

# VOTE 4

## DEPARTMENT OF HEALTH

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	37 408 057	37 656 857		248 800
of which:				
Current payments	33 655 806	34 023 359		367 553
Transfers and subsidies	1 342 743	1 342 743		
Payments for capital assets	2 409 508	2 290 755	(118 753)	
Payment for financial assets				
Executive authority	MEC for Health			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

Daily we provide high-quality, efficient and accessible healthcare to transform people's lives.

#### Mission

Create an effective public health system in Gauteng by ensuring we have the right people, skills, systems and equipment to provide the care our patients need to live healthy, quality lives.

### 2. Changes to programme name, purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 4.1: DEPARTMENT OF HEALTH

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	829 895				18 500			56 299	74 799	904 694
2. District Health Services	12 598 039		15 000		(31 717)			17 174	457	12 598 496
3. Emergency Medical Services	1 197 221									1 197 221
4. Provincial Hospital Services	6 910 146				43 137			42 783	85 920	6 996 066
5. Central Hospital services	12 609 627				80			83 744	83 824	12 693 451
6. Health Sciences & Training	976 452				(30 000)				(30 000)	946 452
7. Health Care Support Services	268 747									268 747
8. Health Facilities Management	2 017 930			33 800					33 800	2 051 730
<b>Total for Programmes</b>	<b>37 408 057</b>		<b>15 000</b>	<b>33 800</b>				<b>200 000</b>	<b>248 800</b>	<b>37 656 857</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>33 655 806</b>		<b>15 000</b>		<b>152 553</b>			<b>200 000</b>	<b>367 553</b>	<b>34 023 359</b>
Compensation of employees	22 208 890				9 000			143 701	152 701	22 361 591
Salaries & wages	18 306 819				873 968			107 744	981 712	19 288 531
Social contribution	3 902 071				(864 968)			35 957	(829 011)	3 073 060
Goods and services	11 446 916		15 000		143 553			56 299	214 852	11 661 768
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>1 342 743</b>									<b>1 342 743</b>
Provinces and municipalities	675 326									675 326
Departmental agencies and accounts	18 869									18 869
Higher education institutions	1 963									1 963
Non-profit institutions	544 030									544 030
Households	102 555									102 555
<b>Payments for capital assets</b>	<b>2 409 508</b>			<b>33 800</b>	<b>(152 553)</b>				<b>(118 753)</b>	<b>2 290 755</b>
Buildings and other fixed structures	1 235 355			33 800	(164 391)				(130 591)	1 104 764
Machinery and equipment	1 174 153				11 838				11 838	1 185 991
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>37 408 057</b>		<b>15 000</b>	<b>33 800</b>				<b>200 000</b>	<b>248 800</b>	<b>37 656 857</b>

The departmental main appropriation increases by R248.8 million to an adjusted appropriation of R37.6 billion. The adjusted appropriation increase is due to additional funding informed by approved rollovers from the province and the national respectively and additional allocation from the province

An additional amount of R143.7 million has been allocated as a funding gap to cover for the higher than anticipated wage agreement for improvement of conditions of service for employees. The total amount of R15 million is allocated as an approved national rollover towards payment of stipends to community health care workers that could not be processed in the last day of the 2015/16 financial year. A further amount of R33.8 million was approved as a provincial rollover towards incomplete electro mechanical projects and an amount of R56.2 million has been allocated towards ICT revenue enhancement

The budget was reprioritized within and between programmes to continue with the recapitalization of Emergency Medical Services (EMS) fleet to improve response times, and continue with the community awareness programme on EMS accessibility and procurement of medical equipment. The budget reprioritization within the programmes was also informed by the proposed provincialisation of primary health care services and increased mental health care services as services were terminated from Life Esidimeni.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 4.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office Of The MEC	19 389				1 078				1 078	20 467
2. Management	810 506				17 422			56 299	73 721	884 227
<b>Total for Programmes</b>	<b>829 895</b>				<b>18 500</b>			<b>56 299</b>	<b>74 799</b>	<b>904 694</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>819 146</b>				<b>3 000</b>			<b>56 299</b>	<b>59 299</b>	<b>878 445</b>
Compensation of employees	395 762									395 762
Salaries & wages	318 701									318 701
Social contribution	77 061									77 061
Goods and services	423 384				3 000			56 299	59 299	482 683
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>2 203</b>									<b>2 203</b>
Non-profit institutions										
Households	2 203									2 203
<b>Payments for capital assets</b>	<b>8 546</b>				<b>15 500</b>				<b>15 500</b>	<b>24 046</b>
Buildings and other fixed structures										
Machinery and equipment	8 546				15 500				15 500	24 046
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>829 895</b>				<b>18 500</b>			<b>56 299</b>	<b>74 799</b>	<b>904 694</b>

**TABLE 4.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(4 424)</b>		<b>7 424</b>
Compensation of employees	Control measures on travelling are strengthened due to continued cost containment. Training budget is also reduced since some training plans are deferred to the next financial year.	(4 424)	Funds are shifted to alleviate budget pressure for municipal rates and security services and to provide for the anticipated expenditure within computer services such as licences and data lines.	7 424
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>15 500</b>
Buildings and other fixed structures			Funds are shifted as a provision for payment of expenditure already incurred and for the replacement of obsolete computers in health institutions.	15 500
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(4 424)</b>		<b>22 924</b>

### Virements and shifts

The overall budget of the programme increases by R18.5 million through a virement to defray excess expenditure incurred on machinery and equipment and consultants and business advisory services towards revenue enhancement and the replacement of obsolete computer equipment and increased investment on revenue generation initiatives respectively. A shift within the programme is informed by implementation of cost-containment measures and a reduction was realised on fleet services, travel and subsistence and stationery items. These funds are reallocated to enhance the on-going ICT infrastructure investment and to pay for accruals and commitments. Other investments include the procurement of identity verification scanners and software licence.

### Additional provincial funding: R56.2 million

An additional amount of R56.2 million is allocated to the programme for ICT revenue enhancement with particular focus on patient identification verification system and additional computers for patient administration and revenue staff.

### Programme 2: District Health Services

**TABLE 4.4: PROGRAMME 2: DISTRICT HEALTH SERVICES**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. District Management	499 666				18 146				18 146	517 812
2. Community Health Clinics	2 280 109				(24 771)				(24 771)	2 255 338
3 Community Health Centres	1 743 676				(21 297)				(21 297)	1 722 379
4. Community Based Services	1 607 616				(28 795)				(28 795)	1 578 821
5. HIV and Aids	3 451 142		15 000						15 000	3 466 142
6. Nutrition	52 604									52 604
7. Coroner Services	204 971				(5 000)				(5 000)	199 971
8. District Hospitals	2 758 255				30 000			17 174	47 174	2 805 429
<b>Total for programme</b>	<b>12 598 039</b>		<b>15 000</b>		<b>(31 717)</b>			<b>17 174</b>	<b>457</b>	<b>12 598 496</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	11 476 238		15 000		12 324			17 174	44 498	11 520 736
Compensation of employees	6 476 312				9 000			17 174	26 174	6 502 486
Salaries & wages	5 609 333				18 800			12 881	31 681	5 641 014
Social contribution	866 979				(9 800)			4 293	(5 507)	861 472
Goods and services	4 999 926		15 000		3 324				18 324	5 018 250
Interest and rent on land										
<b>Transfers and subsidies</b>	845 963				(12 960)				(12 960)	833 003
Provinces and municipalities	344 531									344 531
Non-profit institutions	482 058				(12 960)				(12 960)	469 098
Households	19 374									19 374
<b>Payments for capital assets</b>	275 838				(31 081)				(31 081)	244 757
Buildings and other fixed structures										
Machinery and equipment	275 838				(31 081)				(31 081)	244 757
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	12 598 039		15 000		(31 717)			17 174	457	12 598 496

TABLE 4.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: DISTRICT HEALTH SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(177 536)</b>		<b>189 860</b>
Compensation of employees	Funds are reprioritised to align budget with spending within the compensation of employee's items and sub-programmes.	(47 800)	Funds are reprioritised to align spending within the compensation of employees' items and sub-programmes and a provision made for the provincialisation of primary health care services in Sedibeng.	56 800
Goods and services	Shifting made mainly within the sub-programmes to other items with excess spending. Funds also shifted from inventory materials and supplies following centralisation of services in DID.	(129 736)	Funds shifted to cover excess expenditure as a result of accruals payment and increased usage of services within sub-programmes in contractors, consumable supplies, property payments as well as medical supplies.	133 060
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(12 960)</b>		
Provinces and municipalities				
Non-profit institutions	Virement of funds to realign the budget of mental health NPI beneficiaries.	(12 960)		
Households				
<b>Payments for capital assets</b>		<b>(37 410)</b>		<b>6 329</b>
Buildings and other fixed structures				
Machinery and equipment	Funds are shifted due to delays in procurement processes and review of procurement plans for machinery and equipment.	(37 410)	Provision is made to cater for the commitments and accruals on machinery and equipment for Community Health Centres Sub-Programme.	6 329
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(227 906)</b>		<b>196 189</b>

**National roll-over: R15 million**

A rollover of R15 million is approved for the Comprehensive HIV and Aids and TB grant for the stipend payment due to community health care workers that could not be processed on the last day of the 2015/16 financial year.

### Virements and shifts

Funds reprioritized to cater for the increased cost on gas, maintenance of medical equipment and provision is also made for increased usage of medical supplies and payment of accruals. The minor reduction on non-profit institutions is due to realignment of mental health services. Shifts have also considered the planned provincialisation of primary health care services within the districts. Further reprioritization is made to align the Comprehensive HIV and Aids and TB grant programmes, mainly medicine to align with the Universal Test and Treat, 90/90/90 campaigns and awareness initiatives.

### Additional provincial funding: R17 million

An additional amount of R17 million is allocated to the programme to cover for the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

### Programme 3: Emergency Medical Services

TABLE 4.6: PROGRAMME 3: EMERGENCY MEDICALS SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Emergency Medical Services	1 036 179				40 000				40 000	1 076 179
2. Emergency Transport	161 042				(40 000)				(40 000)	121 042
<b>Total for programme</b>	<b>1 197 221</b>									<b>1 197 221</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>755 126</b>				<b>(46 000)</b>				<b>(46 000)</b>	<b>709 126</b>
Compensation of employees	465 538									465 538
Salaries & wages	383 749									383 749
Social contribution	81 789									81 789
Goods and services	289 588				(46 000)				(46 000)	243 588
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>333 295</b>									<b>333 295</b>
Provinces and municipalities	330 795									330 795
Non-profit institutions	2 500									2 500
Households										
<b>Payments for capital assets</b>	<b>108 800</b>				<b>46 000</b>				<b>46 000</b>	<b>154 800</b>
Buildings and other fixed structures										
Machinery and equipment	108 800				46 000				46 000	154 800
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>1 197 221</b>									<b>1 197 221</b>

TABLE 4.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(55 600)</b>		<b>9 600</b>
Compensation of employees Goods and services	A shift was made on transport for departmental activities item as a result of reduction in usage of private ambulances and operating leases due to sufficient allocations made and an envisaged tariff increase on lease of a building was deferred to the next financial year.	(55 600)	Funds were reprioritised due to increased use of medical supplies and accelerated awareness campaigns to communities on EMS.	9 600
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions Households				
<b>Payments for capital assets</b>				<b>46 000</b>
Buildings and other fixed structures Machinery and equipment			Amount shifted towards payment of accruals for emergency vehicles and current commitments for fleet replacement.	46 000
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(55 600)</b>		<b>55 600</b>

### Virements and shifts

The budgets were reprioritized within and between programmes to continue with the recapitalization of Emergency Medical Services fleet to improve response times, continue with the community awareness programme on EMS accessibility and procurement of medical equipment to ensure full operationalisation of ambulances.

### Programme 4: Provincial Hospital Services

TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. General (Regional) Hospitals	4 912 317				49 556			42 783	92 339	5 004 656
2. Tuberculosis Hospitals	383 629									383 629
3. Psychiatric/ Mental Hospitals	1 038 185				(10 040)				(10 040)	1 028 145
4. Dental Training Hospitals	503 869									503 869
5. Other Specialised Hospitals	72 146				3 621				3 621	75 767
<b>Total for programme</b>	<b>6 910 146</b>				<b>43 137</b>			<b>42 783</b>	<b>85 920</b>	<b>6 996 066</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>6 697 664</b>				<b>40 577</b>			<b>42 783</b>	<b>83 360</b>	<b>6 781 024</b>
Compensation of employees	5 113 298				30 000			42 783	72 783	5 186 081
Salaries & wages	4 371 010				167 228			32 087	199 315	4 570 325
Social contribution	742 288				(137 228)			10 696	(126 532)	615 756
Goods and services	1 584 366				10 577				10 577	1 594 943
Interest and rent on land										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Transfers and subsidies	71 905				12 960				12 960	84 865
Provinces and municipalities										
Non-profit institutions	61 972				12 960				12 960	74 932
Households	9 933									9 933
Payments for capital assets	140 577				(10 400)				(10 400)	130 177
Buildings and other fixed structures										
Machinery and equipment	140 577				(10 400)				(10 400)	130 177
Payments for financial assets										
Total economic classification	6 910 146				43 137			42 783	85 920	6 996 066

TABLE 4.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(235 190)</b>		<b>275 767</b>
Compensation of employees	Reprioritisation of funds to align spending within compensation of employee's item within the programme.	(197 544)	Budget is increased to make provision for the placement of nurse graduates.	227 544
Goods and services	Shifting is also made from the medicine, contractors and operating lease items as they are adequately funded, revision of the procurement plans and deferred plans on maintenance of equipment after an operational assessment.	(37 646)	Funds shifted to cover excess expenditure incurred as a result of accrual payment, increased utilisation and tariff increases for contractors, consumable supplies, property payments as well as medical supplies.	48 223
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>12 960</b>
Provinces and municipalities			Provision made to fund over expenditure incurred on mental health non-profit institution from Life Esidimeni.	12 960
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(11 194)</b>		<b>794</b>
Buildings and other fixed structures	Shifting funds due to delays in procurement processes and review of procurement plans for machinery and equipment.	(11 194)	Realignment of budget within the programme item to fund expenditure already incurred towards purchase of medical and allied equipment.	794
Machinery and equipment				
Heritage assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(246 384)</b>		<b>289 521</b>

### Virements and shifts

The programme budget increases by R43.1 million of which R30 million is reallocated towards placement of nurse graduates, R177 000 to accommodate the decentralized procurement of wheelchairs and R12.9 million to fund accruals and ensure continued mental health services offered at Baneng Centre of Life Esidimeni.

The department continues to apply cost containment measures by reducing expenditure on non-core items including agency support and outsourced services, entertainment, inventory materials and inventory other supplies.



**Additional provincial funding: R42.7 million**

An additional amount of R42.7 million is allocated to the programme to cover the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

**Programme 5: Central Hospital Services**

TABLE 4.10 PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1 Central Hospitals	9 537 174				60			83 744	83 804	9 620 978
2. Provincial Tertiary Hospital Service	3 072 453				20				20	3 072 473
<b>Total for programme</b>	<b>12 609 627</b>				<b>80</b>			<b>83 744</b>	<b>83 824</b>	<b>12 693 451</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>12 085 295</b>				<b>821</b>			<b>83 744</b>	<b>84 565</b>	<b>12 169 860</b>
Compensation of employees	8 716 095							83 744	83 744	8 799 839
Salaries & wages	6 757 638				715 940			62 776	778 716	7 536 354
Social contribution	1 958 457				(715 940)			20 968	(694 972)	1 263 485
Goods and services	3 369 200				821				821	3 370 021
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>20 807</b>									<b>20 807</b>
Provinces and municipalities										
Non-profit institutions										
Households	20 807									20 807
<b>Payments for capital assets</b>	<b>503 525</b>				<b>(741)</b>				<b>(741)</b>	<b>502 784</b>
Buildings and other fixed structures										
Machinery and equipment	503 525				(741)				(741)	502 784
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>12 609 627</b>				<b>80</b>			<b>83 744</b>	<b>83 824</b>	<b>12 693 451</b>

**TABLE 4.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: CENTRAL HOSPITAL SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(779 791)</b>		<b>780 612</b>
Compensation of employees	Reprioritisation of funds to align spending within compensation of employees' item within the programme.	(715 940)	Reprioritisation of funds to align spending within compensation of employees' item within the programme.	715 940
Goods and services	Funds are reprioritised from items that are estimated as adequately funded and cost containment is implemented by reducing the usage of nursing agencies in some hospitals to sustain operations for the current financial year.	(63 851)	Realignment of funds to provide for excess expenditure and commitments on the procurement of medicine, medical supplies and consumable supplies. Further realignment was made to align the National Tertiary Services and Health Professions grants business plans.	64 672
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(2 341)</b>		<b>1 600</b>
Buildings and other fixed structures	Funds shifted from Health Professions Training and Development Grant as most of machinery could not be procured as a result of delay in procurement processes.	(2 341)	Realignment of funds to provide for medical and allied equipment commitments which are not provided within the National Tertiary Services and Health Professions Training and Developments grants.	1 600
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(782 132)</b>		<b>782 212</b>

### Virements and shifts

The programme budget increases by R80 000 due to decentralized procurement of assistive devices. The department continues to implement cost-containment measures by reducing budget on non-core items to core items like medical supplies, medicine due to increased utilisation, purchase of linen and patient clothing as well as increased cost of gas and consumables like cleaning detergents. R1.6 million is shifted to machinery and equipment to towards procurement of medical and allied equipment that is not covered by National Tertiary Services and Health Professions Training and Development grants funding.

### Additional provincial funding: R83.7 million

R83.7 million is allocated to the programme to cover the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

### Programme 6: Health Sciences and Training

**TABLE 4.12 PROGRAMME 6: HEALTH SCIENCES AND TRAINING**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Nurse Training Colleges	817 298				(35 000)				(35 000)	782 298
2. EMS Training Colleges	38 944									38 944
3. Bursaries	54 458									54 458
4. Other Training	65 752				5 000				5 000	70 752
<b>Total for programme</b>	<b>976 452</b>				<b>(30 000)</b>				<b>(30 000)</b>	<b>946 452</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	898 475				(29 010)				(29 010)	869 465
Compensation of employees	840 081				(30 000)				(30 000)	810 081
Salaries & wages	703 537				(28 000)				(28 000)	675 537
Social contribution	136 544				(2 000)				(2 000)	134 544
Goods and services	58 394				990				990	59 384
Interest and rent on land										
<b>Transfers and subsidies</b>	68 034									68 034
Departmental agencies and accounts	18 869									18 869
Higher education institutions	1 963									1 963
Non-profit institutions										
Households	47 202									47 202
<b>Payments for capital assets</b>	9 943				(990)				(990)	8 953
Buildings and other fixed structures										
Machinery and equipment	9 943				(990)				(990)	8 953
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	976 452				(30 000)				(30 000)	946 452

TABLE 4.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(36 715)</b>		<b>7 705</b>
Compensation of employees	Budget was shifted to make provision for the placement of nurse graduates in other programmes.	(35 000)	Budget for Other Training Sub-Programme was under estimated.	5 000
Goods and services	Funds shifted for the realignment of budget within the programme to funds expenditure already incurred.	(1 715)	Realignment of funds to provide for excess expenditure on municipal and security services, operating leases, uniform allowance, medicine and material and supplies items.	2 705
Interest and rent on land				
<b>Transfers and subsidies</b>				
Households				
<b>Payments for capital assets</b>		<b>(990)</b>		
Buildings and other fixed structures				
Machinery and equipment	Shifting of funds due to delay in the procurement processes and a review of procurement plan for machinery and equipment.	(990)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(37 705)</b>		<b>7 705</b>

### Virements and shifts

An amount of R30 million is shifted from this programme to Programme 4: Provincial Hospital Services for the placement of nurse graduates.

Funds are reallocated within Other Training sub-programme to defray excess expenditure. The department continues to apply cost containment measures by reducing expenditure on items such as advertising and minor assets and funds are reallocated to priority areas to procure nurse uniform and cater for increased security tariffs and operating leases.

## Programme 7: Health Care Support Services

TABLE 4.14 PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Laundries	195 706									195 706
2. Food Supply Services	73 040									73 040
3. Medicine Trading Account	1									1
<b>Total for programme</b>	<b>268 747</b>									<b>268 747</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>255 441</b>				<b>4 800</b>				<b>4 800</b>	<b>260 241</b>
Compensation of employees	163 124									163 124
Salaries & wages	136 331									136 331
Social contribution	26 793									26 793
Goods and services	92 317				4 800				4 800	97 117
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>536</b>									<b>536</b>
Provinces and municipalities										
Non-profit institutions										
Households	536									536
<b>Payments for capital assets</b>	<b>12 770</b>				<b>(4 800)</b>				<b>(4 800)</b>	<b>7 970</b>
Buildings and other fixed structures										
Machinery and equipment	12 770				(4 800)				(4 800)	7 970
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>268 747</b>									<b>268 747</b>

TABLE 4.15: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(270)</b>		<b>5 070</b>
Compensation of employees	Funds shifted as a result of reviewed contracts for maintenance of equipment which yielded a funding gain and implementation of cost containment on stationery.	(270)	Provision made for fund operating leases and property payment expenditure and to supplement for food packaging materials.	5 070
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(4 800)</b>		

Economic classification	Motivation	From	Motivation	To
Buildings and other fixed structures	Shifting funds due to delays in procurement processes and review of procurement plans for machinery and equipment.	(4 800)		
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(5 070)</b>		<b>5 070</b>

### Virements and shifts

The programme shifted an amount of R4.8 million from machinery and equipment due to the delay and review of procurement plans for machinery and equipment in the programme, funds are redirected to increased security tariffs, fuel and gas and consumable supplies.

Funds are shifted within the Sub-Programme: Laundries and items to ensure correct allocation on compensation of employees. Further shifts were made from machinery and equipment to alleviate excess expenditure incurred on the acquisition of wood and coal and the procurement of protective clothing towards infection control.

### Programme 8: Health Facilities Management

TABLE 4.16: PROGRAMME: HEALTH FACILITIES MANAGEMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Community Health Facilities	447 225				(117 777)				(117 777)	329 448
2. Emergency Medical Rescue Services	5 400				(1 700)				(1 700)	3 700
3. District Hospital Services	346 226			10 800	28 523				39 323	385 549
4. Provincial Hospital Services	491 415				61 361				61 361	552 776
5. Central Hospital Services	443 681			23 000	7 209				30 209	473 890
6. Other Facilities	283 983				22 384				22 384	306 367
<b>Total for Programmes</b>	<b>2 017 930</b>			<b>33 800</b>					<b>33 800</b>	<b>2 051 730</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>668 421</b>				<b>166 041</b>				<b>166 041</b>	<b>834 462</b>
Compensation of employees	38 680									38 680
Salaries & wages	26 520									26 520
Social contribution	12 160									12 160
Goods and services	629 741				166 041				166 041	795 782
Interest and rent on land										
<b>Transfers and subsidies</b>										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	<b>1 349 509</b>			<b>33 800</b>	<b>(166 041)</b>				<b>(132 241)</b>	<b>1 217 268</b>
Buildings and other fixed structures	1 235 355			33 800	(164 391)				(130 591)	1 104 764

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Machinery and equipment	114 154				(1 650)				(1 650)	112 504
Payments for financial assets										
Total economic classification	2 017 930			33 800					33 800	2 051 730

TABLE 4.17: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(22 524)</b>		<b>188 565</b>
Compensation of employees	Funds are shifted from Bronkhorstspuit Forensic Pathology Services as the project has not progressed as anticipated.	(22 524)	Budget is increased to make provision for maintenance projects for all central hospitals as they are overspending.	188 565
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(283 846)</b>		<b>117 805</b>
Buildings and other fixed structures	Funds are shifted from Hellen Joseph Hospital Staff Res as the project has not progressed as anticipated; the project is at tender stage awaiting Probity adjudication.	(282 196)	Budget is increased to make provision for maintenance projects as they are overspending.	117 805
Machinery and equipment				
	Funds shifted from Medical Equipment projects to pay for Medical kits for all institutions.	(1 650)	Budget is increased to make provision for Thelle Mogwerane Hospital Staff Res as the project is moving faster and at finishing stage.	
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(306 370)</b>		<b>306 370</b>

### Provincial rollover: R33.8 million

The department is allocated additional funding of R33.8 million for infrastructure to fund incomplete electro mechanical projects in Tshwane District Hospital, Dr George Mukhari Academic Hospital and Charlotte Maxeke Academic Hospital.

### Virements and shifts

Budget shifts within the sub-programmes effected in order to make provision for increased maintenance costs. In addition, the budget allocated to the construction of new or replacement of infrastructure assets has been adjusted downwards due to delays in the implementation processes, whilst the budget allocated to renovations, rehabilitations, upgrading and additions has been adjusted upwards to make provision for completion of works at various institutions.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 4.18: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
1. Administration	743 226	503 790	807 358	109%	904 694	482 670	(4%)
2. District Health Service	11 615 587	5 348 654	11 075 547	95%	12 598 496	6 002 612	12%
3. Emergency Medical Services	1 086 491	466 993	940 319	87%	1 197 221	510 608	9%
4. Provincial Hospital Services	6 726 996	3 302 982	6 432 065	96%	6 996 066	3 666 545	11%
5. Central Hospital Services	12 034 408	6 320 270	12 582,282	105%	12 693 451	7 260 640	15%
6. Health Sciences & Training	912 932	436 763	938 834	103%	946,452	548 956	26%
7. Health Care Support Services	259 795	112 531	223 499	86%	268 747	133 476	19%
8. Health Facilities Management	1 957 652	792 912	1 864 651	95%	2 051 730	973 612	23%

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>Total for programmes</b>	<b>35 337 087</b>	<b>17 284 895</b>	<b>34 864 555</b>	<b>99%</b>	<b>37 656 857</b>	<b>19 579 119</b>	<b>13%</b>
<b>Current payments</b>	<b>32 346 648</b>	<b>15,870,878</b>	<b>31,905,325</b>	<b>99%</b>	<b>34 023 359</b>	<b>18 006 053</b>	<b>(73%)</b>
Compensation of employees	20 834 705	9 990 930	20 648 000	99%	22 361 591	11 367 430	14%
Goods and Services	11 511 943	5 879 780	11 257 325	98%	11 661 768	6 638 623	13%
Interest and rent on land		168					(100%)
<b>Transfers and subsidies</b>	<b>1 457 654</b>	<b>663 033</b>	<b>1 467 193</b>	<b>101%</b>	<b>1 342 743</b>	<b>634 681</b>	<b>(44%)</b>
Provinces and municipalities	657 443	283 964	657 442	100%	675 326	218 090	(23%)
Departmental agencies and accounts	17 919	17 921	17 919	100%	18 869	1	(100%)
Higher education institutions	1 864	937	1 824	98%	1 963		
Non-profit institutions	686 984	272 614	523 218	76%	544 030	253 305	(7%)
Households	93 444	87 597	266 790	286%	102 555	163 285	86%
<b>Payments for capital assets</b>	<b>1 532 785</b>	<b>747 606</b>	<b>1 481 189</b>	<b>97%</b>	<b>2 290 755</b>	<b>932 840</b>	<b>25%</b>
Buildings and other fixed structures	869 741	310 000	784 988	90%	1 104 764	471 372	52%
Machinery and equipment	663 044	436 860	696 201	105%	1 185 991	461 468	6%
Software and other intangible assets		746					(100%)
<b>Payments for financial assets</b>		<b>3 378</b>	<b>10 848</b>			<b>5,545</b>	
<b>Total economic classification</b>	<b>35 337 087</b>	<b>17 284 895</b>	<b>34 864 555</b>	<b>99%</b>	<b>37 656 857</b>	<b>19 579 119</b>	<b>13%</b>

### Expenditure trends for 2015/16

The department's total expenditure for 2015/16 financial year amounted to R34.8 billion which translates to 99 per cent of the total budget of R35.3 billion. A total of 3 of the 8 programmes spent 100 per cent i.e. Programme 1: Administration, Programme 5: Central Hospitals and Programme 6: Health Sciences and Training.

The overall underspending on goods and services was as a result of non-payment to National Health Laboratory Services (NHLS) due to the near complete investigation on billing process. The department also incurred higher than anticipated payment of litigation in the financial year under review.

The over expenditure on households was attributed to the increased intake of the South African Cuban student doctor programme and the shortfall due to exchange rates towards payment for tuition fees and stipend and unforeseen increase in staff resignations that resulted in increased leave gratuity payments.

An underspending in payments for capital assets was due to the revised plans and non-delivery of procured equipment before the end of the financial year.

### Expenditure trends for the first half of 2016/2017

The department spent R19.5 billion in the first half of 2016/2017 compared to R17.3 billion in the first half of 2015/2016. This is mainly due to payment of previous financial year's accruals and increased payment of litigations as well as payment for Improvement of Conditions of Service (ICS).

### Programme 1: Administration

The total amount spent at the end of 2016/17 second quarter is R482.6 million which is comparatively less than the R503.7 million spent in the 2015/16 financial year as a result of delays in payment of computer services due to verification of invoices.

**Programme 2: District Health Services**

Spending under this programme increased by R654 million at the end of the second quarter in the current financial year as compared to 2015/16 second quarter spending. The increased expenditure is as a result of payment of accruals and increased procurement of medical supplies for the newly opened additional wards.

**Programme 3: Emergency Medical Services**

The total expenditure for the first six months of the current financial year amounts to R510.6 million as compared to R466.9 million in the same period for 2015/16 financial year. The increase is due to payment of accruals and continuous procurement of new ambulances.

**Programme 4: Provincial Hospital Services**

During the period under review, the spending in this programme has increased with an amount of R363.5 million as compared to the same period during 2015/16 financial year. The increased spending is due to the newly opened additional wards in Leratong, Pholosong and Sebokeng hospitals and payment of accruals.

**Programme 5: Central Hospital Services**

When comparing the same period in the previous financial year, the overall change in expenditure for the first six months of the financial year has increased by R940.3 million from R6.3 billion in 2015/16 to R7.2 billion. The increase in spending is due to the payment of accruals from the previous financial year and increased spending on litigations.

**Programme 6: Health Sciences and Training**

The mid-term expenditure for this programme amounted to R548.9 million which is more when compared to the same period for the previous financial year which amounted to R436.7 million. The increase in expenditure is due to the increased payment of the South African Cuban Doctor programme and a shortfall due to exchange rates towards payment for tuition fees and stipend.

**Programme 7: Health Care Support**

The 2016/17 second quarter expenditure in this programme is at R133.4 million as compared to R112.5 million in the 2015/16 financial year due to payment of accruals.

**Programme 8: Health Facilities Management**

Expenditure in this programme amounted to R973.6 million in the second quarter of the current financial year. However, the programme has spent R180.7 million more as compared to the previous financial year. The increase is as a result of accelerated payments for maintenance projects.

**6. Departmental receipts**

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							
Sales of goods and services other than capital assets	527 770	190 122	433 650	(17.9%)	555 741	215 113	13.14%
Of which Health patient fees	456 274	150 491	339 511	(25.6%)	473 830	169 268	12.48%
Transfers received						429	
Fines, penalties and forfeits	50	27	56	12.0%	53	21	(22.22%)
Interest, dividends and rent on land	1 216	242	939	(22.9%)	1 280	730	201.65%
Sales of capital assets							
Financial transactions in assets and liabilities	26 691	28 549	44 651	67.2%	28 026	16 395	(42.57%)
<b>Total receipts</b>	<b>555 727</b>	<b>218 940</b>	<b>479 296</b>	<b>38.7%</b>	<b>585 100</b>	<b>232 688</b>	<b>6.28%</b>



## Revenue trends for the first half of 2016/17

The table above shows the contribution of each source towards the total revenue generated as at end of the second quarter of the 2016/17 financial year. The revenue estimates from previous financial year has increased from R555.7 million to R585.1 million in the current financial year. As end of September 2016, revenue collection amounted to R 232.6 million and this represents a growth rate of 6.28 per cent as compared to end of September 2015.

Sales of goods and services which includes patient fees contributed R215 million which is a 13.14 per cent below the 2015/16 contribution. Interest, dividends and rent on land contribution has increased from R242 000 to R730 000 which is a 201.65 per cent increase when comparing the two financial years.

Fines, penalties and forfeits actual collection decreased by 22.22 per cent from R27 000 in 2015/16 to R21 000 in 2016/17.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Programme 1	2 203									2 203
Households	2 203									2 203
Programme 2	845 963				(12 960)				(12 960)	833 003
Provinces and municipalities	344 531									344 531
Non Profit Institution	482 058				(12 960)				(12 960)	469 098
Households	19 374									19 374
Programme 3	333 295									333 295
Provinces and municipalities	330 795									330 795
Households	2 500									2 500
Programme 4	71 905				12 960				12 960	84 865
Non Profit Institution	61 972				12 960				12 960	74 932
Households	9 933									9 933
Programme 5	20 807									20 807
Households	20 807									20 807
Programme 6	68 034									68 034
Departmental agencies and accounts	18 869									18 869
Higher education institutions	1 963									1 963
Households	47 202									47 202
Programme 7	536									536
Households	536									536
Total changes in transfers and subsidies payments	1 342 743									1 342 743

An amount of R12.9 million is shifted from mental health non-profit institutions within community based services to psychiatric hospitals due to realignment of services and payment of accruals.

## 7.2 Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	3 271 150		15 000						15 000	3 286 150
Comprehensive HIV, AIDS and TB Grant	3 259 407		15 000						15 000	3 274 407
Social Sector EPWP Incentive Grant For Provinces	4 200									4 200
National Health Insurance Grant	7 543									7 543
<b>Programme 4</b>	208 129									208 129
Health Prof Training Development Grant	208 129									208 129
<b>Programme 5</b>	4 384 163									4 384 163
Health Prof Training Development Grant	657 115									657 115
National Tertiary Services Grant	3 727 048									3 727 048
<b>Programme 8</b>	779 818									779 818
EPWP Integrated Grant For Provinces	2 000									2 000
Hospital Revitalisation Component	777 818									777 818
<b>Total changes in conditional grants</b>	<b>8 643 260</b>		<b>15 000</b>						<b>15 000</b>	<b>8 658 260</b>

A total amount of R15 million is allocated as an approved rollover to fund community health care workers within the Comprehensive HIV/AIDS and TB grant as the amount could not be paid in the previous financial year.

## 7.3 Changes to infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE).