

Vote 16

Health

R thousand	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	11 269 996	12 015 132	12 702 763
<i>of which:</i>			
Current payments	808 864	862 693	907 776
Transfers and subsidies	10 433 090	11 128 245	11 769 556
Payments for capital assets	28 042	24 194	25 431
Statutory amounts	-	-	-
Executive authority	Minister of Health		
Accounting officer	Director-General of Health		

Aim

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

Programme purposes

Programme 1: Administration

Provide overall management for the department, as well as strategic planning, legislative and communication services and centralised administrative support.

Programme 2: Strategic Health Programmes

Co-ordinate a range of strategic national health programmes through developing policies and systems and monitoring. Manage and fund key programmes.

Programme 3: Health Service Delivery

Support the delivery of health services, primarily in the provincial and local spheres of government.

Programme 4: Human Resources

Develop and assist provinces to implement a comprehensive long-term national human resources plan, which will ensure an equitable distribution of health human resources.

Strategic overview and key policy developments: 2002/03 – 2008/09

In 2005/06, the department changed its programme structure. This year was the second year of implementation of the priorities for the national health system (NHS) for 2004 to 2009, adopted by the National Health Council (the minister and members of the provincial executive councils) in May 2004. The department's strategic plan for 2005/06 to 2007/08 has given further impetus to the implementation process.

Primary healthcare

The district health system, which is the vehicle for providing primary healthcare, was strengthened during 2004/05, particularly through clarifying the roles of provinces and municipalities. District health planning guidelines will facilitate a more systematic planning process and improve implementation and monitoring. The key policy thrust during 2006/07 is to strengthen primary healthcare delivery in the 13 rural and 8 urban nodes.

Hospitals

The hospital revitalisation programme has demonstrated that improving physical infrastructure is important for both providing quality health services to patients and creating a good environment for health personnel. The programme will be significantly expanded over the next three years, and will include 46 active hospital projects in 2006/07. In 2004/05, the department finalised plans for modernising specialist tertiary hospital services, and in 2006/07, a detailed implementation plan will be developed and costed. Major initiatives will include implementing and monitoring hospital improvement plans, focusing on the basics, such as keeping hospitals clean, improving basic maintenance, managing staff performance and improving training for hospital managers. The department will support provinces to speed up the delegation of authority to hospital managers, which will facilitate effective and speedy decision-making at hospital level.

Key health service delivery strategies

Over the MTEF period, the department will also support provinces to implement the national disaster management policy, in particular the improved emergency medical services ambulance system. An injury prevention strategy has been completed, and an implementation unit will be established.

Significant progress was made in developing the health charter during 2005/06, with both the public and private sectors and other stakeholders working together. The charter aims to improve access to, equity in and the quality of health services and to promote broad-based black economic empowerment (BEE).

Tuberculosis

A tuberculosis (TB) crisis plan has been developed and will be initiated in February 2006, focusing on the two worst performing provinces, KwaZulu-Natal and Eastern Cape. In addition, four of the worst performing health districts will be targeted for urgent intervention, beginning in January 2006. The aim of the interventions is, in the short term, to increase the number of TB patients testing negative for TB within three months of treatment, and to increase the cure rates in the medium term.

HIV and Aids

A key policy decision has been to expand the operational plan for comprehensive HIV and Aids care, management and treatment to the sub-district (local municipality) level, since the target of having one site in each of the 53 districts has been met. The department developed a monitoring framework for the plan, and supported all nine provinces to monitor implementation. Monitoring revealed that while progress on implementation was steady, it was being inhibited by the limited availability of key health personnel. More home- and community-based care programmes (HCBC) were established, with each service point linked to two HCBC programmes.

With the African region of the World Health Organisation declaring 2006 as the year of accelerated prevention of HIV, South Africa's strategy for 2006/07 and beyond will include intersectoral and health aspects. The intersectoral aspects will entail: promoting development, alleviating poverty, and addressing gender inequities. The health aspects will entail: strengthening

social mobilisation, including a greater focus on youth; expanding and improving treatment of sexually transmitted infections; offering group counselling in addition to individual counselling; and increasing access to female condoms.

Food fortification

During 2005/06, the department developed a monitoring system for tracking the impact of the food fortification programme. The responsibility for the monitoring lies with environmental health practitioners employed by municipalities, and training for this will be fast-tracked.

Medicines

During 2004/05, the department continued to improve on the provision of safe and affordable medicines in both the public and private health services. The standard treatment guidelines and essential drug lists for primary healthcare were reviewed, and the review of hospital level adult and paediatric books is near completion. In the course of implementing the Pharmacy Amendment Act (1997), substantial progress has been made in granting licences to qualifying applicants for pharmacy premises. Policy priorities going forward will be to strengthen the Medicines Control Council to ensure the safety and quality of medicines, to improve medicine supply chain management, and to improve the way health facilities prescribe and use medicines.

During 2004/05, both the Pretoria High Court and the Constitutional Court upheld government's right to license health professionals to dispense medicines, as contemplated in the legislation.

Human resources

The human resources strategic framework will help provinces comply with the National Health Act (2003) requirement that the national Department of Health, provincial departments and health districts all have human resources plans.

The development of the framework has highlighted the need to increase the number of health professionals that the public health sector is able to train, recruit and retain. It is also imperative to ensure that health professionals have the necessary skills, including a caring and compassionate attitude. Going forward, the department will look into the reopening of the nursing training institutions.

The development of the regulations and policy framework for community caregivers, previously referred to as community health workers, is nearing completion.

Health financing issues

Significant work on the Risk Equalisation Fund has been done this year and the budget contains funding for putting the infrastructural and organisational requirements into operation in preparation for implementation in 2007. The Council for Medical Schemes will do further research in 2006/07 to finalise the formula and prepare for implementation.

Work on social health insurance will continue with National Treasury. This will include looking at options for public finance subsidies.

Legislation

Much progress has been made in the area of health legislation. Eight of the eleven envisaged bills were passed in 2004/05. A key achievement was the proclamation of the National Health Act (2003), which replaces the Health Act (1977). Implementing the Mental Health Care Act (2002), which provides a rights-based framework for the care of patients with mental health problems, has been slower than expected due to resource constraints. Some provinces have been unable to muster the resources required, for instance, to set up mental health review boards. This will be addressed

during 2006/07. Various pieces of legislation will be tabled in Parliament during 2006/07, including: the Tobacco Products Control Amendment Bill, the Health Professions Amendment Bill, the Medicines and Related Substances Amendment Bill, and the Allied Health Profession Amendment Bill.

Expenditure estimates

Table 16.1 Health

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
R thousand								
1. Administration	112 242	117 434	145 764	167 771	164 380	188 067	195 467	205 914
2. Strategic Health Programmes	709 183	788 428	1 213 380	1 689 176	1 589 176	2 105 211	2 217 976	2 330 915
3. Health Service Delivery	6 272 951	6 771 545	7 057 983	8 124 917	7 981 608	8 907 558	9 526 669	10 083 100
4. Human Resources	41 560	58 148	37 734	57 535	53 508	69 160	75 020	82 834
Total	7 135 936	7 735 555	8 454 861	10 039 399	9 788 672	11 269 996	12 015 132	12 702 763
Change to 2005 Budget estimate				214 162	(36 565)	611 584	830 323	948 495

Economic classification

	480 501	607 427	633 190	746 830	639 412	808 864	862 693	907 776
Current payments								
Compensation of employees	167 578	177 743	190 808	209 119	209 119	240 030	251 826	264 777
Goods and services	312 324	426 576	442 290	537 711	430 293	568 834	610 867	642 999
<i>of which:</i>								
Communication	14 360	16 413	14 118	11 569	11 569	12 028	12 798	13 480
Computer Services	10 577	14 141	10 750	8 483	8 483	1 148	1 230	1 315
Consultants, contractors and special services	44 273	73 328	38 897	57 451	57 451	31 520	34 285	36 080
Inventory	83 067	89 992	166 174	172 099	172 099	160 522	169 154	172 797
Maintenance repair and running cost	1 484	1 563	1 686	1 949	1 949	2 490	2 713	2 920
Operating leases	19 080	21 945	25 290	29 433	29 433	30 331	32 782	35 296
Travel and subsistence	32 509	49 484	77 388	89 985	89 985	56 569	62 253	65 473
Accommodation charges	1 892	1 986	2 497	2 646	2 646	3 238	3 794	4 053
Municipal services	3 290	3 470	3 643	3 932	3 932	4 607	5 000	5 314
Financial transactions in assets and liabilities	599	3 108	92	-	-	-	-	-
Transfers and subsidies	6 634 561	7 107 816	7 795 277	9 254 991	9 122 710	10 433 090	11 128 245	11 769 556
Provinces and municipalities	6 353 799	6 783 766	7 444 080	8 907 504	8 775 223	10 034 005	10 720 982	11 343 229
Departmental agencies and accounts	200 069	222 649	253 104	233 055	233 055	289 860	289 476	300 550
Foreign governments and international organisations	-	-	-	1 000	1 000	-	-	-
Non-profit institutions	68 323	94 901	95 319	113 397	113 397	109 225	117 787	125 777
Households	12 370	6 500	2 774	35	35	-	-	-
Payments for capital assets	20 874	20 312	26 394	37 578	26 550	28 042	24 194	25 431
Buildings and other fixed structures	7 769	72	7 719	5 581	5 581	5 000	-	-
Machinery and equipment	11 128	16 114	18 525	24 870	13 842	23 042	24 194	25 431
Software and other intangible assets	1 977	4 126	150	7 127	7 127	-	-	-
Total	7 135 936	7 735 555	8 454 861	10 039 399	9 788 672	11 269 996	12 015 132	12 702 763

Expenditure trends

Historical numbers have been adjusted for three function shifts: the exclusion of the integrated nutrition programme conditional grant from all years, the inclusion of past expenditure on forensic pathology by the South African Police Service and the inclusion of property management expenditure due to the devolution of this function from the Department of Public Works. Expenditure grows steadily, rising from R7,1 billion in 2002/03 to R12,7 billion in 2008/09, an average annual growth rate of 10 per cent. Most of the allocation consists of transfers to provinces and other institutions (for example, R10,4 billion in 2006/07, which represents approximately 92,6 per cent), while expenditure on the core budget is R837 million. The biggest growth was in the *HIV and Aids* subprogramme in the *Strategic Health Programmes* programme, which has risen from R454,6 million to R2,2 billion from 2002/03 to 2008/09. The hospital revitalisation programme in the *Health Service Delivery* programme rises from R775 million in 2002/03 to R2 billion in 2008/09 (including the hospital management and quality improvement grant).

For the 2006 MTEF, the department received additional funding for:

- project management and the Risk Equalisation Fund (R15 million for 2006/07, R9 million for 2007/08 and R10 million for 2008/09)
- the hospital revitalisation programme (R100 million for 2006/07, R300 million for 2007/08 and R500 million for 2008/09)
- the Medical Research Council to accommodate a VAT adjustment (R31,9 million for 2006/07, R32,1 million for 2007/08, and R30,1 million for 2008/09)
- forensic pathology services (R525,2 million for 2006/07, R551,4 million for 2007/08 and R466,9 million for 2008/09), including baseline allocations shifted from SAPA and the provinces.

Departmental receipts

Due to the nature of its activities, the department does not have a large inflow of funds. The relatively large amount collected in 2004/05 was from registering doctors to dispense medicines.

Table 16.2 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Departmental receipts	14 821	4 173	18 114	5 595	5 901	6 226	6 596
Sales of goods and services produced by department	9 003	593	11 491	4 456	4 719	4 999	5 295
Sales of scrap, waste and other used current goods	2	4	11	4	4	4	5
Transfers received	31	–	2	–	–	–	–
Interest, dividends and rent on land	–	703	115	78	83	88	93
Financial transactions in assets and liabilities	5 785	2 873	6 495	1 057	1 095	1 135	1 203
Total	14 821	4 173	18 114	5 595	5 901	6 226	6 596

Programme 1: Administration

The *Administration* programme conducts the overall management of the department and provides centralised support services.

Expenditure estimates

Table 16.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Minister 1	691	746	791	837	887	934	981
Deputy Minister 2	–	644	593	680	721	759	797
Management	4 966	7 001	10 172	16 543	20 862	21 976	23 075
Corporate Services	83 477	83 115	104 472	117 587	130 571	133 634	139 991
Property Management	23 108	25 928	29 736	32 124	35 026	38 164	41 070
Total	112 242	117 434	145 764	167 771	188 067	195 467	205 914
Change to 2005 Budget estimate				31 199	48 952	48 263	51 215
<i>1 Payable as from 1 April 2005. Salary: R 669 462. Car allowance: R 167 365.</i>							
<i>2 Payable as from 1 April 2005. Salary: R 544 123. Car allowance: R 136 030.</i>							
Economic classification							
Current payments	102 838	112 898	134 344	155 050	178 832	191 224	201 465
Compensation of employees	43 454	43 857	53 385	60 099	64 666	68 068	71 383
Goods and services	58 785	65 933	80 867	94 951	114 166	123 156	130 082
<i>of which:</i>							
<i>Communication</i>	6 363	9 052	7 248	7 111	8 116	8 583	9 033
<i>Computer Services</i>	2 088	2 555	2 000	5 665	101	113	124
<i>Consultants, contractors and special services</i>	5 886	6 180	5 025	4 866	3 055	3 446	3 549
<i>Inventory</i>	2 718	2 771	4 356	4 932	5 375	5 899	6 290
<i>Maintenance repair and running cost</i>	135	153	197	259	582	640	706
<i>Operating leases</i>	18 281	20 936	24 172	26 233	28 635	30 964	33 377
<i>Travel and subsistence</i>	1 914	11 124	16 329	15 877	9 102	9 957	10 311
<i>Accommodation charges</i>	1 892	1 986	2 497	2 646	3 238	3 794	4 053
<i>Municipal services</i>	3 290	3 470	3 643	3 932	4 607	5 000	5 314
Financial transactions in assets and liabilities	599	3 108	92	–	–	–	–
Transfers and subsidies	146	180	518	416	437	252	265
Provinces and municipalities	146	180	177	181	196	–	–
Departmental agencies and accounts	–	–	193	210	241	252	265
Households	–	–	148	25	–	–	–
Payments for capital assets	9 258	4 356	10 902	12 305	8 798	3 991	4 184
Buildings and other fixed structures	7 769	72	7 719	5 581	5 000	–	–
Machinery and equipment	1 489	3 207	3 145	3 226	3 798	3 991	4 184
Software and other intangible assets	–	1 077	38	3 498	–	–	–
Total	112 242	117 434	145 764	167 771	188 067	195 467	205 914

Expenditure trends

Expenditure increased at an average annual rate of 14,3 per cent from 2002/03 to 2005/06, mainly due to strengthening senior management in strategic planning, human resources and legal services. Growth slows down over the MTEF to approximately 7,1 per cent and includes provisions for better management of project and conditional grants.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The Department of Health received the following amounts: R35 million in 2006/07, R38,2 million in 2007/08 and R41,1 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

Programme 2: Strategic Health Programmes

The *Strategic Health Programmes* programme co-ordinates a range of strategic national health programmes by developing policies and systems and through monitoring, and manages and funds key programmes.

There are five subprogrammes:

- *Maternal, Child and Women's Health and Nutrition* formulates and monitors policies, guidelines, and norms and standards for maternal, child and youth, and women's health and nutrition.
- *Medicines Regulatory Affairs* supports the Medicines Control Council, and ensures that medicines meet approved specifications and standards.
- *HIV and Aids* develops policy and administers the national HIV and Aids and sexually transmitted infection programmes, including co-ordinating the comprehensive HIV and Aids plan and the conditional grant.
- *Pharmaceutical Policy and Planning* regulates and co-ordinates the procurement of pharmaceutical supplies to ensure that essential drugs are affordable and available, promotes rational drug use by consumers and healthcare workers, and administers legislation on food safety and related matters. It also deals with policy on the provision and management of health technology, especially medical equipment.
- *Communicable Diseases* is responsible for the control of infectious diseases, including tuberculosis, and for several occupational health functions, including the Medical Bureau for Occupational Diseases and the Compensation Commission for Occupational Diseases.

Expenditure estimates

Table 16.4 Strategic Health Programmes

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Maternal, Child and Women's Health	32 088	25 450	22 282	25 025	27 093	28 819	30 391
Medicines Regulatory Affairs	20 330	25 807	32 052	20 994	29 093	30 554	32 221
HIV and Aids	454 588	676 230	1 107 408	1 566 302	1 976 920	2 082 949	2 188 412
Pharmaceutical Policy and Planning	18 823	17 980	21 988	29 636	24 863	26 112	27 537
Communicable Disease	183 354	42 961	29 650	47 219	47 242	49 542	52 354
Total	709 183	788 428	1 213 380	1 689 176	2 105 211	2 217 976	2 330 915
Change to 2005 Budget estimate				(83 755)	(20 950)	(13 365)	(14 032)

Economic classification

Current payments	251 806	348 020	355 273	418 724	425 015	450 963	465 736
Compensation of employees	50 633	55 392	83 201	70 973	83 568	87 747	92 493
Goods and services	201 173	292 628	272 072	347 751	341 447	363 216	373 243
<i>of which:</i>							
<i>Communication</i>	3 932	3 023	2 165	2 085	1 316	1 385	1 434
<i>Computer Services</i>	5 431	8 556	7 755	2 565	415	430	458
<i>Consultants, contractors and special services</i>	33 845	62 398	18 142	39 970	11 441	11 791	12 147
<i>Inventory</i>	70 875	78 784	132 000	158 440	145 343	153 052	155 642
<i>Maintenance repair and running cost</i>	162	175	198	211	237	278	314
<i>Operating leases</i>	498	531	557	653	701	766	805
<i>Travel and subsistence</i>	21 217	29 140	45 101	41 678	15 686	16 737	17 844

Table 16.4 Strategic Health Programmes (continued)

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate			
	2002/03	2003/04	2004/05	appropriation	2005/06	2006/07	2007/08	2008/09
R thousand								
Transfers and subsidies	455 424	439 382	853 509	1 265 467	1 674 329	1 760 852	1 858 681	
Provinces and municipalities	357 413	333 786	735 541	1 150 332	1 567 423	1 645 575	1 735 423	
Departmental agencies and accounts	21 500	8 000	29 036	5 000	2 100	2 130	2 355	
Foreign governments and international organisations	–	–	–	1 000	–	–	–	
Non-profit institutions	64 141	91 096	86 306	109 135	104 806	113 147	120 903	
Households	12 370	6 500	2 626	–	–	–	–	
Payments for capital assets	1 953	1 026	4 598	4 985	5 867	6 161	6 498	
Machinery and equipment	1 058	763	4 598	2 920	5 867	6 161	6 498	
Software and other intangible assets	895	263	–	2 065	–	–	–	
Total	709 183	788 428	1 213 380	1 689 176	2 105 211	2 217 976	2 330 915	

Details of major transfers and subsidies:

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	357 209	333 556	735 381	1 150 108	1 567 214	1 645 575	1 735 423
Integrated Nutrition Programme Grant	–	–	–	–	–	–	–
Comprehensive HIV and Aids Grant	210 209	333 556	735 381	1 150 108	1 567 214	1 645 575	1 735 423
Cholera epidemic: KwaZulu-Natal	147 000	–	–	–	–	–	–
Departmental agencies and accounts							
Social security funds							
Current	6 500	3 000	4 000	5 000	2 100	2 130	2 355
Mines and Works Compensation Fund	6 500	3 000	4 000	5 000	2 100	2 130	2 355
Public entities							
Current	15 000	5 000	25 036	–	–	–	–
National Health Laboratory Services (cancer register)	–	–	20 000	–	–	–	–
South African National Aids Council	10 000	–	–	–	–	–	–
MRC Malaria Lubombo Spartial Development Initiative	5 000	5 000	5 000	–	–	–	–
Donation and Gifts	–	–	36	–	–	–	–
Foreign governments and international organisations							
Current	–	–	–	1 000	–	–	–
SADC Regional HIV and AIDS Trust Fund	–	–	–	1 000	–	–	–
Non-profit institutions							
Current	64 141	91 096	86 306	109 135	104 806	113 147	120 903
Maternal Child and Women's Health: Non-Governmental Organisations	310	350	370	422	930	977	1 030
HIV and AIDS: Non-Governmental Organisations	31 331	43 378	40 186	49 745	52 730	55 367	58 390
Tuberculosis: Non-Governmental Organisations	2 500	1 368	2 800	2 968	3 146	3 303	3 483
South African AIDS Vaccine Initiative	5 000	10 000	10 000	10 000	5 000	8 000	10 000
Life Line	–	11 000	7 000	15 000	10 000	10 500	11 000
LoveLife	25 000	25 000	23 000	23 000	23 000	23 000	23 000
Soul City	–	–	2 950	8 000	10 000	12 000	14 000
Households							
Social benefits							
Current	12 370	6 500	2 201	–	–	–	–
Poverty Relief	12 370	6 500	2 201	–	–	–	–

Expenditure trends

Expenditure grows from R709,2 million in 2002/03 to R2,3 billion in 2008/09, at an average annual rate of 21,9 per cent. The growth is predominately in the *HIV and Aids* subprogramme, which also houses the comprehensive HIV and Aids plan and consequently the HIV and Aids conditional grants to provinces.

A large part of the *Maternal, Child and Women's Health* subprogramme previously consisted of the integrated nutrition programme conditional grant to provinces. The grant will be phased into the equitable share in 2006/07. The subprogramme's core budget remains constant over the 2006 MTEF with annual average growth slightly above inflation at 6,1 per cent.

The allocation for the *Medicines Regulatory Affairs* subprogramme increases from R20,9 million in 2002/03 to R32,2 million in 2008/09, to strengthen its performance in registering medicines and its support for the Medicines Control Council.

The allocation for the *HIV and Aids* subprogramme grows strongly, at an average annual rate of 29,9 per cent from 2002/03 to 2008/09. This is mainly due to high growth in the HIV and Aids conditional grant to provinces. The large jump in funding from 2003/04 to 2004/05 is for the comprehensive HIV and Aids plan, which includes the funding for anti-retroviral treatment. Funds for condoms increase from R70,8 million in 2002/03 to R147,9 million in 2008/09. R40 million has been earmarked for managing, supporting and monitoring the HIV and Aids plan in 2006/07. Transfers include R52,7 million for HIV and Aids NGOs, R23 million to loveLife and R10 million to Lifeline.

The budget of the *Pharmaceutical Policy and Planning* subprogramme decreases from R29,6 million in 2005/06 to R24,8 million in 2006/07 as a special allocation for health technology has been terminated. The increase in 2005/06 was partly a result of upgrading the medical stores administration system (Medsas) system, which was done partly to monitor a R3 billion tender awarded to supply anti-retroviral medicines.

Expenditure in the *Communicable Diseases* subprogramme grows from R43 million in 2003/04 to R52,4 million in 2008/09. This includes payments to the Mines and Works Compensation Fund for a particular group of pensioners. The high level of expenditure in 2002/03 was for a one-off payment to KwaZulu-Natal to deal with a cholera epidemic.

Service delivery objectives and indicators

Recent outputs

Maternal, child and women's health and nutrition

The department extended the implementation of the integrated management of childhood illnesses (IMCI) strategy to all 53 health districts during 2004/05. This included training trainers and increasing the percentage of IMCI trained public health workers who manage children to almost 60 per cent. The integrated nutrition programme, which includes youth nutrition, was also extended to all 53 health districts.

The department set a 60 per cent target for the provision of phase one school health services in all provinces. At present, three provinces (KwaZulu-Natal, North West and Mpumalanga) provide all (100 per cent) the phase 1 school health services, and two other provinces (Free State and Gauteng) have achieved the 60 per cent target. KwaZulu-Natal has already progressed to phase 2 of the programme. Problems identified at school are then referred to primary healthcare facilities for follow-up.

Nutrition supplements were provided in a targeted way in 2004/05 to people living with chronic and other debilitating diseases. In addition, guidelines on maternal nutrition in the context of HIV and Aids were completed and distributed to provinces.

By the end of 2004/05, 70 per cent (against a target of 75 per cent) of health districts had reached immunisation coverage of more than 80 per cent. However, a few sub-districts were found to have far lower coverage. Steps are being taken to ensure that these sub-districts improve their coverage rates as a matter of urgency.

The number of public health facilities that provided termination of pregnancy (TOP) services during 2004/05 increased by 10 per cent compared to 2003/04. A seven-year (1997 to 2004) evaluation report on the implementation of the Choice on Termination of Pregnancy Act (1996) was produced. The key findings show that South Africa has successfully translated the act into reality, despite many challenges. Over a seven-year period, access had increased annually, with a total of 344 477 TOPs recorded at public health facilities nationally between 1997 and 2004. Of this, 76,4 per cent had been conducted in the first trimester of pregnancy (as recommended). Only 11 per cent of TOP services were provided to women under the age of 18 years. Fifty-five per cent of health facilities authorised to perform TOP services actually provided them, against a national target of 45 per cent.

Communicable diseases control

Efforts to strengthen rapid responses to epidemics have continued. Health personnel in all nine provinces have been trained in epidemic preparedness and response.

The malaria strategy achieved a 72 per cent reduction in malaria cases and a 50 per cent reduction in related deaths, due to better collaboration with neighbouring countries as well as better control within South Africa. Coverage of indoor residual house spraying increased to 83 per cent of targeted homes in endemic areas against a target of 100 per cent. Furthermore, all the malaria-endemic provinces, KwaZulu-Natal, Limpopo and Mpumalanga, are now using the more effective artesunate-based combination therapy for malaria.

From 2005/06, the Mines and Works Compensation Fund was deregistered as a public entity and incorporated (as an entity) into the *Communicable Diseases* subprogramme. Transfers from government were R5 million for 2005/06 and decrease to R2,4 million in 2008/09. A process to rationalise the various compensation funds has been initiated by the Department of Labour.

HIV and Aids

Preventive efforts against HIV and Aids were consolidated during the reporting period. Condom distribution for 2004/05 was 347 million against a target of 400 million. 1,1 million female condoms have been distributed in 2004/05, against the target of 2,9 million.

In 2004/05, more than 80 per cent of all public health facilities offered voluntary counselling and testing (for which the target was 90 per cent). The target of 60 per cent of public health facilities offering the mother-to-child programme was achieved, compared to 64 per cent and 41 per cent respectively in the previous two years. The treatment component of the comprehensive HIV and Aids plan has been expanded to 192 sites in all 53 health districts and in more than 170 local municipalities, compared to only 139 accredited facilities in 2004/05. From the beginning of the programme in April 2004 to December 2005, over 100 000 patients had started anti-retroviral therapy.

TB control

TB has continued to pose a formidable challenge to the public health system, with escalating incidence associated with HIV infection and low cure rates (56,7 per cent against a target of

65 per cent). Efforts to counter this focused on improving the directly observed treatment short course (DOTS) programme. A significant proportion of TB patients accepted testing in 2004/05. The Department of Health has declared TB to be a national crisis and is working with provinces to reduce treatment interruption, further improve the quality of the DOTS programme, assist districts with supervision and monitoring systems, and strengthen laboratory services.

Selected medium-term output targets

Strategic Health Programmes

Measurable objective: Strengthen policies and programmes for communicable diseases (including for HIV and Aids prevention and care, sexually transmitted infections and tuberculosis) and for maternal, child and women's health and nutrition. Ensure that all medicines are safe and affordable and that essential medicines are available at all times in the public health sector.

Subprogramme	Output	Measure/Indicator	Target
Maternal, Child and Women's Health and Nutrition	Reduction in infant, child and youth morbidity and mortality	Percentage of districts with more than 90% full immunisation coverage	80%
		Percentage of health districts implementing the household and community component of the integrated management of childhood illnesses strategy	60%
	Reduction in maternal morbidity and mortality	Percentage of health facilities with maternity beds assessed as baby-friendly	40%
		Percentage of institutions implementing recommendations from 'Saving Mothers Saving Babies' reports	80%
HIV and Aids	Improved interventions to deal with the HIV and Aids epidemic	Percentage of public health facilities offering voluntary counselling and testing	100%
		Number of male condoms distributed	450 million
		Number of female condoms distributed	3,5 million
		Percentage of health facilities that offer prevention of mother-to-child transmission programme	100%
	Assistance to districts to develop supervision and monitoring systems for community DOTS	Percentage of new smear-positive TB cases cured at the first attempt	85%
		Good quality TB laboratory services	Percentage of health districts with turnaround time of 48 hours or less
Pharmaceutical Policy and Planning	Strategies to improve pharmaceutical procurement management and use	Number of items out of stock for 4 weeks or more at depot level	None
	Monitoring of procurement and supply of all anti-retrovirals for the comprehensive HIV and Aids plan	Percentage of expired stock of medicines at depot level	0%
Communicable Diseases	Better malaria control	Number of malaria-affected provinces implementing the recommendations from the Roll Back Malaria survey	3 provinces
	Expanded occupational health services	Number of applications from ex-miners processed by the Medical Bureau for Occupational Diseases	35 000

Programme 3: Health Service Delivery

The *Health Service Delivery* programme supports the delivery of health services, primarily in the provincial and local spheres of government.

There are six subprogrammes:

- *Non-Communicable Diseases* establishes guidelines on chronic diseases, disability, older people, oral health and mental health, and is also responsible for: transferring forensic mortuaries from the South African Police Service to provincial health departments; developing a national forensic pathology service; rationalising blood transfusion services; and liaising with the National Health Laboratory Service, including the National Institute of Communicable Diseases and the National Centre for Occupational Diseases.
- *Hospital Services* deals with national policy on hospital and emergency medical services. It is also responsible for the conditional grant for the revitalisation of hospitals.

- *Health Economics* is a new subprogramme dealing with health economics research, medical schemes, social health insurance and public private partnerships.
- *Health Information, Research and Evaluation* develops and maintains a national health information system, and commissions and co-ordinates research. It does disease surveillance and epidemiological analyses, and monitors and evaluates health programmes. It develops norms and standards, and other mechanisms for improving the quality of healthcare services, and oversees the activities of the Medical Research Council.
- *Primary Health Care, District Health and Development* promotes and co-ordinates the district health system and monitors primary healthcare and activities related to the integrated sustainable rural development programme and the urban renewal programme. It also deals with policy and monitoring for health promotion and environmental health.
- *Office of Standards Compliance* deals with quality assurance, licensing and the certificates of need required in terms of the new National Health Act (2003). It also deals with radiation control.

Expenditure estimates

Table 16.5 Health Service Delivery

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Non-Communicable Disease	203 704	260 595	259 464	388 291	636 381	668 162	589 491
Hospital Services	5 877 093	6 289 289	6 576 942	7 499 587	7 958 670	8 544 416	9 167 332
Health Economics	6 443	7 244	7 863	13 947	28 567	16 371	17 190
Health Information Research and Evaluation	159 958	184 028	189 836	187 214	239 866	250 507	259 513
PHC, Districts Health and Development	11 028	13 561	14 575	21 403	24 141	26 279	27 593
Office of the Standard of Compliance	14 725	16 828	9 303	14 475	19 933	20 934	21 981
Total	6 272 951	6 771 545	7 057 983	8 124 917	8 907 558	9 526 669	10 083 100
Change to 2005 Budget estimate				269 418	584 315	793 726	905 531
Economic classification							
Current payments	84 945	88 986	106 158	116 455	136 786	146 409	158 715
Compensation of employees	61 641	65 645	40 106	64 511	71 162	74 616	78 359
Goods and services	23 304	23 341	66 052	51 944	65 624	71 793	80 356
<i>of which:</i>							
<i>Communication</i>	2 432	2 595	2 705	1 817	1 632	1 730	1 809
<i>Computer Services</i>	2 287	2 205	40	233	401	426	454
<i>Consultants, contractors and special services</i>	2 697	2 638	14 030	11 644	14 492	16 170	17 461
<i>Inventory</i>	7 385	6 792	28 098	7 880	8 453	8 695	9 260
<i>Maintenance repair and running cost</i>	1 187	1 235	1 291	1 319	1 485	1 577	1 652
<i>Operating leases</i>	301	478	561	589	656	698	728
<i>Travel and subsistence</i>	5 925	5 768	12 633	14 099	16 462	17 726	18 803
Transfers and subsidies	6 178 991	6 668 254	6 941 250	7 989 059	8 758 279	9 367 141	9 910 610
Provinces and municipalities	5 996 240	6 449 800	6 708 362	7 756 942	8 466 341	9 075 407	9 607 806
Departmental agencies and accounts	178 569	214 649	223 875	227 845	287 519	287 094	297 930
Non-profit institutions	4 182	3 805	9 013	4 262	4 419	4 640	4 874
Households	–	–	–	10	–	–	–
Payments for capital assets	9 015	14 305	10 575	19 403	12 493	13 119	13 775
Machinery and equipment	7 933	11 519	10 463	18 042	12 493	13 119	13 775
Software and other intangible assets	1 082	2 786	112	1 361	–	–	–
Total	6 272 951	6 771 545	7 057 983	8 124 917	8 907 558	9 526 669	10 083 100

Table 16.5 Health Service Delivery

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Details of major transfers and subsidies:							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	5 277 054	5 639 613	5 974 361	6 651 320	6 827 802	7 191 223	7 559 848
Health Professions Training and Development Grant	1 299 248	1 333 499	1 434 132	1 520 180	1 520 180	1 596 189	1 675 999
National Tertiary Services Grant	3 727 077	3 994 774	4 273 005	4 709 386	4 981 149	5 221 206	5 482 266
Hospital Management and Quality Improvement Grant	126 000	133 404	122 200	150 342	–	–	–
Forensic Pathology Services	124 729	143 436	145 024	271 412	326 473	373 828	401 583
Malaria and cholera prevention	–	34 500	–	–	–	–	–
Capital	719 000	809 984	733 802	1 105 427	1 638 350	1 884 184	2 047 958
Hospital Revitalisation Grant	649 000	717 628	733 802	1 105 427	1 439 647	1 706 629	1 982 663
Hospital Construction: Pretoria Academic	70 000	92 356	–	–	–	–	–
Forensic Pathology Services	–	–	–	–	198 703	177 555	65 295
Departmental agencies and accounts							
Public entities							
Current	178 569	214 649	223 875	227 845	287 519	287 094	297 930
National Health Laboratory Services	30 111	48 494	52 879	60 216	59 195	62 163	65 271
Medical Research Council	145 498	163 195	167 892	164 304	212 110	221 290	228 836
National Health Laboratory Services (cancer register)	287	287	304	322	341	358	376
Council for Medical Schemes	2 673	2 673	2 800	3 003	15 873	3 283	3 447
Non-profit institutions							
Current	4 182	3 805	9 013	4 262	4 419	4 640	4 874
Health Promotion: Non-Governmental Organisations	405	521	253	800	848	890	935
Environmental Health: Non-Government Organisation	–	–	–	78	83	87	91
Mental Health: Non-Governmental Organisations	1 047	444	180	358	280	294	309
South African Community Epidemiology Network on Drug Use	130	130	130	130	138	145	152
South African Federation for Mental Health	200	200	200	200	212	223	234
World Bank Foundation of South Africa	–	–	6	–	–	–	–
Council for the Blind	400	510	424	449	476	500	525
Health Systems Trust	2 000	2 000	7 820	2 247	2 382	2 501	2 626

Expenditure trends

Expenditure has grown steadily, rising from R6,3 billion in 2002/03 to an expected R10,1 billion in 2008/09, an average annual increase of 8,2 per cent.

Most of the expenditure is in the *Hospital Services* subprogramme, consisting mainly of conditional grants to provinces. This subprogramme has grown significantly, given the need to modernise the national hospital stock: the hospital revitalisation grant will grow by 21,5 per cent over the MTEF, from R775 million in 2002/03 (including the hospital management and quality improvement grant) to R1,9 billion in 2008/09. Allocations for the national tertiary services grant and the health professions training grant have stagnated, and a reform process will inform future funding requirements. Growth for the management unit in the department (excluding grants)

remains strong, at 22,8 per cent over the MTEF. The aim is to increase the capacity to manage conditional grants and to develop a modern national emergency medical service.

The allocation for the *Non-Communicable Diseases* subprogramme grows strongly over the MTEF at 14,9 per cent, due to the imminent shift of forensic pathology (medico-legal mortuary) services from the South African Police Service to provincial departments of health in 2006/07, which will be funded for five years by a conditional grant to provinces.

The allocation for the *Health Economics* subprogramme grows by 7,2 per cent over the MTEF, with a spike in 2006/07 due to an increase in the transfer payment to the Council for Medical Schemes for preparatory work for implementing the Risk Equalisation Fund.

The allocation for the *Health Information, Research and Evaluation* subprogramme increases by 11,5 per cent over the 2006 MTEF, mainly due to the additional allocation to the Medical Research Council for the new requirement that it pays VAT.

Service delivery outputs and indicators

Recent outputs

The recorded backlog in medical assistive devices from 2003/04 and 2004/05 was eliminated.

The number of cataract surgery operations done in 2004/05 (1 039 per million) exceeded the target (950 per million).

Healthy lifestyle campaigns have included Move for Health workshops, mass walks and screening for blood sugar, blood pressure and body mass index. Community and school-based gardens were established and house-to-house health education programmes were conducted. Partnerships on healthy lifestyles were expanded from 15 to 24 partners, mainly from the private sector, non-governmental organisations and community-based organisations.

Provision of the wider basket of comprehensive primary care services improved in most health districts during 2004/05, and use of the services improved marginally, from 96 million to just over 100 million visits per year.

The hospital revitalisation programme entered its fourth year of implementation in 2004/05, and four new hospitals were built: one in Mpumalanga, two in Northern Cape and one in North West. While management and delivery on the programme is improving and additional hospitals have been added, underspending continues to be a problem. All provinces produced hospital management improvement plans. In partnership with the University of KwaZulu-Natal, the department developed a training course for public hospital managers.

Selected medium-term output targets

Health Service Delivery

Measurable objectives: Strengthen the delivery of primary healthcare through the district health system. Revitalise hospital services by upgrading or replacing hospitals.

Subprogramme	Output	Measure/Indicator	Target
Non-Communicable Diseases	Expanded cataract surgery project	Number of operations per million	1 400 operations per million
	Better epidemic preparedness and response	Number of provinces implementing policy guidelines	All 9 provinces
	Implementation of Mental Health Care Act (2002)	Percentage of health districts with mental health and substance abuse services integrated into primary healthcare	60% of health districts

Subprogramme	Output	Measure/Indicator	Target
Hospital Services	Authority delegated to hospital managers	Audit report on the capacity of hospital managers to exercise delegated authority	June 2006
	Effective hospital revitalisation programme	Number of business cases accepted for the revitalisation programme	63 business cases
	Effective delegation of authority to hospital CEOs	Number of provinces with authority delegated to CEOs	9 provinces by September 2006
	Better emergency medical (ambulance) services	Number of provinces implementing emergency medical services information system	All 9 provinces
	Better disaster management	Number of provinces implementing a nationally agreed disaster management strategy	All 9 provinces
Health Information Evaluation and Research	Strategies to improve quality of care	Percentage of revitalisation hospitals implementing quality mechanisms	90% of hospitals
Primary Health Care, District Health and Development	Functional health districts	Percentage of health districts with a primary healthcare expenditure of at least R220 per person	80% of districts
		Percentage of health districts with health plans using national planning guidelines	80% of districts
		Percentage of health sub-districts offering the full primary healthcare package	60% of sub-districts
		Percentage of primary healthcare facilities visited by a supervisor at least once a month	50% of facilities

Programme 4: Human Resources

The *Human Resources* programme was initiated as a separate programme in 2005/06. It supports human resources for health at both the national and provincial levels. It also includes activities to co-ordinate international health relations, including donor support.

There are three subprogrammes:

- *Human Resources* is responsible for developing human resources policies, norms and standards, and for the efficient management of the employees of the national Department of Health.
- *Bargaining Council and Employee Relations* provides the resources and expertise for bargaining in the national Public Health and Welfare Sectoral Bargaining Council.
- *International Health Liaison* liaises with the international health community, manages participation in international organisations, co-ordinates regional health co-operation with members of the Southern African Development Community (SADC), facilitates implementation of the New Partnership for Africa's Development (Nepad) health strategy, and identifies and co-ordinates donor and foreign assistance resources.

Expenditure estimates

Table 16.6 Human Resources

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Human Resources	6 789	6 923	8 190	9 400	15 866	16 147	16 950
Bargaining Council and Employee Relations	1 034	2 687	2 797	6 984	8 190	9 001	9 490
International Health Liaison	31 376	48 538	26 747	41 151	45 104	49 872	56 394
South African Countries Development Community	2 361	–	–	–	–	–	–
Total	41 560	58 148	37 734	57 535	69 160	75 020	82 834
Change to 2005 Budget estimate				(2 700)	(733)	1 699	5 780

Table 16.6 Human Resources (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	40 912	57 523	37 415	56 601	68 231	74 097	81 860
Compensation of employees	11 850	12 849	14 116	13 536	20 634	21 395	22 542
Goods and services	29 062	44 674	23 299	43 065	47 597	52 702	59 318
<i>of which:</i>							
<i>Communication</i>	1 633	1 743	2 000	556	964	1 100	1 204
<i>Computer Services</i>	771	825	955	20	231	261	279
<i>Consultants, contractors and special services</i>	1 845	2 112	1 700	971	2 532	2 878	2 923
<i>Inventory</i>	2 089	1 645	1 720	847	1 351	1 508	1 605
<i>Maintenance repair and running cost</i>	–	–	–	160	186	218	248
<i>Operating leases</i>	–	–	–	1 958	339	354	386
<i>Travel and subsistence</i>	3 453	3 452	3 325	18 331	15 319	17 833	18 515
Transfers and subsidies	–	–	–	49	45	–	–
Provinces and municipalities	–	–	–	49	45	–	–
Payments for capital assets	648	625	319	885	884	923	974
Machinery and equipment	648	625	319	682	884	923	974
Software and other intangible assets	–	–	–	203	–	–	–
Total	41 560	58 148	37 734	57 535	69 160	75 020	82 834

Expenditure trends

Expenditure on the *Human Resources* programme grows from R41,6 million in 2002/03 to an expected R82,8 million in 2008/09, representing just over 12,2 per cent annual growth in the programme.

The *International Health Liaison* subprogramme, which is responsible for the department's international obligations, accounts for most of this programme's expenditure, amounting to an expected R45,1 million in 2006/07. The expenditure fluctuations in this subprogramme are partly due to the changes on the exchange rate.

Service delivery outputs and indicators

Recent outputs

Human resources strategic framework

A human resources strategic framework was produced and disseminated. This will inform the development of a national human resources plan, as required by the National Health Act (2003). The strategic framework has also highlighted the need to increase the supply, recruitment and retention of health workers in the public sector.

Mid-level health workers

Strides were made towards finalising the scopes of practices for mid-level workers and other health professionals during 2005/06. A team established to develop a curriculum for medical assistants completed its consultations with key stakeholders.

Community caregivers

In collaboration with the Department of Social Development a new policy on community caregivers has been developed to harmonise the efforts of the two departments in home- and community-based care. The number of home- and community-based care programmes has also increased substantially. Attention is being given to developing standardised training programmes, accreditation systems, qualifications and career paths.

Strengthening bilateral and multilateral relations

The department continued its objective of strengthening existing and expanding bi-lateral and multi-lateral relations with key international partners in 2004/05. The department signed a bi-lateral agreement for recruiting doctors and entered into two tri-lateral agreements called SA-Rwanda-Cuba and Mali-SA-Cuba, also focusing on improving the supply of doctors in Africa. A draft policy on official development assistance was developed in March 2005, with the aim of strengthening donor co-ordination. Grants were sourced from the international community for projects in Limpopo and Eastern Cape to the value of Yen 491 million (R28 million) and Yen 1 billion (R62 million) respectively. Italian Co-operation provided funding of R80 million for various projects in KwaZulu-Natal, Gauteng and Mpumalanga.

Selected medium-term output targets**Human Resources**

Measurable objective: Develop and implement a comprehensive national health human resources plan. Represent the Department of Health's interests in the Public Health and Welfare Sectoral Bargaining Council.

Subprogramme	Measurable objective	Measure/Indicator	Target
Human Resources	Long-term national health human resources plan	Plan tabled before National Health Council and published for public comment	By March 2006
		Number of provinces with HR Plan based on the national HR plan	6 provinces by 2007/08
		Number of health districts with HR plans based on national and provincial HR plans	28 out of 53 health districts in 2008/09
	Expanded community services	Community services for nurses implemented	By January 2007
	Training for expansion of comprehensive HIV and Aids plan	Number of health workers trained to implement the plan	13 805 by March 2007
Better community caregiver programme		National community caregiver (community health worker) framework implemented	By March 2007
		Regulations for community caregivers developed	March 2007
Skilled managers		Skills development policy adopted	March 2007
	Bargaining Council	Employment equity-related policies and plans developed and reviewed	Employment equity plan finalized
		Disability strategy finalised	December 2006
International Health Liaison	Implementation of bi and multi-lateral agreements strengthened	Number of agreements and other bi-lateral agreements implemented and reviewed	2 agreements and other bi-lateral agreements implemented and reviewed with strategic countries
		Number of reports on international trends provided to Minister and DOH	4 reports on international trends provided to minister and Department of Health

Public entities reporting to the minister

Medical Research Council

The Medical Research Council (MRC) is the largest research body of its kind in South Africa, established in accordance with the Medical Research Council Act (1991).

It undertakes leading scientific research in a very wide range of areas including clinical, health systems and public health. Tasks include research to support strengthening the health system and co-ordinating the South African Aids vaccine initiative. The MRC is also an active participant in the malaria research lead programme (also undertaking vaccine research), and the tuberculosis lead programme. It operates closely with linked university research units.

The MRC's recent achievements include strengthening the national health research infrastructure, and improving the integration of public health research with basic and clinical research. The MRC notes in its annual report 2004/05 that over the next few years, it seeks to become a leader in the field of biotechnology, in natural medicines, (such as the evaluation of traditional medicines) and the development of drugs, vaccines and medical devices. To build capacity, the MRC will also provide training to black, especially African, and women researchers at doctoral and post-doctoral level.

The MRC's recent achievements against its strategic outputs for 2005 include: 157 new posts created, contributions to the reduction in the prevalence of smoking, seven policy briefs presented to government, 568 published outputs in the South African medical database, 39 MRC scientists serving on international panels, 2 patents registered, 176 PhD graduates enrolled (49 obtained) and 208 MSc graduates enrolled (42 obtained).

The Medical Research Council's strategic research priorities for 2006 to 2009 cover tuberculosis; heart disease and stroke; violence and injury; HIV and Aids; nutrition; pneumonia; malaria; diabetes; women, maternal and child health; mental health; cancer; traditional medicines; biotechnology; health promotion and behavioural science; health systems; and e-health.

The MRC allocation will amount to approximately R358 million in 2006/07, of which R340 million is in the form of transfers from a variety of local and international sources. The Department of Health contributes R212 million towards these transfers. The MRC generates substantial external funding. It has substantial assets and its financial statements have been unqualified for several years. A detailed overview of the MRC's performance in recent years can be found in its annual report available on MRC's website: www.mrc.ac.za

Table 16.7 Financial summary for the Medical Research Council (MRC)

	Outcome				Medium-term estimate		
	Audited	Audited	Audited	Estimated outcome			
R Thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	14 570	19 005	17 563	18 022	18 025	18 025	18 025
Sale of goods and services other than capital assets	2 938	4 115	3 812	4 000	4 000	4 000	4 000
<i>of which:</i>							
<i>Non-market est. sales</i>	2 938	4 115	3 812	4 000	4 000	4 000	4 000
<i>Other non-tax revenue</i>	11 632	14 891	13 751	14 022	14 025	14 025	14 025
Transfers received	240 271	278 936	317 616	330 000	340 000	353 000	368 000
Total revenue	254 841	297 941	335 179	348 022	358 025	371 025	386 025

Table 16.7 Financial summary for the Medical Research Council (MRC) (continued)

	Outcome				Medium-term estimate		
	Audited	Audited	Audited	Estimated outcome			
R thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Expenses							
Current expense	189 156	222 793	247 055	255 149	266 213	278 983	290 637
Compensation of employees	109 719	132 387	150 118	156 912	166 329	176 460	186 085
Goods and services	66 859	80 369	81 633	82 432	84 219	86 418	88 097
Depreciation	12 538	10 025	15 300	15 800	15 660	16 100	16 450
Interest, dividends and rent on land	40	12	5	5	5	5	5
Transfers and subsidies	59 940	66 174	81 995	83 815	87 019	89 246	93 556
Total expenses	249 095	288 967	329 050	338 964	353 232	368 230	384 194
Surplus / (Deficit)	5 746	8 974	6 128	9 058	4 793	2 795	1 831

BALANCE SHEET SUMMARY

Carrying value of assets	55 119	62 136	62 332	65 000	66 400	66 700	68 600
Investments	165 906	214 676	226 439	266 070	266 188	268 483	269 410
Inventory	395	674	698	680	700	700	700
Receivables and prepayments	8 189	16 151	15 516	16 570	17 825	18 125	18 130
Cash and cash equivalents	4 468	14 579	48 025	12 011	12 011	12 011	12 011
Total assets	234 078	308 216	353 010	360 331	363 124	366 019	368 851
Capital and reserves	85 012	96 029	102 607	112 480	117 273	120 068	121 900
Post retirement benefits	21 483	50 190	54 551	54 551	54 551	54 551	54 551
Trade and other payables	119 718	153 407	186 380	183 300	181 300	181 400	181 400
Provisions	7 865	8 590	9 472	10 000	10 000	10 000	11 000
Total equity and liabilities	234 078	308 216	353 010	360 331	363 124	366 019	368 851

Data provided by the Medical Research Council

National Health Laboratory Service

The National Health Laboratory Service (NHLS) was established in 2003/04, in terms of the National Health Laboratory Service Act (2000), to form a single public health laboratory service. The NHLS is a national network of integrated pathology laboratories using common laboratory management systems and transport networks. There are approximately 250 laboratories in the NHLS, employing about 3 500 people. Their activities comprise diagnostic laboratory services, research, teaching and training, and producing serum for anti-snake venom and reagents. The laboratories provide laboratory diagnostic services to the national public health service in eight of the nine provinces. The services include microbiology, virology, chemical pathology, haematology, parasitology, immunology and others.

The NHLS's recent achievements against its targets for 2005 include: 208 medical technologist posts filled, 24 CD4 operating sites established, 9 viral load laboratories established, all requests for CD4 tests processed, all requests for viral load tests processed, 12 per cent of laboratories' infrastructure upgraded, 54 per cent of non-international suppliers met BEE procurement requirements, and 100 per cent participation in the NHLS quality assurance framework. Laboratories have been established in areas that were previously underserved because of their remoteness. To speed up health services cost-effectively in outlying areas, the NHLS piloted a short messaging system (SMS) project for transmitting urgent laboratory results in rural Eastern Cape. The SMS project is now being expanded nationally.

The NHLS has published its annual report, combining two previous financial periods with the 2005 reporting period.

The achievements of the NHLS for its first 42 months of existence (October 2001 to March 2005) are available on the NHLS website (www.nhls.ac.za/pub_annual.html). The report details the turnaround in financial performance during this period:

Net losses for the 18-month period ending March 2003 were R100 million, due mainly to a R148,6 million provision for post-retirement medical provisions for its employees. In 2003/04, a net loss of R23,2 million was incurred and in 2004/05, the NHLS made a profit of R99,9 million. The NHLS's major source of revenue is the sale of analytical laboratory services to users such as provincial departments of health. Total revenue is expected to amount to R1,4 billion, R1,5 billion and R1,6 billion (an increase of 4,7 per cent) over the MTEF period. The National Institute for Communicable Diseases and the National Institute for Occupational Diseases (which form part of the NHLS) receive transfer payments from the Department of Health of R30,8 million and R24,1 million respectively in 2006/07.

Table 16.8 Financial summary for the National Health Laboratory Service (NHLS)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	970 662	898 351	1 077 923	1 274 911	1 332 290	1 401 566	1 466 045
Sale of goods and services other than capital assets	944 541	885 865	1 055 684	1 249 898	1 306 143	1 374 063	1 437 270
<i>of which:</i>							
<i>Sales by market establishments</i>	<i>944 541</i>	<i>885 865</i>	<i>1 055 684</i>	<i>1 249 898</i>	<i>1 306 143</i>	<i>1 374 063</i>	<i>1 437 270</i>
Other non-tax revenue	26 122	12 486	22 239	25 014	26 147	27 503	28 775
Transfers received	19 187	65 887	86 764	72 278	75 531	79 458	83 113
Total revenue	989 849	964 238	1 164 687	1 347 190	1 407 821	1 481 024	1 549 158
Expenses							
Current expense	1 083 056	978 443	1 053 419	1 240 106	1 346 884	1 428 457	1 495 083
Compensation of employees	598 103	584 755	602 335	694 440	744 842	786 898	819 208
Goods and services	471 768	379 416	428 938	502 410	546 588	581 496	610 183
Depreciation	13 185	13 847	19 250	40 280	52 467	57 068	62 683
Interest, dividends and rent on land	–	425	2 895	2 975	2 987	2 996	3 009
Transfers and subsidies	6 780	8 983	11 403	11 856	12 293	12 637	12 919
Total expenses	1 089 836	987 426	1 064 822	1 251 961	1 359 177	1 441 094	1 508 002
Surplus / (Deficit)	(99 987)	(23 188)	99 865	95 228	48 644	39 930	41 156
BALANCE SHEET SUMMARY							
Carrying value of assets	129 995	147 314	184 623	275 183	320 676	357 045	397 845
Investments	4	–	–	–	–	–	–
Inventory	22 603	12 057	5 255	41 153	44 779	47 634	49 973
Receivables and prepayments	164 462	199 194	276 460	287 494	300 442	316 068	330 609
Cash and cash equivalents	40 026	88 926	88 531	51 641	78 126	102 759	125 505
Total assets	357 090	447 491	554 869	655 471	744 024	823 506	903 932
Capital and reserves	45 306	31 578	131 445	226 673	275 317	315 247	356 403
Borrowings	–	2 582	3 843	4 684	5 586	6 544	7 567
Post retirement benefits	148 612	173 921	194 866	219 307	245 947	274 319	304 110
Trade and other payables	115 353	155 987	141 969	121 147	127 383	132 492	137 036
Provisions	47 819	83 423	82 746	83 660	89 791	94 904	98 816
Total equity and liabilities	357 090	447 491	554 869	655 471	744 024	823 506	903 932

Data provided by the National Health Laboratory Service

Council for Medical Schemes

The Council for Medical Schemes, established in terms of the Medical Schemes Act (1998), regulates and supervises the private medical scheme industry. There are more than 160 medical schemes, with a total annual contribution flow of about R52,2 billion in 2004/05, servicing approximately 7 million beneficiaries.

The council's work has brought greater stability to medical schemes, which have now built substantial financial reserves, a clear regulatory environment and specified prescribed minimum benefits (PMBs). The council has focused on creating a policy and business environment conducive to the fair treatment of beneficiaries of medical schemes. The expertise of the office of the registrar has been used for developing key policies around the Risk Equalisation Fund and setting up a restricted medical scheme for public servants. A set of 27 common chronic conditions has been successfully included into the PMBs. In tandem with the development of government's HIV and Aids policy, the council expanded the PMBs in 2005 to include the provision of anti-retroviral therapy. The council closely monitors the financial health of medical schemes, has a well-developed system of reporting by schemes and operates a complaints system to deal with problems in the industry. A major policy challenge is to widen access to medical schemes and the council is contributing to the development of low income medical scheme proposals for consideration by the minister.

The council is funded mainly through levies on the industry in terms of the Council for Medical Schemes Levies Act (2000). During 2006/07, the council will receive additional funding of R15,9 million to prepare for the implementation of the Risk Equalisation Fund in 2007. The financial statements have been unqualified for several years. Copies of annual reports are on the council's website: www.medicalschemes.com/publications

Table 16.9 Financial summary for the Council For Medical Schemes (CMS)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	29 293	29 998	30 099	61 497	62 805	61 730	64 809
Sale of goods and services other than capital assets	26 818	28 520	29 383	60 797	62 085	60 980	64 029
<i>of which:</i>							
<i>Admin fees</i>	26 818	28 520	29 383	60 797	62 085	60 980	64 029
<i>Other non-tax revenue</i>	2 475	1 478	716	700	720	750	780
Transfers received	2 673	2 673	2 800	3 003	15 873	3 283	3 447
Total revenue	31 966	32 671	32 899	64 500	78 678	65 013	68 256
Expenses							
Current expense	34 698	36 007	37 106	42 169	74 591	70 819	68 445
Compensation of employees	18 373	18 896	19 812	21 268	22 480	23 604	25 020
Goods and services	14 947	15 848	16 130	19 405	50 539	45 747	42 060
Depreciation	1 378	1 263	1 164	1 496	1 572	1 468	1 365
Interest, dividends and rent on land	-	-	-	-	-	-	-
Total expenses	34 698	36 007	37 106	42 169	74 591	70 819	68 445
Surplus / (Deficit)	(2 732)	(3 336)	(4 207)	22 331	4 087	(5 806)	(189)

Table 16.9 Financial summary for the Council For Medical Schemes (CMS) (continued)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06			
BALANCE SHEET SUMMARY							
Carrying value of assets	3 337	2 597	1 993	10 265	7 424	5 310	3 860
Receivables and prepayments	1 851	406	726	909	830	730	946
Cash and cash equivalents	8 563	10 114	9 116	7 005	12 000	13 500	9 500
Total assets	13 751	13 117	11 835	18 179	20 254	19 540	14 306
Capital and reserves	12 081	8 745	4 538	12 056	16 143	10 337	10 148
Trade and other payables	786	2 771	6 426	5 103	3 430	8 770	3 885
Provisions	879	1 595	706	1 020	681	433	273
Total equity and liabilities	13 746	13 111	11 670	18 179	20 254	19 540	14 306

Data provided by the Council For Medical Schemes

Annexures

Vote 16: Health

Table 16.A: Summary of expenditure trends and estimates per programme and economic classification

Table 16.B: Summary of personnel numbers and compensation of employees

Table 16.C: Summary of expenditure on training

Table 16.D: Summary of conditional grants to provinces and local governments (municipalities)

Table 16.E: Summary of official development assistance expenditure

Table 16.F: Summary of expenditure on infrastructure

Table 16.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	112 153	153 910	145 764	136 572	31 199	167 771	164 380
2. Strategic Health Programmes	1 450 352	1 479 490	1 320 518	1 772 931	(83 755)	1 689 176	1 589 176
3. Health Service Delivery	7 171 024	7 167 400	7 057 983	7 855 499	269 418	8 124 917	7 981 608
4. Human Resources	54 336	47 336	37 734	60 235	(2 700)	57 535	53 508
Total	8 787 865	8 848 136	8 561 999	9 825 237	214 162	10 039 399	9 788 672
Economic classification							
Current payments	698 402	737 603	633 190	699 810	47 020	746 830	639 412
Compensation of employees	192 862	190 830	190 808	209 119	–	209 119	209 119
Goods and services	505 540	546 773	442 290	490 691	47 020	537 711	430 293
Financial transactions in assets and liabilities	–	–	92	–	–	–	–
Transfers and subsidies	8 053 356	8 072 100	7 902 415	9 097 514	157 477	9 254 991	9 122 710
Provinces and municipalities	7 655 272	7 655 272	7 551 218	8 666 478	241 026	8 907 504	8 775 223
Departmental agencies and accounts	305 404	305 410	253 118	317 639	(84 584)	233 055	233 055
Foreign governments and international organisations	–	–	–	–	1 000	1 000	1 000
Non-profit institutions	45 136	45 136	95 319	113 397	–	113 397	113 397
Households	47 544	66 282	2 760	–	35	35	35
Payments for capital assets	36 107	38 433	26 394	27 913	9 665	37 578	26 550
Buildings and other fixed structures	9 600	9 600	7 719	2 700	2 881	5 581	5 581
Machinery and equipment	16 724	19 050	18 525	17 926	6 944	24 870	13 842
Software and intangible assets	9 783	9 783	150	7 287	(160)	7 127	7 127
Total	8 787 865	8 848 136	8 561 999	9 825 237	214 162	10 039 399	9 788 672

Table 16.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
A. Permanent and full-time contract employees							
Compensation (R thousand)	167 578	177 743	190 808	209 119	240 030	251 826	264 777
Unit cost (R thousand)	144	133	162	170	195	204	215
Compensation as % of total	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%	100.0%
Personnel numbers (head count)	1 165	1 334	1 181	1 233	1 233	1 233	1 233
C. Interns							
Compensation of interns (R thousand)	–	–	39	492	–	–	–
Unit cost (R thousand)	–	–	3	18	–	–	–
Number of interns	–	–	13	28	–	–	–
Total for department							
Compensation (R thousand)	167 578	177 743	190 847	209 611	240 030	251 826	264 777
Unit cost (R thousand)	144	133	160	166	195	204	215
Personnel numbers (head count)	1 165	1 334	1 194	1 261	1 233	1 233	1 233

Table 16.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Training and staff development							
Expenditure per programme (R thousand)	347	646	943	775	3 675	3 859	4 052
Number of employees trained (head count)	284	349	616	572	502	625	688
Bursaries (employees)							
Expenditure per programme (R thousand)	378	591	443	383	525	551	579
Number of employees (head count)	84	91	82	54	68	80	88
Total	725	1 237	1 386	1 158	4 200	4 410	4 631
Number of employees	368	440	698	626	570	705	776

Table 16.D Summary of conditional grants to provinces and local government (municipalities)¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Conditional grants to provinces							
2. Strategic Health Programmes							
Cholera Epidemic KZN	147 000	–	–	–	–	–	–
Comprehensive HIV and Aids Grant	210 209	333 556	735 381	1 150 108	1 567 214	1 645 575	1 735 423
3. Health Service Delivery							
Hospital Revitalisation Grant	649 000	717 628	733 802	1 105 427	1 439 647	1 706 629	1 982 663
Hospital Construction Grant	70 000	92 356	–	–	–	–	–
Health Professions Training and Development Grant	1 299 248	1 333 499	1 434 132	1 520 180	1 520 180	1 596 189	1 675 999
National Tertiary Services Grant	3 727 077	3 994 774	4 273 005	4 709 386	4 981 149	5 221 206	5 482 266
Hospital Management and Quality Improvement Grant	126 000	133 404	122 200	150 342	–	–	–
Forensic Pathology Services	124 729	143 436	145 024	271 412	525 176	551 383	466 878
Malaria and Cholera Prevention	–	34 500	–	–	–	–	–
Total	6 353 263	6 783 153	7 443 544	8 906 855	10 033 366	10 720 982	11 343 229

¹ Detail provided in the Division of Revenue Act (2006).

Table 16.E Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Foreign									
European Union	Public health sector support programme Provisioning and maintenance of assistive devices		53 721	–	–	–	–	–	–
Flemish Government			421	–	–	–	–	–	–
Italian Corporation		Kind	–	–	–	314	–	–	–
Centre for Disease Control and Prevention		Cash	–	–	–	90	–	–	–
European Union		Cash	–	–	–	800	–	–	–
WHO		Kind	–	–	–	86	–	–	–
Family Health International		Kind	–	–	–	268	–	–	–
Centre for Disease Control and Prevention		Cash	–	–	–	65	–	–	–

Table 16.E Summary of official development assistance expenditure (continued)

Donor	Project	Cash/ kind	Audited outcome			Adjusted	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	appropriation	2006/07	2007/08	2008/09
R thousand									
Belgium		Kind	-	-	-	129	-	-	-
Technical Co-operation									
United State Government		Kind	-	-	-	16	-	-	-
Organization for Economic co-operation		Kind	-	-	-	9	-	-	-
Food and Agricultural Organization		Kind	-	-	-	9	-	-	-
Tuberculosis Coalition for Technical Assistance		Kind	-	-	-	5	-	-	-
WHO		Kind	-	-	-	140	-	-	-
UNFPA		Kind	-	-	-	1 352	-	-	-
USAID		Kind	-	-	-	33	-	-	-
Applicants		Kind	-	-	-	66	-	-	-
Spanish Government		Kind	-	-	-	25	-	-	-
Food&Allergy Consulting&Testing Services		Kind	-	-	-	3	-	-	-
DFID		Kind	-	-	-	44	-	-	-
Unifoods		Kind	-	-	-	7	-	-	-
WHO SAMC		Kind	-	-	-	10	-	-	-
UNICEF		Kind	-	-	-	170	-	-	-
Swift Micro		Kind	-	-	-	3	-	-	-
ECSA		Kind	-	-	-	10	-	-	-
WHO		Kind	-	-	-	46	-	-	-
WHO		Kind	-	-	-	42	-	-	-
American Embassy		Kind	-	-	-	85	-	-	-
JHPIEGO		Kind	-	-	-	184	-	-	-
Populations Council		Kind	-	-	-	21	-	-	-
AVIMA		Kind	-	-	-	12	-	-	-
UNICEF		Kind	-	-	-	9	-	-	-
UNDF, Thailand		Kind	-	-	-	8	-	-	-
SADAC		Kind	-	-	-	7	-	-	-
Glaxo Kline Smith		Kind	-	-	-	10	-	-	-
World Diabetic Foundation		Kind	-	-	-	12	-	-	-
WHO		Kind	-	-	-	29	-	-	-
Markinor Thinkinh		Kind	-	-	-	1	-	-	-
European Union		Cash	-	-	-	37	-	-	-
Centre for Disease Control and Prevention		Cash	-	-	-	90	-	-	-
Italian Corporation		Kind	-	-	-	80	-	-	-
Discovery Health		Kind	-	-	-	16	-	-	-
Pharmaceutical Federation		Kind	-	-	-	6	-	-	-
WHO		Kind	-	-	-	35	-	-	-
Organisors		Kind	-	-	-	6	-	-	-
JICA		Kind	-	-	-	304	-	-	-
BINKO Ltd		Kind	-	-	-	48	-	-	-
DFID		Kind	-	-	-	650	2 333	2 333	2 334
WHO		Kind	-	-	-	155	-	-	-
Danish		Kind	-	-	-	300	-	-	-
SADC Secretariat		Kind	-	-	-	17	-	-	-
Total			54 142	-	-	5 864	2 333	2 333	2 334

Table 16.F Summary of expenditure on infrastructure

Description	Service delivery outputs	Audited outcome			Adjusted	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05	appropriation	2006/07	2007/08	2008/09
R thousand					2005/06			
MEGA infrastructure projects and programmes (Over R250 million)								
Madadeni	620 bed revitalisation	–	–	–	–	14 185	41 625	144 594
Chris Hanu 3	Revitalise and downscale to a 1500 beds	–	–	–	–	49 213	73 037	288 765
Other large infrastructure projects (Over R20 million)								
Hlabisa	New 308 bed hospital	–	–	–	–	54 866	25 773	76 782
Lebowakgomo	Revitalise and upgrade to 241 beds	42 000	18 810	19 301	3 500	–	–	–
Jane Furse	Revitalise and downscale to 252 beds	–	19 143	56 357	20 800	–	–	–
Dilokong	Revitalise and downscale to 252 beds	–	31 449	26 048	56 800	4 358	–	–
Nkhensani	Revitalise and upgrade to 363 beds	–	15 894	7 900	36 300	4 415	–	–
Maphuta Malatjie	Revitalise and downscale to 93 beds	–	–	–	55 000	11 001	9 859	7 009
Letaba	Revitalise and upgrade to 400 beds	–	–	–	–	17 369	18 622	11 334
Thabamooop	A 1152 bed revitalisation	–	–	–	–	11 580	9 749	–
Piet Retief	Revitalise and downscale to 140 beds	38 939	35 031	37 725	–	–	–	–
Themba	Revitalise and downscale to 212 beds	–	5 424	5 236	12 835	11 147	8 215	–
Rob Ferreira	Revitalise and downscale to 212 beds	–	4 647	20 281	21 932	19 047	19 169	–
Ermelo	Revitalise and upgrade to 735 beds	–	–	4 050	28 000	23 159	27 932	29 826
Colesburg	Revitalise and upgrade to 35 beds	250	16 939	10 600	–	–	–	–
Calvinia	Revitalise and downscale to 35 beds	–	10 930	10 600	–	–	–	–
Psychiatric (West End)	Revitalise and upgrade to 310 beds	–	–	35 100	30 000	99 585	109 539	–
Barkely West	Revitalise and upgrade to 55 beds	–	–	–	12 000	20 843	–	–
Upington (Gordonia)	Revitalise and upgrade to 231 beds	–	–	1 200	20 000	69 478	98 585	27 589
De Aar	Revitalise and upgrade to 190 beds	–	–	–	17 000	69 478	98 585	28 335
Postmasburg	Revitalise and upgrade to 55 beds	–	–	–	–	11 580	16 431	–
Moretelelesi / George Stegmann	Revitalise and downscale to 296 beds	–	–	50 000	50 000	88 584	28 754	4 474

Table 16.F Summary of expenditure on infrastructure (continued)

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
R thousand								
Vryburg	Revitalise and upgrade to 120 beds	-	-	38 500	30 000	50 950	32 040	6 394
Brits	Revitalise and upgrade to 175 beds	-	-	-	15 000	8 106	27 385	37 283
Jubilee	Revitalise and downscale to 288 beds	-	-	-	-	28 949	43 816	59 653
Tshwaragano	Revitalise and downscale to 175 beds	-	-	-	20 000	5 790	27 385	37 283
Vredenburg	Revitalise and upgrade to 80 beds	-	8 948	38 798	13 574	5 484	2 738	2 237
George	Revitalise and upgrade to 265 beds	-	20 831	38 981	14 712	1 737	-	-
Worcester (Eben Donges)	Revitalise and upgrade to 315 beds	18 900	33 430	75 195	37 245	31 836	7 278	800
Paarl	Revitalise and upgrade to 326 beds	-	-	-	49 010	45 610	38 339	62 520
Khayelitsha	New 230 bed hospital	-	-	-	11 000	33 581	26 837	36 537
Frontier	Revitalise and upgraded to 400 beds	11 300	1 846	13 887	35 500	15 343	35 491	8 948
St. Elizabeth's	Revitalise and upgrade to 410 beds	-	7 887	15 254	19 000	21 972	16 979	9 433
Mary Theresa	Revitalise and upgrade to 248 beds	-	33 673	81 783	41 750	6 948	-	-
Rietvlei	Revitalise and downscale to 205 beds	-	18 932	14 564	20 050	11 001	9 311	17 896
St. Lucy's	Revitalise and downscale to 154 beds	-	-	-	26 000	15 633	30 123	73 074
St. Patrick's	Revitalise and downscale to 245 beds	-	-	-	-	12 159	26 289	12 676
Boitumelo	Revitalise and downscale to 246 beds	1 200	9 265	65 737	25 681	17 764	11 304	-
Pelonomi	Revitalise and downscale to 346 beds	-	9 672	11 169	30 500	23 622	19 169	30 127
Mamelodi	Revitalise and upgrade to 250 beds	-	7 394	40 000	51 929	54 507	26 982	1 357
Zola	Revitalise and downscale to 250 beds	-	34 195	-	28 000	54 479	58 795	26 788
CHB 1	New 210 bed hospital	-	-	-	7 000	11 580	46 147	75 715
Natalspruit	Revitalise and downscale to 500 beds	-	1 345	15 000	-	17 369	136 924	186 414
Sebokeng	Revitalise and downscale to 384 beds	-	-	-	-	15 258	9 169	-
Germiston	Revitalise and upgrade to 149 beds	-	-	-	-	23 391	25 742	82 022

Table 16.F Summary of expenditure on infrastructure (continued)

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
R thousand								
Tembisa	Revitalise and downscale to 544 beds	–	–	–	–	29 180	10 954	9 694
Daveyton	New 300 bed hospital	–	–	–	–	14 475	52 031	70 837
King George V	Revitalise and downscale to 960 beds	45 891	26 291	67 186	132 662	75 579	80 391	55 405
Ngwelezane / Lower Umfolozi	Revitalise and downscale to 859 beds	–	10 844	12 779	45 934	39 457	41 000	67 068
Dr. Pixley Seme	New 250 bed hospital	–	–	17 322	20 000	14 926	53 502	99 710
Dr. John Dube	New 250 bed hospital	–	–	–	–	13 711	57 300	112 684
Groups of small projects or programmes								
Medical Bureau for Occupational Diseases	Repair and Maintenance	–	–	7 453	7 600	–	–	–
Johannesburg Forensic Laboratory	Electrical upgrade	–	–	–	700	–	–	–
Pretoria Forensic Laboratory	Wheelchair accessibility	–	–	–	124	–	–	–
Gas Store	Building additional store	–	–	–	80	–	–	–
Total		158 480	382 820	838 005	1 047 218	1 280 284	1 539 296	1 801 264

