b>	<b>18.5</b>	<b>-147.2%</b>	<b>-4.2%</b>

**Table 18.39 South African Medical Research Council statements of financial performance, cash flow and financial position (continued)**

Statement of financial position				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2022/23				2019/20 - 2022/23	2023/24	2024/25		
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26	
Carrying value of assets	213.5	238.3	270.0	267.5	7.8%	28.3%	271.8	275.6	298.5	3.7%	33.0%
<i>of which:</i>											
Acquisition of assets	(31.0)	(49.3)	(48.9)	(29.1)	-2.0%	100.0%	(30.1)	(31.4)	(34.0)	5.3%	100.0%
Investments	6.9	16.1	14.2	16.0	32.6%	1.5%	16.1	16.1	16.1	0.2%	1.9%
Receivables and prepayments	73.4	65.8	61.9	78.6	2.3%	8.2%	87.8	90.3	80.7	0.9%	10.0%
Cash and cash equivalents	370.5	601.0	695.6	519.6	11.9%	61.1%	440.8	440.4	458.9	-4.1%	55.1%
Taxation	10.7	0.9	20.0	-	-100.0%	0.9%	-	-	-	-	-
<b>Total assets</b>	<b>674.9</b>	<b>922.1</b>	<b>1 061.7</b>	<b>881.6</b>	<b>9.3%</b>	<b>100.0%</b>	<b>816.6</b>	<b>822.4</b>	<b>854.2</b>	<b>-1.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	341.5	420.7	426.8	320.9	-2.1%	43.2%	295.0	289.5	289.5	-3.4%	35.4%
Deferred income	198.4	306.4	450.5	387.8	25.0%	37.3%	336.8	340.6	365.6	-2.0%	42.4%
Trade and other payables	110.4	175.5	162.9	135.5	7.1%	16.5%	141.5	147.5	150.5	3.6%	17.1%
Taxation	-	-	-	12.2	-	0.3%	13.6	14.9	15.5	8.4%	1.7%
Provisions	24.5	19.5	21.6	25.3	1.0%	2.7%	29.7	29.9	33.1	9.4%	3.5%
<b>Total equity and liabilities</b>	<b>674.9</b>	<b>922.1</b>	<b>1 061.7</b>	<b>881.6</b>	<b>9.3%</b>	<b>100.0%</b>	<b>816.6</b>	<b>822.4</b>	<b>854.2</b>	<b>-1.0%</b>	<b>100.0%</b>

**Personnel information**

**Table 18.40 South African Medical Research Council personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)	
Number of funded posts	Number of approved establishment posts	Actual			Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26					
		2021/22		2022/23		2023/24		2024/25		2025/26									
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	-	100.0%	
Salary level	681	681	681	436.8	0.6	681	436.0	0.6	681	464.4	0.7	681	494.6	0.7	681	524.2			0.8
1 - 6	188	188	188	40.0	0.2	188	39.8	0.2	188	42.5	0.2	188	45.3	0.2	188	47.9	0.3	-	27.6%
7 - 10	305	305	305	156.7	0.5	305	156.3	0.5	305	166.6	0.5	305	176.8	0.6	305	187.9	0.6	-	44.8%
11 - 12	93	93	93	91.9	1.0	93	91.6	1.0	93	97.5	1.0	93	104.1	1.1	93	110.2	1.2	-	13.7%
13 - 16	92	92	92	138.3	1.5	92	138.3	1.5	92	147.2	1.6	92	157.1	1.7	92	166.3	1.8	-	13.5%
17 - 22	3	3	3	9.9	3.3	3	10.0	3.3	3	10.6	3.5	3	11.4	3.8	3	12.0	4.0	-	0.4%

1. Rand million.