

VOTE 7

Health

Operational budget	R 36 546 571 274
MEC remuneration	R 1 901 726
Total amount to be appropriated	R 39 548 473 000
Responsible MEC	MEC for Health
Administering department	Health
Accounting officer	Head: Health

1. Overview

Vision

The vision of the Department of Health is: *Optimal health for all persons in KwaZulu-Natal.*

Mission Statement

The department's mission statement is: *To develop and implement a sustainable, co-ordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system, to ensure universal access to health care.*

Strategic objectives

Strategic policy direction: Directly linked with the National Development Plan (NDP) 2030 with the main focus on improving the health and well-being of the population and strengthening the health system effectiveness.

The department's strategic goals, each comprising a number of strategic objectives and sub-outcomes, have been aligned with the NDP 2030, the MTSF 2014-2019, the PGDP 2030 and National Health sector priorities. The overarching goal remains "*Increasing the life expectancy of all South Africans*". The strategic goals for 2015-2019 are:

- Strengthen health system effectiveness.
- Reduce and manage the burden of disease.
- Universal health coverage.
- Strengthen human resources for health.
- Improved quality of health care.

Core functions

The main purpose of the department is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system based on the primary health care approach, which encompasses promotive, curative, rehabilitative, supportive and palliative care. This is guided by the principles of accessibility, equity, quality and efficiency, sustainability, community participation, appropriate technology, and inter-governmental and inter-sectoral collaboration.

The department provides health services primarily to the uninsured population of KZN, who comprise about 87.5 per cent of the province's total population of 10 919 077 (2015 Mid-Year Population Estimates, Stats SA). In addition, the department provides central health services to people beyond provincial boundaries. The main categories of health services provided by the department are as follows:

Primary health care services

Primary health care services are rendered at community/household level by community outreach teams and mobile clinics and in fixed clinics and community health centres. Services include health promotion and prevention, screening and early detection of health conditions or risk factors, referral and curative and rehabilitative services.

Hospital services

District hospitals render hospital services at a general practitioner level, while provincial hospitals render hospital services at a specialist level. District hospitals provide clinical outreach services to primary health care (PHC) clinics. Specialised hospitals render specialised hospital services for patients with TB, psychiatric illnesses and those patients requiring long-term or chronic step-down/rehabilitative care. Tertiary and central hospitals render tertiary, central and quaternary hospital services at specialist level. Tertiary and central hospitals also provide clinical outreach services to provincial and district hospitals and participate in research to improve evidence-based practice.

Forensic pathology services

This category renders specialised forensic and medico-legal services including establishing the circumstances and causes surrounding unnatural death, ensuring the integrity of forensic evidence and providing an Inspector of Anatomy Services.

Emergency medical services

This category renders emergency care for trauma patients including patients from road traffic accidents, and provides emergency transport for emergency medical and obstetric patients. Planned patient transport is provided for inter-hospital transfer, while indigent patients are transported between clinics and hospitals.

Legislative mandate

In carrying out its functions, the department is governed mainly by the following Acts and regulations:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations
- National Health Act (Act No. 61 of 2003)
- Mental Health Care Act (Act No. 17 of 2002)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations
- Medicines and Related Substances Act (Act No. 101 of 1965, as amended)
- Pharmacy Act (Act No. 53 of 1974, as amended)
- Nursing Act (Act No. 33 of 2005)
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- National Health Laboratory Service Act (Act No. 37 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Traditional Health Practitioners Act (Act No. 35 of 2004)
- Health Professions Act (Act No. 56 of 1974)
- Human Tissue Act (Act No. 65 of 1983)
- Allied Health Professions Act (Act No. 63 of 1982)

2. Review of the 2016/17 financial year

Section 2 provides a review of 2016/17 outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Prevent and reduce the burden of disease with the main focus on maternal, neonatal, child and women's health, nutrition, TB, HIV and AIDS, and non-communicable conditions, as follows:

- The mother to child transmission rate of HIV was at 1.3 per cent at mid-year, with the aim to reduce this to less than 1 per cent by March 2017.
- The facility maternal mortality ratio was at 128.7 per 100 000 at mid-year, with a target of 115 maternal deaths per 100 000 live births by March 2017.
- The child under 5-year severe acute malnutrition incidence was slightly below the March 2017 target of 5.3 per 1 000, with an achievement at mid-year of 5.2 per 1 000.
- The TB incidence was at 642.5 per 100 000 at the end of 2015/16, with the aim to achieve 700 per 100 000 population by March 2017. The target is higher as surveillance is improving and case detection is expected to be higher.
- The TB client treatment success rate was at 86.5 per cent at mid-year, almost on track to achieve the target of 86 per cent by March 2017.
- The total number of clients remaining on ARV therapy was at 1 067 123 at mid-year, with the aim to reach 1 205 438 by March 2017.
- The department aimed to decrease the hypertension incidence to 16.5 per 1 000 by March 2017. With the mid-year outcome at 26.3 per 1 000, the department will monitor this to determine the impact of improved screening and early detection of hypertension.
- The department aimed to decrease the diabetes incidence to 1.3 per 1 000 by March 2017. This will be monitored to determine the impact of improved screening and early detection of diabetes, as the mid-year performance was 3.6 per 1 000.

Scale up PHC re-engineering with the main focus on implementing the ICRM (Operation Phakisa):

- The percentage of fixed PHC facilities that scored above 80 per cent against the Ideal Clinic criteria (dashboard) was at 27.9 per cent at mid-year, while the department aims to achieve 40 per cent by March 2017.

Strengthen and improve hospital efficiencies with the main focus on implementation of an approved hospital rationalisation plan over the next 5 to 10 years:

- Development of the Hospital Rationalisation Plan commenced in regional, specialised, tertiary and central hospitals including:
 - An audit to determine the current resource gaps (including human resources and equipment) for rendering of relevant package of services was undertaken.
 - Consultation with stakeholders, including hospital management and clinical disciplines, continued to inform the Hospital Rationalisation Plan which will form part of the department's turnaround plan to improve efficiency and optimal utilisation of available resources. The plan makes provision for reviewed service packages per level of care to improve equity in access and inform classification, alignment of structures with function, and review of bed allocation per clinical discipline informed by the burden of disease and demand for services.

Improving human resources for health with the main focus on the finalisation of a costed long term human resources plan:

- The planned review of the organisational structure was delayed due to delayed national processes including finalisation of the Workload Indicator of Staffing Need (WISN) project and finalisation of generic organisational structures for the sector.

- The department was unable to undertake a comprehensive headcount exercise in 2016/17 in conjunction with Provincial Treasury as planned, as the costs of the process were deemed to be too high. This process is under review and will be reconsidered in 2017/18.
- Phase 1 of the Decentralised Training in a PHC Model commenced in the King Cetshwayo, Amajuba, iLembe and Ugu Districts, with a 10 per cent placement of students in these districts.
- The Cuban Doctors' programme continued with the final group of students sent to Cuba for training in September 2016. However, as per an instruction from NDOH, no further students are to be enrolled in the programme, and graduates will return to the province annually to undertake their final 18 months internship before graduating. The department will continue to carefully monitor this programme as pressures result from exchange rate fluctuations.

Improving financial management with focus on the following:

- The process for an electronic inventory management system in all hospitals and community health centres was put on hold indefinitely due to budget constraints. With regard to the electronic billing system in central, tertiary and regional hospitals and selected high volume district hospitals, the process with the service provider (Meditech) was slower than originally expected with only a few institutions expected to be on line at the end of 2016/17.
- Regarding the NHLS pressures, the department received additional funding to address the funding gap resulting from the move to the fee-for-service payment mechanism. However, the gap has proved to be wider than expected and, to further address the gap, the department continued to review and implement gate-keeping processes to reduce costs.
- The department finalised its report on addressing the growing problem of medico-legal claims. The outcome has seen the establishment of a specialised unit to focus on this growing problem. The unit is currently analysing existing claims with a view to quantifying the extent of the problem.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- Although there was general improvement in compliance to the National Core Standards, progress was slower than expected, with only three hospitals compliant out of a total of 72. The slow progress can mainly be attributed to inadequate infrastructure and human resources. Alternative strategies will be explored in the new MTEF to fast track change.
- The average patient satisfaction rate of 84 per cent (all facilities) shows an annual improvement and various strategies have been implemented to ensure continuous improvement towards the 2020 target of 95 per cent.

Improving universal health coverage by implementing the NHI pilot in the three identified districts

- The department began with the roll-out of the Chronic Medication Dispensing and Supply Model, with all districts implementing the model and more than 503 000 patients benefiting from the programme. This programme seeks to ensure that all patients on chronic medication receive their medication on time, and thus aims to address systemic challenges.
- The health patient registration system piloted in the NHI districts is being rolled out to all districts with more than 600 000 patients currently registered on the system. Patients registered on the KZN system will be registered on the national health database, which will reduce duplication and improve access to patient records.

3. Outlook for the 2017/18 financial year

Section 3 looks at the key focus areas of 2017/18, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the department's budget allocation is for the delivery of PHC services to the approximately 87 per cent uninsured population of KZN. The main services rendered at PHC level include preventive, promotive and screening services for communicable and non-communicable services at community level and preventive,

promotive, rehabilitative, and curative services delivered in mobile and fixed clinics and Community Health Centres and services rendered in district hospitals. In 2017/18, the department will focus on the following priorities to further improve service delivery and health outcomes:

Prevent and reduce the burden of disease

- Reduce the mother to child transmission rate of HIV to 1.1 per cent by March 2018 from a target of less than 1 per cent by March 2017. The target is slightly higher than the current achievement due to a change in target definition from testing at 6 weeks to testing at 10 weeks.
- Reduce the facility maternal mortality ratio to 105 maternal deaths per 100 000 live births by March 2018, from a target of 115 per 100 000 by March 2017.
- Decrease the child under 5-year severe acute malnutrition incidence from a target of 5.2 per 1 000 in 2017 to 4.9 per 1 000 by March 2018.
- Decrease the TB incidence from the 2017 target of 750 to 700 per 100 000 population by March 2018.
- Increase the TB client treatment success rate from the 2017 target of 86 per cent to 87 per cent by March 2018.
- Increase the total number of clients remaining on ARV therapy from the 2017 target of 1 273 724 to 1 441 555 by March 2018.
- Hypertension incidence of 25.3 per 1 000 is targeted by March 2018. This is an increase from the target of 19 per 1 000 in 2017 as an initial increase of new hypertension cases is expected due to increased screening and detection.
- Diabetes incidence of 3.6 per 1 000 is targeted by March 2018. An initial increase from the 2017 target of 1.3 per 1 000 in new diabetes cases is expected due to increased screening and detection.

Scale up PHC re-engineering with the main focus on implementing the Ideal Clinic programme:

- Increase the percentage of fixed PHC facilities that score above 70 per cent against the Ideal Clinic criteria (dashboard) to 75 per cent by March 2018.

Strengthen and improve hospital efficiencies with the main focus on implementing an approved hospital rationalisation plan over the next 5 to 10 years:

- Re-classification of hospitals based on service packages, aligned post establishment, review of bed norms per clinical discipline, hospital complexes, emergency units in selected hospitals, roll-out of a patient information system in a phased approach, telehealth, and strengthening of clinical governance. The Health Sector Review will be used as a basis for the department's hospital rationalisation plan, which will provide efficiency gains once implemented.

Improving human resources for health with the main focus on the finalisation of a costed long term human resources plan, which will be included in the department's 2017 to 2027 long term plan:

- Continue with review of organisational structures based on confirmed national norms and service transformation.
- Commence with phase 2 of the Decentralised Training in a PHC Model in King Cetshwayo, Amajuba, Ugu, eThekweni, iLembe and uMgungundlovu Districts. Phase 2 includes an increase in student intake numbers from 10 to 20 per cent in decentralised sites, expanding the platform to additional facilities in the decentralised sites, and the establishment of additional information centres at training sites.

Improving financial management where the department intends to:

- Continue the process of implementing an electronic inventory management system in all hospitals and community health centres, along with an electronic billing system in central, tertiary and regional hospitals and selected high volume district hospitals, with 12 institutions expected to be online by the end of 2017/18. As mentioned, the billing system is supplied by Meditech, who will also assist in developing a patient record system.

- Continue to address NHLS pressures by reviewing and implementing gate-keeping processes to reduce costs.
- The department's newly established medico-legal claims unit will analyse the areas of risk in the department with a view to formulating strategies, systems and policies with the aim of reducing the future incidence of claims. The unit will provide feedback to management and clinicians of its findings and proposals.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- Increase the percentage of hospitals that are compliant with all extreme and vital measures of the core standards to 60 per cent (or more) by March 2020. These include, but are not limited to, measures which ensure that the safety of patients and staff is safeguarded so as to not result in unnecessary harm or death.
- Sustain a patient satisfaction rate of 95 per cent (or more) in all health facilities by March 2020.

Improve universal health coverage by implementing the NHI pilot in the 3 identified districts. With the ceasing of the NHI grant, the department will liaise with NDOH with regard to access to funding from the centralised NHI Indirect Grant under NDOH. Planned activities include:

- Contracting private medical practitioners to increase medical coverage at PHC level.
- Further roll-out of the Chronic Medication Dispensing and Supply Model to increase access to chronic medication at community level and reduce waiting times at facility levels.
- Further refine referral systems for roll-out to other districts.
- Roll-out of the Electronic Patient Registration System to all districts. This is currently jointly funded from the NHI grant and the equitable share, and funding from the NHI Indirect Grant will be requested to assist in this regard.
- Strengthen support and leadership through the District Clinical Specialist Teams.

4. Reprioritisation

The department undertook comprehensive reprioritisation in the preparation of the 2017/18 MTEF budget with the main movement of R455.890 million with carry-through being to *Compensation of employees* to address historical shortfalls in the budget against this category. These shortfalls have arisen largely due to the above-budget 2015 wage agreement, as well as the increased uptake of the housing allowance following the increases announced in the 2015 wage agreement. In addition, there are pressures from the increase in medical intern numbers, as required by NDOH. There has also been pressure on this category with the increase in staffing required at PHC level due to the introduction of ward-based teams.

There was also funding of R22.426 million with carry-through reprioritised to *Transfers and subsidies to: Households* to address pressures in the Cuban Doctors' programme.

The bulk of the funding reprioritised was sourced from *Goods and services*, with R380.163 million with carry-through moved to other categories. The main items affected by this movement were the Inkosi Albert Luthuli Central Hospital (IALCH) PPP with savings against agency and outsourced services, as well as medical supplies and medicines. The latter two items will impact on service delivery, but is critical to ensure *Compensation of employees* is funded to allow for the filling of critical posts. Also reduced was *Buildings and other fixed structures* (R35 million in 2017/18 only) with projects to be slowed and maintenance projects to be reprioritised.

Also influencing the decisions as to which categories to target for reprioritisation were the various budget cuts effected on the baseline resulting from the reduction of the PES allocation due to data updates of the PES formula, as well as Fiscal Framework reductions and Own Revenue reductions.

In addition, as determined by the Executive Council on 2 November 2016, the province commenced the process of the remuneration of *Izinduna* in compliance with previously issued Presidential Proclamations.

The *Izindunas'* remuneration budget for the 2017/18 MTEF is partly funded (50 per cent) through an internal reprioritisation by the Department of Co-operative Governance and Traditional Affairs (COGTA) and the balance of 50 per cent funded through a proportional cut against all the remaining Votes. As a result, DOH's budget is reduced by R31.870 million, R33.623 million and R35.473 million over the MTEF, effected against all programmes and mainly against *Goods and services* (non-negotiable items).

5. Procurement

In line with the procurement plans, the department has made provision for a number of major purchases to take place during 2017/18, including:

- Out of a total budget of R11.829 billion for *Goods and services*, the department has allocated more than 73 per cent towards four major items, namely medicines, NHLS, medical supplies and property payments. The latter item includes water, lights, security, cleaning and catering costs.
- An ongoing item of procurement is for capital infrastructure with the continuation of the building of the Dr Pixley ka Seme Hospital, with R512.406 million budgeted for this project in 2017/18.
- The department planned to procure *Machinery and equipment* in the form of replacement vehicles. The budget for this is R147.079 million and includes provision for ambulances and laundry vehicles.
- There is also planned procurement amounting to R475.099 million of medical equipment, including X-ray machines and CT scanners. The department has also budgeted to procure non-medical equipment including trolleys, patient beds, etc.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 7.1 gives the source of funding for Vote 7 over the seven-year period 2013/14 to 2019/20. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 7.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Equitable share	23 428 519	24 636 764	26 017 310	29 275 163	29 278 493	29 275 163	31 462 955	33 154 853	35 376 361
Conditional grants	5 429 296	6 428 886	6 903 596	7 302 804	7 306 804	7 306 804	8 085 518	8 804 721	9 616 367
Health Professions Training and Development grant	276 262	292 837	299 513	312 377	312 377	312 377	331 944	351 197	370 863
Health Facility Revitalisation grant	1 072 531	1 362 469	1 229 775	1 114 693	1 114 693	1 114 693	1 149 355	1 128 018	1 191 186
National Tertiary Services grant	1 415 731	1 496 427	1 530 246	1 596 286	1 596 286	1 596 286	1 696 266	1 794 649	1 895 149
Comprehensive HIV, AIDS and TB grant	2 652 072	3 257 992	3 812 972	4 244 243	4 244 243	4 244 243	4 852 495	5 485 881	6 111 674
Social Sector EPWP Incentive Grant for Provinces	3 000	2 580	13 000	13 000	13 000	13 000	47 058	-	-
EPWP Integrated Grant for Provinces	-	2 581	3 682	7 122	7 122	7 122	8 400	-	-
National Health Insurance grant	9 700	14 000	14 408	15 083	19 083	19 083	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	44 976	47 495
Total receipts	28 857 815	31 065 650	32 920 906	36 577 967	36 585 297	36 581 967	39 548 473	41 959 574	44 992 728
Total payments	29 531 410	31 245 510	34 110 724	36 578 637	37 042 330	37 391 656	39 548 473	41 959 574	44 992 728
Surplus/(Deficit) before financing	(673 595)	(179 860)	(1 189 818)	(670)	(457 033)	(809 689)	-	-	-
Financing									
of which									
Provincial roll-overs	14 949	5 848	1 449	-	6 363	6 363	-	-	-
Provincial cash resources	346 446	47 967	1 047 637	670	450 670	450 670	-	-	-
Surplus/(Deficit) after financing	(312 200)	(126 045)	(140 732)	-	-	(352 656)	-	-	-

In 2013/14, the department received a roll-over of R14.949 million in respect of the NHI grant. This was used to pay for medical and surgical equipment, and information technology equipment, which was ordered in 2012/13, but only delivered in 2013/14. Also in 2013/14, the department received additional funding of R346.446 million from provincial cash resources as follows:

- R94.866 million for the take-over costs of McCord Hospital and malpractice insurance premiums.
- R200 million from equitable share funding for infrastructure development pressures.
- R1 million for spending on Operation Sukuma Sakhe (OSS) initiatives, as identified by the MEC.

- R50.580 million for the upgrading and refurbishment of the regional laundry in Dundee.

The over-spending of R312.200 million in 2013/14 relates mainly to pressures against medical supplies and medicines from the clearing of backlog payments from 2012/13 (particularly for ARV drugs), and the introduction of new (more expensive) tenders in District Health Services (DHS). Also causing pressure was the increased demand for regional services, as well as costs for TB medication. In addition, there was pressure resulting from medico-legal claims and higher than expected staff exit costs. Most of the litigation is at regional hospital level, with the additional challenge of a high attrition rate among medical specialists (who provide leadership) and critical shortage of specialised nursing staff. Furthermore, there were more staff exits than anticipated, particularly among the nursing staff.

This 2013/14 over-spending resulted in unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment thereof. This resulted in the first instalment of the first charge of R107.607 million being implemented in 2015/16 and 2016/17. A final instalment of R107.608 million is implemented in 2017/18. This is reflected as a footnote in Tables 7.6 and 7.7.

In 2014/15, the department's equitable share was reduced by R1.769 million related to previous years' irregular expenditure. The Executive Council approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the Vote. Also in 2014/15, the department received additional funding of R200 million for the Health Facility Revitalisation grant to fund in-year infrastructure pressures. This amount was taken from the indirect National Health grant and allocated to the province as a direct grant.

In addition, a roll-over of R5.848 million was approved in respect of the NHI grant, to pay for the development of a patient record system, with orders placed in 2013/14, but the development process of the system only getting underway in 2014/15.

The department began rolling out the human papillomavirus (HPV) vaccine in 2014/15, which has shown to prevent cervical cancer in women. The funding for the roll-out in 2014/15 and 2015/16 was made available through the NDOH as an indirect grant. An amount of R42.661 million was added to the provincial equitable share in 2016/17 as the programme was intended to become integrated into the normal business of provincial health departments. However, this has since been revised with the HPV vaccine grant, which was scheduled to end in 2015/16, now continuing as an indirect grant in 2017/18 before changing to a direct grant in 2018/19.

Additional funding of R47.967 million was allocated from provincial cash resources in 2014/15 for:

- Trade creditors and VAT at McCord Hospital (R15.870 million, with minor carry-through of R880 000 in 2015/16 and R670 000 in 2016/17, with R703 000 removed from the baseline in 2017/18 as this funding is no longer required).
- Operational costs at St. Mary's Hospital (R30.907 million), pending the finalisation of the transaction advisor's investigation into the potential provincialisation of the hospital.
- Own revenue reallocated back to the department (R1.190 million) being the sale of the McCord Hospital debtors' book, with the funding returned to the department for various infrastructure changes that needed to be made at the hospital to convert it to a specialised eye-care hospital.

In 2015/16, a roll-over of R1.449 million was approved in respect of the NHI grant, to pay for the procurement of four mobile caravan clinics, with orders placed in 2014/15, but only delivered in 2015/16. Also in 2015/16, the department was allocated additional funding of R1.048 billion from provincial cash resources for the following:

- R60 million for the purchase of St. Aidan's Hospital.
- R880 000 for trade creditors and VAT at McCord Hospital.
- R617.778 million for the above-budget 2015 wage agreement.
- R30.479 million for higher than budgeted collection of patient fees, reallocated to the department to fund the Revenue Enhancement Strategy.

- R270.500 million for the NHLS to assist in pressures as a result of moving from a flat-fee payment mechanism to a fee-for-service payment mechanism.
- R68 million to address pressures arising from medico-legal claims.

The department over-spent its 2015/16 budget by R140.732 million mainly due to an under-estimation of the costs of the housing allowance adjustment, which formed part of the 2015 wage agreement, as well as the higher allowance resulting in an increased uptake of the allowance by staff. Also contributing were NHLS costs due to the move to a fee-for-service payment mechanism.

In 2016/17, a roll-over of R6.363 million was approved in respect of the NHI grant, to pay for an electronic queuing system and internet connectivity for all clinics in NHI districts, with orders placed in 2015/16, but materials only delivered in 2016/17. The department also received an additional R4 million for the NHI grant, to help strengthen Health Information Systems, which is a necessary step for the success of the NHI Disease Related Grouping reimbursement model. Also in 2016/17, the department was allocated additional funding of R450.670 million from provincial cash resources for the following:

- R670 000 was allocated for the carry-through costs for trade creditors and VAT at McCord Hospital.
- R350 million was allocated to address pressures on imported medicines, medical supplies and equipment resulting from the deterioration of the Rand/Dollar exchange rate.
- R100 million was allocated to fully fund the shortfall from the above-budget 2016 wage adjustment. Departments budgeted at 7.2 per cent, while the settlement amount was 7.6 per cent, leaving a gap of 0.4 per cent unfunded. No funding was provided from National Treasury in this regard and funding was made available from provincial resources.

The department is projecting over-expenditure in 2016/17 mainly due to pressures in NHLS, exchange rate pressures for medical supplies and medicines, as well as unbudgeted medico-legal claims.

Note that, over the 2017/18 MTEF, the Health Facility Revitalisation grant baseline shows a peak in 2017/18 due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they will be required to bid for the infrastructure allocation two years in advance and financial incentives will be built into the infrastructure grant for provinces that implement best practices. In this regard, the department received an increase in 2017/18 of R53.445 million, as the required planning documents were submitted.

Note also that the Comprehensive HIV, AIDS and TB grant is affected by the fiscal consolidation, with cuts in 2017/18 and 2018/19. This grant shows significant growth in the outer year.

The department has been allocated eight national conditional grants over the seven-year period, and these are described in more detail in Section 7.4.

6.2 Departmental receipts collection

A summary of revenue collected by the Department of Health over the seven-year period under review is reflected in Table 7.2. Details of these departmental receipts are given in *Annexure – Vote 7: Health*.

Table 7.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	237 077	250 237	213 371	255 372	255 372	250 945	232 069	245 761	259 524
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	29	31	54	21	21	39	61	65	68
Interest, dividends and rent on land	5 988	143	51	135	135	43	71	149	157
Sale of capital assets	9 607	14 009	-	12 000	12 000	12 911	12 600	13 343	14 091
Transactions in financial assets and liabilities	18 046	25 513	30 118	16 182	16 182	26 665	15 707	16 634	17 565
Total	270 747	289 933	243 594	283 710	283 710	290 603	260 508	275 952	291 405

The bulk of revenue collected by this department is against *Sale of goods and services other than capital assets*. The major receipts against this category relate to patient fees, boarding fees, rentals, parking fees, commission charged on PERSAL deductions for insurance premiums and garnishees, etc. The high collection in 2013/14 and 2014/15 was due to higher than anticipated receipts of patient fees. This was due to the continued implementation of revenue enhancement initiatives by the department, in conjunction with Provincial Treasury. Also, the revenue retention incentive introduced by Provincial Treasury, which focuses on patient fees, is expected to further improve the department's performance going forward. The low collection in 2015/16 and in the 2016/17 Revised Estimate is mainly from patient fees which was affected by cash flow challenges faced by the Road Accident Fund (RAF). Further low collection in 2015/16 and in the 2016/17 Revised Estimate was due to old claims for Compensation of Occupational Injuries and Diseases Act (COIDA) cases that were rejected by the new IT system. The Department of Labour resolved to process the claims manually in 2017/18, and is currently running workshops to train Health officials on the new system to improve revenue. The lower revenue budget over the MTEF is due to the widening of income scales for free services by NDOH, translating to an increased number of patients who qualify for free public health care.

The following points give further information on factors influencing the collection of health patient fees:

- Due to the socio-economic challenges that exist in the province, most recipients of health services are unable to make a meaningful contribution for the services provided. Through the Revenue Enhancement Strategy, the department is focusing on how to optimise revenue from patients who can afford but are currently receiving free services. The department is in the process of improving the revenue and billing system. This system will, among others, be able to identify and verify patients who can afford to pay for health services and eventually identify those who are members or beneficiaries of medical aid schemes. The revenue projections will be reviewed once the implementation takes place.
- Provision of free services at health institutions is for pregnant women, social pensioners, formally unemployed citizens and patients on the ART programme, who do not belong to any medical aid scheme.
- There is an ongoing review of the Uniform Patient Fee Structure (UPFS) by NDOH that is applicable to private hospital patients (PHP), i.e. medical aid patients, statutory cases and patients whose income exceeds the limit for free services, resulting in more groups being exempt from the payment of fees and the reduction in fees payable by certain categories of patients.

Fines, penalties and forfeits reflects revenue from parking transgressions, which are difficult to anticipate accurately.

Interest, dividends and rent on land largely reflects interest on staff debts. The reduced collection in 2014/15 was due to the reversal of interest charged on in-service debts incorrectly set up as interest bearing debts. The fluctuation over the seven-year period is due to the volatility in staff debts, coupled with interest rate changes.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and equipment. The amounts collected in 2013/14, 2014/15 and the 2016/17 Revised Estimate are based on the auction sales of motor vehicles. The non-collection in 2015/16 was due to no auction being conducted in that year. The budget over the 2017/18 MTEF is very conservative due to the inconsistency in collecting revenue from this source.

Transactions in financial assets and liabilities relates to the recovery of staff debts, which emanate mainly from salary reversals from previous financial years, breached bursary contracts, refunds of previous years' expenditure, etc. The fluctuating trend over the seven-year period is due to difficulty in terms of budgeting for this category, due to its uncertain nature.

6.3 Donor funding and agency receipts

Donor funding and agency receipts received by the department, which falls outside its voted fund allocation, is summarised in Tables 7.3 and 7.4.

Table 7.3 : Details of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Donor funding	2 000	125	60	-	-	-	-	-	-
European Union PHC project	2 000	-	-	-	-	-	-	-	-
MASEA Awards	-	125	60	-	-	-	-	-	-
Agency receipt	1 677	802	1 857	-	5 311	5 311	-	-	-
HWSETA Learnership - Ngwelezane	158	-	-	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	28	-	-	-	-	-	-	-	-
HWSETA	1 266	718	960	-	1 597	1 597	-	-	-
HWSETA Learnership - Dental/Oral Hygiene	-	-	-	-	1 900	1 900	-	-	-
HWSETA Learnership - Sign Language Training	-	-	-	-	387	387	-	-	-
HWSETA Learnership - Social Environ Health	-	-	-	-	280	280	-	-	-
HWSETA Learnership - Tradesman RPL	-	-	897	-	-	-	-	-	-
HWSETA Learnership - TVET Graduates	-	-	-	-	450	450	-	-	-
PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals	225	84	-	-	697	697	-	-	-
Total	3 677	927	1 917	-	5 311	5 311	-	-	-

Table 7.4 : Details of payments and estimates of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Donor funding	448	78	171	-	7 601	7 601	-	-	-
Astra Zeneca	88	-	-	-	29	29	-	-	-
Atlantic Philanthropies	305	60	110	-	7 447	7 447	-	-	-
COGTA	-	-	-	-	3	3	-	-	-
Conforth Investments	-	18	-	-	32	32	-	-	-
Impumelelo Trust Innovation	-	-	-	-	24	24	-	-	-
MRI Novartis Training	55	-	-	-	-	-	-	-	-
SA Breweries	-	-	-	-	2	2	-	-	-
MASEA Awards	-	-	61	-	64	64	-	-	-
Agency receipt	220	1 054	3 909	-	7 952	7 952	-	-	-
HWSETA Learnership - Bethesda Sub-Campus	-	-	-	-	20	20	-	-	-
HWSETA Learnership - Edendale Campus	-	-	-	-	126	126	-	-	-
HWSETA Learnership - Head Office	-	-	137	-	99	99	-	-	-
HWSETA Learnership - HIV and AIDS Support	-	-	-	-	45	45	-	-	-
HWSETA Learnership - King Edward Sub-Campus	1	23	188	-	67	67	-	-	-
HWSETA Learnership - Mosvold	-	-	-	-	91	91	-	-	-
HWSETA Learnership - Mseleni	-	-	-	-	12	12	-	-	-
HWSETA Learnership - Ngwelezane	-	-	-	-	158	158	-	-	-
HWSETA Learnership - Nkandla	73	6	-	-	26	26	-	-	-
HWSETA Learnership - Pharmacy	-	-	-	-	28	28	-	-	-
HWSETA Learnership - Prince Mshiyeni Hospital	18	-	-	-	15	15	-	-	-
HWSETA Learnership - Social and Auxilliary	-	-	35	-	-	-	-	-	-
HWSETA Learnership - St Aidan's	128	-	1	-	194	194	-	-	-
HWSETA	-	1 025	329	-	2 542	2 542	-	-	-
HWSETA Learnership - Dental/Oral Hygiene	-	-	2 610	-	1 490	1 490	-	-	-
HWSETA Learnership - Sign Language Training	-	-	-	-	691	691	-	-	-
HWSETA Learnership - Social Environ Health	-	-	300	-	280	280	-	-	-
HWSETA Learnership - Tradesman RPL	-	-	-	-	897	897	-	-	-
HWSETA Learnership - TVET Graduates	-	-	-	-	450	450	-	-	-
PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals	-	-	309	-	697	697	-	-	-
Total	668	1 132	4 080	-	15 553	15 553	-	-	-

It is noted that spending on donor funds in Table 7.4 exceeds receipts in Table 7.3 in 2014/15 and 2016/17. This is due to the roll-over of unspent receipts from previous financial years offsetting expenditure incurred in future years. These roll-overs related mainly to the learnerships received from the HWSETA programme. In addition, the Atlantic Philanthropies was also unspent due to delays experienced with the tender process. Hence an amount of R7.447 million was part of the roll-over to 2016/17. This donation was received to strengthen the capacity of nursing education institutions in KZN. The department anticipates fully spending this funding in 2016/17.

The department received new donor funding in 2016/17 from HWSETA amounting to R5.311 million. These funds are for learnership programmes in various hospitals and will be spent in 2016/17.

Interest in new learnerships has been expressed to HWSETA, hence new donations are expected over the 2017/18 MTEF, however the amounts are not known at this stage.

7. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8 below, as well as in the *Annexure – Vote 7: Health*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Although in terms of National Treasury guidelines, provision should have been made for an inflationary wage adjustment of 7.2 per cent in 2017/18, 6.9 per cent in 2018/19 and 6.6 per cent for 2019/20, as well as 1.5 per cent per year for pay progression, this was not possible due to pressures from the weakening exchange rate and non-negotiables. The department only provided for a 7.5 per cent, a 6.3 per cent and a 6.4 per cent increase in the three years of the MTEF, respectively. This situation will be reviewed by the department during 2017/18.
- Where feasible, CPI projections were used to calculate inflation related items.
- Funding for the eThekweni Metro municipal clinics will be provided *via* transfer payments over the 2017/18 MTEF.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2016/17, will continue to be adhered to over the 2017/18 MTEF, in conjunction with National Treasury Instructions 02 and 03 of 2016/17: Cost-containment measures.
- In late 2016/17, the department began a process of preparing a turnaround plan in conjunction with an assisting team from Provincial Treasury to address persistent over-spending over the past few years. The plan aims to identify areas of cost-cutting/efficiency to reduce accruals and over-spending, and redirect any savings to areas of pressure including *Compensation of employees* and NHLS. This will be an ongoing process and reprioritisation will take place in-year.

7.2 Additional allocations for the 2015/16 to 2017/18 MTEF

Table 7.5 shows additional funding received by the department over the three MTEF periods: 2015/16, 2016/17 and 2017/18. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

Table 7.5 : Summary of additional provincial allocations for the 2015/16 to 2017/18 MTEF

R thousand	2015/16	2016/17	2017/18	2018/19	2019/20
2015/16 MTEF period	47 368	(1 137)	36 104	38 197	40 335
Function shift to Port Health Services to NDOH	(20 379)	(21 459)	(22 597)	(23 908)	(25 247)
Provincial cash resources: Assist with 2014 wage agreement carry-through	79 755	95 748	138 470	146 501	154 705
NHLS - Function shift of NICD, NIOH, NCR and training	(72 008)	(75 426)	(79 066)	(83 652)	(88 338)
Removal of McCord Hospital (trade creditors and VAT) in 2017/18	-	-	(703)	(744)	(786)
Purchase of St Aidan's Hospital	60 000	-	-	-	-
2016/17 MTEF period		1 798 534	2 639 093	2 720 278	2 872 614
Above-budget 2015 wage agreement		664 889	712 135	765 440	808 305
HPV vaccine reduction		(42 548)	(42 477)	(42 406)	(44 781)
Hospital linen		80 000	-	-	-
NHLS fee-for-service pressures		310 497	329 124	348 872	368 409
Exchange rate pressures - medicine, equipment and supplies		785 696	1 640 311	1 648 372	1 740 681
2017/18 MTEF period			(64 599)	(129 417)	228 172
Susp. of balance of funds from V4: Small Business Growth Enterprise for exchange rate pressures			51 000	-	-
PES and Provincial Own Revenue reductions			(84 370)	(96 452)	(171 079)
Budget cuts to fund remuneration of <i>Izinduna</i>			(31 870)	(33 623)	(35 473)
Additions for exchange rate pressures			-	-	211 111
Additional funding from National Treasury			-	-	222 922
Baseline adjustment			641	658	691
Total	47 368	1 797 397	2 610 598	2 629 058	3 141 121

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2015/16 and 2016/17

MTEF periods (i.e. for the financial year 2019/20) are based on the incremental percentage used in the 2017/18 MTEF.

In the 2015/16 MTEF, the following changes were made to the department's baseline:

- The budget was reduced as a result of the function shift of Port Health Services to NDOH.
- Carry-through costs of the above-budget 2014 wage agreement. Note that this did not cover the full carry-through costs as National Treasury did not provide these as part of fiscal consolidation and the province assisted as far as possible in this regard, with only about 40 per cent of the costs covered.
- The budget related to NHLS was reduced due to the funding of some functions moving from the provincial sphere to the national sphere. These functions related to the National Institute of Communicable Diseases (NICD), the National Institute of Occupational Health (NIOH), the National Cancer Registry (NCR) and the teaching, training and research functions of the NHLS. These functions were funded through a combination of cross-subsidisation within the NHLS tariffs and a subsidy from NDOH. The funding shift was moved from both the department's equitable share and from the Comprehensive HIV, AIDS and TB grant on a 60:40 basis.
- Also shown is the ceasing of funding for the takeover of McCord Hospital in 2017/18.
- Additional funding was allocated in 2015/16 for the purchase of St Aidan's Hospital.

In the 2016/17 MTEF, the following changes were made to the department's baseline:

- Carry-through costs of the above-budget 2015 wage agreement.
- The HPV vaccine funding, which was scheduled to end as an indirect grant in 2015/16 and become part of the department's equitable share from 2016/17, continued as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19. This funding was thus removed from the equitable share baseline.
- Funding was provided in 2016/17 only for the once-off purchase of hospital linen.
- Additional funding to fully address pressures which arose from the change in payment mechanism for NHLS to a fee-for-service payment.
- Additional funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies.

In the 2017/18 MTEF, the following changes are made to the department's baseline:

- R51 million is suspended from Vote 4: Economic Development, Tourism and Environmental Affairs, and allocated to the department in 2017/18 only, specifically toward the exchange rate pressures in procuring medicines and medical supplies.
- The department's budget is reduced by R84.370 million, R96.452 million and R171.079 million as a result of a reduction of the PES allocation due to data updates of the PES formula, as well as Fiscal Framework reductions. In addition, the budget databases submitted by departments in preparation for the September 2016 MTECs show a downward revision of the Provincial Own Revenue numbers.
- The budget is reduced by R31.870 million, R33.623 million and R35.473 million in line with an Executive Council decision that the *Izinduna* in KZN must be remunerated, in line with Presidential Proclamations in this regard. As this is an unfunded mandate, the funding required for this payment is being financed by Vote 11: COGTA providing 50 per cent of the required amount through reprioritisation of their budget, while the remaining 50 per cent is sourced by proportionately cutting all remaining Votes' budgets.
- The department's budget is increased in the outer year through funding from National Treasury to assist with the exchange rate pressures relating to the procurement of medicines and medical supplies.
- National Treasury has allocated additional funding to provinces in the outer year of the 2017/18 MTEF. This amount is proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above are off-set in the outer year.
- The department also received a minor baseline adjustment over the MTEF.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 7.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R23.880 million, R25.265 million and R26.680 million remain ring-fenced for this purpose over the three years of the 2017/18 MTEF.

7.3 Summary by programme and economic classification

The department has eight budget programmes in total, with four of them directly linked to the department's core functions, and they fully adhere to the generic Health sector structure. Tables 7.6 and 7.7 summarise payments and estimates of these eight programmes, as well as per economic classification.

Table 7.6 : Summary of payments and estimates by programme: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Administration	689 089	701 925	846 622	839 035	839 035	839 135	891 171	834 397	924 878
2. District Health Services	12 947 599	14 334 353	16 007 896	17 370 402	17 598 765	17 694 600	18 993 346	20 395 750	22 020 725
3. Emergency Medical Services	1 009 940	1 068 113	1 174 406	1 199 775	1 199 775	1 232 197	1 277 850	1 347 686	1 423 158
4. Provincial Hospital Services	8 121 196	8 473 425	9 214 364	9 723 434	9 800 434	9 946 264	10 612 363	11 184 909	11 855 961
5. Central Hospital Services	3 640 586	3 817 800	4 124 929	4 435 839	4 540 839	4 619 308	4 581 578	4 908 993	5 183 898
6. Health Sciences and Training	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674
7. Health Care Support Services	122 844	151 908	166 095	326 487	326 487	326 487	293 954	293 640	310 084
8. Health Facilities Management	2 000 806	1 679 037	1 517 618	1 583 515	1 518 515	1 518 515	1 656 528	1 684 848	1 891 350
Total	29 531 410	31 245 510	34 110 724	36 578 637	37 039 000	37 391 656	39 548 473	41 959 574	44 992 728
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-	-
Baseline available for spending after 1st charge	29 531 410	31 245 510	34 003 117	36 471 030	36 931 393	37 284 049	39 440 865	41 959 574	44 992 728

Table 7.7 : Summary of payments and estimates by economic classification: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	26 890 291	28 911 128	31 899 939	34 374 587	34 777 645	34 938 524	37 075 809	39 521 148	42 341 539
Compensation of employees	18 676 776	20 014 542	21 793 160	23 096 722	23 486 647	23 493 905	25 246 832	26 828 865	28 548 396
Goods and services	8 213 347	8 895 900	10 105 233	11 277 865	11 289 868	11 443 289	11 828 580	12 691 886	13 792 724
Interest and rent on land	169	686	1 546	-	1 130	1 330	397	397	419
Transfers and subsidies to:	740 159	828 088	843 093	734 473	845 421	1 060 161	923 771	949 480	1 002 688
Provinces and municipalities	79 199	122 618	133 330	174 707	227 545	207 545	198 990	211 734	223 591
Departmental agencies and accounts	11 370	15 895	19 009	20 025	20 040	20 031	20 031	21 067	22 246
Higher education institutions	501	16	-	-	-	-	-	-	-
Foreign governments and international organisations	-	66	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	10	-	-	-	-	-	-
Non-profit institutions	256 751	222 051	213 402	203 313	203 313	202 342	210 687	222 241	234 685
Households	392 339	467 442	477 342	336 428	394 523	630 243	494 063	494 438	522 166
Payments for capital assets	1 867 332	1 505 879	1 257 629	1 361 970	1 308 327	1 285 336	1 441 285	1 488 946	1 648 501
Buildings and other fixed structures	1 530 972	1 206 505	1 052 053	896 221	900 496	903 800	819 107	859 231	896 564
Machinery and equipment	336 179	299 374	205 576	465 749	407 831	381 509	622 178	629 715	751 937
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	181	-	-	-	-	27	-	-	-
Payments for financial assets	33 629	415	110 063	107 607	107 607	107 635	107 608	-	-
Total	29 531 410	31 245 510	34 110 724	36 578 637	37 039 000	37 391 656	39 548 473	41 959 574	44 992 728
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-	-
Baseline available for spending after 1st charge	29 531 410	31 245 510	34 003 117	36 471 030	36 931 393	37 284 049	39 440 865	41 959 574	44 992 728

As explained previously, the department is liable for the repayment of over-expenditure in 2013/14, resulting in a first charge against the department's budget from 2015/16 to 2017/18, and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown as a footnote in Tables 7.6 and 7.7.

Most programmes show sustained growth from 2013/14 to 2019/20, with conditional grants accounting for a significant portion of this increase, along with the previously mentioned additional funding by the province for exchange rate and NHLS pressures.

Note that, as previously mentioned, the allocation for the Health Facility Revitalisation grant is relatively low in the outer years due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This affects Programme 8: Health Facilities Management and *Buildings and other fixed structures* in 2018/19 and 2019/20.

The increase over the MTEF includes the carry-through of previous wage agreements and the increases to existing conditional grants, as well as the previously mentioned additional funding, with carry-through, for NLHS pressures due to the change in payment mechanism to fee-for-service, and to assist with the pressures on imported medicines, medical supplies and equipment, due to the weakening exchange rate.

The minimal growth in Programme 1: Administration in 2014/15 was attributed to the decision to scale down in respect of the procurement of new computers and motor vehicles. As mentioned, the department was liable for the first charge of the unauthorised expenditure which was to be paid over three years commencing in 2015/16, hence the increase in that year. The reduction in 2016/17 relates to a decision to utilise internal capacity to conduct disciplinary inquiries, with only complex cases to be referred to consultants. The increase in 2017/18 from the 2016/17 Revised Estimate is largely due to the decision to improve internet connectivity at all clinics. The negative growth in 2018/19 is due to the first charge being fully paid in 2017/18, as well as budget cuts and the fact that the internet connectivity funding is once-off. There is high growth in 2019/20 due to the budget cuts being offset by an increased allocation in that year.

The increase in Programme 2: District Health Services over the seven years relates mainly to the restructuring of the department to improve service delivery at the PHC level. In addition, expenditure included the various wage agreements and increases in the Comprehensive HIV, AIDS and TB grant. The increase in 2014/15 was attributed to the filling of critical posts related to community outreach programmes and the roll-out of flu vaccines with no funding from NDOH. The increase in 2015/16 was due to the above-budget 2015 wage agreement, an increase in NHLs payments as a result of the fee-for-service payment method that was introduced, the municipal clinics carry-over expenditure from 2014/15 and extreme pressure in respect of non-negotiable items such as medicines, medical supplies, laboratory services, patient catering, security and cleaning services. This group of items is under extreme pressure due to increases in contract prices of security and cleaning services and increased medicine costs due to the weakening of the Rand, hence a further increase in the 2016/17 Adjusted Appropriation, with additional funding provided for the procurement of four male medical circumcision (MMC) vehicles, resuscitation equipment for CHCs, ideal clinic major medical equipment, as well as the deferment of medical equipment procurement processes to this financial year from 2015/16. Despite the additional funding, the programme continued to show pressure, with the Revised Estimate showing projected year-end over-spending. The 2017/18 MTEF includes funding for the strong growth in the Comprehensive HIV, AIDS and TB grant, despite budget cuts in 2017/18 and 2018/19.

In Programme 3: Emergency Medical Services, the overall growth is due to the continued drive to improve emergency medical services. The high base in 2013/14 was attributed to increased demand for air ambulance services, increasing fuel costs and pressures arising from the implementation of danger allowances for paramedic staff. The growth in 2015/16 and the 2016/17 Adjusted Appropriation is due to the once-off purchase of additional ambulances to continue the expansion of services to under-served areas. Spending in 2015/16 also includes emergency vehicles and aeromedical services carry-over expenditure from 2014/15. The projected over-spending in the 2016/17 Revised Estimate relates to overtime payments to paramedic staff. The relatively flat growth in 2017/18 is due to the expected decline in repair costs of emergency vehicles due to stringent control measures that were implemented from 2016/17 and over the MTEF period. These measures involve the appointment of an assessor to manage all the repairs and the verification of invoices before any commitment.

Overall, Programme 4: Provincial Hospital Services grows consistently over the entire period. The increase in 2015/16 is due to the previously mentioned NHLs fee-for-service payments, increased costs of non-negotiable items, water, electricity, as well as claims against the state. The growth in expenditure under the same items was sustained in 2016/17, with additional pressure from the settlement of outstanding Joint Medical Establishment (JME) payments from 2015/16 (an arrangement with the University of KwaZulu-Natal (UKZN) for registrar and specialist medical training). The projected over-spending in the 2016/17 Revised Estimate is largely due to medico-legal claims. The growth over the

2017/18 MTEF is inflationary only, with some reduction in the NHLS budget due to the previously mentioned budget cuts, as well as the medico-legal claims, which, although budgeted for, remain underfunded. There is a funding gap for the carry-through costs for previous wage agreements, particularly the increased uptake in housing allowance following the 2015 wage agreement, as well as the NHLS costs over the MTEF period, despite some reprioritisation being done to address parts of this pressure.

The sustained growth in Programme 5: Central Hospital Services from 2013/14 to 2019/20 relates mainly to the provision for the development and improvement of tertiary services. The impact of the introduction of the various OSDs for medical personnel, higher medical inflation and the Rand/Dollar exchange rate is also reflected in the trends. The increase from 2013/14 to 2016/17 was mainly due to higher than expected costs for the PPP at IALCH, which are subject to exchange rate fluctuations. In addition, there was some over-spending against medical supplies, also influenced by the exchange rate and medical inflation. The lower growth in 2014/15 was due to the delay in the final quarterly payment to the PPP at IALCH. The increase in 2015/16 was mainly related to the filling of critical posts to strengthen neonatal services, the NHLS fee-for-service payment method, as well as the PPP payment carry-over expenditure from 2014/15. The projected over-spending in the 2016/17 Revised Estimate is mainly against medicines and medical supplies related to the low base from 2015/16, which resulted from the reversal of the medicine levy, as well as the carry-over of some medical supply payments to 2016/17. The minimal growth in 2017/18 is due to the anticipated savings from the extension of the IALCH PPP contract (which now excludes loan and interest repayments) which were reprioritised to *Compensation of employees* and medico-legal claims pressures. It is expected that the new contract will have no additional payments for medical equipment and savings will be realised from hedging costs. The 2017/18 MTEF includes carry-through costs of previous wage agreements. Although additional funding has been received for NHLS and exchange rate pressures, the MTEF does not fully fund higher medical inflation, the effect of the weakening Rand/Dollar exchange rate on medicine, medical supplies, as well as the 2015 wage agreement carry-through costs and the 2016 wage adjustment (with no carry-through costs), which are the major cost drivers under this programme.

Programme 6: Health Sciences and Training shows consistent growth. The low growth in 2014/15 is related to the scaling down of the intake in some nursing training programmes. The increase in 2016/17 is due to the carry-through costs of the increase in the number of students (15) in the Cuban Doctors' programme intake in 2015/16, the accrual of some bursary payments to 2016/17, and the increased cost due to the weakening Rand/Dollar exchange rate. The negative growth in 2017/18 is due to the above-mentioned expenditure carried over from 2015/16 to 2016/17. The 2017/18 MTEF increase accounts for inflation only. The department has received a written directive from NDOH that there should be no further recruitment for the Cuban Doctors' programme for the 2016 intake. It is projected that the number of students returning from Cuba will average approximately 14 students per year over the 2017/18 MTEF, to serve an 18 month internship. This will be funded *via* reprioritisation of funds in-year from bursaries.

Programme 7: Health Care Support Services shows significant growth over the period, mainly due to the growth under Laundry Services. The increase in 2014/15 is due to the outsourcing of laundry services relating to unplanned maintenance required due to the breakdown of laundry machines. Funding for 2015/16 and 2016/17 provides for the commissioning of the KwaZulu Provincial Laundry. Once-off additional linen and laundry trucks were procured during this period, explaining the increase in 2016/17 and accounting for the negative growth in 2017/18. In addition, there were delays in the commissioning of the KwaZulu Provincial Laundry in 2015/16, hence there were further costs in 2015/16 related to the outsourcing of laundry services. The 2017/18 MTEF allocation also provides for the incorporation of the Provincial Pharmaceutical Supply Depot (PPSD) into the department's budget structure as a sub-programme in this programme. This is in response to audit queries that were raised by the A-G.

Programme 8: Health Facilities Management is mainly financed through conditional grant funding and the performance of this programme is directly linked to the Health Facility Revitalisation grant. The variances in this programme also account for the variances against *Payments for capital assets*. The pressure in the delivery of infrastructure projects already on site continued in 2013/14, hence the relatively high spending in 2013/14 which also included pressures in the construction of the KwaZulu Provincial Laundry and essential health technology equipment, Lower Umfolozi War Memorial (LUWM) Hospital for alterations and additions, as well as for the upgrade of electrical systems at the Ngwelezane District Hospital. The

decrease in 2015/16 follows once-off funding of R200 million allocated in 2014/15 for infrastructure pressures in the Health Facility Revitalisation grant. The increase in 2017/18 and over the MTEF is due to additional funding for the effect of the weakening exchange rate on the cost of medical equipment.

Compensation of employees shows a strong upward trend from 2013/14 to 2015/16, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories, as well as higher than anticipated wage agreements. In addition, from 2010/11, the department commenced restructuring its service delivery by strengthening services at PHC level. This required the employment of additional personnel at clinics and CHCs. Funding was provided from 2011/12 for the OSDs for medical personnel, health team pilots and models and improving hospital norms and standards, among others, with substantial growth in 2012/13 and 2013/14 for the latter items. In addition, there were carry-through costs for OSDs and improving infrastructure support. The increase in 2014/15 was due to pressures from the takeover of McCord Hospital (R53 million), the above-budget 2014 wage adjustment (R171 million) and the absorption of staff (mainly community service) with contractual obligations (R70 million). The increase in 2015/16 relates to the increase in the housing allowance, which formed part of the 2015 wage agreement. The projected over-spending in the 2016/17 Revised Estimate is due to the unanticipated additional uptake in the housing allowance, as well as the outstanding JME payment of R75 million from 2015/16. The growth in 2017/18 is for inflation purposes only. The growth over the outer years of the 2017/18 MTEF is slightly low and does not fully cover inflationary adjustments, nor the 1.5 per cent pay progression due to exchange rate pressures and the funding of non-negotiables. As mentioned, this will need to be reviewed in-year by the department. This implies that there is no room for the department to fill any vacancies despite moving funds to this category. It is therefore critical that some of the Health Sector review recommendations be implemented to generate savings to address this issue.

Goods and services increases substantially from 2013/14 to 2016/17. As mentioned, the department now provides for the payment of NHLS costs *via* a fee-for-service mechanism which is significantly higher than the previous flat-fee rate. The growth is also related to the increase in demand for health services, the high rate of inflation on medical supplies and services, as well as increased catering and fuel costs. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB, the introduction of specific projects such as the reduction of infant and child mortality through immunisation, increased costs of non-negotiables, increased costs of water and electricity, as well as a substantial increase in the Comprehensive HIV, AIDS and TB grant. The increase in 2014/15 related to the acceleration in the maintenance and repairs of existing facilities, pressures in forensic investigations, IT services and consultants. In addition, there were pressures against medicine (flu vaccines and oral contraceptives), increased contract prices for medical supplies and security, patient catering and groceries. The growth in 2015/16 and 2016/17 includes additional funding for NHLS pressures, ARV treatment, the carry-through costs of national priority initiatives, acceleration in the day-to-day maintenance of existing facilities, as well as inflationary adjustments. The projected over-spending in the 2016/17 Revised Estimate is due to NHLS and exchange rate pressures. The low growth in 2017/18 is attributable to the previously mentioned budget cuts which affected mainly *Goods and services* because of the reduction in NHLS, computer services and patient linen budgets. The growth in 2018/19 relates to the previously mentioned additional funding for the inclusion of TB into the Comprehensive HIV, AIDS and TB grant. Note that the department's costs for medicines, medical supplies and medical equipment will be impacted by the deteriorating Rand/Dollar exchange rate, as more than 90 per cent of these items are imported, and this is likely to add significant pressure if the exchange rate does not improve. As mentioned earlier, additional funding in this regard was allocated for these pressures over the 2017/18 MTEF, but the funding falls short of the amount required. It must be noted that most contracts were negotiated in 2015 when the exchange rate was approximately R11.55 to the Dollar. Since then, the exchange rate has peaked at above R16.70 to the Dollar, before improving to an average of approximately R14.50 to the Dollar in 2016 and now below R13.60 in the first part of 2017. This has reduced the pressure on imports but has not eliminated it entirely.

The 2014/15 spending on *Interest and rent on land* largely relates to interest costs on medico-legal claims, while the expenditure in 2015/16, as well as the MTEF budget relates to interest on over-due accounts.

Transfers and subsidies to: Provinces and municipalities shows strong growth from 2013/14 to 2014/15 mainly due to the commitment to strengthen the treatment of HIV and AIDS by municipal clinics. There

were delays in the signing of SLAs with the eThekweni Metro in 2015/16 which resulted in expenditure being carried over to 2016/17, hence the high growth in the 2016/17 Adjusted Appropriation followed by negative growth in 2017/18. The projected under-spending in the 2016/17 Revised Estimate is due to the fourth quarter invoice verification for eThekweni clinics, with payment expected in April 2017.

The increase against *Transfers and subsidies to: Departmental agencies and accounts* in 2014/15 and 2015/16 provides for the HWSETA levy, in line with the growth in *Compensation of employees*. Growth over the 2017/18 MTEF is for inflationary purposes only.

The negative growth in *Transfers and subsidies to: Non-profit institutions* in 2014/15 was due to the provincialisation of McCord Hospital as the funding for the hospital moved to other categories, as discussed in more detail in Section 7.8. In addition, the department had made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2015/16, with no provision made thereafter, hence the negative growth in 2016/17. The 2017/18 MTEF does not provide for the full inflationary adjustment of transfer payments to NGOs due to budget cuts.

The fluctuating trend reflected in *Transfers and subsidies to: Households* relates to staff exit costs and medico-legal claims. The increasing trend from 2013/14 to 2015/16 was related to higher than expected medico-legal claims and pressures regarding the Cuban Doctors' programme. Although, as previously mentioned, NDOH has given instructions that no further recruitment is to take place, the costs for those already in Cuba are influenced by the fluctuating exchange rate, with an average of 14 per year expected to return over the MTEF, and thereafter undergo a further 18 months of internship before graduating, to be funded *via* reprioritisation within Programme 6. The projected over-spending in the 2016/17 Revised Estimate is due to medico-legal claims. There is some provision made for medico-legal claims over the 2017/18 MTEF, however this is not sufficient, hence the declining trend over the MTEF. The department cannot reprioritise all the funds required to medico-legal claims at this stage due to other competing service delivery needs, and this will need to be addressed in-year by the department. Note that, as from 1 December 2016, Provincial Treasury has allocated staff resources to the department to assist in identifying areas of savings and efficiency, and there is an expectation of reduced costs over the MTEF.

As mentioned in Programme 8, *Buildings and other fixed structures* show high spending in 2013/14 due to the ongoing focus on improving physical facilities, including the provision of essential equipment. Much of this increase was attributable to significant increases in the Health Facility Revitalisation grant, as well as the development of forensic pathology services, affecting mainly *Buildings and other fixed structures*. From 2013/14, the trend reduces in line with the availability of funds, and the reprioritisation of some of this funding from new projects to accelerate the day-to-day maintenance of existing infrastructure. The 2017/18 MTEF trend is mainly affected by the project plan for the Dr. Pixley ka Seme Hospital.

The high base in *Machinery and equipment* in 2013/14 relates mainly to the drive undertaken to clear the backlog in the procurement of essential health technology equipment. In addition, there were purchases of additional motor vehicles for the ward-based community outreach programme, the replacement of old ambulances and the purchase of additional ambulances to expand emergency medical services to under-served rural areas, which all started in 2011/12. The census-based budget cuts, implemented from the 2013/14 MTEF onward, resulted in the department having to reprioritise funding to other non-negotiable service delivery imperatives, hence the decrease in this category over this period. The negative trend in 2014/15 and 2015/16 can mainly be attributed to the census-based budget cuts which were made against this category, as the committed and contracted capital projects, which were in construction phase, could not be stopped. The high growth in 2016/17 and 2017/18 is attributable to the increased allocation to clear the backlog in the procurement of medical equipment caused by the previously mentioned budget cuts.

Payments for financial assets reflect debts that were written-off over the period, as well as the payments for the unauthorised expenditure first charge.

7.4 Summary of conditional grant payments and estimates

Tables 7.8 and 7.9 illustrate conditional grant payments and estimates from 2013/14 to 2019/20. Details of all conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*.

Note that the historical figures set out in Table 7.1 for the period 2013/14 to 2015/16 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 7.8, which shows expenditure against the grants.

Table 7.8 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Health Professions Training and Development grant	276 262	292 847	299 898	312 377	312 377	312 377	331 944	351 197	370 863
Health Facility Revitalisation grant	1 072 529	1 362 469	1 231 997	1 114 693	1 114 693	1 114 693	1 149 355	1 128 018	1 191 186
National Tertiary Services grant	1 415 743	1 496 426	1 530 223	1 596 286	1 596 286	1 596 286	1 696 266	1 794 649	1 895 149
Comprehensive HIV, AIDS and TB grant	2 651 997	3 258 231	3 813 455	4 244 243	4 244 243	4 244 243	4 852 495	5 485 881	6 111 674
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	44 976	47 495
Social Sector EPWP Incentive Grant for Provinces	-	2 580	13 000	13 000	13 000	13 000	47 058	-	-
EPWP Integrated Grant for Provinces	3 000	2 581	3 682	7 122	7 122	7 122	8 400	-	-
National Health Insurance grant	15 520	18 399	9 494	15 083	25 446	25 446	-	-	-
Total	5 435 051	6 433 533	6 901 749	7 302 804	7 313 167	7 313 167	8 085 518	8 804 721	9 616 367

Table 7.9 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	4 339 798	5 043 090	5 888 706	6 451 573	6 413 275	6 434 112	7 139 577	7 890 127	8 679 337
Compensation of employees	2 725 666	3 001 076	3 202 757	3 319 815	3 467 349	3 475 224	3 843 543	4 137 676	4 379 045
Goods and services	1 614 127	2 042 013	2 685 949	3 131 758	2 945 926	2 958 888	3 296 034	3 752 451	4 300 292
Other	5	1	-	-	-	-	-	-	-
Transfers and subsidies to:	16 464	64 454	83 438	91 020	104 417	83 580	123 407	131 095	138 057
Provinces and municipalities	7	40 001	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	12 742	14 291	13 790	11 507	12 674	12 258	11 507	11 507	12 151
Households	3 715	10 162	9 648	9 513	11 743	11 322	11 900	12 588	12 914
Payments for capital assets	1 078 789	1 325 989	929 605	760 211	795 475	795 475	822 534	783 499	798 973
Buildings and other fixed structures	1 021 351	1 171 045	908 861	731 455	731 455	731 455	783 994	753 671	769 623
Machinery and equipment	57 438	154 944	20 744	28 756	64 020	64 020	38 540	29 828	29 350
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 435 051	6 433 533	6 901 749	7 302 804	7 313 167	7 313 167	8 085 518	8 804 721	9 616 367

The *Health Professions Training and Development grant* provides funding for operational costs associated with the training and development of health professionals, the development and recruitment of medical specialists in under-served provinces and supporting and strengthening under-graduate teaching and training processes in health facilities. The trend in this grant over the seven years reflects inflationary increases only. A decision was taken in 2011/12 to use the grant to fund the personnel costs of registrars only. The grant receives an inflation related adjustment of R19.667 million in 2019/20.

The *Health Facility Revitalisation grant* has the following aims:

- To accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.
- To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.
- To supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

As mentioned previously, the allocation for this grant peaks in 2017/18 due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for

infrastructure. The department received an increase in 2017/18 of R53.445 million, as the required planning documents were submitted. This grant was cut by R25.689 million in 2018/19 because of fiscal consolidation cuts and grows by R37.479 million in 2019/20.

The **National Tertiary Services grant** is used to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives, including improving access and equity. The increasing trend relates mainly to additional funding provided for the modernisation of tertiary services. The grant receives additional funding of R100.500 million in 2019/20.

The **Comprehensive HIV, AIDS and TB grant** is provided to enable the sector to develop effective and integrated management of HIV, AIDS and TB, to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care and to subsidise, in part, funding for the ARV treatment programme. The grant was extended in 2016/17 to also include TB and a sizeable additional allocation was received, particularly in 2018/19. The substantial growth indicates the critical importance placed on managing this pandemic. The grant continues to grow strongly over the 2017/18 MTEF, with the growth in 2016/17 providing for increased ARV take-up rate and the impact of the withdrawal of the President's Emergency Plan for AIDS Relief (PEPFAR) donor funding used for HIV and AIDS prevention, care and treatment programmes within this grant. Furthermore, the province has succeeded in motivating for an increase in funding based on the fact that historical funding saw KZN receive 25 per cent of the national grant funding, while carrying approximately 31 per cent of the national case-load. This funding, reallocated from other provinces, was phased in over two years (2014/15 and 2015/16) to allow the other provinces time to adjust to their lower levels of funding. The grant allocation also provides for the removal of the CD4 count process which was replaced by the universal test and treat mechanism from 2016/17 onwards. The increase in the baseline is for the continued expansion of the Antiretroviral Treatment Programme (in 2018/19), as well as HIV prevention and to cater for TB screening and treatment (in the outer years). Note that this grant was subject to fiscal consolidation cuts in the first two years of the 2017/18 MTEF, with R37.369 million cut in 2017/18 and R69.194 million in 2018/19. However, these reductions are followed by a significant increase of R556.599 million in 2019/20.

The **Human Papillomavirus Vaccine grant**, which was scheduled to end in 2015/16, continues as an indirect grant for 2017/18 before changing to a direct grant in 2018/19, with R44.976 million allocated to this grant in 2018/19 and R47.495 million in 2019/20.

The **Social Sector EPWP Incentive Grant for Provinces** subsidises non-profit organisations in home community-based care programmes to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with EPWP guidelines. There was no grant funding in 2013/14 and these functions were paid from the equitable share. The department receives R47.058 million in 2017/18.

The **EPWP Integrated Grant for Provinces** is used to enhance the number of full time equivalent jobs created through labour intensive infrastructure programmes, which utilises local people to maintain grounds and clean buildings. Funding of R8.400 million is provided for 2017/18 only.

The **National Health Insurance grant** has been allocated to provide financial support for the development of projects directed at improving health delivery in line with the requirements of the introduction of the NHI. The grant was reduced significantly from 2013/14, due to the NHI Indirect grant, which will be spent by the NDOH on behalf of provinces. The high amount in 2013/14 is due to a roll-over from 2012/13 for medical, surgical and information technology equipment ordered in 2012/13, but only delivered in 2013/14. Similarly, the high 2014/15 amount relates to a roll-over of R5.848 million from 2013/14 for a patient record system, ordered in 2013/14 but only delivered in 2014/15. The grant ceases in 2017/18, to become part of the NHI Indirect grant at NDOH.

The increase from 2013/14 in *Compensation of employees* results mainly from the decision to incorporate the payment of registrars (medical specialists in training) into the Health Professions Training and Development grant, the increase in the number of HIV and AIDS projects driven by the improved HIV and AIDS ARV policy resulting in the need to employ more staff, and the implementation of the OSDs for medical personnel. The high growth in the outer year relates to additional funds for the Comprehensive HIV, AIDS and TB grant, allocated to enhance staffing levels to match the growth in levels of treatment and to cater for TB screening and treatment.

The significant increase in *Goods and services* from 2013/14 onward is directly linked to the growth in the Comprehensive HIV, AIDS and TB grant. This relates to the funding provided for ARVs, the anticipated increase in the uptake of additional patients on the ARV programme, the increased cost of the ARV medicines to be covered by the department's budget due to the ceasing of funding by international donors, the increased costs of micro-nutrients, as well as provision for the male circumcision programme. As previously mentioned, this grant is extended in focus to include TB and therefore the significant growth is for the continued expansion of the ARV programme, HIV prevention and to cater for TB screening and treatment (in the outer years). The decrease in the 2016/17 Adjusted Appropriation largely relates to a correction of the Comprehensive HIV, AIDS and TB business plan which was only finalised after the 2016/17 EPRE was published. The high growth in the outer year relates to additional funds for the Comprehensive HIV, AIDS and TB grant, allocated to address the increasing costs of ARVs and increasing levels of treatment.

Transfers and subsidies to: Provinces and municipalities grows significantly in 2014/15 related to support for municipal clinics in the treatment of HIV and AIDS. The further increase in 2015/16 is due to the carry-over of expenditure from 2014/15 resulting from delays in finalising the SLAs with the eThekweni Metro for municipal clinics. The funding against *Transfers and subsidies to: Non-profit institutions* relates to similar support to NGOs for treatment related to HIV and AIDS.

The increasing trend in *Buildings and other fixed structures* from 2013/14 to 2014/15 relates to the drive to improve infrastructure, in line with the trends in the Health Facility Revitalisation grant. The decrease in 2015/16 was mainly due to the previously mentioned slower than expected progress on the Dr. Pixley ka Seme Hospital, with funding redirected to maintenance projects. The 2017/18 MTEF trend is directly linked to the trends in the Health Facility Revitalisation grant, with more detail on projects included over the MTEF provided under Section 7.5.

The fluctuating trend in *Machinery and equipment* relates to the variation in the business plans of the grants related to this category, mainly the Health Facility Revitalisation grant and the National Tertiary Services grant. The decrease in 2016/17 relates to the previously mentioned decrease in the Health Facility Revitalisation grant. Allocations over the 2017/18 MTEF have been made in accordance with the business plans of the relevant grants.

7.5 Summary of infrastructure payments and estimates

Table 7.10 presents a summary of infrastructure payments and estimates by categories for Vote 7. Detailed information on infrastructure is given in the *2017/18 Estimates of Capital Expenditure*.

It is noted that National Treasury has introduced a new category in 2017/18, namely *Non infrastructure*. The category refers to items or projects that do not fall within the category of *Buildings and other fixed structures*, such as machinery, equipment, furniture and *Compensation of employees*. This category has been completed over the MTEF and prior years' figures have been restated.

Table 7.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Existing infrastructure assets	1 318 861	1 090 331	907 436	955 355	836 063	840 158	531 532	538 095	644 279
Maintenance and repair: Current	263 877	279 290	245 428	440 294	372 236	387 349	347 514	343 117	392 333
Upgrades and additions: Capital	739 647	539 882	483 081	360 261	386 506	388 841	84 060	81 740	121 655
Refurbishment and rehabilitation: Capital	315 337	271 159	178 927	154 800	77 321	63 968	99 958	113 238	130 292
New infrastructure assets: Capital	475 909	395 254	399 227	581 160	636 632	625 311	745 248	730 733	793 199
Infrastructure transfers	20 022	37	20 000	-	-	-	-	-	-
Infrastructure transfer: Current	22	37	-	-	-	-	-	-	-
Infrastructure transfer: Capital	20 000	-	20 000	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	61 524	75 684	87 257	-	-	-	100 000	60 000	70 365
Non infrastructure	124 490	117 731	103 698	-	-	-	279 748	356 019	383 507
Total	2 000 806	1 679 037	1 517 618	1 536 515	1 472 695	1 465 469	1 656 528	1 684 848	1 891 350
Capital infrastructure	1 550 893	1 206 295	1 081 235	1 096 221	1 100 459	1 078 120	929 266	925 712	1 045 146
Current infrastructure	263 899	279 327	245 428	440 294	372 236	387 349	347 514	343 117	392 333

1. Note that Non infrastructure items are treated as Current infrastructure in the table, but include capital medical equipment

The infrastructure trend decreases between 2013/14 to 2015/16, resulting from the previously mentioned census based budget cuts. Thereafter, the trend stabilises and is largely in line with the Health Facility Revitalisation grant, affecting mainly *New infrastructure assets: Capital, Upgrades and additions: Capital, Refurbishment and rehabilitation: Capital*, as well as *Non infrastructure*.

The department provided for the building of additional CHCs and clinics, particularly from 2013/14 to 2014/15, in line with its service delivery plan, as well as the upgrading or replacement of hospitals and clinics in a state of disrepair.

Maintenance and repair: Current shows a fluctuating trend. The decrease in 2015/16 relates to funding reprioritised to *Machinery and equipment* to address pressures in the medical equipment replacement programme. These savings resulted from over-budgeting for maintenance, which was corrected in the department's final infrastructure plan approved in April 2015, after the original budget was tabled. The increase in the 2016/17 Main Appropriation relates to a more focused application of the DORA requirements for the Health Facility Revitalisation grant, which requires a 25 per cent allocation of the grant to maintenance. In addition, there was a drive to address backlogs in fixed equipment maintenance (lifts, air-conditioners, chillers, boilers, etc), hence the reduction in 2017/18. The decrease in the 2016/17 Adjusted Appropriation is attributed to more complex maintenance projects being behind schedule. Note that the previously mentioned fiscal consolidation cuts in the Health Facility Revitalisation grant were effected against this category in 2018/19. The department has allocated funding over the 2017/18 MTEF for inflationary purposes only. Projects include day-to-day maintenance at all facilities such as urgent unplanned reactive maintenance, as well as servicing of plant, equipment, air conditioning and lifts.

Upgrades and additions: Capital shows a significant decrease in 2014/15 due to reprioritisation to *Maintenance and repair: Current* to address spending pressures in maintenance. Mitigating this to some degree was once-off additional funding for the Health Facility Revitalisation grant in 2013/14. The decrease in 2015/16 relates to the census-based budget cuts. As mentioned, this category shows a decrease in 2016/17 related to the previously mentioned decrease in the Health Facility Revitalisation grant, as well as a significant portion of the grant being allocated to new infrastructure projects including the Dr. Pixley ka Seme and Ngwelezane Hospitals, which also accounts for the further decrease over the 2017/18 MTEF. The budget for this category will remain low until the new projects are completed. The Ngwelezane Hospital project is due for completion in 2018/19, hence the growth in 2019/20 in this category.

Refurbishment and rehabilitation: Capital shows a decline in 2014/15 and 2015/16 due to the census-based budget cuts. The decrease in the 2016/17 Main Appropriation relates to the previously mentioned decrease in the Health Facility Revitalisation grant. The further reduction in the 2016/17 Adjusted Appropriation was due to a misallocation of funding in the *EPRE*, as the department's final Annual Implementation Plan was only provided after the *EPRE* was concluded for 2016/17. Over the MTEF, the budget grows fairly strongly to address backlogs that have arisen due to the various cuts in budget. Projects include the refurbishment of the storm water drains at King Edward VIII Hospital and the conversion of nursing accommodation to flatlets at Northdale Hospital.

The declining trend in *New infrastructure assets: Capital* from 2013/14 to 2014/15 relates to a decision by management to increase funding for the maintenance, upgrading, rehabilitation and refurbishment of existing infrastructure in order to preserve these facilities. The decrease from 2013/14 also relates to the above-mentioned budget cuts and to slowing the pace of construction so that spending remained within budget at the King Dinuzulu and Dr. Pixley ka Seme Hospitals, as well as the Phoenix Mortuary. The main project contributing to slow growth in 2015/16 was slower than expected progress on the Dr. Pixley ka Seme Hospital project. The allocation over the MTEF relates mainly to this project, which is expected to be complete in 2019/20. Smaller projects include the construction of new offices at Town Hill Hospital and the 192 bed surgical ward block at Ngwelezane Hospital.

Infrastructure transfers: Capital in 2013/14 and 2015/16 comprises the transfer to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in eThekweni.

Non infrastructure relates mainly to the procurement of capital medical equipment. As mentioned, prior figures were restated for comparative purposes, but the 2016/17 Main and Adjusted Appropriations, as well as the Revised Estimate have not been restated. The decrease in 2014/15 relates to reprioritisation to

Maintenance and repair: Current to address spending pressures in maintenance. The decrease in 2015/16 relates to the census-based budget cuts. The growth in 2017/18 and over the MTEF is due to additional funding for exchange rate related pressures in the costs of essential medical equipment, including X-ray machines, CT scanners, etc. Also included is *Compensation of employees*, being the costs of the various specialists (architects, engineers, etc.) employed specifically in Programme 8.

7.6 Summary of Public Private Partnerships (PPP)

Table 7.11 provides a summary of PPP projects in the department. In 2002/03, the department entered into a PPP with Impilo Consortium (Pty) Ltd. The agreement covered the provision of equipment, information management and technology and facilities management for the IALCH. This agreement enables the department to focus on the clinical services at the hospital, and to promote the hospital as a central referral hospital, operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care. The current contract with Impilo Consortium (Pty) Ltd comes to an end in 2016/17, and this has now been renegotiated to continue over the 2017/18 MTEF.

Table 7.11 : Summary of Public-Private Partnership projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Projects signed in terms of Treasury Reg. 16	671 771	721 659	836 715	893 913	893 913	905 378	650 000	710 000	737 000
PPP unitary charge	671 771	721 659	836 715	893 913	893 913	905 378	650 000	710 000	737 000
Total	671 771	721 659	836 715	893 913	893 913	905 378	650 000	710 000	737 000

Payments made for services rendered are index-linked and are thus subject to movements in CPI. Payments in 2016/17 have been calculated based on current estimates. The increasing trend over the period relates mainly to the deterioration in the Rand/Dollar exchange rate (for equipment procurement). The reduction in 2017/18 is due to the anticipated savings from the new extended contract with no provision for the procurement of medical equipment, as well as costs savings from the hedging costs after the ending of the existing PPP contract in 2017.

7.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

7.8 Transfers to other entities

Table 7.12 provides a list of entities that receive funding from the department. The amounts in the table correspond to *Transfers and subsidies to: Non-profit institutions* in Table 7.7. The transfers include the provision of general clinic, HIV and AIDS, district hospital, general hospital and TB services. The varying trend across the seven years relates mainly to the inclusion/exclusion of entities, as well as to the implementation of OSD for doctors in certain institutions which qualify. The effect of the higher than anticipated wage agreements and the OSD for doctors is shown under those institutions which qualify for the state salary increases.

The decrease in 2014/15 is due to the ceasing of funding for McCord Hospital as it was taken over as a provincial hospital and now funded from other categories. In addition, the funding for the KZN Children's Hospital Trust is for the development and refurbishment of this hospital in the eThekweni Metro.

The decrease in 2015/16 was due to unallocated funds that were earmarked for future negotiations but were not allocated, as well as institutions that received ARV medication from the department instead of transfers. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* to offset pressures arising from the department's decision to increase HIV and AIDS funding at municipal clinics.

Over the MTEF, the baseline growth is for inflationary purposes only. Note that the funds against *Earmarked for further negotiations* are funds awaiting recommendations upon receipt of requests for additional or new funding from the districts (for NGOs). These funds will be allocated as soon as the figures from the department's Committee for Grant Funding are received. For the 2017/18 amount, this will take place early in 2017/18 and will therefore be formalised in the 2017/18 Adjustments Estimate, while the process for 2018/19 onward will be completed in time for the 2018/19 MTEF budget process.

Table 7.12 : Summary of departmental transfers to other entities

R thousand		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Austerville Halfway House	2.2: Comm. Hlth Clinics	520	536	552	569	569	569	-	-	-
Azalea House	2.2: Comm. Hlth Clinics	480	495	510	525	525	525	-	-	-
The Bekimpelo Trust	2.2: Comm. Hlth Clinics	7 904	8 141	8 385	-	8 637	8 637	-	-	-
Benedictine Clinic (Thwasana Clinic)	2.2: Comm. Hlth Clinics	175	88	44	-	-	-	-	-	-
Claremont Day Care Centre	2.2: Comm. Hlth Clinics	367	378	389	401	401	401	-	-	-
Day Care Club 91	2.2: Comm. Hlth Clinics	100	102	-	-	-	-	-	-	-
Ekukhanyeni Clinic (AIDS step down centre)	2.2: Comm. Hlth Clinics	946	920	873	-	967	967	-	-	-
Elandskop Clinic	2.2: Comm. Hlth Clinics	187	-	-	-	-	-	-	-	-
Enkumane Clinic	2.2: Comm. Hlth Clinics	271	265	-	-	278	278	-	-	-
Durban Coastal - Happy Hours Amaoti	2.2: Comm. Hlth Clinics	490	505	520	-	536	536	-	-	-
Durban Coastal - Happy Hours Durban North	2.2: Comm. Hlth Clinics	245	252	260	-	267	267	-	-	-
Durban Coastal - Happy Hours Durban Overport	2.2: Comm. Hlth Clinics	184	190	196	-	202	202	-	-	-
Durban Coastal - Happy Hours KwaXimba	2.2: Comm. Hlth Clinics	392	404	416	-	429	429	-	-	-
Durban Coastal - Happy Hours Mpumalanga	2.2: Comm. Hlth Clinics	392	404	416	-	429	429	-	-	-
Durban Coastal - Happy Hours Ninikhona	2.2: Comm. Hlth Clinics	245	252	260	-	267	267	-	-	-
Durban Coastal - Happy Hours Nyangwini	2.2: Comm. Hlth Clinics	257	265	273	-	281	281	-	-	-
Durban Coastal - Happy Hours Phoenix	2.2: Comm. Hlth Clinics	245	252	260	-	267	267	-	-	-
Durban Coastal - Marianhill	2.2: Comm. Hlth Clinics	123	126	130	-	-	-	-	-	-
Hlanganani Ngothando	2.2: Comm. Hlth Clinics	208	214	220	-	227	227	-	-	-
Ikwezi Cripple Care	2.2: Comm. Hlth Clinics	1 136	1 170	1 205	1 242	1 242	1 242	-	-	-
John Peattie House	2.2: Comm. Hlth Clinics	1 335	1 139	1 367	1 408	1 408	1 408	-	-	-
Jona Vaughn Centre	2.2: Comm. Hlth Clinics	2 335	2 017	2 420	2 493	2 493	2 493	-	-	-
Lynn House	2.2: Comm. Hlth Clinics	584	593	611	629	629	629	-	-	-
Madeline Manor	2.2: Comm. Hlth Clinics	841	866	892	919	919	919	-	-	-
Masada Workshop	2.2: Comm. Hlth Clinics	74	-	-	-	-	-	-	-	-
Masibambeni Day Care Centre	2.2: Comm. Hlth Clinics	110	-	-	-	-	-	-	-	-
Matikwe Oblate Clinic	2.2: Comm. Hlth Clinics	491	486	481	-	496	496	-	-	-
Noyi Bazi Oblate Clinic	2.2: Comm. Hlth Clinics	496	179	-	-	-	-	-	-	-
Rainbow Haven	2.2: Comm. Hlth Clinics	385	397	409	421	421	421	-	-	-
Scadifa Centre	2.2: Comm. Hlth Clinics	949	925	953	982	982	982	-	-	-
Sparkes Estate	2.2: Comm. Hlth Clinics	445	1 099	1 132	1 166	1 166	1 166	-	-	-
St Lukes Home	2.2: Comm. Hlth Clinics	430	443	456	470	470	470	-	-	-
Sunfield Home	2.2: Comm. Hlth Clinics	303	261	269	-	277	277	-	-	-
Umlazi Halfway House	2.2: Comm. Hlth Clinics	260	268	276	-	284	284	-	-	-
Ethembeni Care Centre	2.6: HIV and AIDS	4 715	4 189	3 312	-	4 000	4 000	-	-	-
Genesis Care Centre	2.6: HIV and AIDS	2 487	2 857	2 860	-	2 946	2 946	-	-	-
Philanjalo Hospice (step down centre)	2.6: HIV and AIDS	1 875	1 935	1 891	-	2 500	2 500	-	-	-
Humana People to People	2.6: HIV and AIDS	2 073	3 291	368	-	-	-	-	-	-
Pongola Hospital	2.9: District Hospitals	2 300	-	-	-	-	-	-	-	-
KZN Children's Hospital Trust	8.6: Other facilities	20 000	-	20 000	-	-	-	-	-	-
McCord Hospital	Various	52 959	-	-	-	-	-	-	-	-
Mountain View Hospital	Various	9 871	9 773	9 675	-	9 965	9 965	-	-	-
Siloah Hospital	Various	18 958	21 873	21 934	-	21 791	20 820	-	-	-
St. Mary's Hospital Marianhill	Various	116 963	150 961	124 756	-	132 479	132 479	-	-	-
KZN Blind and Deaf Society	2.2: Comm. Hlth Clinics	-	800	824	849	849	849	-	-	-
Magaye school for the Blind	2.2: Comm. Hlth Clinics	-	458	515	530	530	530	-	-	-
Power of God Centre	2.6: HIV and AIDS	-	1 100	1 133	1 167	1 167	1 167	-	-	-
South Coast Hospice	2.2: Comm. Hlth Clinics	-	174	179	-	185	185	-	-	-
DPSA Community-based Rehabilitation Project	2.2: Comm. Hlth Clinics	-	525	927	-	955	955	-	-	-
DPSA Wheelchair Repair/Maintenance	2.2: Comm. Hlth Clinics	-	483	853	-	877	877	-	-	-
Strategic Health Programmes	Various	645	-	-	-	-	-	-	-	-
Other entities	Various	-	-	-	5 517	-	-	-	-	-
Earmarked for further negotiations	Various	-	-	-	184 025	-	-	210 687	222 241	234 685
Total		256 751	222 051	213 402	203 313	203 313	202 342	210 687	222 241	234 685

7.9 Transfers to local government

Table 7.13 shows transfers to local government, per category of municipality. All transfers are made to a single grant, namely municipal clinics in the sub-programme: Community Health Clinics. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and hence are excluded from the table.

Although these funds are earmarked for transfer to municipalities, the transfer is dependent upon the provision of satisfactory services in line with SLAs signed by municipalities. The purpose of the transfer is to subsidise primary health care for services provided by local authorities/municipal clinics. Until the negotiations for the take-over of these clinics has been finalised, these funds will remain in this category. Further details of amounts per grant type and municipality are given in *Annexure – Vote 7: Health*.

Table 7.13 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Category A	61 051	105 000	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Category B	13 685	12 404	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896

The low base in 2013/14 and the significant increase in 2014/15 against Category A was due to a delay in the signing of the SLAs with eThekwin. The significant increase from 2015/16 to the 2016/17 Main Appropriation relates to the department's decision to provide additional funds to meet the health funding requirements of the clinics in the Metro, including pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services. The increase in the 2016/17 Adjusted Appropriation relates to spending carried over from 2015/16 due to deferred payments.

The varying trend in Category B relates to the provincialisation of municipal clinics. The majority of the municipal clinics were taken over by the department by the end of 2012/13, and funding in 2014/15 only provided for the uMhlathuze Municipality whose clinics were provincialised by December 2014, hence no funding is provided from 2015/16 onward. Funding will continue to be provided over the 2017/18 MTEF for the eThekwin Metro only, as mentioned previously.

7.10 Transfers and subsidies

Table 7.14 gives a summary of spending on *Transfers and subsidies* by programme and main category. The various trends in each programme are explained before and after the table.

- In Programmes 1 to 5, *Departmental agencies and accounts* relates to TV licences.
- In all programmes (apart from Programme 6) the variable trend against *Households* relates largely to staff exit costs, which are difficult to budget for. In Programmes 2, 4 and 5, the variable trend is exacerbated by medico-legal claims, which are also erratic in nature. Some provision is made for these claims over the 2017/18 MTEF, but the provision is not adequate due to budget constraints and hence, there is negative growth in 2017/18 against most programmes. The department cannot reprioritise further funds to medico-legal claims at this stage due to other competing service delivery needs, and this will need to be reviewed in-year.
- From the 2017/18 MTEF, all motor vehicle licences are centralised within Programmes 1 and 3, and historical data has been restated. Note that the amount shown in the 2016/17 Adjusted Appropriation against Programme 4 was allocated in error.
- In Programme 2, the significant growth in *Provinces and municipalities* from 2013/14 to 2016/17 relates to the eThekwin Metro receiving additional funding to assist the municipal clinics in the treatment of HIV and AIDS, as well as the carry-over expenditure from 2013/14 to 2014/15 due to delays in the signing of SLAs with the Metro. The negative growth in 2017/18 is attributed to the once-off carry-over expenditure in 2016/17 due to deferred payments.
- In Programme 2, the negative growth in *Non-profit institutions* in 2014/15 was due to the provincialisation of McCord Hospital. The reduction in 2015/16 was also due to the NPI patients receiving ARV medication directly from the department. The minimal growth in 2016/17, as well as the amounts allocated over the 2017/18 MTEF provide for inflationary increases only.
- In Programme 4, the high growth in *Non-profit institutions* in 2014/15 was the result of additional funding for Siloah Hospital in order to support the TB management programme. The decrease in 2015/16 was due to reprioritisation of Siloah Hospital funding from Programme 4 to Programme 2 operations. The increase over the 2017/18 MTEF makes provision for inflation only.

Table 7.14 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Administration	3 201	7 249	5 689	6 519	6 419	6 500	7 308	7 705	8 137
Provinces and municipalities	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Motor vehicle licences	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Departmental agencies and accounts	-	-	-	1	-	-	1	1	1
SABC - TV licences	-	-	-	1	-	-	1	1	1
Higher education institutions	3	-	-	-	-	-	-	-	-
Donations and gifts higher education institutions	3	-	-	-	-	-	-	-	-
Foreign government and international organisations	-	66	-	-	-	-	-	-	-
Foreign government gift exchange	-	66	-	-	-	-	-	-	-
Households	1 246	3 916	3 164	3 159	3 060	3 041	3 817	4 009	4 234
Social benefits	1 236	3 862	2 464	3 159	2 487	2 468	3 317	3 509	3 706
Other transfer to households	10	54	700	-	573	573	500	500	528
2. District Health Services	333 524	411 766	363 631	397 062	446 058	513 463	457 659	483 063	510 152
Provinces and municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Municipalities - municipal clinics	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Departmental agencies and accounts	21	10	48	41	35	46	43	45	47
SABC - TV licences	21	10	48	41	35	46	43	45	47
Non-profit institutions	207 922	190 405	165 147	170 213	170 213	169 242	175 844	185 377	195 757
Non-profit institutions	207 922	190 405	165 147	170 213	170 213	169 242	175 844	185 377	195 757
Households	50 846	103 947	68 836	57 760	54 024	142 389	88 772	92 247	97 452
Social benefits	47 441	73 065	67 262	57 760	53 980	51 947	63 772	67 247	71 052
Other transfers to households	3 405	30 882	1 574	-	44	90 442	25 000	25 000	26 400
3. Emergency Medical Services	3 946	4 684	3 465	4 392	4 392	4 240	5 057	5 311	5 609
Provinces and municipalities	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Motor vehicle licences	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Departmental agencies and accounts	-	2	2	2	-	2	2	2	2
SABC - TV licences	-	2	2	2	-	2	2	2	2
Households	1 435	2 735	2 258	2 090	2 092	1 938	2 555	2 664	2 814
Social benefits	862	2 098	1 733	1 654	1 656	1 502	1 597	1 683	1 778
Other transfers to households	573	637	525	436	436	436	958	981	1 036
4. Provincial Hospital Services	124 336	124 026	134 412	62 233	62 283	167 412	143 360	127 142	134 262
Provinces and municipalities	-	-	-	-	100	-	-	-	-
Motor vehicle licences	-	-	-	-	100	-	-	-	-
Departmental agencies and accounts	15	64	44	82	81	81	83	88	93
SABC - TV licences	15	64	44	82	81	81	83	88	93
Public corporations and private enterprises	-	-	10	-	-	-	-	-	-
Penalties	-	-	10	-	-	-	-	-	-
Non-profit institutions	28 829	31 646	28 255	33 100	33 100	33 100	34 843	36 864	38 928
Non-profit institutions	28 829	31 646	28 255	33 100	33 100	33 100	34 843	36 864	38 928
Households	95 492	92 316	106 103	29 051	29 002	134 231	108 434	90 190	95 241
Social benefits	35 867	46 755	37 468	29 051	29 002	27 866	29 434	31 190	32 937
Other transfers to households	59 625	45 561	68 635	-	-	106 365	79 000	59 000	62 304
5. Central Hospital Services	45 259	40 875	30 432	10 763	12 763	46 747	27 060	27 715	29 267
Departmental agencies and accounts	52	51	52	57	82	60	60	63	67
SABC - TV licences	52	51	52	57	82	60	60	63	67
Households	45 207	40 824	30 380	10 706	12 681	46 687	27 000	27 652	29 200
Social benefits	11 387	14 391	11 372	10 706	12 681	11 954	12 000	12 652	13 360
Other transfers to households	33 821	26 433	19 008	-	-	34 733	15 000	15 000	15 840
6. Health Sciences and Training	208 586	238 187	285 220	252 824	312 826	321 119	282 631	297 807	314 483
Departmental agencies and accounts	11 282	15 768	18 863	19 842	19 842	19 842	19 842	20 868	22 036
HWSETA	11 282	15 768	18 863	19 842	19 842	19 842	19 842	20 868	22 036
Higher education institutions	498	16	-	-	-	-	-	-	-
Donations and gifts higher education institutions	498	16	-	-	-	-	-	-	-
Households	196 806	222 403	266 357	232 982	292 984	301 277	262 789	276 939	292 447
Social benefits	2 083	2 324	3 632	2 982	3 091	1 411	2 100	2 234	2 358
Other transfers to households	194 723	220 079	262 725	230 000	289 893	299 866	260 689	274 705	290 089
7. Health Support Services	1 285	1 264	244	680	680	680	696	737	778
Households	1 285	1 264	244	680	680	680	696	737	778
Social benefits	1 285	1 264	244	680	680	680	696	737	778
8. Health Facilities Management	20 022	37	20 000	-	-	-	-	-	-
Non-profit institutions	20 000	-	20 000	-	-	-	-	-	-
KZN Childrens' Hospital Trust	20 000	-	20 000	-	-	-	-	-	-
Households	22	37	-	-	-	-	-	-	-
Social benefits	22	37	-	-	-	-	-	-	-
Total	740 159	828 088	843 093	734 473	845 421	1 060 161	923 771	949 480	1 002 688

- In Programme 6, *Departmental agencies and accounts* shows strong growth from 2013/14 through to 2015/16 due to the HWSETA levy, which is in line with the growth in *Compensation of employees* for the department as a whole. In 2017/18, the department will reprioritise funding in-year based on the invoices received. The growth over the two outer years of the 2017/18 MTEF is inflationary only.

- Also in Programme 6, the significant increase in *Households* from 2013/14 to 2016/17 relates to the department's decision to implement intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the previously mentioned Cuban Doctors' programme. The negative growth in 2017/18 is due to once-off payments made in 2016/17, being a carry-over from 2015/16. The budget in the outer two years caters for inflation only.
- In Programme 8, the department transferred funds in 2013/14 and 2015/16 to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekweni Metro. There is no funding over the MTEF and the contract is finalised.

8. Programme description

The services rendered by this department are categorised under eight programmes, further details of which are discussed below. The department largely conforms to the uniform budget structure for the Health sector. The information for each programme is given in terms of sub-programmes and economic classification, with details of economic classification given in *Annexure – Vote 7: Health*.

8.1 Programme 1: Administration

Programme 1 comprises two sub-programmes, namely Office of the MEC and Management, with the objectives of providing overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all the communities in the province, as well as the administration of the department in line with good governance practice. The programme also includes the formulation of policies and strategies in line with national and provincial priorities. Tables 7.15 and 7.16 summarise information for the period 2013/14 to 2019/20.

Table 7.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Office of the MEC	17 011	16 818	18 455	19 634	19 634	19 952	20 891	22 285	23 532
2. Management	672 078	685 107	828 167	819 401	819 401	819 183	870 280	812 112	901 346
Total	689 089	701 925	846 622	839 035	839 035	839 135	891 171	834 397	924 878
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-	-
Baseline available for spending after 1st charge	689 089	701 925	739 015	731 428	731 428	731 528	783 563	834 397	924 878

Table 7.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	610 665	678 837	722 304	695 434	717 639	717 631	771 212	821 357	911 107
Compensation of employees	273 361	292 983	326 812	356 418	371 523	371 836	402 196	426 446	450 325
Goods and services	337 290	385 799	395 388	339 016	346 016	345 720	369 016	394 911	460 782
Interest and rent on land	15	55	104	-	100	75	-	-	-
Transfers and subsidies to:	3 201	7 249	5 689	6 519	6 419	6 500	7 308	7 705	8 137
Provinces and municipalities	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Departmental agencies and accounts	-	-	-	1	-	-	1	1	1
Higher education institutions	3	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	66	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 246	3 916	3 164	3 159	3 060	3 041	3 817	4 009	4 234
Payments for capital assets	41 594	15 827	11 021	29 475	7 370	7 397	5 043	5 335	5 634
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	41 413	15 827	11 021	29 475	7 370	7 370	5 043	5 335	5 634
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	181	-	-	-	-	27	-	-	-
Payments for financial assets	33 629	12	107 608	107 607	107 607	107 607	107 608	-	-
Total	689 089	701 925	846 622	839 035	839 035	839 135	891 171	834 397	924 878
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-	-
Baseline available for spending after 1st charge	689 089	701 925	739 015	731 428	731 428	731 528	783 563	834 397	924 878

It is the department's policy to keep Programme 1's allocation to a maximum of two per cent of total budget, which has been achieved over the past four years and will be maintained over the 2017/18 MTEF.

The purpose of the sub-programme: Office of the MEC is to render advisory, secretarial and office support services, as well as secretarial support, administrative, public relations/communication and parliamentary support. Growth over the 2017/18 MTEF is for inflationary purposes only.

The sub-programme: Management is responsible for policy formulation, overall management and administrative support of the department and the respective regions and institutions within the department and includes human resources, finance, supply chain management, legal services, etc. The significant growth in this sub-programme from 2015/16 relates to unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. The first instalment of the first charge of R107.607 million was implemented in 2015/16. A final instalment of R107.608 million is implemented in 2017/18, hence the decline in 2018/19. Growth in the outer year of the MTEF is for inflationary purposes only.

The increase in *Compensation of employees* in the 2016/17 Adjusted Appropriation was to provide for the higher than anticipated uptake in the housing allowance (carry-through costs from the 2015 wage agreement) and pay progression. The 2017/18 MTEF growth provides for inflationary adjustments only in 2017/18, but below inflation in the two outer years, which implies that no vacancies may be filled at this stage, unless the department undertakes further reprioritisation.

The growth in *Goods and services* in the 2016/17 Adjusted Appropriation was to provide for pressures against business advisory services, which was under-budgeted, including PILIR costs. The growth in 2017/18 is for inflation only. The reduction in 2018/19 is due to budget cuts which affects IT services. This reduction is followed by an increased allocation in 2019/20, hence higher growth in the outer year.

Interest and rent on land relates to interest on over-due accounts, and is not budgeted for over the MTEF.

Transfers and subsidies to: Provinces and municipalities provides for motor vehicle licences for the entire department, excluding Programme 3. The increase over the 2017/18 MTEF is for inflationary adjustments, as only replacement vehicles will be purchased.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

The fluctuating trend in *Transfers and subsidies to: Households* is due to staff exit costs.

The reduction in *Machinery and equipment* in the 2016/17 Adjusted Appropriation relates to funding originally allocated for equipment related to the development of a video conferencing facility intended to reduce travelling costs, which was delayed due to lengthy SCM processes. The 2017/18 reductions relate to the scaling down of the purchase of replacement computer equipment and vehicles due to prior-year budget cuts. Over the remainder of the MTEF, funding is provided to replace essential equipment only.

As previously mentioned, the department is liable for the repayment of the over-expenditure with the first instalment of the first charge of R107.607 million being implemented against the budget in 2015/16 and the last instalment in 2017/18, hence the negative growth in *Payments for financial assets* in 2018/19.

Service delivery measures – Programme 1: Administration

Table 7.17 illustrates the main service delivery measures relating to Programme 1. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.17 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
To conduct the strategic management and overall administration of the Dept. of Health	• Audit opinion from the Auditor-General	Unqualified	Unqualified	Unqualified	Unqualified
	• Percentage of hospitals with broadband access	50%	65%	75%	90%
	• Percentage of fixed PHC facilities with broadband access	35%	50%	70%	90%

8.2 Programme 2: District Health Services

The purpose of Programme 2: District Health Services is to render primary health care services and district hospital services. This programme comprises nine sub-programmes, which are used to facilitate identification of the different functions. The main aims of these sub-programmes are:

- To render primary health care services with a nurse-driven service at clinic level, including visiting points, mobile and local authority clinics.
- To provide service planning, administration of services, managing personnel and financial administration and the co-ordination and monitoring of district health services.
- To render primary health care services in respect of maternal child and women's health, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, oral and dental health, mental health, rehabilitation and disability and chronic health.
- To render primary health care services at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health.
- To render primary health care services related to the comprehensive management of HIV, AIDS and TB campaigns and special projects.
- To provide services directed at providing nutrition for the malnourished members of the population.
- To render forensic pathology services and medico-legal services in the province.
- To render hospital services at general practitioner level.

Tables 7.18 and 7.19 summarise payments and estimates for Programme 2.

Table 7.18 : Summary of payments and estimates by sub-programme: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. District Management	217 300	230 547	249 161	289 975	296 338	295 522	317 643	337 880	356 804
2. Community Health Clinics	2 790 347	3 072 816	3 501 113	3 880 589	3 943 589	3 943 422	4 117 584	4 319 014	4 605 576
3. Community Health Centres	1 048 435	1 208 843	1 365 808	1 564 694	1 529 694	1 537 615	1 638 584	1 806 568	1 952 437
4. Community Based Services	98 706	123 164	160 420	40 000	100 000	85 154	314 738	300 001	347 048
5. Other Community Services	808 017	892 846	959 940	1 177 971	1 202 971	1 193 885	1 094 605	1 195 951	1 307 501
6. HIV and AIDS	2 725 639	3 257 870	3 813 719	4 244 243	4 244 243	4 244 243	4 852 495	5 485 881	6 111 674
7. Nutrition	44 089	43 763	43 820	55 000	49 000	48 328	52 920	56 569	59 739
8. Coroner Services	156 225	163 356	172 140	192 428	192 428	189 636	211 572	222 794	235 273
9. District Hospitals	5 058 841	5 341 148	5 741 775	5 925 502	6 040 502	6 156 795	6 393 205	6 671 092	7 044 673
Total	12 947 599	14 334 353	16 007 896	17 370 402	17 598 765	17 694 600	18 993 346	20 395 750	22 020 725

Table 7.19 : Summary of payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	12 510 682	13 774 307	15 589 077	16 842 647	17 019 743	17 047 253	18 402 782	19 772 216	21 362 234
Compensation of employees	8 714 714	9 481 720	10 476 826	11 229 114	11 309 114	11 274 971	12 176 936	12 955 868	13 854 847
Goods and services	3 795 947	4 292 441	5 111 894	5 613 533	5 709 869	5 771 358	6 225 453	6 815 955	7 506 972
Interest and rent on land	22	146	357	-	760	924	393	393	415
Transfers and subsidies to:	333 524	411 766	363 631	397 062	446 058	513 463	457 659	483 063	510 152
Provinces and municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Departmental agencies and accounts	21	10	48	41	35	46	43	45	47
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	207 922	190 405	165 147	170 213	170 213	169 242	175 844	185 377	195 757
Households	50 846	103 947	68 836	57 760	54 024	142 389	88 772	92 247	97 452
Payments for capital assets	103 393	148 259	55 159	130 693	132 964	133 856	132 905	140 471	148 339
Buildings and other fixed structures	-	210	-	-	-	-	-	-	-
Machinery and equipment	103 393	148 049	55 159	130 693	132 964	133 856	132 905	140 471	148 339
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	21	29	-	-	28	-	-	-
Total	12 947 599	14 334 353	16 007 896	17 370 402	17 598 765	17 694 600	18 993 346	20 395 750	22 020 725

The significant allocation to this programme supports the policy of providing access to the less expensive, but most important level of health care. The programme provides for, *inter alia*, the commissioning of new clinics and community health centres, and the comprehensive management of HIV, AIDS and its related diseases, especially TB.

The increases over the seven-year period for Programme 2 as a whole relate to the higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also contributing was additional funding for inflationary increases in medical supplies and services, improving infant and child mortality rates, as well as substantial increases in HIV and AIDS funding each year. Further amounts were allocated for national priorities from 2011/12, with carry-through over the MTEF, to provide for capacity building for personnel and *Goods and services*, funding for family health team pilots/models, improving hospital norms and standards, and a general policy adjustment.

The sub-programme: District Management provides for the planning and administration of health services, the management of personnel and financial administration, the co-ordination and management of Day Hospital Organisations and Community Health Services rendered by local authorities and non-governmental organisations (NGO) within the eThekwin Metro, as well as the determining of working methods and procedures and exercising district control. The increase in the 2016/17 Adjusted Appropriation is attributed to the roll-over of committed, but unspent funding from 2015/16 against the NHI grant. Growth over the 2017/18 MTEF is for inflationary purposes only.

The Community Health Clinics sub-programme renders a nurse-driven primary health care service at clinic level including visiting points, mobile and local authority clinics. The increase in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate, as well as to offset pressures arising from 2015/16 commitments in respect of municipal clinics in the eThekwin Metro being payable in 2016/17. Growth over the 2017/18 MTEF is for inflationary purposes only. The lower growth in 2017/18 is because of a reduction in the NHLS budget due to the previously mentioned budget cuts, as well as the scrapping of the medicine levy that was previously charged by the PPSD on all medicine and medical supplies procured through the depot.

The Community Health Centres sub-programme provides primary health services with full-time medical officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, and psychiatry. The reduction in the 2016/17 Adjusted Appropriation relates to NHLS and medicine payments, which will be deferred to April 2017, in an effort to remain within the budget in 2016/17. Growth over the 2017/18 MTEF includes the commissioning of Jozini CHC with both clinical and non-clinical staff in 2018/19.

The sub-programme: Community Based Services renders a community-based health service at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health, etc. The significant increase in 2015/16 relates to the chronic medication pilot project that was added to this sub-programme, whereby patients on chronic medication will collect their medication at designated community drop-off points. Expenditure for such medicine is thus reflected under this sub-programme going forward. There was acceleration in the enrolment of patients under this programme, hence a significant increase in the 2016/17 Adjusted Appropriation when compared to the Main Appropriation, and over the 2017/18 MTEF. The 2017/18 MTEF reflects the shift of community-based outreach teams, including school health teams and family health teams, from the Other Community Services sub-programme to Community Based Services in line with the nature of services provided by these teams. Historical data was restated for comparison purposes.

The sub-programme: Other Community Services renders environmental, port health and part-time district surgeon services, etc. The increase in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The 2017/18 allocation also includes R14 million ring-fenced for influenza vaccinations. The increase in 2018/19 is attributed to the R44.976 million allocated for the provision of the HPV vaccine which was previously funded by NDOH as an indirect grant to provinces. The decrease in 2017/18 is due to the shift of community-based outreach teams to the Community Based Services sub-programme.

The HIV and AIDS sub-programme provides a PHC service in respect of HIV and AIDS campaigns and special projects, and growth rates are mainly due to increases in the Comprehensive HIV, AIDS and TB grant to cater for increased uptake of patients on ARV therapy. The strong growth over the entire period aligns with the growth in the Comprehensive HIV, AIDS and TB grant to fund the increase in patient numbers and the targets over the period. The increase in the 2017/18 MTEF baseline is for the continued expansion of the ARV programme (in 2018/19), HIV prevention and to cater for TB screening and treatment in line with the grant's extended focus to now include TB.

The sub-programme: Nutrition provides nutrition services aimed at specific target groups such as malnourished children and combines nutrition specific and nutrition sensitive interventions to address malnutrition. The reduction in the 2016/17 Adjusted Appropriation is due to enforced savings reprioritised to other pressures, in an effort to remain within the budget in 2016/17. The steady growth in the outer years is attributed to the need to restore the nutrition budget due to the population's vulnerability to malnutrition taking into account the current drought levels and increasing food prices.

The sub-programme: Coroner Services provides forensic and medico-legal services to establish the circumstances and causes of unnatural death. Funding is provided in 2017/18 for the replacement of two specialist posts resulting from the high attrition rate experienced in the previous financial years, with funding in the two outer years to be identified in the next budget process.

The sub-programme: District Hospitals provides hospital services at General Practitioner level. The increase in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The projected over-spending in the 2016/17 Revised Estimate is due to unbudgeted medico-legal claims. This sub-programme was significantly affected by budget cuts and hence shows minimal growth over the MTEF. The increase is below the inflationary adjustments, which is indicative of the drive to ensure patients make more use of clinics and health centres.

The increase in *Compensation of employees* in the 2016/17 Adjusted Appropriation was to provide for pressures attributed to the carry-through costs for the increased uptake in the housing allowance, which formed part of the 2015 wage agreement, as well as the 2016/17 pay progression. In addition, provision was made for pressures from the above-budget 2016 wage adjustment. Growth over the 2017/18 MTEF does not provide for the full inflationary adjustment, and the department will review this in-year.

The growth in *Goods and services* in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The high growth over the 2017/18 MTEF is due to the pressures related to the Rand/Dollar exchange rate, as well as the extension of the Comprehensive HIV, AIDS and TB grant allocation to include TB. The significant increase in 2019/20 in particular is attributed to the provision for continued expansion of ARV coverage in response to the universal test and treat policy.

The increase in *Transfers and subsidies to: Provinces and municipalities* in the 2016/17 Adjusted Appropriation was to offset pressures arising from 2015/16 commitments in respect of municipal clinics in the eThekweni Metro being payable in 2016/17. The negative growth in 2017/18 is attributed to this once-off carry-over expenditure in 2016/17. The projected under-spending in the 2016/17 Revised Estimate is due to the fourth quarter invoice verification for eThekweni clinics, with payment expected in April 2017. The allocation over the remainder of the 2017/18 MTEF shows minimal growth due to budget cuts.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

Transfers and subsidies to: Non-profit institutions provides subsidies to entities that render primary health care services. The 2017/18 MTEF provides for inflationary increases only.

Transfers and subsidies to: Households relates to staff exit costs and medico-legal claims, and historical fluctuations are based on actual payments made, which are erratic in nature. The negative growth in 2016/17 is attributed to budget cuts and the department not being in a position to reprioritise additional funding to these costs due to other competing service delivery needs. The 2017/18 MTEF allocation provides for staff exit costs and a minimal amount for medico-legal claims.

The increase against *Machinery and equipment* in 2016/17 was a result of the decision to defer the procurement process of some machinery and equipment to 2016/17 in order to reduce the over-spending in 2015/16, which accounts for the decrease in 2017/18. The MTEF amounts provide for the replacement of essential non-medical equipment to meet health and safety requirements, such as medical and patient trolleys, hospital beds, etc.

Service delivery measures – Programme 2: District Health Services

Table 7.20 illustrates the main service delivery measures of Programme 2: District Health Services. Note that the sector has made significant changes to the set of measures and the table below fully aligns to the sector measures and the draft Annual Performance Plan (APP) for 2017/18. Note also that the department publishes additional non-sector measures for this programme in its annual APP. The first two measures under Disease prevention and control (*Clients 40 years and older screened for hypertension* and *Clients 40 years and older screened for diabetes*) are accumulative up to 2016/17, but only new tests are to be counted as targets from 2017/18 onward. A number of measures have been introduced in 2017/18 and are indicated as “New” in the 2016/17 Estimated performance.

Table 7.20 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. District Health Services					
To provide facilities for patients to be treated at PHC level	• Ideal clinic status determinations conducted by Perfect Permanent Team for Ideal Clinic Realisation and Maintenance (PPTICRM) rate (fixed clinic/ CHC/ CDC)	34.4%	60%	80%	100%
	• Patient experience of care survey rate (PHC)	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	75%	85%	95%
	• Outreach household registration visit coverage (annualised)	34.8%	38%	45%	50%
	• PHC utilisation rate (annualised)	2.8	2.8	2.8	2.7
	• Complaint resolution rate (PHC)	85.5%	88.5%	93%	95%
	• Complaint resolution within 25 working days rate (PHC)	94.7%	95.5%	96%	97%
2. District Hospitals					
Rendering hospital service at district level	• Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	New	21%	39%	60%
	• Patient experience of care survey rate	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	80%	85%	95%
	• Average length of stay – total	5.7 days	5.7 days	5.6 days	5.5 days
	• Inpatient bed utilisation rate – total	62.5%	66.8%	72.9%	75.5%
	• Expenditure per patient day equivalent	R2 158	R2 272	R2 387	R2 474
	• Complaint resolution rate	75.3%	80%	85%	90%
	• Complaint resolution within 25 working days rate	91.5%	93%	94%	95%
3. HIV and AIDS, TB and STI control					
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	• ART client remain on ART end of month - total	1 241 786	1 441 555	1 590 643	1 724 882
	• TB / HIV co-infected clients on ART rate	61.1%	90%	93%	95%
	• HIV test done - total	3 025 874	2 260 448	2 260 448	2 260 448
	• Male condoms distributed	177 525 714	166 108 160	169 430 323	172 818 930
	• Medical male circumcision – total	67 919	174 217	160 815	147 414
		708 201 cum	882 418 cum	1 043 233 cum	1 190 647 cum
	• TB symptom 5 years and older start on treatment rate	New	Target to be determined	Target to be determined	Target to be determined
	• TB client treatment success rate	86.5%	87%	89%	90%
	• TB client lost to follow up rate	3.9 %	2.9%	2.4%	2%
	• TB client death rate	3.9%	3%	2.4%	2%
	• TB MDR treatment success rate	59%	64%	69%	75%
4. Maternal, child and women health					
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	• Antenatal 1st visit before 20 weeks rate	72%	73%	74%	75%
	• Mother postnatal visit within 6 days rate	63.8%	70%	70%	70%
	• Antenatal client start on ART rate	96%	98%	99%	99%
	• Infant 1st PCR test positive around 10 weeks rate	1.3%	1.18%	1.16%	1.15%
	• Immunisation under 1 year coverage (annualised)	84.4%	92%	94%	95%
	• Measles 2nd dose coverage (annualised)	95%	95%	95%	95%

Table 7.20 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2016/17	2017/18	2018/19	2019/20	
	<ul style="list-style-type: none"> DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate Diarrhoea case fatality rate Pneumonia case fatality rate Severe acute malnutrition case fatality rate School Grade 1 learners screened School Grade 8 learners screened Couple year protection rate (international) Cervical cancer screening coverage 20 years and older HPV 1st dose HPV 2nd dose Infant exclusively breastfed at HepB 3rd dose rate Maternal mortality in facility ratio (annualised) Inpatient neonatal death rate 	8.9% 1.8% 2.9% 7.5% 80 662 41 722 51.7% 75% 44 549 New 54.6% 128.7/100 000 11.8/1 000	5% 2.5% 2.6% 7.3% 94 234 43 076 65% 77% 64 150 64 150 60% 105/100 000 11/1 000	4% 2.2% 2.5% 7% 112 288 45 404 70% 79% 64 150 64 150 63% 100/100 000 10.5/1 000	3% 2% 2.4% 6.5% 127 658 46 568 75% 80% 64 150 64 150 65% 95/100 000 10/1 000	
5. Disease prevention and control						
Rendering preventive and promotive health services	<ul style="list-style-type: none"> Clients 40 years and older screened for hypertension Clients 40 years and older screened for diabetes Mental disorders screening rate Cataract surgery rate Malaria case fatality rate 	10 377 056 9 784 466 5 414 706 392.1/ 1 mil 1.3%	90 000 45 000 6 000 000 575.3/ 1 mil < 0.5%	90 000 45 000 6 500 000 579.5/ 1 mil <0.5%	90 000 45 000 6 750 000 595.1/ 1 mil <0.5%	

8.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport. Poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes. Tables 7.21 and 7.22 summarise payments and budgeted estimates pertaining to Programme 3.

Table 7.21 : Summary of payments and estimates by sub-programme: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
1. Emergency Services	967 208	1 026 983	1 106 737	1 131 508	1 104 508	1 141 904	1 195 647	1 249 438	1 322 574
2. Planned Patient Transport	42 732	41 130	67 669	68 267	95 267	90 293	82 203	98 248	100 584
Total	1 009 940	1 068 113	1 174 406	1 199 775	1 199 775	1 232 197	1 277 850	1 347 686	1 423 158

Table 7.22 : Summary of payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	975 416	1 061 869	1 133 984	1 143 802	1 175 068	1 207 642	1 220 793	1 285 375	1 357 356
Compensation of employees	715 735	768 178	822 311	842 003	842 003	871 643	899 259	944 392	997 276
Goods and services	259 679	293 675	311 638	301 799	333 005	335 939	321 534	340 983	360 080
Interest and rent on land	2	16	35	-	60	60	-	-	-
Transfers and subsidies to:	3 946	4 684	3 465	4 392	4 392	4 240	5 057	5 311	5 609
Provinces and municipalities	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Departmental agencies and accounts	-	2	2	2	-	2	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 435	2 735	2 258	2 090	2 092	1 938	2 555	2 664	2 814
Payments for capital assets	30 578	1 189	36 957	51 581	20 315	20 315	52 000	57 000	60 193
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	30 578	1 189	36 957	51 581	20 315	20 315	52 000	57 000	60 193
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	371	-	-	-	-	-	-	-
Total	1 009 940	1 068 113	1 174 406	1 199 775	1 199 775	1 232 197	1 277 850	1 347 686	1 423 158

The sub-programme: Emergency Medical Services provides for all emergency medical services including ambulance services, special operations, communication and air ambulance services. The reduction in the 2016/17 Adjusted Appropriation was to correct over- and under-budgeting in the 2016/17 EPRE between the two sub-programmes. The projected over-spending in the 2016/17 Revised Estimate relates to overtime payments to paramedic staff. The strong growth in 2017/18 is due to a drive to replace 57 existing ambulances, with inflationary growth in the two outer years.

The Planned Patient Transport sub-programme provides planned patient transport including Local Outpatient Transport (within the boundaries of a given town or local area) and Inter-City/Town Outpatient Transport (into referral centres). The increase in the 2016/17 Adjusted Appropriation was to correct over- and under-budgeting, as mentioned. The negative growth in 2017/18 is attributed to targeted savings to be realised from stringent maintenance and repairs control measures to be implemented. The department has appointed assessors who will carry out all the necessary assessment and verification for repairs before any commitment is made. All vehicle repairs will be centralised and approved by the CFO. This central control seeks to reduce expenditure relating to fuel consumption, usage of tyres, maintenance of vehicles, as well as to conduct fleet inspections, especially related to mileage and vehicle utilisation. The growth over the remaining two years of the MTEF is for inflationary purposes only.

The projected over-spending in *Compensation of employees* in the 2016/17 Revised Estimate relates to overtime payments to paramedic staff. The increase over the MTEF is below inflation at this stage, and pressures will be addressed in-year. This also means that no new appointments can be made at this stage.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in rural areas. The increase in the 2016/17 Adjusted Appropriation was to address pressures resulting from increased fuel costs. The negative growth in 2017/18, with inflationary growth thereafter, is attributed to targeted savings to be realised from stringent maintenance and repair control measures to be implemented. As mentioned previously, the department appointed assessors who carry out all the necessary assessment and verification for repairs before any commitment is made. All vehicle repairs will continue to be centralised and approved by the CFO. This central control seeks to reduce expenditure relating to fuel consumption, usage of tyres, maintenance of vehicles, as well as to conduct fleet inspections, especially related to mileage and vehicle utilisation.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences. These are driven by the size of the fleet of emergency medical service vehicles in each year, with ambulances being procured and the old fleet being disposed of, and registration and licensing costs thus vary accordingly.

Transfers and subsidies to: Households fluctuates due to the unpredictability of staff exit costs.

Regarding *Machinery and equipment*, the reduction in the 2016/17 Adjusted Appropriation was part of the departmental cost-containment plan to remain within budget, with the procurement of Emergency Medical Services vehicles put on hold in 2016/17, hence the significant increase in 2017/18. The drive to replace redundant ambulances will continue over the two outer years of the 2017/18 MTEF, with steady growth.

Payments for financial assets relates to the write-off of various losses.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.23 illustrates the main service delivery measures pertaining to Programme 3. The performance indicators provided comply fully with the customised measures for the Health sector. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.23 : Service delivery measures – Programme 3: Emergency Medical Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. Emergency Medical Services					
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 15 minutes rate	5%	10%	15%	20%
	• EMS P1 rural response under 40 minutes rate	36%	36%	38%	40%
	• EMS inter-facility transfer rate	31%	43%	46	50%

8.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research. Programme 4 comprises five sub-programmes, with the following main objectives:

- To render regional hospital services at a general specialist level and a platform for training of health workers and research.
- To render hospital services for TB, including multi-drug resistance.
- To render specialist psychiatric hospital services for people with mental illness and intellectual disability and providing a platform for training of health workers and research.
- To provide medium to long-term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home.
- To render an affordable and comprehensive oral health service, based on primary health care.

Tables 7.24 and 7.25 summarise payments and estimates relating to Programme 4.

Table 7.24 : Summary of payments and estimates by sub-programme: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. General (Regional) Hospitals	6 560 190	6 727 470	7 311 976	7 668 159	7 800 159	7 949 214	8 468 660	8 883 956	9 426 158
2. Tuberculosis Hospitals	631 342	673 267	734 142	793 589	754 589	754 589	812 781	884 431	933 961
3. Psychiatric-Mental Hospitals	686 549	753 333	788 178	845 859	834 859	831 634	891 958	952 156	1 005 476
4. Sub-acute, Step-down and Chronic Medical Hospitals	226 848	301 940	361 110	395 897	390 897	390 897	417 707	441 876	466 617
5. Dental Training Hospital	16 267	17 415	18 958	19 930	19 930	19 930	21 257	22 490	23 749
Total	8 121 196	8 473 425	9 214 364	9 723 434	9 800 434	9 946 264	10 612 363	11 184 909	11 855 961

Table 7.25 : Summary of payments and estimates by economic classification: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	7 969 342	8 316 935	9 047 148	9 636 201	9 711 951	9 753 743	10 433 135	11 019 631	11 681 427
Compensation of employees	6 146 682	6 505 622	6 989 676	7 334 492	7 483 492	7 504 769	7 997 996	8 479 835	8 999 401
Goods and services	1 822 532	1 811 170	2 056 552	2 301 709	2 228 249	2 248 744	2 435 135	2 539 792	2 682 022
Interest and rent on land	128	143	920	-	210	230	4	4	4
Transfers and subsidies to:	124 336	124 026	134 412	62 233	62 283	167 412	143 360	127 142	134 262
Provinces and municipalities	-	-	-	-	100	-	-	-	-
Departmental agencies and accounts	15	64	44	82	81	81	83	88	93
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	10	-	-	-	-	-	-
Non-profit institutions	28 829	31 646	28 255	33 100	33 100	33 100	34 843	36 864	38 928
Households	95 492	92 316	106 103	29 051	29 002	134 231	108 434	90 190	95 241
Payments for capital assets	27 518	32 459	30 385	25 000	26 200	25 109	35 868	38 136	40 272
Buildings and other fixed structures	79	-	-	-	-	-	-	-	-
Machinery and equipment	27 439	32 459	30 385	25 000	26 200	25 109	35 868	38 136	40 272
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	5	2 419	-	-	-	-	-	-
Total	8 121 196	8 473 425	9 214 364	9 723 434	9 800 434	9 946 264	10 612 363	11 184 909	11 855 961

The sustained growth in Programme 4 over the seven-year period relates to the various wage agreements, the OSD for medical personnel, high inflation rates on medical supplies and services, as well as NHLS costs. Further contributing factors include the carry-through costs of the MDR/XDR TB facilities opened in the Greytown, Murchison and Thulasizwe Hospitals.

The General (Regional) Hospitals sub-programme provides hospital services at a general specialist level and a platform for training of health workers and research. The increase in the 2016/17 Adjusted Appropriation was to partly fund the increased uptake of the housing allowance and pay progression, as previously mentioned, as well as to address pressures on medicines and medical supplies. The projected

over-spending in the 2016/17 Revised Estimate is largely due to medico-legal claims. The low growth in 2017/18 is due to a reduced NHLS budget because of budget cuts and the reduced cost of medicine resulting from the ending of the medicine levy following the previously mentioned incorporation of the PPSD into the department. The growth in the outer years is inflationary only.

The Tuberculosis Hospitals sub-programme provides for specialised care of patients with TB, including MDR and XDR TB. The reduction in the 2016/17 Adjusted Appropriation was mainly due to NHLS and medicine payments deferred to April 2017, in an effort to remain within the budget. Growth over the 2017/18 MTEF is for inflationary purposes only.

The sub-programme: Psychiatric-Mental Hospitals renders a specialist psychiatric hospital service for people with mental illnesses and intellectual disability. The reduction in the 2016/17 Adjusted Appropriation was mainly due to NHLS and medicine payments deferred to April 2017, in an effort to remain within the budget. The 2017/18 MTEF growth is for inflationary purposes only.

The sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals provides medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home. These patients are often unable to access ambulatory care at departmental services or their socio-economic or family circumstances do not allow for them to be cared for at home. The reduction in the 2016/17 Adjusted Appropriation was mainly due to NHLS and medicine purchases deferred to April 2017, in an effort to remain within the budget. The 2017/18 MTEF allocation makes provision for the operational costs of McCord Hospital to function as a specialised eye-care hospital. There is no provision for the phased commissioning of the KZN Children's Hospital due to budget constraints, and this project's timeline will be extended as a result.

The Dental Training Hospital sub-programme provides specialised dental services and shows steady growth over the entire period, with inflationary growth over the 2017/18 MTEF.

The increase against *Compensation of employees* in the 2016/17 Adjusted Appropriation was to partly fund the increased uptake of the housing allowance and pay progression, as previously mentioned. There is a once-off settlement in 2016/17 of outstanding JME payments from the previous financial year, hence minimal growth in 2017/18. The projected over-spending in the 2016/17 Revised Estimate is largely due to the increase in housing allowance uptake following the 2015 wage agreement. The growth over the remainder of the 2017/18 MTEF is below the required inflationary level, implying that no additional staff are affordable at this stage, unless the department undertakes in-year reprioritisation.

The reduction in *Goods and services* in the 2016/17 Adjusted Appropriation was due to the NHLS payments for March 2017 being deferred to April 2017, hence the slightly higher growth in 2017/18. The growth over the remainder of the 2017/18 MTEF is inflationary only and includes items such as medicines, medical supplies, NHLS and property payments (water, electricity, cleaning and security).

Transfers and subsidies to: Departmental agencies and accounts relates to TV licences.

Transfers and subsidies to: Non-profit institutions shows inflationary growth over the MTEF. This funding supports NGOs providing various services, including mental health care, disability care and TB.

Transfers and subsidies to: Households relates to medico-legal claims and staff exit costs. There is minimal provision for medico-legal claims over the 2017/18 MTEF due to the department not being in a position to reprioritise sufficient funding to these costs at this stage because of other competing service delivery needs, hence the drop in 2017/18 and only inflationary growth thereafter. This will be reviewed in-year as medico-legal costs arise.

The slight increase against *Machinery and equipment* in the 2016/17 Adjusted Appropriation relates mainly to the procurement of essential critical non-medical equipment. In 2016/17, the motor vehicles procurement process for replacement vehicles was deferred to 2017/18, hence the high growth in 2017/18. Funding is provided over the 2017/18 MTEF for the replacement of redundant essential non-medical equipment such as medical and patient trolleys, hospital beds, etc. under this programme, and increases are matched to identified cyclical replacement needs.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.26 illustrates the main service delivery measures pertaining to Programme 4.

Note that there are some changes to the measures and these comply fully with the customised measures of the Health sector.

Note also that the department publishes additional non-sector measures for this programme in its annual APP, but these are excluded from this table.

A number of measures have been introduced in 2017/18 and are indicated as “New” in the 2016/17 Estimated performance.

Table 7.26 : Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.20 : Service delivery measures – Programme 4: Provincial Hospital Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. General (Regional) Hospitals					
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	30%	46%	60%
	• Patient experience of care survey rate	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	83%	89%	95%
	• Average length of stay – total	6.2 days	5.8 days	5.4 days	5.3 days
	• Inpatient bed utilisation rate – total	73.4%	73.9%	74.1%	76.1%
	• Expenditure per PDE	R2 582	R2 762	R2 959	R3 129
	• Complaints resolution rate	71%	82%	86%	90%
	• Complaints resolution within 25 working days rate	94%	98%	98%	98%
2. Specialised Hospitals					
Rendering of hospital services at a specialist level including TB, psychiatric, oral and dental, step-down and chronic	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	22%	44%	61%
	• Patient experience of care survey rate	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	80%	84%	87%
	• Complaints resolution rate	87%	88.5%	90%	92%
	• Complaints resolution within 25 working days rate	94%	95%	96%	97%

8.5 Programme 5: Central Hospital Services

The main purpose of Programme 5: Central Hospital Services is to provide tertiary health services and to create a platform for the training of health workers.

Tables 7.27 and 7.28 summarise payments and budgeted estimates relating to the two sub-programmes that fall under this programme.

Table 7.27 : Summary of payments and estimates by sub-programme: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
1. Central Hospital Services	1 785 076	1 914 646	2 087 907	2 333 471	2 361 471	2 378 472	2 241 188	2 405 978	2 540 712
2. Provincial Tertiary Hospital Services	1 855 510	1 903 154	2 037 022	2 102 368	2 179 368	2 240 836	2 340 390	2 503 015	2 643 186
Total	3 640 586	3 817 800	4 124 929	4 435 839	4 540 839	4 619 308	4 581 578	4 908 993	5 183 898

Table 7.28 : Summary of payments and estimates by economic classification: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	3 563 853	3 774 252	4 092 468	4 419 576	4 522 576	4 567 061	4 547 518	4 873 919	5 146 860
Compensation of employees	1 984 474	2 135 330	2 331 335	2 407 673	2 508 673	2 510 026	2 689 663	2 884 834	3 046 384
Goods and services	1 579 379	1 638 596	1 761 005	2 011 903	2 013 903	2 056 995	1 857 855	1 989 085	2 100 476
Interest and rent on land	-	326	128	-	-	40	-	-	-
Transfers and subsidies to:	45 259	40 875	30 432	10 763	12 763	46 747	27 060	27 715	29 267
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	52	51	52	57	82	60	60	63	67
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	45 207	40 824	30 380	10 706	12 681	46 687	27 000	27 652	29 200
Payments for capital assets	31 474	2 673	2 029	5 500	5 500	5 500	7 000	7 359	7 771
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	31 474	2 673	2 029	5 500	5 500	5 500	7 000	7 359	7 771
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 640 586	3 817 800	4 124 929	4 435 839	4 540 839	4 619 308	4 581 578	4 908 993	5 183 898

The Central Hospital Services sub-programme provides for highly specialised medical health tertiary and quaternary services on a national basis, and includes the IALCH. The increase in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The low growth in 2017/18 is due to the anticipated savings from the new PPP contract, as well as the reduced cost of procuring medicine due to the previously mentioned removal of the medicine levy charges. These savings have been directed to address pressures in *Compensation of employees* and medico-legal claims in this and other programmes.

The sub-programme: Provincial Tertiary Hospital Services provides tertiary health services and creates a platform for the training of specialist health professionals. The increase in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The projected over-spending in the 2016/17 Revised Estimate is mainly against medicines and medical supplies related to the low base from 2015/16, which resulted from the reversal of the medicine levy, as well as the accrual of some medical supply payments to 2016/17. Also contributing are unbudgeted medico-legal claims. The growth over the 2017/18 MTEF is for inflationary purposes only.

The increase in *Compensation of employees* in the 2016/17 Adjusted Appropriation was to fund the previously mentioned increased uptake in the housing allowance and pay progression, as well as the carry-through costs of the critical specialist posts that were filled in 2015/16. The increase over the 2017/18 MTEF is not at the required inflationary level, implying that no filling of vacant posts can occur, unless in-year reprioritisation takes place.

The minimal increase in *Goods and services* in the 2016/17 Adjusted Appropriation was to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The projected over-spending in the 2016/17 Revised Estimate is mainly against medicines and medical supplies related to the low base from 2015/16, as mentioned above. The negative growth in 2017/18 is due to the previously mentioned reduced costs of the PPP contract, as well as the removal of the medicine levy charges. The growth over the remainder of the 2017/18 MTEF caters for the carry-through of the NHLS and exchange rate pressures, but these are not fully funded at present.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

Transfers and subsidies to: Households relates to medico-legal claims against the department, as well as staff exit costs. The projected over-spending in the 2016/17 Revised Estimate relates to unbudgeted medico-legal claims. There is minimal provision for these claims over the MTEF due to competing service delivery needs, hence the negative growth in 2017/18. This will be assessed in-year as the need arises.

The increase in 2017/18 against *Machinery and equipment* relates to the provision for the planned replacement of redundant essential non-medical equipment such as medical and patient trolleys, hospital beds, etc. under this programme as well the clearing of the backlog due to the previously mentioned shortage of funds. The baseline remains at the higher level with inflationary growth thereafter.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.29 illustrates service delivery measures pertaining to Programme 5: Central Hospital Services.

Note that there are some changes to the measures and these comply fully with the customised measures of the Health sector. Note also that the department publishes additional non-sector measures for this programme in its annual APP.

A number of measures have been introduced in 2017/18 and are indicated as “New” in the 2016/17 Estimated performance.

Table 7.29 : Service delivery measures – Programme 5: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. Tertiary Hospitals					
To provide tertiary health services and create a platform for the training of health workers	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	33%	66%	100%
	• Patient experience of care survey rate	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	95%	95%	95%
	• Average length of stay – total	7.9 days	9.4 days	9.2 days	9 days
	• Inpatient bed utilisation rate – total	76.7%	80.2%	82.8%	85.4%
	• Expenditure per PDE	R3 472	R3 753	R4 085	R4 297
	• Complaints resolution rate	62%	85%	90%	94%
	• Complaints resolution within 25 working days rate	95%	96%	96%	96%
2. Central Hospitals					
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	100%	100%	100%
	• Patient experience of care survey rate	New	100%	100%	100%
	• Patient experience of care satisfaction rate	New	96%	98%	98%
	• Average length of stay – total	8.7 days	8.6 days	8.6 days	8.6 days
	• Inpatient bed utilisation rate – total	66.8%	69.5%	70.9%	74.2%
	• Expenditure per PDE	R8 755	R9 200	R9 342	R9 588
	• Complaints resolution rate	88.8%	98%	98%	98%
	• Complaints resolution within 25 working days rate	100%	100%	100%	100%

8.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department.

The five sub-programmes have the following main aims:

- To provide for training of nurses at under-graduate and post-basic level.
- To provide training of rescue and ambulance personnel.
- To provide PHC related training for personnel.
- To provide skills development interventions for all occupational categories in the department.
- To provide bursaries for health science training at undergraduate and post-graduate levels.

Tables 7.30 and 7.31 summarise information relating to Programme 6 for the period 2013/14 to 2019/20.

Table 7.30 : Summary of payments and estimates by sub-programme: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Nursing Training Colleges	292 602	276 189	277 502	280 382	281 482	278 685	300 650	318 088	335 901
2. EMS Training Colleges	5 968	5 039	5 298	18 176	19 176	19 176	18 304	19 366	20 450
3. Bursaries	205 880	243 405	280 604	255 910	321 010	330 980	293 912	309 509	326 840
4. Primary Health Care Training	47 043	41 957	41 069	38 530	41 230	39 462	46 481	48 887	51 625
5. Training Other	447 858	452 359	454 321	507 152	552 252	546 847	582 336	613 501	647 858
Total	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674

Table 7.31 : Summary of payments and estimates by economic classification: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	789 339	778 344	773 468	842 326	900 305	892 492	952 340	1 004 447	1 060 693
Compensation of employees	736 405	722 027	721 247	776 000	831 000	822 026	877 206	926 798	978 696
Goods and services	52 931	56 317	52 219	66 326	69 305	70 465	75 134	77 649	81 997
Interest and rent on land	3	-	2	-	-	1	-	-	-
Transfers and subsidies to:	208 586	238 187	285 220	252 824	312 826	321 119	282 631	297 807	314 483
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	11 282	15 768	18 863	19 842	19 842	19 842	19 842	20 868	22 036
Higher education institutions	498	16	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	196 806	222 403	266 357	232 982	292 984	301 277	262 789	276 939	292 447
Payments for capital assets	1 426	2 412	99	5 000	2 019	1 539	6 712	7 097	7 498
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 426	2 412	99	5 000	2 019	1 539	6 712	7 097	7 498
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	7	-	-	-	-	-	-
Total	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674

The sub-programme: Nursing Training Colleges provides for the training of 225 nurses at under-graduate and post-basic level at 11 campuses. The target group includes actual and potential employees. The minimal increase in the 2016/17 Adjusted Appropriation was to fund the previously mentioned carry-through cost of the increased uptake in the housing allowance and pay progression. Growth over the 2017/18 MTEF is for inflationary purposes only.

The EMS Training Colleges sub-programme provides for the training of rescue and ambulance personnel which takes place at McCord Hospital. The target groups include actual and potential employees. The marked increase from the 2016/17 Main Appropriation was due to the incorrect linking of EMS training staff against Programme 3, which was corrected in 2016/17. Historical figures have not been restated as yet, due to delays in correcting the error on PERSAL. Approximately 30 personnel are trained each year. The negative growth in 2017/18 will be addressed in-year, and growth thereafter is inflationary only.

The sub-programme: Bursaries provides bursaries for health science training programmes supporting mainly medical doctors at under- and post-graduate levels, targeting actual and potential employees over the entire period. The increase in the 2016/17 Adjusted Appropriation was to address pressures from the carry-through costs of the increase in the number of Cuban Doctors' programme intake in 2015/16, as well as the increased cost of the Cuban Doctors' programme due to the weakening Rand/Dollar exchange rate, which also accounts for the projected over-spending in the 2016/17 Revised Estimate. As mentioned earlier, there will be no further students added to this programme in accordance with a NDOH instruction, with an average of 14 students returning from Cuba per year over the 2017/18 MTEF. Currently there are 728 students in Cuba, and a further 696 students funded *via* bursaries in South Africa.

The Primary Health Care Training sub-programme provides PHC related training for personnel, as required by the regions. The increase in the 2016/17 Adjusted Appropriation was due to the increased costs of training material. This pressure also accounts for the increase in 2017/18, with the remaining two years growing by inflation only. Currently, a total of 185 students are trained annually.

The sub-programme: Training Other provides for skills development programmes for all occupational categories in the department. The target group includes actual and potential employees and training includes disability management, health and safety training, mentoring growth for women managers, among others. The increase in the 2016/17 Adjusted Appropriation was to address pressures from the above-budget 2016 wage adjustment. The reduction in 2017/18 is due to a decision to put on hold the training and development of administrative support staff as part of cost-cutting. The outer two years of the 2017/18 MTEF provide for inflationary increases only.

Compensation of employees increases in the 2016/17 Adjusted Appropriation to address pressures from the above-budget 2016 wage adjustment. The growth over the 2017/18 MTEF provides for lower than inflationary increases, which implies that no new appointments can take place, unless there is in-year reprioritisation.

The increase against *Goods and services* in the 2016/17 Adjusted Appropriation was to cover the negative effects of the weakening Rand/Dollar exchange rate on travelling and subsistence costs of the students under the Cuban Doctors' programme. Growth over the MTEF addresses the related travelling costs of the students in the Cuban Doctors' programme, and there is inflationary growth only in the outer two years.

Transfers and subsidies to: Departmental agencies and accounts caters for the HWSETA levy, which is in line with the growth in *Compensation of employees* for the department as a whole. In 2017/18, the department will reprioritise funding in-year based on the invoice received. The growth over the two outer years of the 2017/18 MTEF is inflationary only.

Transfers and subsidies to: Households relates to intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the Cuban Doctors' programme. The increase in the 2016/17 Adjusted Appropriation was to address pressures from the carry-through costs of the increase in the number of Cuban Doctors' programme intake in 2015/16, as well as the increased cost of the Cuban Doctors' programme due to the weakening Rand/Dollar exchange rate, accounting for the projected over-spending in the 2016/17 Revised Estimate. The negative growth in 2017/18 is due to once-off payments made in 2016/17, being a carry-over from 2015/16. The budget in the outer two years caters for inflation only.

The funding against *Machinery and equipment* makes provision for additional office and training equipment at the various training campuses. The reduced amount in the 2016/17 Adjusted Appropriation was part of the departmental cost-containment plan to remain within budget. The procurement of replacement college vehicles was put on hold until 2017/18, hence the increase in that year. The budget in the outer two years caters for inflation only.

Payments for financial assets relates to the write-off of losses.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.32 illustrates service delivery pertaining to Programme 6.

The measures comply fully with the customised measures of the Health sector.

Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.32 : Service delivery measures – Programme 6: Health Sciences and Training

Table 1.52: Service delivery measures – Programme 6: Health Sciences and Training					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
3. Bursaries					
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of bursaries awarded for first year medicine students	50	50	50	50
	• No. of bursaries awarded for first year nursing students	200	225	225	225

8.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including:

- The PPSD which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, via the Medicine Trading Account.
- Provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities.
- Provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.33 and 7.34 summarise the payments and estimates relating to this programme for the period 2013/14 to 2019/20.

Table 7.33 : Summary of payments and estimates by sub-programme: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Medicine Trading Account	-	6	-	-	-	-	64 600	68 477	72 312
2. Laundry Services	90 271	125 667	134 153	281 884	279 884	279 884	186 767	185 396	195 778
3. Orthotic and Prosthetic Services	32 573	26 235	31 942	44 603	46 603	46 603	42 587	39 767	41 994
Total	122 844	151 908	166 095	326 487	326 487	326 487	293 954	293 640	310 084

Table 7.34 : Summary of payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	121 545	147 452	165 637	317 307	312 307	312 307	287 608	287 086	303 164
Compensation of employees	81 357	84 524	90 967	106 900	97 900	97 088	152 176	156 692	165 467
Goods and services	40 188	62 928	74 670	210 407	214 407	215 219	135 432	130 394	137 697
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 285	1 264	244	680	680	680	696	737	778
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 285	1 264	244	680	680	680	696	737	778
Payments for capital assets	14	3 192	214	8 500	13 500	13 500	5 650	5 817	6 142
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14	3 192	214	8 500	13 500	13 500	5 650	5 817	6 142
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	122 844	151 908	166 095	326 487	326 487	326 487	293 954	293 640	310 084

The Medicine Trading Account sub-programme renders pharmaceutical services to the department. It also manages the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities via the Medicine Trading Account. The Medicine Trading Account will cease to exist as from 2016/17. This is due to the decision to incorporate the PPSD to be part of the departmental facilities hence the inclusion of its funding under the Medicine Trading Account sub-programme from 2017/18 and over the MTEF. This funding provides for the staffing, operational and courier services costs of the PPSD.

The Laundry Services sub-programme provides laundry services to hospitals, care and rehabilitation centres. The decrease in the 2016/17 Adjusted Appropriation was due to a decision to put on hold the filling of approximately 40 laundry operator posts to remain within budget. This will be addressed in 2017/18 and growth in 2018/19 will be addressed in-year. The negative growth in 2017/18 is due to an additional once-off R80 million allocated for linen in 2016/17, with inflationary growth in the outer year, which includes a provision for replacement linen.

The Orthotic and Prosthetic Services sub-programme provides specialised orthotic and prosthetic services. The increase in the 2016/17 Adjusted Appropriation was for the once-off procurement of critical Orthotic

and Prosthetic Services equipment, including prosthetics and prosthetics manufacturing equipment hence the negative growth in 2017/18, with inflationary growth in the outer years.

Compensation of employees was reduced in the 2016/17 Adjusted Appropriation due to a decision to put on hold the filling of Laundry Services posts under this programme to remain within budget, with recruitment expected in 2017/18, hence the higher growth in that year. The remaining two years of the MTEF show below inflationary growth, and this will be addressed in-year.

The significantly higher spending in *Goods and services* in 2016/17 was due to the provision for the bulk purchase of linen for the commissioning of the KwaZulu Provincial Laundry, which is situated in the Prince Mshiyeni Hospital precinct, as well as the outsourcing of laundry services while awaiting the commissioning. This accounts for the negative growth in 2017/18, with inflationary growth thereafter. The increase in the 2016/17 Adjusted Appropriation was to cover the gap brought about by increased fuel and oil costs for laundry vehicles.

Transfers and subsidies to: Households relates to staff exit costs.

Expenditure against *Machinery and equipment* in 2016/17 relates to the previously mentioned purchase of orthotic and prosthetic medical equipment, as well as replacement laundry vehicles, hence the drop in 2017/18, with inflationary growth thereafter.

Service delivery measures – Programme 7: Health Care Support Services

Table 7.35 illustrates service delivery pertaining to Programme 7. Although there are no customised measures for this programme, the following measures are part of the set of non-sector measures published in the APP. Note that the department publishes additional measures for this programme in its annual APP. A number of measures have been introduced in 2017/18 and are indicated as “New” in the 2016/17 Estimated performance.

Table 7.35: Service delivery measures – Programme 7: Health Care Support Services

Table 1.55: Service delivery measures – Programme 1: Health Care Support Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. Medicine Trading Account					
Render pharmaceutical services to the dept. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities	• Percentage of pharmacies that obtained A and B grading on inspection	88%	94%	96%	100%
	• No. of facilities implementing the CCMD programme	New	321	500	650
	• No. of patients enrolled on CCMD programme (cumulative)	New	450 000	600 000	700 500
2. Laundry services					
Render laundry services to hospitals, care and rehabilitation centres and certain local authorities	• Percentage of facilities reporting clean linen stock outs	14%	10%	5%	0%

8.8 Programme 8: Health Facilities Management

Programme 8: Health Facilities Management consists of six sub-programmes, the main aim of which is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures.

The main activities of the programme are to provide new health facilities, and rehabilitate, upgrade and maintain existing facilities in all sub-programmes. This includes the provision of additional PHC facilities, to ensure improved access to health services in under-served areas of the province, as well as the provision of major medical equipment.

Tables 7.36 and 7.37 summarise payments and estimates relating to Programme 8.

Table 7.36 : Summary of payments and estimates by sub-programme: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Community Health Facilities	523 719	443 562	184 965	133 293	149 930	150 133	165 800	184 000	233 782
2. District Hospital Services	588 488	476 652	207 502	365 010	156 784	160 818	240 000	381 000	455 136
3. Emergency Medical Services	1 328	-	-	-	-	-	-	-	-
4. Provincial Hospital Services	600 958	500 232	848 813	840 970	901 073	896 332	849 184	868 231	918 719
5. Central Hospital Services	24 396	18 685	29 896	76 043	53 535	50 365	103 819	107 628	91 199
6. Other Facilities	261 917	239 906	246 442	168 199	257 193	260 867	297 725	143 989	192 514
Total	2 000 806	1 679 037	1 517 618	1 583 515	1 518 515	1 518 515	1 656 528	1 684 848	1 891 350

Table 7.37 : Summary of payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	349 449	379 132	375 853	477 294	418 056	440 395	460 421	457 117	518 698
Compensation of employees	24 048	24 158	33 986	44 122	42 942	41 546	51 400	54 000	56 000
Goods and services	325 401	354 974	341 867	433 172	375 114	398 849	409 021	403 117	462 698
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	20 022	37	20 000	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	20 000	-	20 000	-	-	-	-	-	-
Households	22	37	-	-	-	-	-	-	-
Payments for capital assets	1 631 335	1 299 868	1 121 765	1 106 221	1 100 459	1 078 120	1 196 107	1 227 731	1 372 652
Buildings and other fixed structures	1 530 893	1 206 295	1 052 053	896 221	900 496	903 800	819 107	859 231	896 564
Machinery and equipment	100 442	93 573	69 712	210 000	199 963	174 320	377 000	368 500	476 088
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 000 806	1 679 037	1 517 618	1 583 515	1 518 515	1 518 515	1 656 528	1 684 848	1 891 350

Buildings and other fixed structures is the main cost-driver in this programme and is largely linked to a drive to improve and maintain the infrastructure of the department and is also related to increasing conditional grant funding, especially the Health Facility Revitalisation grant, as well as equitable share. The increase in the 2016/17 Adjusted Appropriation was to address commitments from 2015/16, including projects for the Dr Pixley ka Seme new regional hospital, new Stanger neo-natal unit and Ngwelezane Hospital new 192 bed surgical wards. The Health Facility Revitalisation grant peaks in 2017/18 due to the reforms made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. The increase in 2017/18 and over the MTEF is also in line with project requirements, mainly the new Dr Pixley ka Seme regional hospital and the Ngwelezane Hospital project.

The increase in *Compensation of employees* in 2015/16 relates to the department appointing 15 additional staff as required by DORA, including engineers, architects and quantity surveyors. This trend continued in 2016/17 with 18 posts filled to date including engineers, works inspectors and project managers. The department is projecting to fill 15 posts in 2017/18, including engineers and project managers, with the programme expected to be at full capacity at 33 staff by the end of 2017/18.

The day-to-day maintenance drive accounts for the trend against *Goods and services* and is an effort to bring facilities up to standard for the roll-out of the NHI. The 2016/17 Adjusted Appropriation decreases due to more complex maintenance projects being behind schedule. The projected over-spending in the 2016/17 Revised Estimate is due to higher than expected building leases. The level of funding for maintenance fluctuates over the MTEF due to the fluctuations in the Health Facility Revitalisation grant, namely the additional once-off funding allocated in 2017/18 for submission of acceptable plans, as well as an additional allocation in the outer year. Projects include day-to-day maintenance at all facilities such as urgent unplanned reactive maintenance, as well as servicing of plant, equipment, air conditioning and lifts.

Transfers and subsidies to: Non-profit institutions includes a transfer of R20 million in 2013/14 and 2015/16 to the KZN Children's Hospital Trust for developing and refurbishing the KZN Children's Hospital in the eThekweni Metro.

Machinery and equipment provides for essential medical equipment in all facilities. The decrease in the 2016/17 Adjusted Appropriation was due to the Health Technology Services unit being behind on the planned equipment replacement programme because of lengthy SCM processes. The projected under-spending in the 2016/17 Revised Estimate is due to delays in finalising medical equipment and generator orders. The 2017/18 MTEF shows high growth to address backlogs in essential medical equipment, such as X-ray machines and CT scanners, as well as the effect of the weakening exchange rate on the replacement of redundant essential medical equipment, for which DOH received additional funding.

Service delivery measures – Programme 8: Health Facilities Management

Table 7.38 illustrates service delivery pertaining to Programme 8. Note that these are new measures promulgated by the sector from 2017/18. Note also that the department publishes additional non-sector measures for this programme in its annual APP. Both measures under this programme are introduced in 2017/18 and are indicated as “New” in the 2016/17 Estimated performance.

Table 7.38 : Service delivery measures – Programme 8: Health Facilities Management

Table A-10: Service delivery indicators – Programme of Health Facilities Management					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2016/17	2017/18	2018/19	2019/20
1. Health Facilities Management					
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities that have undergone major and minor refurbishment in NHI Pilot District	New	5	7	9
	• No. of health facilities that have undergone major and minor refurbishment outside NHI Pilot District (excluding facilities in NHI Pilot District)	New	9	12	14

9. Other programme information

9.1 Personnel numbers and costs

Tables 7.39 reflects personnel information for the Department of Health.

Table 7.39 : Summary of departmental personnel numbers and costs by component

Table 7.39 : Summary of departmental personnel numbers and costs by component																					
R thousands	Audited Outcome						Revised Estimate				Medium-term Expenditure Estimate						Average annual growth over MTEF				
	2013/14		2014/15		2015/16		2016/17				2017/18		2018/19		2019/20		2016/17 - 2019/20				
	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Filled posts	Add. posts	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. growth rate	Costs growth rate	% costs of total		
Salary level																					
1 – 6	55 408	6 107 770	44 094	6 439 161	44 154	7 986 039	42 628	-	42 628	8 752 299	42 628	9 414 674	42 628	9 999 613	42 628	10 650 075	0.0%	6.8%	37.3%		
7 – 10	21 122	7 401 294	21 664	8 161 593	22 091	8 930 342	21 893	-	21 893	9 906 756	21 893	10 640 975	21 893	11 314 176	21 893	12 039 971	0.0%	6.7%	42.2%		
11 – 12	4 995	4 326 042	5 062	4 685 835	5 133	4 057 507	5 198	-	5 198	4 173 809	5 198	4 474 582	5 198	4 753 910	5 198	5 049 096	0.0%	6.6%	17.7%		
13 – 16	81	86 913	79	84 626	81	86 811	90	-	90	94 415	90	101 722	90	107 935	90	114 162	0.0%	6.5%	0.4%		
Other	-	754 757	11 247	643 327	11 413	732 461	12 876	-	12 876	566 626	12 876	614 879	12 876	653 231	12 876	695 092	0.0%	7.0%	2.4%		
Total	81 606	18 676 776	82 146	20 014 542	82 872	21 793 160	82 685	-	82 685	23 493 905	82 685	25 246 832	82 685	26 828 865	82 685	28 548 396	0.0%	6.7%	100.0%		
Programme																					
1. Administration	779	273 361	781	292 983	817	326 812	842	-	842	371 836	842	402 196	842	426 446	842	450 325	0.0%	6.6%	1.6%		
2. District Health Services	45 237	8 714 714	46 968	9 481 720	46 531	10 476 826	47 079	-	47 079	11 274 971	47 079	12 176 936	47 079	12 955 867	47 079	13 854 844	0.0%	7.1%	48.3%		
3. Emergency Medical Services	3 241	715 735	3 104	768 178	3 049	822 311	2 989	-	2 989	871 643	2 989	899 259	2 989	944 392	2 989	997 277	0.0%	4.6%	3.6%		
4. Provincial Hospital Services	22 338	6 146 682	22 402	6 505 622	21 788	6 989 676	20 611	-	20 611	7 504 769	20 611	7 997 996	20 611	8 479 835	20 611	8 999 401	0.0%	6.2%	31.7%		
5. Central Hospital Services	4 475	1 984 474	4 435	2 135 330	5 845	2 331 335	6 334	-	6 334	2 510 026	6 334	2 689 663	6 334	2 884 834	6 334	3 046 385	0.0%	6.7%	10.7%		
6. Health Sciences and Training	4 159	736 405	3 311	722 027	3 454	721 247	3 254	-	3 254	822 026	3 254	877 206	3 254	926 799	3 254	978 696	0.0%	6.0%	3.5%		
7. Health Care Support Services	495	81 357	469	84 524	609	90 967	569	-	569	97 088	569	152 176	569	156 692	569	165 467	0.0%	19.4%	0.5%		
8. Health Facilities Management	882	24 048	676	24 158	779	33 986	1 007	-	1 007	41 546	1 007	51 400	1 007	54 000	1 007	56 000	0.0%	10.5%	0.2%		
Total	81 606	18 676 776	82 146	20 014 542	82 872	21 793 160	82 685	-	82 685	23 493 905	82 685	25 246 832	82 685	26 828 865	82 685	28 548 396	0.0%	6.7%	100.0%		
Employee dispensation classification																					
PSA appointees not covered by OSDs	22 486	3 818 770	21 667	3 967 610	21 676	4 597 960	24 003	-	24 003	4 556 760	24 003	4 884 847	24 003	5 192 592	24 003	5 514 533	0.0%	7%	19%		
PSA app. still to be covered by OSDs	3 646	366 733	1 790	357 528	1 739	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-		
Prof. nurses, staff nurses, nursing ass.	33 564	9 495 982	33 702	9 863 271	34 035	9 142 560	33 667	-	33 667	12 355 533	33 667	13 282 198	33 667	14 118 976	33 667	15 036 708	0.0%	6.8%	52.6%		
Legal professionals	6	2 789	6	3 032	10	7 204	6	-	6	5 021	6	5 383	6	5 705	6	6 048	0.0%	6.4%	0.0%		
Social services professionals	276	84 972	275	89 899	276	105 965	276	-	276	115 635	276	123 961	276	131 399	276	139 676	0.0%	6.5%	0.5%		
Engineering prof. and related	518	151 249	516	192 443	535	264 756	448	-	448	165 657	448	177 584	448	188 239	448	199 628	0.0%	6.4%	0.7%		
Medical and related professionals	8 556	3 739 183	8 453	3 918 101	8 388	4 570 985	8 445	-	8 445	4 732 854	8 445	5 092 551	8 445	5 410 836	8 445	5 762 524	0.0%	6.8%	20.2%		
Therapeutic, diagnostic health prof.,	2 634	838 430	2 732	963 443	2 716	2 929 250	2 637	-	2 637	994 411	2 637	1 069 986	2 637	1 134 185	2 637	1 202 237	0.0%	6.5%	4.2%		
Others (interns, EPWP, learnerships)	9 920	178 668	13 005	659 215	13 497	274 480	13 203	-	13 203	568 034	13 203	610 323	13 203	646 933	13 203	687 042	0.0%	6.5%	2.4%		
Total	81 606	18 676 776	82 146	20 014 542	82 872	21 793 160	82 685	-	82 685	23 493 905	82 685	25 246 832	82 685	26 828 865	82 685	28 548 396	0.0%	6.7%	100.0%		

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The staff occupying sub-vented (shared costs) posts and whose salaries are claimed from the UKZN are not included in the information provided as they are not paid from the department's voted funds

As from 2017/18, approximately 131 personnel working at the PPSP, who were previously paid from the Medicine Trading Account, are now paid from voted funds, following the decision to incorporate the PPSP to be part of the departmental facilities.

From 2013/14 onward, the staff numbers include the placing of student nurses and community care-givers (CCG) on the payroll. Note that the cost to the department for CCGs has not increased, as the affected staff were paid *via* transfers to NGOs previously. In the case of student nurses, the costs are lower as they now receive a stipend, instead of a full salary.

9.2 Training

Table 7.40 reflects departmental expenditure on training, which is centralised under Programme 6: Health Sciences and Training. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the percentage spent on training exceeds 3 per cent of the department's baseline, this requirement is fully achieved.

The costs reflected include the costs of staff and other running costs within Programme 6, hence the total costs are significantly more than those reflected against *Training and development* in *Annexure 7B*. The training provided is for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories in the department. The department has several training programmes aimed at developing and retaining skills. These programmes include training of nurses at Nursing Colleges, the Cuban Doctors' programme, as well as registrar training programmes in respect of specialist medical training.

Table 7.40 : Information on training: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Number of staff	81 606	82 146	82 872	82 685	82 685	82 685	82 685	82 685	82 685
Number of personnel trained	9 530	9 500	15 343	15 000	15 000	15 000	15 500	16 399	17 382
of which									
Male	2 439	3 330	4 925	5 000	5 000	5 000	5 730	6 062	6 425
Female	7 091	6 170	10 418	10 000	10 000	10 000	9 770	10 337	10 957
Number of training opportunities	13 155	8 030	10 016	10 442	10 442	10 442	10 508	11 024	11 684
of which									
Tertiary	1 802	32	1 200	1 587	1 587	1 587	1 600	1 600	1 696
Workshops	583	618	618	655	655	655	688	728	771
Seminars	64	198	198	200	200	200	220	233	246
Other	10 706	7 182	8 000	8 000	8 000	8 000	8 000	8 464	8 971
Number of bursaries offered	1 487	1 581	1 766	2 204	2 204	2 204	1 800	1 904	2 018
Number of interns appointed	183	272	150	200	200	200	250	265	280
Number of learnerships appointed	250	181	250	250	250	250	250	250	265
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	-	-	-	-	-	-	-	-	-
2. District Health Services	-	-	-	-	-	-	-	-	-
3. Emergency Medical Services	-	-	-	-	-	-	-	-	-
4. Provincial Hospital Services	-	-	-	-	-	-	-	-	-
5. Central Hospital Services	-	-	-	-	-	-	-	-	-
6. Health Sciences and Training	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674
7. Health Care Support Services	-	-	-	-	-	-	-	-	-
8. Health Facilities Management	-	-	-	-	-	-	-	-	-
Total	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674

ANNEXURE – VOTE 7: HEALTH

Table 7.A : Details of departmental receipts: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	237 077	250 237	213 371	255 372	255 372	250 945	232 069	245 761	259 524
Sale of goods and services produced by department (excluding capital assets)	236 584	249 286	212 169	254 519	254 519	249 537	231 049	244 681	258 383
Sales by market establishments	14 369	14 366	13 727	17 944	17 944	14 936	19 153	20 283	21 419
Administrative fees	4 347	5 262	5 066	5 600	5 600	6 274	5 045	5 343	5 642
Other sales	217 868	229 658	193 376	230 975	230 975	228 327	206 851	219 055	231 322
Of which									
Health patient fees	145 608	156 079	119 100	166 888	166 888	159 047	126 343	133 797	141 290
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	493	951	1 202	853	853	1 408	1 020	1 080	1 141
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	29	31	54	21	21	39	61	65	68
Interest, dividends and rent on land	5 988	143	51	135	135	43	71	149	157
Interest	5 988	143	51	135	135	43	71	149	157
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	9 607	14 009	-	12 000	12 000	12 911	12 600	13 343	14 091
Land and sub-soil assets	9 607	14 009	-	12 000	12 000	12 911	12 600	13 343	14 091
Other capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	18 046	25 513	30 118	16 182	16 182	26 665	15 707	16 634	17 565
Total	270 747	289 933	243 594	283 710	283 710	290 603	260 508	275 952	291 405

Estimates of Provincial Revenue and Expenditure

Table 7.B : Payments and estimates by economic classification: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	26 890 291	28 911 128	31 899 939	34 374 587	34 777 645	34 938 524	37 075 809	39 521 148	42 341 539
Compensation of employees	18 676 776	20 014 542	21 793 160	23 096 722	23 486 647	23 493 905	25 246 832	26 828 865	28 548 396
Salaries and wages	16 304 543	17 563 298	19 014 828	20 174 448	20 556 261	20 554 166	22 063 627	23 349 447	24 871 398
Social contributions	2 372 233	2 451 244	2 778 332	2 922 274	2 930 386	2 939 739	3 183 205	3 479 418	3 676 998
Goods and services	8 213 347	8 895 900	10 105 233	11 277 865	11 289 868	11 443 289	11 828 580	12 691 886	13 792 724
Administrative fees	30	-	3 729	292	2 548	3 056	2 816	2 332	2 463
Advertising	13 790	14 083	27 239	49 824	13 665	18 899	15 050	49 966	52 766
Minor assets	48 440	46 064	39 593	75 524	60 339	48 777	58 563	54 190	57 227
Audit cost: External	15 924	122 572	88 639	20 000	20 000	17 379	21 000	22 263	23 510
Bursaries: Employees	734	3 694	2 498	3 885	2 229	2 277	2 357	2 585	2 730
Catering: Departmental activities	2 087	2 286	3 929	6 581	5 568	6 099	5 935	7 359	7 770
Communication (G&S)	93 271	99 330	98 598	103 494	108 053	103 923	112 226	121 344	128 142
Computer services	197 733	133 813	150 913	176 415	171 266	171 266	192 130	207 378	213 346
Cons and prof serv: Business and advisory services	74 476	52 943	76 761	50 483	67 440	62 891	63 426	65 645	118 722
Infrastructure and planning	139	812	-	2 000	-	61	-	2 000	2 112
Laboratory services	587 579	913 128	1 356 455	1 630 542	1 645 129	1 714 572	1 750 718	1 880 513	1 980 285
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	8 907	12 025	17 805	12 251	22 704	27 101	20 174	25 201	26 612
Contractors	149 831	140 172	144 987	288 767	202 456	211 724	245 699	299 177	325 932
Agency and support / outsourced services	946 858	1 034 153	1 106 045	1 192 588	1 179 819	1 185 297	983 871	1 081 745	1 142 325
Entertainment	6	2	2	7	8	17	8	8	8
Fleet services (including government motor transport)	151 338	293 620	290 149	272 643	310 775	324 177	300 362	318 357	336 188
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 009	11 282	21 402	25 830	16 411	16 826	26 560	28 126	29 700
Inventory: Farming supplies	2	5	12	-	-	(1)	-	-	-
Inventory: Food and food supplies	116 213	120 101	118 788	132 825	129 265	129 294	142 994	148 743	157 074
Inventory: Fuel, oil and gas	263 346	124 589	117 920	126 346	147 299	135 410	151 085	150 835	159 282
Inventory: Learner and teacher support material	-	29	182	160	1 027	1 027	1 500	1 512	1 597
Inventory: Materials and supplies	10 007	10 634	19 167	15 405	17 745	18 217	16 981	15 475	16 342
Inventory: Medical supplies	1 339 263	1 481 668	1 479 150	1 563 950	1 513 499	1 546 052	1 662 273	1 730 405	1 830 405
Inventory: Medicine	2 520 816	2 392 666	2 895 380	3 117 878	3 190 853	3 204 403	3 526 663	3 875 664	4 404 463
Medsas inventory interface	-	3	-	-	-	-	-	-	-
Inventory: Other supplies	1	1 098	1 963	1 454	1 307	1 306	1 374	1 403	1 481
Consumable supplies	255 640	262 751	287 530	439 549	434 102	448 484	326 657	323 464	341 580
Consumable: Stationery, printing and office supplies	45 413	73 778	94 591	98 908	84 886	89 725	100 661	103 303	109 087
Operating leases	98 849	135 476	153 493	136 823	161 044	149 238	158 677	122 719	136 593
Property payments	1 081 879	1 180 365	1 293 152	1 494 074	1 575 290	1 592 803	1 696 910	1 805 145	1 926 233
Transport provided: Departmental activity	58 556	72 277	81 119	83 280	80 310	80 483	84 655	88 186	93 124
Travel and subsistence	65 388	80 518	79 975	92 336	77 037	83 944	90 264	96 361	101 760
Training and development	28 420	15 950	13 253	24 613	20 769	21 375	14 607	12 415	13 110
Operating payments	33 995	57 987	36 639	33 463	22 095	21 843	47 173	42 119	44 476
Venues and facilities	2 018	4 826	4 169	5 672	4 926	5 326	5 211	5 948	6 281
Rental and hiring	390	1 200	6	3	4	18	-	-	-
Interest and rent on land	169	686	1 546	-	1 130	1 330	397	397	419
Interest	169	686	1 546	-	1 130	1 330	397	397	419
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	740 159	828 088	843 093	734 473	845 421	1 060 161	923 771	949 480	1 002 688
Provinces and municipalities	79 199	122 618	133 330	174 707	227 545	207 545	198 990	211 734	223 591
Provinces	4 463	5 214	3 730	5 659	5 759	5 759	5 990	6 340	6 695
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	4 463	5 214	3 730	5 659	5 759	5 759	5 990	6 340	6 695
Municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	11 370	15 895	19 009	20 025	20 040	20 031	20 031	21 067	22 246
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	11 370	15 895	19 009	20 025	20 040	20 031	20 031	21 067	22 246
Higher education institutions	501	16	-	-	-	-	-	-	-
Foreign governments and international organisations	-	66	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	10	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	10	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	10	-	-	-	-	-	-
Non-profit institutions	256 751	222 051	213 402	203 313	203 313	202 342	210 687	222 241	234 685
Households	392 339	467 442	477 342	336 428	394 523	630 243	494 063	494 438	522 166
Social benefits	100 183	143 796	124 175	105 992	103 577	97 828	112 916	119 252	125 969
Other transfers to households	292 156	323 646	353 167	230 436	290 946	532 415	381 147	375 186	396 197
Payments for capital assets	1 867 332	1 505 879	1 257 629	1 361 970	1 308 327	1 285 336	1 441 285	1 488 946	1 648 501
Buildings and other fixed structures	1 530 972	1 206 505	1 052 053	896 221	900 496	903 800	819 107	859 231	896 564
Buildings	1 530 972	1 206 295	1 047 225	896 221	900 496	903 800	819 107	859 231	896 564
Other fixed structures	-	210	4 828	-	-	-	-	-	-
Machinery and equipment	336 179	299 374	205 576	465 749	407 831	381 509	622 178	629 715	751 937
Transport equipment	95 348	122 385	77 809	127 437	120 046	120 267	147 079	157 708	166 547
Other machinery and equipment	240 831	176 989	127 767	338 312	287 785	261 242	475 099	472 007	585 390
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	181	-	-	-	-	27	-	-	-
Payments for financial assets	33 629	415	110 063	107 607	107 607	107 635	107 608	-	-
Total	29 531 410	31 245 510	34 110 724	36 578 637	37 039 000	37 391 656	39 548 473	41 959 574	44 992 728
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-	-
Baseline available for spending after 1st charge	29 531 410	31 245 510	34 003 117	36 471 030	36 931 393	37 284 049	39 440 865	41 959 574	44 992 728

Table 7.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	610 665	678 837	722 304	695 434	717 639	717 631	771 212	821 357	911 107
Compensation of employees	273 361	292 983	326 812	356 418	371 523	371 836	402 196	426 446	450 325
Salaries and wages	237 846	255 527	284 612	310 689	321 728	322 044	350 675	372 177	393 017
Social contributions	35 515	37 456	42 200	45 729	49 795	49 792	51 521	54 269	57 308
Goods and services	337 290	385 799	395 388	339 016	346 016	345 720	369 016	394 911	460 782
Administrative fees	2	-	600	204	840	1 063	976	1 012	1 068
Advertising	7 796	3 504	2 308	3 543	2 000	5 656	2 200	2 333	2 464
Minor assets	1 082	416	(1 532)	581	3 000	2 983	2 010	2 130	2 250
Audit cost: External	15 924	122 566	88 639	20 000	20 000	17 379	21 000	22 260	23 507
Bursaries: Employees	12	(2)	60	85	-	-	-	-	-
Catering: Departmental activities	635	500	578	2 574	3 203	3 154	3 300	3 504	3 700
Communication (G&S)	4 009	10 581	10 963	11 502	11 452	10 718	12 208	12 954	13 679
Computer services	176 019	133 465	147 306	166 000	166 000	166 000	190 000	205 120	210 962
Cons and prof serv: Business and advisory services	50 623	33 043	69 494	41 954	64 760	59 944	60 000	63 600	116 563
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	25	47	45	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 195	504	1 614	1 320	6 000	9 323	6 000	6 360	6 716
Contractors	2 778	1 507	710	894	700	47	45	48	51
Agency and support / outsourced services	6 027	7 756	6 436	3 100	2 000	1 532	1 500	1 590	1 679
Entertainment	6	2	2	7	8	8	8	8	8
Fleet services (including government motor transport)	4 233	5 324	5 757	5 545	6 376	6 292	6 850	7 282	7 689
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	3 415	(258)	225	96	92	100	106	112
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	2 569	18	55	64	10	15	22	28	30
Inventory: Fuel, oil and gas	-	6	(1 836)	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	12	-	-	-	-	-	-
Inventory: Materials and supplies	2	9	681	42	29	24	50	53	56
Inventory: Medical supplies	170	(1 684)	722	1 213	1 000	568	-	-	-
Inventory: Medicine	-	318	(7)	-	-	364	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 366	(6 517)	(3 511)	758	206	(239)	10	12	13
Consumable: Stationery, printing and office supplies	2 665	8 149	7 912	14 447	5 760	5 755	6 165	6 544	6 910
Operating leases	3 879	5 012	5 095	4 707	5 306	5 163	5 611	5 952	6 285
Property payments	30 139	25 844	26 669	32 532	24 070	24 060	26 064	27 628	29 175
Transport provided: Departmental activity	18	-	-	-	-	-	-	-	-
Travel and subsistence	18 829	18 047	19 481	19 190	17 900	20 493	19 273	20 426	21 570
Training and development	3 020	2 591	68	-	-	70	-	-	-
Operating payments	350	7 745	4 092	3 220	400	356	424	449	474
Venues and facilities	943	2 922	3 230	5 262	4 900	4 900	5 200	5 512	5 821
Rental and hiring	-	733	1	2	-	-	-	-	-
Interest and rent on land	15	55	104	-	100	75	-	-	-
Interest	15	55	104	-	100	75	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 201	7 249	5 689	6 519	6 419	6 500	7 308	7 705	8 137
Provinces and municipalities	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Provinces	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 952	3 267	2 525	3 359	3 359	3 459	3 490	3 695	3 902
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	1	-	-	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	1	-	-	1	1	1
Higher education institutions	3	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	66	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 246	3 916	3 164	3 159	3 060	3 041	3 817	4 009	4 234
Social benefits	1 236	3 862	2 464	3 159	2 487	2 468	3 317	3 509	3 706
Other transfers to households	10	54	700	-	573	573	500	500	528
Payments for capital assets	41 594	15 827	11 021	29 475	7 370	7 397	5 043	5 335	5 634
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	41 413	15 827	11 021	29 475	7 370	7 370	5 043	5 335	5 634
Transport equipment	8 873	1 274	3 408	3 170	3 170	3 170	3 329	3 522	3 720
Other machinery and equipment	32 540	14 553	7 613	26 305	4 200	4 200	1 714	1 813	1 914
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	181	-	-	-	-	27	-	-	-
Payments for financial assets	33 629	12	107 608	107 607	107 607	107 607	107 608	-	-
Total	689 089	701 925	846 622	839 035	839 035	839 135	891 171	834 397	924 878
Unauth. Exp. (1st charge) not available for spending	-	-	(107 607)	(107 607)	(107 607)	(107 608)	-	-	-
Baseline available for spending after 1st charge	689 089	701 925	739 015	731 428	731 428	731 528	783 563	834 397	924 878

Estimates of Provincial Revenue and Expenditure

Table 7.D : Payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	12 510 682	13 774 307	15 589 077	16 842 647	17 019 743	17 047 253	18 402 782	19 772 216	21 362 234
Compensation of employees	8 714 714	9 481 720	10 476 826	11 229 114	11 309 114	11 274 971	12 176 936	12 955 868	13 854 847
Salaries and wages	7 572 469	8 288 913	9 117 861	9 816 221	9 874 694	9 840 396	10 614 979	11 265 959	12 065 329
Social contributions	1 142 245	1 192 807	1 358 965	1 412 893	1 434 420	1 434 575	1 561 957	1 689 909	1 789 518
Goods and services	3 795 947	4 292 441	5 111 894	5 613 533	5 709 869	5 771 358	6 225 453	6 815 955	7 506 972
Administrative fees	24	-	818	72	1 022	1 203	1 092	649	687
Advertising	3 017	6 701	21 163	42 966	8 531	10 005	9 013	43 901	46 361
Minor assets	14 295	25 771	23 132	51 750	43 301	34 554	45 549	42 933	45 337
Audit cost: External	-	(1)	-	-	-	-	-	-	-
Bursaries: Employees	6	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 212	1 473	2 862	2 930	1 894	2 475	2 110	3 187	3 365
Communication (G&S)	53 192	53 110	52 806	55 760	58 825	56 175	59 965	64 011	67 597
Computer services	8 141	93	3 252	10 415	5 066	5 066	-	-	-
Cons and prof serv: Business and advisory services	13 925	5 070	4 487	8 273	1 950	2 371	3 270	1 553	1 639
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	421 965	822 165	962 065	1 045 000	1 185 627	1 187 017	1 202 000	1 297 151	1 364 255
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 313	3 026	5 913	4 201	4 350	4 326	4 463	4 726	4 991
Contractors	19 024	23 625	25 376	48 757	23 056	27 166	41 944	44 923	47 439
Agency and support / outsourced services	98 536	104 484	95 569	104 310	110 887	112 750	127 089	136 288	143 921
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	88 524	94 603	91 734	92 404	87 891	93 741	96 525	105 320	111 218
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 987	3 489	7 173	5 964	6 647	6 698	8 288	8 802	9 294
Inventory: Farming supplies	10	4	12	-	-	(1)	-	-	-
Inventory: Food and food supplies	67 878	69 551	70 862	79 220	78 030	77 815	85 150	90 658	95 736
Inventory: Fuel, oil and gas	54 800	34 179	34 088	34 253	39 328	38 798	41 658	44 161	46 634
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 210	4 023	9 362	5 903	9 721	10 960	8 861	9 400	9 926
Inventory: Medical supplies	356 334	423 879	440 167	493 873	417 500	459 190	526 337	563 423	598 070
Inventory: Medicine	1 896 528	1 820 811	2 348 656	2 471 061	2 556 205	2 584 286	2 834 955	3 151 756	3 640 017
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	296	446	375	367	220	219	222	240	253
Consumable supplies	119 761	114 440	114 296	124 945	120 940	123 787	129 117	136 997	144 669
Consumable: Stationery, printing and office supplies	23 235	35 617	50 752	48 523	46 361	49 374	54 815	58 391	61 661
Operating leases	19 679	41 646	46 271	50 227	42 920	34 557	36 926	39 850	42 081
Property payments	491 428	560 275	653 581	771 695	824 005	809 331	868 002	926 593	978 483
Transport provided: Departmental activity	938	979	1 275	1 229	1 500	1 554	1 583	1 669	1 762
Travel and subsistence	21 497	26 087	28 841	26 241	19 580	23 609	24 740	25 620	27 055
Training and development	3 426	3 141	4 014	19 613	7 060	6 981	53	1 259	1 330
Operating payments	11 614	12 290	12 426	13 580	7 432	7 317	11 726	12 494	13 193
Venues and facilities	761	1 171	564	-	16	16	-	-	-
Rental and hiring	390	293	2	1	4	18	-	-	-
Interest and rent on land	22	146	357	-	760	924	393	393	415
Interest	22	146	357	-	760	924	393	393	415
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	333 524	411 766	363 631	397 062	446 058	513 463	457 659	483 063	510 152
Provinces and municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Municipalities	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	21	10	48	41	35	46	43	45	47
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	21	10	48	41	35	46	43	45	47
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	207 922	190 405	165 147	170 213	170 213	169 242	175 844	185 377	195 757
Households	50 846	103 947	68 836	57 760	54 024	142 389	88 772	92 247	97 452
Social benefits	47 441	73 065	67 262	57 760	53 980	51 947	63 772	67 247	71 052
Other transfers to households	3 405	30 882	1 574	-	44	90 442	25 000	25 000	26 400
Payments for capital assets	103 393	148 259	55 159	130 693	132 964	133 856	132 905	140 471	148 339
Buildings and other fixed structures	-	210	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	210	-	-	-	-	-	-	-
Machinery and equipment	103 393	148 049	55 159	130 693	132 964	133 856	132 905	140 471	148 339
Transport equipment	58 239	105 978	34 867	67 001	91 376	92 268	75 000	80 347	84 850
Other machinery and equipment	45 154	42 071	20 292	63 692	41 588	41 588	57 905	60 124	63 489
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	21	29	-	-	28	-	-	-
Total	12 947 599	14 334 353	16 007 896	17 370 402	17 598 765	17 694 600	18 993 346	20 395 750	22 020 725

Table 7.E : Payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	975 416	1 061 869	1 133 984	1 143 802	1 175 068	1 207 642	1 220 793	1 285 375	1 357 356
Compensation of employees	715 735	768 178	822 311	842 003	842 003	871 643	899 259	944 392	997 276
Salaries and wages	608 066	658 964	696 517	716 757	713 843	743 089	762 311	798 619	843 340
Social contributions	107 669	109 214	125 794	125 246	128 160	128 554	136 948	145 773	153 936
Goods and services	259 679	293 675	311 638	301 799	333 005	335 939	321 534	340 983	360 080
Administrative fees	3	-	-	-	20	24	21	21	22
Advertising	171	52	12	10	17	22	18	24	25
Minor assets	192	424	356	1 000	1 000	1 000	900	1 118	1 181
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	4	77	-	-	-	-	-	-	-
Communication (G&S)	8 250	8 107	8 734	9 050	9 570	7 568	10 148	11 468	12 111
Computer services	2 233	45	-	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	3	11	2	2	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	140	151	77	50	90	90	95	95	100
Contractors	925	901	2 515	3 205	1 000	1 008	1 061	1 088	1 148
Agency and support / outsourced services	542	696	542	600	550	550	307	165	174
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	36 055	169 437	168 660	149 701	194 806	199 694	171 862	180 815	190 943
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	292	7 714	12 000	3 300	3 300	10 752	10 748	11 350
Inventory: Farming supplies	-	1	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	115 351	3 350	2 219	1 100	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	23	91	53	90	234	234	248	248	262
Inventory: Medical supplies	6 709	11 086	11 709	11 000	11 000	11 000	10 000	11 708	12 364
Inventory: Medicine	277	335	148	100	300	300	318	350	370
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	10 986	1 009	1 922	1 100	4 000	4 000	4 240	4 334	4 576
Consumable: Stationery, printing and office supplies	280	2 948	2 092	3 000	2 000	2 008	2 280	3 163	3 340
Operating leases	2 270	1 441	1 615	1 820	1 620	1 620	1 610	1 622	1 712
Property payments	14 073	17 341	19 620	20 875	23 821	23 821	23 000	25 266	26 681
Transport provided: Departmental activity	57 591	71 283	79 756	82 000	78 000	78 000	82 680	86 123	90 946
Travel and subsistence	3 536	4 503	3 678	4 196	1 477	1 500	1 782	2 187	2 310
Training and development	14	-	8	-	-	-	-	-	-
Operating payments	51	94	206	900	200	200	212	440	465
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	2	16	35	-	60	60	-	-	-
Interest	2	16	35	-	60	60	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 946	4 684	3 465	4 392	4 392	4 240	5 057	5 311	5 609
Provinces and municipalities	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Provinces	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 511	1 947	1 205	2 300	2 300	2 300	2 500	2 645	2 793
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	2	2	2	-	2	2	2	2
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	2	2	2	-	2	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 435	2 735	2 258	2 090	2 092	1 938	2 555	2 664	2 814
Social benefits	862	2 098	1 733	1 654	1 656	1 502	1 597	1 683	1 778
Other transfers to households	573	637	525	436	436	436	958	981	1 036
Payments for capital assets	30 578	1 189	36 957	51 581	20 315	20 315	52 000	57 000	60 193
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	30 578	1 189	36 957	51 581	20 315	20 315	52 000	57 000	60 193
Transport equipment	21 502	250	35 871	45 266	14 000	14 000	43 000	47 500	50 161
Other machinery and equipment	9 076	939	1 086	6 315	6 315	6 315	9 000	9 500	10 032
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	371	-	-	-	-	-	-	-
Total	1 009 940	1 068 113	1 174 406	1 199 775	1 199 775	1 232 197	1 277 850	1 347 686	1 423 158

Table 7.F : Payments and estimates by economic classification: Provincial Hospital Services

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	7 969 342	8 316 935	9 047 148	9 636 201	9 711 951	9 753 743	10 433 135	11 019 631	11 681 427
Compensation of employees	6 146 682	6 505 622	6 989 676	7 334 492	7 483 492	7 504 769	7 997 996	8 479 835	8 999 401
Salaries and wages	5 376 242	5 711 914	6 093 608	6 415 987	6 546 183	6 557 808	6 980 778	7 329 851	7 786 909
Social contributions	770 440	793 708	896 068	918 505	937 309	946 961	1 017 218	1 149 984	1 212 492
Goods and services	1 822 532	1 811 170	2 056 552	2 301 709	2 228 249	2 248 744	2 435 135	2 539 792	2 682 022
Administrative fees	1	-	1 928	15	119	144	137	142	150
Advertising	1 855	2 533	2 538	2 285	2 215	2 306	2 828	2 528	2 670
Minor assets	28 696	7 176	5 667	6 085	6 379	7 854	6 262	6 598	6 968
Audit cost: External	-	7	-	-	-	-	-	-	-
Bursaries: Employees	30	-	-	-	-	-	-	-	-
Catering: Departmental activities	72	51	72	136	81	80	113	112	118
Communication (G&S)	20 896	20 856	19 520	20 590	20 089	21 025	20 941	23 529	24 846
Computer services	2 963	165	6	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	2 467	944	139	204	385	385	143	389	411
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	132 117	90 938	286 067	405 497	299 502	320 555	356 830	380 777	402 100
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 319	7 091	8 576	6 000	9 864	10 087	7 072	11 136	11 760
Contractors	28 367	13 843	22 525	31 730	45 370	45 310	48 336	49 691	52 474
Agency and support / outsourced services	132 417	143 019	139 360	159 393	160 002	164 009	170 883	187 871	198 393
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	13 486	16 685	16 330	18 099	15 520	17 031	18 383	17 444	18 421
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	1 688	3 754	5 374	4 340	4 340	5 220	5 477	5 784
Inventory: Farming supplies	(9)	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	37 800	42 795	40 323	45 341	42 225	42 225	48 282	47 812	50 489
Inventory: Fuel, oil and gas	54 390	48 190	47 849	52 432	61 894	54 113	59 770	60 235	63 608
Inventory: Learner and teacher support material	-	2	-	-	-	-	-	-	-
Inventory: Materials and supplies	7 583	2 208	3 680	3 730	3 741	3 146	5 022	4 223	4 460
Inventory: Medical supplies	508 460	547 036	518 935	540 520	551 063	545 910	588 221	599 726	633 312
Inventory: Medicine	413 615	385 535	428 158	446 827	426 104	417 922	474 993	501 791	529 890
Medsas inventory interface	(6)	-	-	-	-	-	-	-	-
Inventory: Other supplies	(300)	-	-	-	-	-	-	-	-
Consumable supplies	64 227	84 441	81 720	83 808	80 563	89 534	93 845	92 539	97 722
Consumable: Stationery, printing and office supplies	16 071	20 100	27 870	25 522	23 516	25 482	28 971	26 962	28 471
Operating leases	9 361	9 578	10 769	11 317	10 131	10 221	11 259	11 810	12 471
Property payments	318 900	355 217	379 043	426 758	458 308	459 814	477 967	501 400	529 478
Transport provided: Departmental activity	9	14	74	49	810	927	392	394	416
Travel and subsistence	4 840	5 118	4 561	3 919	2 700	2 996	3 882	3 288	3 473
Training and development	405	48	-	-	-	-	-	-	-
Operating payments	19 500	5 851	7 085	6 078	3 328	3 328	5 383	3 918	4 137
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	41	3	-	-	-	-	-	-
Interest and rent on land	128	143	920	-	210	230	4	4	4
Interest	128	143	920	-	210	230	4	4	4
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	124 336	124 026	134 412	62 233	62 283	167 412	143 360	127 142	134 262
Provinces and municipalities	-	-	-	-	100	-	-	-	-
Provinces	-	-	-	-	100	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	100	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	15	64	44	82	81	81	83	88	93
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	15	64	44	82	81	81	83	88	93
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	10	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	10	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	10	-	-	-	-	-	-
Non-profit institutions	28 829	31 646	28 255	33 100	33 100	33 100	34 843	36 864	38 928
Households	95 492	92 316	106 103	29 051	29 002	134 231	108 434	90 190	95 241
Social benefits	35 867	46 755	37 468	29 051	29 002	27 866	29 434	31 190	32 937
Other transfers to households	59 625	45 561	68 635	-	-	106 365	79 000	59 000	62 304
Payments for capital assets	27 518	32 459	30 385	25 000	26 200	25 109	35 868	38 136	40 272
Buildings and other fixed structures	79	-	-	-	-	-	-	-	-
Buildings	79	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	27 439	32 459	30 385	25 000	26 200	25 109	35 868	38 136	40 272
Transport equipment	5 239	7 228	2 929	6 000	6 000	6 000	17 000	17 304	18 273
Other machinery and equipment	22 201	25 231	27 456	19 000	20 200	19 109	18 868	20 832	21 999
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	5	2 419	-	-	-	-	-	-
Total	8 121 196	8 473 425	9 214 364	9 723 434	9 800 434	9 946 264	10 612 363	11 184 909	11 855 961

Table 7.G : Payments and estimates by economic classification: Central Hospital Services

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	3 563 853	3 774 252	4 092 468	4 419 576	4 522 576	4 567 061	4 547 518	4 873 919	5 146 860
Compensation of employees	1 984 474	2 135 330	2 331 335	2 407 673	2 508 673	2 510 026	2 689 663	2 884 834	3 046 384
Salaries and wages	1 722 842	1 866 714	2 028 900	2 097 948	2 186 300	2 188 111	2 343 212	2 516 810	2 657 751
Social contributions	261 632	268 616	302 435	309 725	322 373	321 915	346 451	368 024	388 633
Goods and services	1 579 379	1 638 596	1 761 005	2 011 903	2 013 903	2 056 995	1 857 855	1 989 085	2 100 476
Administrative fees	-	-	9	-	15	20	17	16	17
Advertising	853	1 070	855	850	800	803	848	954	1 007
Minor assets	199	462	331	500	700	700	742	765	808
Audit cost: External	-	-	-	-	-	-	-	3	3
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	10	4	5	4	4	3	5	5
Communication (G&S)	5 449	5 307	5 526	5 500	6 550	6 707	6 943	7 146	7 547
Computer services	3 509	-	-	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	33 497	-	108 276	180 000	160 000	207 000	191 888	202 585	213 930
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	758	1 244	1 556	600	2 400	2 866	2 544	2 819	2 977
Contractors	18 538	9 802	11 038	21 707	24 030	24 030	30 032	41 323	43 637
Agency and support / outsourced services	709 331	777 818	864 116	924 151	906 355	906 456	683 920	755 655	797 972
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	907	932	940	886	820	872	869	1 010	1 067
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	314	2 042	1 350	1 500	1 593	1 590	1 809	1 910
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7 966	7 737	7 548	8 200	9 000	9 239	9 540	10 245	10 819
Inventory: Fuel, oil and gas	35 056	35 111	32 803	35 320	39 000	38 463	41 422	43 465	45 899
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	453	686	279	170	100	100	106	116	122
Inventory: Medical supplies	452 542	492 738	484 465	496 167	516 000	511 931	523 310	542 995	573 403
Inventory: Medicine	210 390	185 667	118 397	199 890	208 242	201 532	216 397	221 767	234 186
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	5	652	1 420	1 087	1 087	1 087	1 152	1 163	1 228
Consumable supplies	19 132	26 866	26 594	25 880	30 880	29 784	32 733	34 352	36 276
Consumable: Stationery, printing and office supplies	1 725	5 281	3 707	3 200	3 900	3 900	4 134	4 319	4 561
Operating leases	818	732	959	1 100	1 080	1 080	1 144	1 223	1 291
Property payments	75 143	83 900	88 728	103 783	99 400	106 886	106 358	113 182	119 521
Transport provided: Departmental activity	-	1	14	2	-	-	-	-	-
Travel and subsistence	867	868	431	370	480	478	509	555	587
Training and development	537	78	-	-	-	-	-	-	-
Operating payments	1 704	1 320	967	1 185	1 560	1 464	1 654	1 613	1 703
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	326	128	-	-	40	-	-	-
Interest	-	326	128	-	-	40	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	45 259	40 875	30 432	10 763	12 763	46 747	27 060	27 715	29 267
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	52	51	52	57	82	60	60	63	67
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	52	51	52	57	82	60	60	63	67
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	45 207	40 824	30 380	10 706	12 681	46 687	27 000	27 652	29 200
Social benefits	11 387	14 391	11 372	10 706	12 681	11 954	12 000	12 652	13 360
Other transfers to households	33 821	26 433	19 008	-	-	34 733	15 000	15 000	15 840
Payments for capital assets	31 474	2 673	2 029	5 500	5 500	5 500	7 000	7 359	7 771
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	31 474	2 673	2 029	5 500	5 500	5 500	7 000	7 359	7 771
Transport equipment	182	421	598	500	500	500	1 000	1 029	1 087
Other machinery and equipment	31 292	2 252	1 431	5 000	5 000	5 000	6 000	6 330	6 684
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 640 586	3 817 800	4 124 929	4 435 839	4 540 839	4 619 308	4 581 578	4 908 993	5 183 898

Table 7.H : Payments and estimates by economic classification: Health Sciences and Training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	789 339	778 344	773 468	842 326	900 305	892 492	952 340	1 004 447	1 060 693
Compensation of employees	736 405	722 027	721 247	776 000	831 000	822 026	877 206	926 798	978 696
Salaries and wages	696 775	687 353	685 882	684 700	791 879	783 085	836 037	882 917	932 358
Social contributions	39 630	34 674	35 365	91 300	39 121	38 941	41 169	43 881	46 338
Goods and services	52 931	56 317	52 219	66 326	69 305	70 465	75 134	77 649	81 997
Administrative fees	-	-	371	-	528	594	565	483	510
Advertising	60	144	76	80	47	61	50	115	121
Minor assets	501	530	206	353	359	222	352	316	334
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	686	3 696	2 438	3 800	2 229	2 277	2 357	2 585	2 730
Catering: Departmental activities	164	175	413	936	386	386	409	551	582
Communication (G&S)	1 054	948	697	812	752	807	795	962	1 016
Computer services	2 126	45	138	-	200	200	-	-	-
Cons and prof serv: Business and advisory services	54	34	53	50	300	35	13	103	109
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	182	9	69	80	-	-	-	65	68
Contractors	16	1	2	3	7	7	7	5	6
Agency and support / outsourced services	5	59	22	34	-	-	-	2	2
Entertainment	-	-	-	-	-	9	-	-	-
Fleet services (including government motor transport)	2 351	2 320	2 361	1 480	1 740	2 127	1 891	1 631	1 723
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	128	8	17	19	18	10	11
Inventory: Farming supplies	1	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	374	-	126	160	-	14	15	10	11
Inventory: Learner and teacher support material	-	27	170	160	1 027	1 027	1 500	1 512	1 597
Inventory: Materials and supplies	48	51	34	50	18	18	25	53	56
Inventory: Medical supplies	198	413	139	75	74	82	76	120	127
Inventory: Medicine	6	-	-	-	-	-	-	-	-
Medsas inventory interface	6	3	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 160	1 373	1 376	1 503	1 501	1 271	1 596	1 272	1 343
Consumable: Stationery, printing and office supplies	1 369	1 486	2 049	3 767	3 127	2 989	3 325	2 896	3 058
Operating leases	1 221	1 273	1 402	1 502	1 570	1 444	1 663	1 742	1 839
Property payments	4 752	6 122	7 330	8 050	6 922	7 347	7 718	8 972	9 474
Transport provided: Departmental activity	-	-	-	-	-	2	-	-	-
Travel and subsistence	15 471	25 585	22 344	37 543	34 607	34 616	37 960	42 068	44 423
Training and development	20 083	10 091	9 151	5 000	13 709	14 324	14 554	11 156	11 780
Operating payments	729	1 199	749	470	175	177	234	584	617
Venues and facilities	314	733	375	410	10	410	11	436	460
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	3	-	2	-	-	1	-	-	-
Interest	3	-	2	-	-	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	208 586	238 187	285 220	252 824	312 826	321 119	282 631	297 807	314 483
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	11 282	15 768	18 863	19 842	19 842	19 842	19 842	20 868	22 036
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	11 282	15 768	18 863	19 842	19 842	19 842	19 842	20 868	22 036
Higher education institutions	498	16	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	196 806	222 403	266 357	232 982	292 984	301 277	262 789	276 939	292 447
Social benefits	2 083	2 324	3 632	2 982	3 091	1 411	2 100	2 234	2 358
Other transfers to households	194 723	220 079	262 725	230 000	289 893	299 866	260 689	274 705	290 089
Payments for capital assets	1 426	2 412	99	5 000	2 019	1 539	6 712	7 097	7 498
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 426	2 412	99	5 000	2 019	1 539	6 712	7 097	7 498
Transport equipment	1 313	2 189	-	2 500	2 000	1 329	3 000	3 128	3 306
Other machinery and equipment	113	223	99	2 500	19	210	3 712	3 969	4 192
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	7	-	-	-	-	-	-
Total	999 351	1 018 949	1 058 794	1 100 150	1 215 150	1 215 150	1 241 683	1 309 351	1 382 674

Table 7.1 : Payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	121 545	147 452	165 637	317 307	312 307	312 307	287 608	287 086	303 164
Compensation of employees	81 357	84 524	90 967	106 900	97 900	97 088	152 176	156 692	165 467
Salaries and wages	66 664	70 109	74 205	89 529	80 063	79 254	126 115	131 234	138 583
Social contributions	14 693	14 415	16 762	17 371	17 837	17 834	26 061	25 458	26 884
Goods and services	40 188	62 928	74 670	210 407	214 407	215 219	135 432	130 394	137 697
Administrative fees	-	-	1	1	1	1	5	6	6
Advertising	38	79	59	90	55	46	93	111	118
Minor assets	46	31	117	255	13	13	161	319	337
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	399	417	299	280	815	923	1 226	1 274	1 346
Computer services	-	-	-	-	-	-	2 130	2 258	2 384
Cons and prof serv: Business and advisory services	-	7	(4)	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	488	596	508	510	50	10	455	971	1 026
Agency and support / outsourced services	-	-	-	-	25	-	172	174	184
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	5 782	4 319	4 367	4 528	3 622	4 420	3 982	4 855	5 127
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	22	161	849	909	511	784	592	1 174	1 239
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 223	3 705	2 466	2 560	7 077	4 022	8 220	2 964	3 130
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	105	389	393	420	150	151	169	282	298
Inventory: Medical supplies	14 307	5 410	10 264	16 102	12 990	13 766	13 029	12 433	13 129
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	168	-	-	-	-	-	-
Consumable supplies	4 639	6 218	33 099	163 881	163 862	167 216	53 316	53 608	56 611
Consumable: Stationery, printing and office supplies	67	192	49	229	209	195	959	1 013	1 070
Operating leases	97	110	125	150	116	102	464	520	549
Property payments	10 825	11 684	11 006	12 395	15 845	14 504	22 801	25 694	27 132
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	106	116	78	67	66	66	118	117	124
Training and development	-	1	-	-	-	-	-	-	-
Operating payments	46	29 488	10 826	8 030	9 000	9 000	27 540	22 621	23 887
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	5	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 285	1 264	244	680	680	680	696	737	778
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 285	1 264	244	680	680	680	696	737	778
Social benefits	1 285	1 264	244	680	680	680	696	737	778
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	14	3 192	214	8 500	13 500	13 500	5 650	5 817	6 142
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14	3 192	214	8 500	13 500	13 500	5 650	5 817	6 142
Transport equipment	-	3 154	136	3 000	3 000	3 000	4 750	4 878	5 150
Other machinery and equipment	14	38	78	5 500	10 500	10 500	900	939	992
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	122 844	151 908	166 095	326 487	326 487	326 487	293 954	293 640	310 084

Table 7.J : Payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	349 449	379 132	375 853	477 294	418 056	440 395	460 421	457 117	518 698
Compensation of employees	24 048	24 158	33 986	44 122	42 942	41 546	51 400	54 000	56 000
Salaries and wages	23 639	23 804	33 243	42 617	41 571	40 379	49 520	51 880	54 111
Social contributions	409	354	743	1 505	1 371	1 167	1 880	2 120	1 889
Goods and services	325 401	354 974	341 867	433 172	375 114	398 849	409 021	403 117	462 698
Administrative fees	-	-	2	-	3	7	3	3	3
Advertising	-	-	228	-	-	-	-	-	-
Minor assets	3 429	11 254	11 316	15 000	5 587	1 451	2 587	11	12
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	22	4	53	-	-	-	-	-	-
Computer services	2 742	-	211	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	7 404	13 834	2 590	-	45	156	-	-	-
Infrastructure and planning	139	812	-	2 000	-	61	-	2 000	2 112
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	409	-	-	-
Contractors	79 696	89 897	82 313	181 961	108 243	114 146	123 819	161 128	180 151
Agency and support / outsourced services	-	321	-	1 000	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	1 923	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	152	48	205	521	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	583	3 177	4 685	5 000	3 752	3 584	2 500	1 100	1 162
Inventory: Medical supplies	543	2 790	12 749	5 000	3 872	3 605	1 300	-	-
Inventory: Medicine	-	-	28	-	2	(1)	-	-	-
Medicines inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	31 369	34 921	32 034	37 674	32 150	33 131	11 800	350	370
Consumable: Stationery, printing and office supplies	1	5	160	220	13	22	12	15	16
Operating leases	61 524	75 684	87 257	66 000	98 301	95 051	100 000	60 000	70 365
Property payments	136 619	119 982	107 175	117 986	122 919	147 040	165 000	176 410	206 289
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	242	194	561	810	227	186	2 000	2 100	2 218
Training and development	935	-	12	-	-	-	-	-	-
Operating payments	1	-	288	-	-	1	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	128	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20 022	37	20 000	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	20 000	-	20 000	-	-	-	-	-	-
Households	22	37	-	-	-	-	-	-	-
Social benefits	22	37	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 631 335	1 299 868	1 121 765	1 106 221	1 100 459	1 078 120	1 196 107	1 227 731	1 372 652
Buildings and other fixed structures	1 530 893	1 206 295	1 052 053	896 221	900 496	903 800	819 107	859 231	896 564
Buildings	1 530 893	1 206 295	1 047 225	896 221	900 496	903 800	819 107	859 231	896 564
Other fixed structures	-	-	4 828	-	-	-	-	-	-
Machinery and equipment	100 442	93 573	69 712	210 000	199 963	174 320	377 000	368 500	476 088
Transport equipment	-	1 891	-	-	-	-	-	-	-
Other machinery and equipment	100 442	91 682	69 712	210 000	199 963	174 320	377 000	368 500	476 088
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 000 806	1 679 037	1 517 618	1 583 515	1 518 515	1 518 515	1 656 528	1 684 848	1 891 350

Table 7.K : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	4 339 798	5 043 090	5 888 706	6 451 573	6 413 275	6 434 112	7 139 577	7 890 127	8 679 337
Compensation of employees	2 725 666	3 001 076	3 202 757	3 319 815	3 467 349	3 475 224	3 843 543	4 137 676	4 379 045
Salaries and wages	2 394 996	2 661 917	2 827 631	2 887 851	3 038 048	3 046 730	3 340 513	3 585 877	3 794 744
Social contributions	330 670	339 159	375 126	431 964	429 301	428 494	503 030	551 799	584 301
Goods and services	1 614 127	2 042 013	2 685 949	3 131 758	2 945 926	2 958 888	3 296 034	3 752 451	4 300 292
Administrative fees	-	-	424	62	500	630	530	120	127
Advertising	873	3 831	18 055	14 107	6 100	7 297	6 466	40 000	42 240
Minor assets	1 442	7 139	10 595	15 456	18 923	15 256	19 063	4 153	4 376
Audit cost: External	1 566	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	220	825	2 342	1 226	1 400	1 887	1 484	2 630	2 776
Communication (G&S)	998	329	335	311	327	328	347	425	449
Computer services	6 193	-	-	5 415	5 415	5 415	-	-	-
Cons and prof serv: Business and advisory services	1 694	15 701	3 108	2 663	2 629	2 629	-	1 350	1 500
Infrastructure and planning	-	-	-	2 000	2 000	2 000	2 000	2 000	2 112
Laboratory services	157 220	601 156	550 400	692 000	845 442	780 831	820 000	835 785	882 078
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4	-	-	-	-	-	-	-	-
Contractors	9 657	6 530	80 900	183 697	185 697	188 038	150 753	189 691	209 903
Agency and support / outsourced services	11 651	5 948	5 469	5 644	6 200	6 219	3 604	5 243	5 537
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	452	150	36	22	30	54	32	110	116
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	1 953	-	-	-	2	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	1 815	1 949	1 641	2 000	2 000	2 000	2 125	2 248	2 248
Inventory: Fuel, oil and gas	4 270	4 393	4 287	4 000	4 500	4 500	4 251	4 498	4 498
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	40	2 468	1 362	47 353	5 220	5 169	2 500	1 100	1 162
Inventory: Medical supplies	288 830	351 214	354 555	446 662	308 270	338 713	432 714	462 851	520 076
Inventory: Medicine	1 105 246	929 808	1 410 417	1 513 093	1 379 401	1 422 629	1 639 820	1 982 996	2 372 056
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	8 712	12 043	38 506	46 593	46 618	46 648	25 860	17 509	18 099
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	800	1 171	926	1 075	1 740	1 706	4 220	4 441	4 677
Operating leases	574	78 614	93 115	9 844	836	822	885	1 067	1 093
Property payments	996	3 797	91 585	106 074	107 714	107 682	165 078	176 515	206 400
Transport provided: Departmental activity	55	-	-	-	-	-	-	-	-
Travel and subsistence	3 283	6 817	11 011	10 390	5 977	9 580	9 114	11 016	11 702
Training and development	3 642	1 811	2 745	17 489	6 550	6 471	-	1 191	1 258
Operating payments	3 473	3 232	3 572	4 582	2 437	2 382	5 188	5 512	5 810
Venues and facilities	201	1 134	563	-	-	-	-	-	-
Rental and hiring	220	-	-	-	-	-	-	-	-
Interest and rent on land	5	1	-	-	-	-	-	-	-
Interest and rent on land	5	1	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	16 464	64 454	83 438	91 020	104 417	83 580	123 407	131 095	138 057
Provinces and municipalities	7	40 001	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Provinces	7	1	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	7	1	-	-	-	-	-	-	-
Municipalities	-	40 000	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	40 000	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	12 742	14 291	13 790	11 507	12 674	12 258	11 507	11 507	12 151
Households	3 715	10 162	9 648	9 513	11 743	11 322	11 900	12 588	12 914
Social benefits	3 715	10 162	9 648	9 513	11 743	11 322	11 900	12 588	12 914
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 078 789	1 325 989	929 605	760 211	795 475	795 475	822 534	783 499	798 973
Buildings and other fixed structures	1 021 351	1 171 045	908 861	731 455	731 455	731 455	783 994	753 671	769 623
Buildings	1 021 351	1 171 045	908 861	731 455	731 455	731 455	783 994	753 671	769 623
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	57 438	154 944	20 744	28 756	64 020	64 020	38 540	29 828	29 350
Transport equipment	-	68 728	4 037	-	31 200	31 200	-	-	-
Other machinery and equipment	57 438	86 216	16 707	28 756	32 820	32 820	38 540	29 828	29 350
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 435 051	6 433 533	6 901 749	7 302 804	7 313 167	7 313 167	8 085 518	8 804 721	9 616 367

Table 7.L : Payments and estimates by economic classification: Health Prof. Training and Dev. grant (Prog 4: Provincial Hospital Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	276 262	292 847	299 898	312 377	312 377	312 377	331 944	351 197	370 863
Compensation of employees	276 262	292 837	299 843	312 377	312 377	312 377	331 944	351 197	370 863
Salaries and wages	253 650	275 614	285 287	271 768	271 768	271 768	288 792	305 540	322 649
Social contributions	22 612	17 223	14 556	40 609	40 609	40 609	43 152	45 657	48 214
Goods and services	-	10	55	-	-	-	-	-	-
Travel and subsistence	-	10	55	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	276 262	292 847	299 898	312 377	312 377	312 377	331 944	351 197	370 863

Table 7.M : Payments and estimates by economic classification: National Health Insurance grant (Prog 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	10 075	8 434	7 145	10 001	11 671	11 671	-	-	-
Compensation of employees	317	1 527	1 531	1 957	1 957	1 957	-	-	-
Salaries and wages	297	1 475	1 475	1 713	1 713	1 713	-	-	-
Social contributions	20	52	56	244	244	244	-	-	-
Goods and services	9 758	6 907	5 614	8 044	9 714	9 714	-	-	-
Administrative fees	-	-	3	-	-	-	-	-	-
Advertising	-	27	-	-	-	-	-	-	-
Minor assets	991	5	2 171	-	-	-	-	-	-
Catering: Departmental activities	24	17	-	-	-	-	-	-	-
Computer services	3 335	-	-	5 415	5 415	5 415	-	-	-
Cons and prof serv: Business and advisory services	1 692	2 499	2 107	2 629	2 629	2 629	-	-	-
Agency and support/outourced services	497	-	-	-	-	-	-	-	-
Inventory: Clothing materials and Accessories	-	30	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	196	40	-	-	-	-	-	-
Inventory: Medical supplies	714	27	-	-	-	-	-	-	-
Inventory: Other supplies	171	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	190	774	72	-	120	120	-	-	-
Property payments	261	23	-	-	-	-	-	-	-
Travel and subsistence	245	968	95	-	-	-	-	-	-
Training and development	1 480	1 208	903	-	1 550	1 550	-	-	-
Operating payments	11	-	-	-	-	-	-	-	-
Venues and facilities	147	1 133	223	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 445	9 965	2 349	5 082	13 775	13 775	-	-	-
Machinery and equipment	5 445	9 965	2 349	5 082	13 775	13 775	-	-	-
Transport equipment	-	1 094	1 303	-	-	-	-	-	-
Other machinery and equipment	5 445	8 871	1 046	5 082	13 775	13 775	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	15 520	18 399	9 494	15 083	25 446	25 446	-	-	-

Table 7.N : Payments and estimates by economic classification: Social Sector EPWP Grant for Provinces (Prog 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	-	2 580	13 000	13 000	13 000	13 000	47 058	-	-
Compensation of employees	-	2 052	13 000	13 000	13 000	13 000	47 058	-	-
Salaries and wages	-	2 052	13 000	13 000	13 000	13 000	47 058	-	-
Goods and services	-	528	-	-	-	-	-	-	-
Inventory: Medical supplies	-	528	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	2 580	13 000	13 000	13 000	13 000	47 058	-	-

Table 7.O : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 8: Health Facilities Management)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	3 000	2 581	3 682	7 122	7 122	7 122	8 400	-	-
Compensation of employees	2 992	2 581	3 682	7 122	7 122	7 122	8 400	-	-
Salaries and wages	2 982	2 581	3 681	7 122	7 122	7 122	8 400	-	-
Social contributions	10	-	1	-	-	-	-	-	-
Goods and services	8	-	-	-	-	-	-	-	-
Travel and subsistence	8	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 000	2 581	3 682	7 122	7 122	7 122	8 400	-	-

Table 7.P : Payments and estimates by economic classification: National Tertiary Services grant (Prog 5: Central Hospital Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	1 396 467	1 491 968	1 525 249	1 590 263	1 588 073	1 588 073	1 689 866	1 787 878	1 888 378
Compensation of employees	1 067 658	1 190 836	1 208 111	1 254 825	1 254 825	1 254 825	1 333 418	1 410 756	1 461 006
Salaries and wages	932 999	1 055 282	1 064 268	1 091 698	1 105 297	1 105 297	1 160 074	1 227 358	1 271 075
Social contributions	134 659	135 554	143 843	163 127	149 528	149 528	173 344	183 398	189 931
Goods and services	328 809	301 132	317 138	335 438	333 248	333 248	356 448	377 122	427 372
Minor assets	344	403	61	150	240	240	159	168	168
Communication	500	-	-	-	-	-	-	-	-
Computer services	116	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	16 000	16 000	-	-	5 025
Contractors	9 387	6 516	7 220	6 525	8 525	8 525	6 934	7 336	7 336
Agency and support/outourced services	-	2 344	1 922	-	1 800	1 800	-	-	-
Inventory: Food and food supplies	1 815	1 949	1 638	2 000	2 000	2 000	2 125	2 248	2 248
Inventory: Fuel, oil and gas	4 221	4 393	4 287	4 000	4 500	4 500	4 251	4 498	4 498
Inventory: Materials and supplies	2	-	-	-	150	150	-	-	-
Inventory: Medical supplies	207 668	241 533	254 318	270 266	242 270	242 270	287 194	303 851	349 076
Inventory: Medicine	97 793	38 889	42 841	48 030	49 401	49 401	51 038	53 998	53 998
Inventory: Other supplies	4 224	4 160	4 443	3 683	5 418	5 418	3 914	4 141	4 141
Consumable: Stationery, printing and office supplies	143	-	-	-	400	400	-	-	-
Operating leases	371	278	376	500	500	500	531	562	562
Property payments	6	-	-	-	1 640	1 640	-	-	-
Travel and subsistence	668	326	32	107	167	167	114	121	121
Training and development	536	-	-	-	-	-	-	-	-
Operating payments	1 015	341	-	177	237	237	188	199	199
Transfers and subsidies to	-	4 458	4 974	6 023	5 304	5 304	6 400	6 771	6 771
Households	-	4 458	4 974	6 023	5 304	5 304	6 400	6 771	6 771
Social benefits	-	4 458	4 974	6 023	5 304	5 304	6 400	6 771	6 771
Payments for capital assets	19 276	-	-	-	2 909	2 909	-	-	-
Machinery and equipment	19 276	-	-	-	2 909	2 909	-	-	-
Other machinery and equipment	19 276	-	-	-	2 909	2 909	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 415 743	1 496 426	1 530 223	1 596 286	1 596 286	1 596 286	1 696 266	1 794 649	1 895 149

Table 7.Q : Payments and estimates by economic classification: Health Facility Revitalisation grant (Prog 3: Health Facilities Management)

R thousand	Audited outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	18 532	112 438	307 476	367 238	367 238	367 238	346 821	368 117	417 333
Compensation of employees	3 639	4 613	9 752	20 000	20 000	20 000	22 000	25 000	25 000
Salaries and wages	3 274	4 265	9 016	18 500	18 500	18 500	20 460	23 250	23 250
Social contributions	365	348	736	1 500	1 500	1 500	1 540	1 750	1 750
Goods and services	14 893	107 825	297 724	347 238	347 238	347 238	324 821	343 117	392 333
Advertising	-	-	175	-	-	-	-	-	-
Minor assets	83	6 712	8 163	15 000	15 000	15 000	15 000	-	-
Audit cost: External	1 566	-	-	-	-	-	-	-	-
Communication	22	-	-	-	-	-	-	-	-
Computer services	2 742	-	-	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	2	13 194	994	-	-	-	-	-	-
Infrastructure and planning	-	-	-	2 000	2 000	2 000	2 000	2 000	2 112
Contractors	270	14	73 680	177 172	177 172	177 172	123 819	161 128	180 151
Agency and support/outourced services	7 393	-	-	1 000	1 000	1 000	-	-	-
Inventory: Clothing materials and accessories	-	1 923	-	-	-	-	-	-	-
Inventory: Materials and supplies	32	2 272	1 322	5 000	5 000	5 000	2 500	1 100	1 162
Inventory: Medical supplies	514	1 315	4 165	5 000	5 000	5 000	1 300	-	-
Inventory: Other supplies	344	3 000	29 492	35 000	35 000	35 000	14 946	2 223	2 363
Consumable: Stationery, printing and office supplies	1	-	143	220	220	220	220	220	220
Operating leases	43	75 524	87 256	36	36	36	36	36	36
Property payments	714	3 686	91 493	106 000	106 000	106 000	165 000	176 410	206 289
Travel and subsistence	231	184	541	810	810	810	-	-	-
Training and development	935	-	12	-	-	-	-	-	-
Operating payments	1	-	288	-	-	-	-	-	-
Venues and facilities	-	1	-	-	-	-	-	-	-
Transfers and subsidies to	22	37	-	-	-	-	-	-	-
Households	22	37	-	-	-	-	-	-	-
Social benefits	22	37	-	-	-	-	-	-	-
Payments for capital assets	1 053 975	1 249 994	924 521	747 455	747 455	747 455	802 534	759 901	773 853
Buildings and other fixed structures	1 021 351	1 171 045	908 861	731 455	731 455	731 455	783 994	753 671	769 623
Buildings	1 021 351	1 171 045	908 861	731 455	731 455	731 455	783 994	753 671	769 623
Machinery and equipment	32 624	78 949	15 660	16 000	16 000	16 000	18 540	6 230	4 230
Transport equipment	-	1 891	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 072 529	1 362 469	1 231 997	1 114 693	1 114 693	1 114 693	1 149 355	1 128 018	1 191 186

Table 7.R : Payments and estimates by economic classification: Comprehensive HIV, AIDS and TB grant (Prog 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	2 635 462	3 132 242	3 732 256	4 151 572	4 113 794	4 134 631	4 715 488	5 341 557	5 959 268
Compensation of employees	1 374 798	1 506 630	1 666 838	1 710 534	1 858 068	1 865 943	2 100 723	2 350 723	2 522 176
Salaries and wages	1 201 794	1 320 648	1 450 904	1 484 050	1 620 648	1 629 330	1 815 729	2 029 729	2 177 770
Social contributions	173 004	185 982	215 934	226 484	237 420	236 613	284 994	320 994	344 406
Goods and services	1 260 659	1 625 611	2 065 418	2 441 038	2 255 726	2 268 688	2 614 765	2 990 834	3 437 092
Administrative fees	-	-	421	62	500	630	530	120	127
Advertising	873	3 804	17 880	14 107	6 100	7 297	6 466	40 000	42 240
Minor assets	24	19	200	306	3 683	16	3 904	3 985	4 208
Catering: Departmental activities	196	808	2 342	1 226	1 400	1 887	1 484	2 630	2 776
Communication	476	329	335	311	327	328	347	425	449
Cons and prof serv: Business and advisory services	-	8	7	34	-	-	-	-	-
Laboratory services	157 220	601 156	550 400	692 000	829 442	764 831	820 000	835 785	877 053
Legal services	4	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	2 341	20 000	21 227	22 416
Agency and support/outourced services	3 761	3 604	3 547	4 644	3 400	3 419	3 604	5 243	5 537
Fleet services (including government motor transport)	452	150	36	22	30	54	32	110	116
Inventory: Clothing materials and Accessories	-	-	-	-	-	2	-	-	-
Inventory: Food and food supplies	-	-	3	-	-	-	-	-	-
Inventory: Fuel, oil and gas	49	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	6	-	-	42 353	70	19	-	-	-
Inventory: Medical supplies	79 934	107 811	96 072	171 396	61 000	91 443	144 220	159 000	171 000
Inventory: Medicine	1 007 453	890 919	1 367 576	1 465 063	1 330 000	1 373 228	1 588 782	1 896 166	2 283 563
Inventory: Other supplies	3 973	4 883	4 571	7 910	6 200	6 230	7 000	5 298	5 595
Consumable: Stationery, printing and office supplies	466	397	711	855	1 000	966	4 000	4 221	4 457
Operating leases	160	2 812	5 483	9 308	300	286	318	469	495
Property payments	15	88	92	74	74	42	78	105	111
Transport provided: Departmental activity	55	-	-	-	-	-	-	-	-
Travel and subsistence	2 131	5 329	10 288	9 473	5 000	8 603	9 000	9 546	10 081
Training and development	691	603	1 830	17 489	5 000	4 921	-	1 191	1 258
Operating payments	2 446	2 891	3 284	4 405	2 200	2 145	5 000	5 313	5 611
Venues and facilities	54	-	340	-	-	-	-	-	-
Rental and hiring	220	-	-	-	-	-	-	-	-
Interest and rent on land	5	1	-	-	-	-	-	-	-
Interest	5	1	-	-	-	-	-	-	-
Transfers and subsidies to	16 442	59 959	78 464	84 997	99 113	78 276	117 007	124 324	131 286
Provinces and municipalities	7	40 001	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Provinces	7	1	-	-	-	-	-	-	-
Provincial agencies and funds	7	1	-	-	-	-	-	-	-
Municipalities	-	40 000	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Municipal agencies and funds	-	40 000	60 000	70 000	80 000	60 000	100 000	107 000	112 992
Non-profit institutions	12 742	14 291	13 790	11 507	12 674	12 258	11 507	11 507	12 151
Households	3 693	5 667	4 674	3 490	6 439	6 018	5 500	5 817	6 143
Social benefits	3 693	5 667	4 674	3 490	6 439	6 018	5 500	5 817	6 143
Payments for capital assets	93	66 030	2 735	7 674	31 336	31 336	20 000	20 000	21 120
Machinery and equipment	93	66 030	2 735	7 674	31 336	31 336	20 000	20 000	21 120
Transport equipment	-	65 743	2 734	-	31 200	31 200	-	-	-
Other machinery and equipment	93	287	1	7 674	136	136	20 000	20 000	21 120
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 651 997	3 258 231	3 813 455	4 244 243	4 244 243	4 244 243	4 852 495	5 485 881	6 111 674

Table 7.S : Payments and estimates by economic classification: Human Papillomavirus Vaccine grant (Prog 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	-	-	-	-	-	-	-	41 378	43 495
Goods and services	-	-	-	-	-	-	-	41 378	43 495
Cons and prof serv: Business and advisory services	-	-	-	-	-	-	-	1 350	1 500
Inventory: Medicine	-	-	-	-	-	-	-	32 832	34 495
Inventory: Other supplies	-	-	-	-	-	-	-	5 847	6 000
Travel and subsistence	-	-	-	-	-	-	-	1 349	1 500
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	3 598	4 000
Machinery and equipment	-	-	-	-	-	-	-	3 598	4 000
Other machinery and equipment	-	-	-	-	-	-	-	3 598	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	44 976	47 495

Table 7.T : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
A KZN2000 eThekweni	61 051	105 000	129 600	169 048	221 786	201 786	193 000	205 394	216 896
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzumbhe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	5 838	673	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	764	673	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	5 074	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	534	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	534	-	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	417	746	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	746	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	417	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	6 773	10 451	-	-	-	-	-	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	6 773	10 451	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	657	-	-	-	-	-	-	-	-
B KZN291 Mandeni	657	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	74 736	117 404	129 600	169 048	221 786	201 786	193 000	205 394	216 896