

# Vote 15

## Health

2007/08				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>12 655 132</b>	<b>13 091 136</b>	–	436 004
<i>of which:</i>				
Current payments	860 193	860 267	–	74
Transfers and subsidies	11 760 745	12 186 334	–	425 589
Payments for capital assets	34 194	44 535	–	10 341
Executive authority	Minister of Health			
Accounting officer	Director-General for Health			

## Aim

*The aim of the Department of Health is to promote the health of all people in South Africa through a caring and effective national health system based on the primary healthcare approach.*

## Adjusted Estimates of National Expenditure 2007

**Table 15.1: Adjusted estimates**

Programme		2007/08					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	205 467	4 734	–	–	–	4 734	210 201
2. Strategic Health Programmes	3 216 723	146 259	50 000	854	–	197 113	3 413 836
3. Health Service Delivery	9 160 592	234 011	–	1 646	–	235 657	9 396 249
4. Human Resources	72 350	–	–	(2 500)	1 000	(1 500)	70 850
<b>Total</b>	<b>12 655 132</b>	<b>385 004</b>	<b>50 000</b>	<b>–</b>	<b>1 000</b>	<b>436 004</b>	<b>13 091 136</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>860 193</b>	<b>–</b>	<b>–</b>	<b>(926)</b>	<b>1 000</b>	<b>74</b>	<b>860 267</b>
Compensation of employees	251 826	–	–	–	–	–	251 826
Goods and services	608 367	–	–	(926)	1 000	74	608 441
<b>Transfers and subsidies</b>	<b>11 760 745</b>	<b>375 571</b>	<b>50 000</b>	<b>18</b>	<b>–</b>	<b>425 589</b>	<b>12 186 334</b>
Provinces and municipalities	11 320 982	365 696	50 000	–	–	415 696	11 736 678
Departmental agencies and accounts	289 476	9 875	–	–	–	9 875	299 351
Universities and technikons	1 000	–	–	–	–	–	1 000
Non-profit institutions	149 287	–	–	–	–	–	149 287
Households	–	–	–	18	–	18	18
<b>Payments for capital assets</b>	<b>34 194</b>	<b>9 433</b>	<b>–</b>	<b>908</b>	<b>–</b>	<b>10 341</b>	<b>44 535</b>
Buildings and other fixed structures	–	4 734	–	–	–	4 734	4 734
Machinery and equipment	34 194	4 699	–	908	–	5 607	39 801
<b>Total</b>	<b>12 655 132</b>	<b>385 004</b>	<b>50 000</b>	<b>–</b>	<b>1 000</b>	<b>436 004</b>	<b>13 091 136</b>

## Details of adjustments to Estimates of National Expenditure 2007

### Roll-overs – R385.004 million

#### Programme 1: Administration

R4.734 million was rolled over for upgrading the Johannesburg Chemistry Laboratory's electrical infrastructure.

#### Programme 2: Strategic Health Programmes

R4.699 million was rolled over for specialised laboratory equipment for the forensic laboratories.

R9.875 million was rolled over to make the transfer payment to the National Health Laboratory Service, which could not be done before the end of 2006/07.

R121.037 million was rolled over for the forensic pathology services conditional grant and for the upgrading and construction of capital projects, and R10.648 million for the HIV and AIDS conditional grant.

#### Programme 3: Health Service Delivery

R234.011 million was rolled over for the hospital revitalisation conditional grant to continue work on projects that are on site.

### Unforeseeable and unavoidable expenditure – R50 million

#### Programme 2: Strategic Health Programmes

R50 million has been allocated to the Western Cape for the higher than projected take-up in the HIV and AIDS treatment programme.

### Virements

**Table 15.2: Details on virements per programme and economic classification**

Programme / Economic classification	R thousand		Motivation
	From	To	
<b>1. Administration</b>	(20)	20	
<b>Current payments</b>	(20)	–	
Goods and services	(20)	–	Savings due to reprioritisation were shifted to machinery and equipment.
<b>Payments for capital assets</b>	–	20	
Machinery and equipment	–	20	Funds shifted from goods and services will be used for computer equipment.
<b>2. Strategic Health Programmes</b>	–	854	
<b>Current payments</b>	–	385	
Goods and services	–	385	R385 000 was shifted from goods and services in programme 4 for the GAP analysis on the district health package and the audit on medical equipment in hospitals.
<b>Transfers and Subsidies</b>	–	17	
Households	–	17	Funds shifted from goods and services in programme 4 will be used for leave gratuities.
<b>Payments for capital assets</b>	–	452	
Machinery and equipment	–	452	Funds shifted from goods and services in programme 4 will mainly be used to buy computer equipment and furniture.
<b>3. Health Service Delivery</b>	–	1 646	
<b>Current payments</b>	–	1 470	
Goods and services	–	1 470	R1.47 million was shifted from goods and services in programme 4 to augment the payment for membership fees for the South African Red Cross Society.
<b>Payments for capital assets</b>	–	176	
Machinery and equipment	–	176	Funds shifted from goods and services in programme 4 will be mainly used to buy computer equipment.

Table 15.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
<b>4. Human Resources</b>	<b>(2 761)</b>	<b>261</b>	
<b>Current payments</b>	<b>(2 761)</b>	<b>–</b>	
Goods and services	(2 761)	–	Savings of R2.5 million arose as a result of the favourable exchange rate on the department's membership fees for the World Health Organisation. R854 000 has been shifted to goods and services in programme 1 and R1.646 million to goods and services in programme 3.
<b>Transfers and Subsidies</b>	<b>–</b>	<b>1</b>	
Households	–	1	Funds shifted from goods and services will be used to pay leave gratuities.
<b>Payments for capital assets</b>	<b>–</b>	<b>260</b>	
Machinery and equipment	–	260	Funds shifted from goods and services will be mainly used to buy computer equipment and furniture.
<b>Total for Vote</b>	<b>(2 781)</b>	<b>2 781</b>	

## Other adjustments – R1 million

### Shifting of funds between votes

Programme 4: Human Resources

R1 million has been transferred from the Department of Social Development for printing learning material for community care givers in ancillary health care.

## Expenditure 2006/07 and preliminary expenditure 2007/08

Table 15.3: Expenditure trends

Programme	2006/07 Expenditure outcome				2007/08 Preliminary expenditure		
	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
R thousand							
1. Administration	180 333	86 909	172 841	95.8	210 201	99 352	14.3
2. Strategic Health Programmes	2 155 584	941 025	2 080 533	96.5	3 413 836	1 500 677	59.5
3. Health Service Delivery	9 025 173	4 446 892	8 994 706	99.7	9 396 249	4 568 258	2.7
4. Human Resources	92 903	17 039	89 968	96.8	70 850	18 926	11.1
<b>Total</b>	<b>11 453 993</b>	<b>5 491 865</b>	<b>11 338 048</b>	<b>99.0</b>	<b>13 091 136</b>	<b>6 187 213</b>	<b>12.7</b>
<b>Current payments</b>	<b>739 620</b>	<b>263 561</b>	<b>658 562</b>	<b>89.0</b>	<b>860 267</b>	<b>294 704</b>	<b>11.8</b>
Compensation of employees	240 030	110 729	231 729	96.5	251 826	125 550	13.4
Goods and services	499 590	149 439	423 310	84.7	608 441	169 154	13.2
Financial transactions in assets and liabilities	–	3 393	3 523	–	–	–	(100.0)
<b>Transfers and subsidies</b>	<b>10 631 544</b>	<b>5 219 300</b>	<b>10 610 188</b>	<b>99.8</b>	<b>12 186 334</b>	<b>5 885 534</b>	<b>12.8</b>
Provinces and municipalities	10 206 719	5 016 843	10 206 711	100.0	11 736 678	5 660 188	12.8
Departmental agencies and accounts	295 560	167 166	282 711	95.7	299 351	168 729	0.9
Universities and technikons	1 250	–	–	–	1 000	–	(100.0)
Foreign governments and international organisations	1 000	–	–	–	–	–	(100.0)
Non-profit institutions	126 303	34 902	120 067	95.1	149 287	56 321	61.4
Households	712	389	699	98.2	18	296	(23.9)
<b>Payments for capital assets</b>	<b>82 829</b>	<b>9 004</b>	<b>69 298</b>	<b>83.7</b>	<b>44 535</b>	<b>6 975</b>	<b>(22.5)</b>
Buildings and other fixed structures	5 000	–	265	5.3	4 734	–	(100.0)
Machinery and equipment	32 877	8 811	24 126	73.4	39 801	6 655	(24.5)
Software and other intangible assets	44 952	193	44 907	99.9	–	320	65.8
<b>Total</b>	<b>11 453 993</b>	<b>5 491 865</b>	<b>11 338 048</b>	<b>99.0</b>	<b>13 091 136</b>	<b>6 187 213</b>	<b>12.7</b>

## Selected expenditure trends for the first half of 2007/08

Expenditure in the first six months of 2007/08 was R6.187 billion, or 47.3 per cent of the adjusted appropriation of R13.091 billion for the year as a whole. Expenditure in the first six months of 2007/08 increased by 12.7 per cent compared to the same period of 2006/07.

The main increases compared to 2006/07 are related to higher spending on the HIV and Aids and forensic pathology conditional grants in programme 2.

Expenditure in 2006/07 was 99 per cent of the adjusted appropriation for that year.

## Changes to transfers and subsidies and conditional grants

**Table 15.4: Summary of changes to transfers and subsidies per programme**

2007/08							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>2. Strategic Health Pogrammes</b>	<b>2 708 060</b>	<b>141 560</b>	<b>50 000</b>	<b>17</b>	<b>–</b>	<b>191 577</b>	<b>2 899 637</b>
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	2 319 403	10 648	50 000	–	–	60 648	2 380 051
Comprehensive HIV and Aids Grant	1 945 575	10 648	50 000	–	–	60 648	2 006 223
Capital	177 555	121 037	–	–	–	121 037	298 592
Forensic Pathology Services	177 555	121 037	–	–	–	121 037	298 592
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	62 163	9 875	–	–	–	9 875	72 038
National Health Laboratory Services	62 163	9 875	–	–	–	9 875	72 038
Households							
Other transfers							
Current	–	–	–	17	–	17	17
Leave Gratuity	–	–	–	17	–	17	17
<b>3. Health Service Delivery</b>	<b>9 052 433</b>	<b>234 011</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>234 011</b>	<b>9 286 444</b>
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	1 906 629	234 011	–	–	–	234 011	2 140 640
Hospital Revitalisation Grant	1 906 629	234 011	–	–	–	234 011	2 140 640
<b>4. Human Resources</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>1</b>
Households							
Other transfers							
Current	–	–	–	1	–	1	1
Leave gratuity	–	–	–	1	–	1	1

**Table 15.5: Summary of changes to conditional grants: Provinces<sup>1</sup>**

2007/08							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>2. Strategic Health Programmes</b>							
Comprehensive HIV and Aids Grant	1 945 575	10 648	50 000	–	–	60 648	2 006 223
Forensic Pathology Services Grant	551 383	121 037	–	–	–	121 037	672 420
<b>3. Health Service Delivery</b>							
Hospital Revitalisation Grant	1 906 629	234 011	–	–	–	234 011	2 140 640

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2007.