

Vote 16

Health

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	550.8	537.3	2.5	11.0	592.5	627.1
National Health Insurance, Health Planning and Systems Enablement	1 671.6	1 462.0	30.0	179.5	2 380.3	3 081.7
HIV and AIDS, Tuberculosis, and Maternal and Child Health	20 719.1	417.2	20 301.5	0.4	22 873.3	25 317.7
Primary Health Care Services	301.7	298.4	3.1	0.2	366.6	431.4
Hospitals, Tertiary Health Services and Human Resource Development	22 124.2	279.3	21 000.9	843.9	23 364.2	24 831.1
Health Regulation and Compliance Management	1 775.5	94.1	1 679.0	2.4	1 876.5	1 980.4
Total expenditure estimates	47 142.9	3 088.4	43 017.0	1 037.5	51 453.4	56 269.3

Executive authority: Minister of Health
 Accounting officer: Director General of Health
 Website address: www.doh.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Provide leadership and coordination of health services to promote the health of all people in South Africa through an accessible, caring and high quality health system, based on the primary health care approach.

Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires that the department provides a framework for a structured and uniform health system for South Africa. The act sets out the responsibilities of the three levels of government in the provision of health services. The department contributes directly to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

Selected performance indicators

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of primary health care facilities implementing improved patient administration and web-based information systems	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	50	657	1 854	2 450	-1	-1	-1
Total number of health facilities reporting stock availability at national surveillance centre	National Health Insurance, Health Planning and Systems Enablement		600	1 901	3 349	3 261 ²	3 625	3 800	3 942
Total number of patients receiving medicines through the centralised chronic medicine dispensing and distribution system	National Health Insurance, Health Planning and Systems Enablement		200 000	396 567	1 252 000	950 000 ²	2 500 000	2 800 000	3 000 000

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Percentage of human papillomavirus vaccination first dose coverage per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	– ³	85.3% (427 400/ 500 933)	79.3% (420 751/ 530 720)	87	88	90	90%
Total clients remaining on antiretroviral treatment at the end of the year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		3.1 million	3.4 million	3.8 million	4.9 million	5.5 million	5.9 million	6 million
Tuberculosis new client treatment success rate per year ⁴	HIV and AIDS, Tuberculosis, and Maternal and Child Health		82.4% (95 928/ 116 349)	83.3% (80 180/ 95 318)	85.6% (66 230/ 77 371)	86%	87%	88%	89%
Infant polymerase chain reaction test positive around 10 weeks rate per year ⁵	HIV and AIDS, Tuberculosis, and Maternal and Child Health		1.5% (3 801/ 252 269) ⁶	1.5% (2 495/ 169 656) ⁶	1.3% (2 013/ 151 246)	1.35% ²	1.25%	1.2%	1.1%
Total number of functional ward-based primary health care outreach teams	Primary Health Care Services		1 748	2 590	3 275	2 000 ²	3 500	3 600	3 700
Number of additional primary health care facilities in the 52 districts that qualify as ideal clinics per year	Primary Health Care Services		– ³	322	786	1 000	1 200	1 400	1 650
Total number of points of entry assessed against the core capacity requirements of the international health regulations per year	Primary Health Care Services		Port health services transferred from provinces to national	Port health services fully transferred from provinces to national	– ³	– ³	15	20	25
Number of facilities maintained, repaired and/or refurbished in national health insurance districts per year	Hospitals, Tertiary Health Services and Human Resource Development		94	198	67	197	125	120	– ⁷
Percentage of backlog eliminated for blood alcohol tests per year	Hospitals, Tertiary Health Services and Human Resource Development		– ³	– ³	67% (39 928/ 59 697)	100%	100%	– ⁸	– ⁸

- Indicator discontinued as the department plans to implement improved patient administration and web-based information systems in all primary health care facilities by March 2018.
- Target exceeded in 2016/17. However, the target for 2017/18 remains as published in the 2017 Estimates of National Expenditure.
- No historical data available.
- Indicator reported with a time lag of one year.
- Indicator for mother-to-child transmission of HIV showing infants who tested positive for HIV as a proportion of all live births by HIV-positive mothers.
- Indicator has changed from 6 weeks to 10 weeks, in line with the new guidelines on the prevention of mother-to-child transmission. The historical performance is for a rate at 6 weeks after birth.
- By the end of 2019/20, all health facilities in national health insurance pilot districts will have been maintained, repaired and/or refurbished.
- Once the backlog is eliminated, this indicator will be revised to measure turnaround time.

Expenditure analysis

Chapter 10 of the National Development Plan (NDP) sets out health goals, indicators and key actions towards achieving its vision by 2030. These are expressed in terms of outcome 2 (a long and healthy life for all South Africans) of government's medium-term strategic framework, with which the work of the Department of Health is closely aligned. Accordingly, over the MTEF period, the department plans to focus on implementing the second phase of national health insurance; expanding treatment and prevention programmes for HIV and AIDS, and tuberculosis (TB); revitalising public health care facilities; and ensuring accessible specialised tertiary health services.

As provincial health departments are mandated to provide health care services, the national department's role is to formulate policy, and coordinate and support provincial health departments in fulfilling their mandates. In this regard, 86.8 per cent (R133.8 billion) of the department's total budget over the medium term is expected to be transferred to provinces through conditional grants. Two major challenges faced by the sector are weak financial management capacity in provincial departments of health and escalating contingent liabilities due to medical malpractice litigation. To support provinces in these areas, the department has reprioritised R34 million from its goods and services budget over the MTEF period to expand its financial management support programme to provincial health departments. This intervention is to be led by the South African Institute for Chartered Accountants. R22.5 million has been allocated to set up expert medical committees to

support provinces in dealing with medico legal claims.

The South African Health Products Regulatory Authority is expected to be established in 2018/19, after which the department's internal regulatory unit is expected to move to the authority. It is anticipated that 180 employees will leave the department on 1 April 2018 to work in the new authority. The department expects to transfer R396.9 million to the entity over the medium term to support the operations of the authority.

The department's expenditure on compensation of employees is expected to increase at an average annual rate of 3.3 per cent over the MTEF period, from R873.4 million in 2017/18 to R961.4 million in 2020/21. The department expects a decrease in its staff complement over the medium term, from 1 508 in 2017/18 to 1 479 in 2020/21. This excludes staff who will be transferred to the South African Health Products Regulatory Authority, and is mainly due to the department applying stricter criteria for filling non-critical vacant posts, particularly those becoming vacant through retirement.

Implementing the second phase of national health insurance

The aim of national health insurance is to fundamentally reform how health care in South Africa is financed in order to increase access to and the quality of health care services. In this regard, over the MTEF period, the department intends to develop a national health insurance fund and related management structures, and expand access to the initial set of the priority services of national health insurance, as announced by the Minister of Health in 2017. For this purpose, additional amounts of R700 million in 2018/19, R1.4 billion in 2019/20 and R2.1 billion in 2020/21 are allocated mainly to the *National Health Insurance, Health Planning and Systems Enablement* programme, financed through downward adjustments of the medical tax credit. Accordingly, the *National Health Insurance, Health Planning and Systems Enablement* programme's total budget is expected to increase at an average annual rate of 49.9 per cent over the medium term, from R914.7 million in 2017/18 to R3.1 billion in 2020/21.

Of the additional amounts, R3.8 billion is allocated to the *national health insurance indirect grant*, thereby increasing its total allocations to R9.1 billion over the medium term. To appropriately manage the increase in allocations, the grant will be restructured to merge all existing components (except the health facility revitalisation component in the *Hospitals, Tertiary Health Services and Human Resource Development* programme) into 2 new components: the personal services component and the non-personal services component. The personal services component of the grant is allocated R4 billion over the medium term to fund priority services for national health insurance, which include: expanding access to school health services, focusing on optometry and audiology; contracting general practitioners by capitation, that is, paying care providers a set annual amount per patient registered in their practice instead of fees per service provided; and providing community mental health services, maternal care for high risk pregnancies, screening and treatment for breast and cervical cancer, hip and knee arthroplasty, cataract surgeries, and wheelchairs.

The non-personal services component of the *national health insurance indirect grant* is allocated R2.3 billion over the MTEF period to fund the expansion of the centralised chronic medicines dispensing and distribution programme, development and rollout of health information systems, a capitation model for the purchasing of primary health care services, and monitoring and supporting the ideal clinic programme. Through the non-personal services component of the grant, by 2020/21, the department aims to implement the electronic stock surveillance system in 3 942 health facilities (from 3 349 in 2016/17), and distribute chronic medicines to 3 million patients through the centralised chronic medicine dispensing and distribution system (from 1.3 million in 2016/17).

The remaining R368 million of the additional allocations is earmarked over the MTEF period to support interim national health insurance activities, including 7 gazetted ministerial advisory committees; strengthen health technology assessment; and fund programmes related to the prevention of non-communicable diseases. The health promotion levy on sugary beverages is expected to be implemented in 2018/19, with consideration being given to use a portion of revenue generated from the levy to further fund programmes related to the prevention of non-communicable diseases.

Expanding treatment and prevention programmes for HIV and AIDS, and TB

The department has adopted the 90 90 90 targets of the United Nations programme on HIV and AIDS. These targets commit government to ensuring that, by 2020, 90 per cent of all people living with HIV will know their status, 90 per cent of all people diagnosed with HIV will receive sustained antiretroviral therapy, and 90 per cent of all people receiving antiretroviral therapy will be virally suppressed.

In 2016, the department implemented the universal test and treat policy, which states that the department should offer treatment to everyone diagnosed with HIV, regardless of their CD4 count, which is the marker for the strength of the immune system. For this purpose, an additional R1 billion is allocated to the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme in 2020/21 for the *comprehensive HIV, AIDS and TB grant* for provinces to provide antiretroviral treatment to an estimated 6 million people by the end of the MTEF period. As a result of the additional allocation in 2020/21, funding for the grant increases by 11.6 per cent per year, with a total allocation of R66.4 billion between 2017/18 and 2020/21.

Community health workers play a pivotal role in ensuring access to primary health care services in South Africa's most vulnerable communities. In recognition of this, over the medium term, the department intends adding a community outreach services component to the *comprehensive HIV, AIDS and TB grant*. The new component is expected to enable the sector to improve the efficiencies of the ward-based primary health care outreach teams programme by standardising and strengthening the training, service package, and performance monitoring of community health workers. The community outreach services component framework, which is included in the 2018 Division of Revenue Bill, outlines the grant conditions and performance indicators that will regulate the community outreach services component of the *comprehensive HIV, AIDS and TB grant*. By 2020/21, the number of ward-based primary health care outreach teams is expected to increase to 3 700 from 3 275 in 2016/17. An estimated R4.4 billion over the MTEF period has been reprioritised in the *comprehensive HIV, AIDS and TB grant* to create the community outreach services component.

Revitalising public health care facilities

The department is in the process of finalising a 10-year infrastructure plan to determine areas with the greatest need for capital investments, based on population projections up to 2025. Accordingly, the department plans to invest an estimated R21.1 billion in health care infrastructure over the medium term. These funds will be managed as 2 conditional grants in the *Health Facilities Infrastructure Management* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

The direct *health facility revitalisation grant*, which receives R18.2 billion over the MTEF period, after reductions of R511 million approved by Cabinet, is transferred to provincial health departments to fund the upgrading, refurbishing and maintenance of existing health care facilities, and the building of new facilities.

The second conditional grant for health care infrastructure is the *national health insurance indirect grant*, in which the health facility revitalisation component focuses on replacing, refurbishing and maintaining infrastructure in the national health insurance pilot districts. This grant is managed by the department, and is allocated R2.8 billion over the medium term after reductions of R309 million that were approved by Cabinet. The department is working closely with implementing agents to ensure that all 872 primary health care facilities in the national health insurance pilot districts are maintained, constructed or revitalised by 2019/20.

Ensuring accessible specialised tertiary health services

Tertiary health services are highly specialised, hospital-based health care services that require strong national coordination as a result of their unequal distribution across South Africa. Consequently, many patients are forced to seek specialised care in neighbouring provinces when the required tertiary services are not available in their home province. To compensate provincial health departments for treating patients from other provinces, the department plans to continue subsidising tertiary health services in 29 hospitals and hospital complexes over the medium term through the *national tertiary services grant*.

This direct grant provides funding for specialised personnel, equipment, and advanced medical investigation

and treatment according to approved service specifications; and supports the modernisation of tertiary facilities by upgrading medical equipment. For this purpose, R12.4 billion in 2018/19, R13.2 billion in 2019/20 and R14.1 billion in 2020/21 is allocated to the *national tertiary services grant* in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

Expenditure trends

Table 16.2 Vote expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. National Health Insurance, Health Planning and Systems Enablement																															
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health																															
4. Primary Health Care Services																															
5. Hospitals, Tertiary Health Services and Human Resource Development																															
6. Health Regulation and Compliance Management																															
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18																		
Programme 1	389.7	389.7	386.5	457.1	456.6	438.5	463.5	462.0	442.9	512.8	514.8	514.8	97.8%	97.8%																	
Programme 2	652.0	658.9	338.2	587.8	596.6	553.1	559.8	588.6	679.2	735.1	934.7	914.7	98.0%	89.4%																	
Programme 3	12 840.7	12 840.7	12 818.7	14 442.1	14 378.9	14 179.0	16 018.6	16 009.6	15 965.2	18 278.3	18 297.8	18 267.8	99.4%	99.5%																	
Programme 4	200.5	216.2	206.3	225.0	224.9	212.6	257.8	256.5	225.7	264.3	263.9	263.9	95.9%	94.5%																	
Programme 5	18 929.5	18 816.5	18 448.6	19 159.1	18 970.0	19 002.3	19 573.5	19 574.0	19 468.7	21 108.2	20 907.8	20 907.8	98.8%	99.4%																	
Programme 6	1 367.6	1 403.1	1 340.7	1 596.9	1 603.9	1 599.4	1 690.2	1 706.7	1 714.5	1 727.0	1 726.6	1 726.6	100.0%	99.1%																	
Total	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 496.2	42 625.7	42 645.6	42 595.6	99.1%	99.2%																	
Change to 2017 Budget estimate													19.8																		
Economic classification																															
Current payments	2 041.0	2 245.1	1 740.1	2 351.5	2 270.1	1 934.0	2 304.8	2 341.6	2 234.7	2 404.7	2 590.6	2 560.6	93.1%	89.6%																	
Compensation of employees	649.1	656.5	686.3	772.1	774.3	750.1	873.4	857.4	837.3	760.0	873.4	873.4	103.0%	99.5%																	
Goods and services	1 391.9	1 588.6	1 053.8	1 579.5	1 495.8	1 183.9	1 431.4	1 484.2	1 397.5	1 644.7	1 717.3	1 687.3	88.0%	84.7%																	
Transfers and subsidies	31 314.1	31 591.1	31 570.6	33 448.5	33 496.1	33 482.2	35 637.0	35 664.6	35 660.0	39 355.4	39 282.1	39 282.1	100.2%	100.0%																	
Provinces and municipalities	29 902.1	30 164.1	30 171.1	31 857.9	31 904.7	31 904.7	33 972.0	33 981.0	33 981.0	37 520.4	37 570.2	37 570.2	100.3%	100.0%																	
Departmental agencies and accounts	1 202.9	1 212.9	1 178.1	1 416.4	1 417.1	1 419.4	1 494.5	1 494.7	1 497.3	1 649.8	1 516.1	1 516.1	-	-																	
Higher education institutions	3.0	3.0	-	3.1	3.1	-	3.3	3.3	-	-	-	-	-	-																	
Foreign governments and international organisations	-	2.7	2.6	-	-	-	-	14.4	16.0	-	-	-	-	109.5%																	
Non-profit institutions	206.1	208.4	215.3	171.1	171.1	155.1	167.2	167.2	161.7	185.2	193.7	193.7	99.5%	98.0%																	
Households	0.0	0.0	3.5	-	-	2.9	-	4.0	3.9	-	2.0	2.0	82 053.3%	206.9%																	
Payments for capital assets	1 024.9	488.9	227.4	668.0	464.7	567.8	621.5	591.0	600.8	865.6	772.8	752.8	67.6%	92.7%																	
Buildings and other fixed structures	979.9	378.4	168.9	562.5	354.6	470.6	471.9	471.9	574.0	714.6	644.0	644.0	68.1%	100.5%																	
Machinery and equipment	45.1	100.7	58.4	105.5	110.1	93.0	149.6	119.1	24.6	146.0	123.8	103.8	62.7%	61.7%																	
Software and other intangible assets	-	9.8	0.2	-	-	4.2	-	-	2.2	5.0	5.0	5.0	231.2%	78.3%																	
Payments for financial assets	-	-	0.9	-	-	0.9	-	0.3	0.7	-	0.1	0.1	-	678.4%																	
Total	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 496.2	42 625.7	42 645.6	42 595.6	99.1%	99.2%																	

Expenditure estimates

Table 16.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. National Health Insurance, Health Planning and Systems Enablement								
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health								
4. Primary Health Care Services								
5. Hospitals, Tertiary Health Services and Human Resource Development								
6. Health Regulation and Compliance Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	514.8	9.7%	1.2%	550.8	592.5	627.1	6.8%	1.2%
Programme 2	914.7	11.6%	1.6%	1 671.6	2 380.3	3 081.7	49.9%	4.1%
Programme 3	18 267.8	12.5%	40.7%	20 719.1	22 873.3	25 317.7	11.5%	44.1%
Programme 4	263.9	6.9%	0.6%	301.7	366.6	431.4	17.8%	0.7%
Programme 5	20 907.8	3.6%	51.7%	22 124.2	23 364.2	24 831.1	5.9%	46.2%
Programme 6	1 726.6	7.2%	4.2%	1 775.5	1 876.5	1 980.4	4.7%	3.7%
Total	42 595.6	7.5%	100.0%	47 142.9	51 453.4	56 269.3	9.7%	100.0%
Change to 2017 Budget estimate				475.9	1 068.4	1 749.9		
Economic classification								
Current payments	2 560.6	4.5%	5.6%	3 088.4	4 019.4	4 806.5	23.4%	7.3%
Compensation of employees	873.4	10.0%	2.1%	828.8	894.3	961.4	3.3%	1.8%
Goods and services	1 687.3	2.0%	3.5%	2 259.6	3 125.0	3 845.1	31.6%	5.5%
Transfers and subsidies	39 282.1	7.5%	92.9%	43 017.0	46 423.6	50 322.4	8.6%	90.7%
Provinces and municipalities	37 570.2	7.6%	88.7%	41 122.6	44 423.1	48 211.9	8.7%	86.8%
Departmental agencies and accounts	1 516.1	7.7%	3.7%	1 698.5	1 793.7	1 892.3	7.7%	3.5%
Non-profit institutions	193.7	-2.4%	0.5%	195.9	206.8	218.2	4.0%	0.4%
Households	2.0	408.5%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	752.8	15.5%	1.4%	1 037.5	1 010.4	1 140.4	14.9%	2.0%
Buildings and other fixed structures	644.0	19.4%	1.2%	748.1	792.1	876.5	10.8%	1.6%
Machinery and equipment	103.8	1.0%	0.2%	289.4	218.3	263.9	36.5%	0.4%
Software and other intangible assets	5.0	-20.0%	0.0%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.1	-	0.0%	-	-	-	-100.0%	0.0%
Total	42 595.6	7.5%	100.0%	47 142.9	51 453.4	56 269.3	9.7%	100.0%

Expenditure trends and estimates for significant spending items

Table 16.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Comprehensive HIV/AIDS and TB grant	12 102 108	13 670 730	15 290 603	17 757 821	13.6%	39.1%	19 921 697	22 038 995	24 438 471	11.2%	42.6%
National tertiary services grant	10 168 235	10 381 174	10 846 778	11 676 145	4.7%	28.6%	12 400 703	13 185 528	14 068 863	6.4%	26.0%
National health insurance indirect grant (direct)	76 956	61 077	94 227	-	-100.0%	0.2%	-	-	-	-	-
Health facility revitalisation grant (direct)	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	14.5%	5 815 694	6 046 973	6 379 557	3.9%	12.1%
National health insurance indirect grant total	564 095	1 051 122	1 247 860	1 588 037	41.2%	3.0%	2 303 859	3 038 691	3 775 194	33.5%	5.4%
Health facility revitalisation component	292 345	612 623	686 496	688 984	33.1%	1.5%	891 359	940 707	992 111	12.9%	1.8%
Personal services component	-	-	-	-	-	-	712 500	1 324 984	1 931 083	-	2.0%
Non-personal services component	-	-	-	-	-	-	700 000	773 000	852 000	-	1.2%
Total	28 705 720	31 193 771	33 438 644	37 395 482	-6.3%	86.9%	42 745 812	47 348 878	52 437 279	67.9%	91.1%

Goods and services expenditure trends and estimates

Table 16.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	740	689	704	4 406	81.2%	0.1%	2 206	2 569	2 431	-18.0%	0.1%
Advertising	9 311	10 402	6 982	15 181	17.7%	0.8%	14 400	14 899	16 528	2.9%	0.6%
Minor assets	8 235	7 055	9 378	11 137	10.6%	0.7%	17 784	21 729	25 079	31.1%	0.7%
Audit costs: External	27 921	20 132	24 458	38 554	11.4%	2.1%	32 459	34 981	36 188	-2.1%	1.3%
Bursaries: Employees	1 076	1 553	902	2 000	23.0%	0.1%	1 110	1 228	1 351	-12.3%	0.1%
Catering: Departmental activities	3 222	3 150	2 334	3 635	4.1%	0.2%	3 717	3 768	4 168	4.7%	0.1%
Communication	15 723	19 550	16 559	26 249	18.6%	1.5%	25 705	27 271	27 044	1.0%	1.0%
Computer services	13 776	11 915	13 025	36 696	38.6%	1.4%	30 186	31 872	33 495	-3.0%	1.2%
Consultants: Business and advisory services	54 815	65 595	142 996	137 126	35.8%	7.5%	413 792	1 223 961	1 823 135	136.9%	32.9%
Infrastructure and planning services	4 286	-	-	200	-64.0%	0.1%	-	-	-	-100.0%	-
Laboratory services	-	-	4 499	1 100	-	0.1%	1 259	1 056	1 114	0.4%	-
Legal services	6 197	6 990	6 451	9 306	14.5%	0.5%	10 386	11 620	13 640	13.6%	0.4%
Science and technological services	11 743	-	-	15 643	10.0%	0.5%	-	-	2 175	-48.2%	0.2%
Contractors	95 289	286 243	363 819	553 405	79.7%	24.3%	728 958	804 605	872 343	16.4%	27.0%
Agency and support/outsourced services	92 363	154 287	135 561	145 489	16.4%	9.9%	351 855	273 096	280 035	24.4%	9.6%
Entertainment	18	2	3	436	189.3%	-	200	212	224	-19.9%	-
Fleet services (including government motor transport)	27 201	60 757	54 920	32 747	6.4%	3.3%	32 947	36 525	38 740	5.8%	1.3%
Housing	-	24	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 708	494	209	1 500	-17.9%	0.1%	-	100	-	-100.0%	-
Inventory: Farming supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	93	114	1 065	202	29.5%	-	534	559	590	42.9%	-
Inventory: Fuel, oil and gas	1 076	2 040	25	1 832	19.4%	0.1%	2 608	2 749	2 900	16.5%	0.1%
Inventory: Materials and supplies	334	131	755	2 062	83.4%	0.1%	3 231	3 598	2 543	7.2%	0.1%
Inventory: Medical supplies	209 556	77 538	132 453	122 752	-16.3%	10.1%	148 788	154 343	159 404	9.1%	5.3%
Inventory: Medicine	177 192	98 338	119 821	176 916	-0.1%	10.7%	2 273	2 545	2 685	-75.2%	1.7%
Inventory: Other supplies	10 332	11 994	9 238	16 836	17.7%	0.9%	13 655	13 027	13 743	-6.5%	0.5%
Consumable supplies	1 687	3 007	840	9 853	80.1%	0.3%	1 714	1 990	2 282	-38.6%	0.1%
Consumables: Stationery, printing and office supplies	18 359	20 196	17 408	25 465	11.5%	1.5%	32 344	34 826	38 286	14.6%	1.2%
Operating leases	93 532	131 666	134 885	156 097	18.6%	9.6%	163 529	183 279	193 226	7.4%	6.4%
Rental and hiring	97	98	298	200	27.3%	-	600	678	716	53.0%	-
Property payments	22 592	23 661	17 076	21 201	-2.1%	1.6%	25 575	22 180	23 400	3.3%	0.8%
Travel and subsistence	82 745	92 748	92 668	88 467	2.3%	6.7%	88 307	99 375	103 880	5.5%	3.5%
Training and development	4 789	4 546	5 082	8 545	21.3%	0.4%	17 542	21 217	23 416	39.9%	0.6%
Operating payments	50 262	49 569	66 522	39 865	-7.4%	3.9%	76 276	77 334	81 744	27.0%	2.5%
Venues and facilities	6 490	19 410	16 534	12 155	23.3%	1.0%	15 631	17 828	18 614	15.3%	0.6%
Total	1 053 761	1 183 894	1 397 470	1 717 258	17.7%	100.0%	2 259 571	3 125 020	3 845 119	30.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Households											
Social benefits											
Current	3 397	2 858	3 669	1 972	-16.6%	-	-	-	-	-100.0%	-
Employee social benefits	3 397	2 858	3 669	1 972	-16.6%	-	-	-	-	-100.0%	-

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 174 867	1 416 059	1 493 807	1 512 431	8.8%	4.0%	1 694 688	1 789 609	1 888 038	7.7%	3.8%
Public Service Sector Education and Training Authority	90	-	-	-	-100.0%	-	-	-	-	-	-
Health and Welfare Sector Education and Training Authority	1 276	2 439	2 808	2 252	20.8%	-	2 455	2 612	2 756	7.0%	-
South African Medical Research Council	446 331	623 892	660 270	614 961	11.3%	1.7%	624 829	659 819	696 109	4.2%	1.4%
South African National AIDS Council	15 000	19 340	16 711	17 547	5.4%	-	17 108	18 066	19 059	2.8%	-
National Health Laboratory Service	674 052	678 926	711 871	746 464	3.5%	2.0%	789 759	833 986	879 855	5.6%	1.8%
Office of Health Standards Compliance	33 367	88 906	100 535	125 711	55.6%	0.2%	129 678	136 940	144 472	4.7%	0.3%
Council for Medical Schemes	4 751	2 556	1 612	5 496	5.0%	-	5 670	5 987	6 317	4.8%	-
South African Health Product Regulatory Authority	-	-	-	-	-	-	125 189	132 199	139 470	-	0.2%
Non-profit institutions											
Current	215 283	155 073	161 670	193 737	-3.5%	0.5%	195 909	206 811	218 187	4.0%	0.5%
South African Medical Research Council	512	471	496	520	0.5%	-	550	581	613	5.6%	-
Wits University Foundation	-	-	650	-	-	-	-	-	-	-	-
Non-profit institutions	13 670	-	-	-	-100.0%	-	-	-	-	-	-
Health information systems programme	-	12 103	12 745	13 382	-	-	14 158	14 951	15 773	5.6%	-
Health Systems Trust	12 867	11 367	11 969	15 019	5.3%	-	15 890	16 780	17 703	5.6%	-
Non-governmental organisations: Lifeline	19 023	19 898	20 953	22 000	5.0%	0.1%	23 276	24 579	25 931	5.6%	0.1%
Non-governmental organisations: loveLife	69 843	54 396	57 808	61 200	-4.3%	0.2%	64 750	68 376	72 137	5.6%	0.1%
Non-governmental organisations: Soul City	15 561	16 277	14 465	19 226	7.3%	-	20 270	21 336	22 509	5.4%	-
Non-governmental organisations: HIV and AIDS	79 919	38 131	41 439	51 450	-13.7%	0.2%	54 434	57 482	60 644	5.6%	0.1%
Public Universities South Africa	-	-	-	8 500	-	-	-	-	-	-100.0%	-
South African Federation for Mental Health	320	335	353	371	5.1%	-	393	415	438	5.7%	-
South African National Council for the Blind	718	752	792	832	5.0%	-	880	929	980	5.6%	-
Non-governmental organisations: Mental health	82	-	-	-	-100.0%	-	-	-	-	-	-
National Council Against Smoking	768	803	-	887	4.9%	-	938	991	1 046	5.6%	-
National Kidney Foundation of South Africa	-	350	-	350	-	-	370	391	413	5.7%	-
Health Systems Global: South Africa	2 000	-	-	-	-100.0%	-	-	-	-	-	-
Mental Health and Substance Abuse	-	190	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households	100	52	260	-	-100.0%	-	-	-	-	-	-
Employee social benefits	-	-	260	-	-	-	-	-	-	-	-
Other transfers to households	-	52	-	-	-	-	-	-	-	-	-
Donation for conference on paediatric cardiology and cardiac surgery	100	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	2 622	-	16 031	-	-100.0%	-	-	-	-	-	-
International AIDS Society	-	-	14 370	-	-	-	-	-	-	-	-
World Health Organisation	2 622	-	-	-	-100.0%	-	-	-	-	-	-
International Hospital Federation	-	-	1 661	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	24 669 087	26 487 703	28 708 332	31 885 731	8.9%	79.8%	35 306 896	38 376 151	41 832 302	9.5%	82.3%
National health insurance grant	76 956	61 077	94 227	-	-100.0%	0.2%	-	-	-	-	-
Comprehensive HIV and AIDS grant	12 102 108	13 670 730	-	-	-100.0%	18.4%	-	-	-	-	-
Human papillomavirus vaccine grant	-	-	-	-	-	-	200 000	211 200	222 816	-	0.4%
Comprehensive HIV, AIDS and tuberculosis grant	-	-	15 290 603	17 577 737	-	23.5%	19 921 697	22 038 995	24 438 471	11.6%	46.9%
Health professions training and development grant	2 321 788	2 374 722	2 476 724	2 631 849	4.3%	7.0%	2 784 496	2 940 428	3 102 152	5.6%	6.4%
National tertiary services grant	10 168 235	10 381 174	10 846 778	11 676 145	4.7%	30.8%	12 400 703	13 185 528	14 068 863	6.4%	28.7%

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Capital	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	15.6%	5 815 694	6 046 973	6 379 557	3.9%	13.4%
Health facility revitalisation grant	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	15.6%	5 815 694	6 046 973	6 379 557	3.9%	13.4%
Departmental agencies and accounts											
Social security funds											
Current	3 215	3 363	3 541	3 718	5.0%	-	3 836	4 050	4 272	4.7%	-
Compensation Commissioner	3 215	3 363	3 541	3 718	5.0%	-	3 836	4 050	4 272	4.7%	-
Total	31 570 552	33 482 153	35 659 990	39 282 084	7.6%	100.0%	43 017 023	46 423 594	50 322 356	8.6%	100.0%

Personnel information

Table 16.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21							
Health	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
Salary level	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
1 - 6	602	-	586	138.0	0.2	582	148.3	0.3	503	140.9	0.3	500	154.4	0.3	497	166.6	0.3	-5.1%	33.8%
7 - 10	747	-	754	361.6	0.5	753	385.4	0.5	731	422.3	0.6	729	458.9	0.6	724	498.2	0.7	-1.3%	47.7%
11 - 12	268	-	214	205.8	1.0	214	202.4	0.9	129	123.1	1.0	126	128.8	1.0	126	137.9	1.1	-16.2%	9.7%
13 - 16	122	-	140	131.9	0.9	139	137.2	1.0	135	142.5	1.1	134	152.2	1.1	132	158.7	1.2	-1.7%	8.8%
Programme	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
Programme 1	437	-	443	187.6	0.4	439	197.2	0.4	435	209.2	0.5	433	231.6	0.5	431	244.7	0.6	-0.6%	28.2%
Programme 2	159	-	153	109.5	0.7	153	114.7	0.7	152	116.7	0.8	150	124.3	0.8	148	131.2	0.9	-1.1%	9.8%
Programme 3	120	-	124	75.6	0.6	124	79.4	0.6	121	84.4	0.7	121	89.6	0.7	118	94.6	0.8	-1.6%	7.9%
Programme 4	410	-	414	177.9	0.4	414	185.6	0.4	413	209.1	0.5	410	220.9	0.5	409	233.2	0.6	-0.4%	26.7%
Programme 5	266	-	274	138.0	0.5	273	128.5	0.5	272	145.2	0.5	270	157.7	0.6	270	183.3	0.7	-0.4%	17.6%
Programme 6	347	-	286	148.7	0.5	285	168.0	0.6	105	64.3	0.6	105	70.2	0.7	103	74.5	0.7	-28.8%	9.7%

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

2. Rand million.

Departmental receipts

Table 16.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/Total (%) 2014/15 - 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	66 140	53 885	59 233	59 524	59 524	-3.5%	100.0%	7 915	8 102	9 199	-46.3%	100.0%
Sales of goods and services produced by department	54 031	46 052	54 298	53 078	53 078	-0.6%	86.9%	4 711	3 995	4 589	-55.8%	78.3%
Sales by market establishments	154	160	172	156	156	0.4%	0.3%	170	200	210	10.4%	0.9%
of which:												
Parking	154	160	172	156	156	0.4%	0.3%	170	200	210	10.4%	0.9%
Administrative fees	53 594	45 395	53 627	52 482	52 482	-0.7%	85.9%	4 250	3 500	3 800	-58.3%	75.6%
of which:												
Medical (drug control) licences	2 961	2 264	2 217	1 576	1 576	-19.0%	3.8%	3 200	2 300	2 500	16.6%	11.3%
Drug control	50 633	42 380	50 262	50 000	50 000	-0.4%	80.9%	-	-	-	-100.0%	59.0%
Inspection fees	-	751	1 148	906	906	-	1.2%	1 050	1 200	1 300	12.8%	5.3%
Other sales	283	497	499	440	440	15.8%	0.7%	291	295	579	9.6%	1.9%
of which:												
Yellow fever	33	334	114	64	64	24.7%	0.2%	134	137	150	32.8%	0.6%
Replacement of security cards	8	5	10	8	8	-	-	7	8	9	4.0%	-
Commission on insurance	242	158	375	368	368	15.0%	0.5%	150	150	420	4.5%	1.3%

Table 16.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Sales of scrap, waste, arms and other used current goods	3	44	-	4	4	10.1%	-	4	7	10	35.7%	-
of which:												
Scrap paper	3	-	-	4	4	10.1%	-	4	7	10	35.7%	-
Scrap	-	44	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	6 337	6 536	3 627	2 500	2 500	-26.7%	8.0%	1 800	2 600	3 000	6.3%	11.7%
Interest	6 337	6 536	3 627	2 500	2 500	-26.7%	8.0%	1 800	2 600	3 000	6.3%	11.7%
Transactions in financial assets and liabilities	5 769	1 253	1 308	3 942	3 942	-11.9%	5.1%	1 400	1 500	1 600	-26.0%	10.0%
Total	66 140	53 885	59 233	59 524	59 524	-3.5%	100.0%	7 915	8 102	9 199	-46.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 16.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
R million												
Ministry	28.9	30.0	29.0	31.8	3.3%	6.7%	31.2	34.5	37.1	5.2%	5.9%	
Management	20.9	19.8	22.1	19.6	-2.2%	4.6%	25.7	28.2	29.9	15.1%	4.5%	
Corporate Services	178.3	199.7	199.2	235.5	9.7%	45.6%	245.0	261.8	276.6	5.5%	44.6%	
Office Accommodation	110.4	147.6	143.0	165.2	14.4%	31.8%	174.9	186.0	196.2	5.9%	31.6%	
Financial Management	48.0	41.4	49.5	62.8	9.4%	11.3%	74.0	82.0	87.4	11.7%	13.4%	
Total	386.5	438.5	442.9	514.8	10.0%	100.0%	550.8	592.5	627.1	6.8%	100.0%	
Change to 2017				2.0			3.3	10.0	7.9			
Budget estimate												
Economic classification												
Current payments	381.8	426.9	432.8	507.6	10.0%	98.1%	537.3	581.7	615.3	6.6%	98.1%	
Compensation of employees	167.5	177.7	187.6	197.2	5.6%	40.9%	209.2	231.6	244.7	7.5%	38.6%	
Goods and services ¹	214.4	249.2	245.2	310.4	13.1%	57.2%	328.1	350.1	370.6	6.1%	59.5%	
of which:												
Audit costs: External	27.9	20.1	21.8	35.3	8.1%	5.9%	30.0	32.1	33.2	-2.0%	5.7%	
Communication	8.9	9.8	9.4	16.4	22.7%	2.5%	17.0	18.6	17.0	1.1%	3.0%	
Operating leases	90.2	128.1	131.1	147.6	17.8%	27.9%	155.7	174.9	184.5	7.7%	29.0%	
Property payments	22.3	23.3	16.6	20.0	-3.6%	4.6%	20.8	18.2	19.2	-1.3%	3.4%	
Travel and subsistence	15.7	15.6	14.3	20.3	8.9%	3.7%	21.6	24.5	27.7	10.9%	4.1%	
Training and development	4.6	3.9	4.6	8.4	22.5%	1.2%	15.9	18.9	20.4	34.2%	2.8%	
Transfers and subsidies¹	2.2	3.4	3.1	2.7	7.6%	0.6%	2.5	2.6	2.8	1.0%	0.5%	
Departmental agencies and accounts	1.4	2.4	2.8	2.3	18.1%	0.5%	2.5	2.6	2.8	7.0%	0.4%	
Households	0.8	1.0	0.3	0.4	-18.5%	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	2.3	7.9	6.8	4.6	25.6%	1.2%	11.0	8.2	9.0	25.2%	1.4%	
Machinery and equipment	2.3	7.9	4.6	4.6	25.6%	1.1%	11.0	8.2	9.0	25.2%	1.4%	
Software and other intangible assets	-	-	2.2	-	-	0.1%	-	-	-	-	-	
Payments for financial assets	0.2	0.2	0.1	0.0	-57.5%	-	-	-	-	-100.0%	-	
Total	386.5	438.5	442.9	514.8	10.0%	100.0%	550.8	592.5	627.1	6.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.2%	1.2%	1.2%	1.2%	-	-	1.2%	1.2%	1.1%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	1.3	2.4	2.8	2.3	20.8%	0.5%	2.5	2.6	2.8	7.0%	0.4%	
Health and Welfare Sector Education and Training Authority	1.3	2.4	2.8	2.3	20.8%	0.5%	2.5	2.6	2.8	7.0%	0.4%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Programme purpose

Improve access to quality health services through the development and implementation of policies to achieve universal health coverage, health financing reform, integrated health systems planning, monitoring and evaluation, and the coordination of research.

Objectives

- Achieve universal health coverage by 2030 through the phased implementation of national health insurance over the medium term.
- Lay the legal foundation for national health insurance by enabling the enactment of the National Health Insurance Bill by March 2021.
- Improve equity in the distribution of funding by establishing a functional national health insurance fund by March 2020.
- Strengthen revenue collection by implementing a revenue retention model in all provinces by March 2019.
- Improve access to chronic medicines and alleviate pressure on primary health care facilities by ensuring that 3 million patients receive chronic medicine through a centralised chronic medicine dispensing and distribution system by March 2021.
- Strengthen the monitoring of the availability of medicine by establishing a national stock management surveillance centre that reports on stock availability at all primary health care facilities by March 2021.
- Improve health information and operational processes in primary health care facilities by implementing the health patient registration system in all primary health care facilities by March 2021.

Subprogrammes

- *Programme Management* provides leadership to the programme to improve access to quality health care services by developing and implementing universal health coverage policies; health financing reform; integrated health systems planning, reporting, and monitoring and evaluation; and research.
- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy analysis and implementation.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, implements disease notification surveillance programmes, and monitors and evaluates strategic health programmes.
- *Sector-Wide Procurement* is responsible for developing systems to ensure access to essential pharmaceutical commodities. This is achieved through the selection of essential medicines, the development of standard treatment guidelines, the administration of health tenders, and the licensing of persons and premises that deliver pharmaceutical services and related policies.
- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks to achieve universal health coverage by designing and implementing national health insurance. It commissions health financing research, develops policy for the medical schemes industry, provides technical oversight over the Council for Medical Schemes, and manages the *national health insurance indirect grant*.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners, such as the Southern African Development Community, the African Union and United Nations agencies, and economic groupings of countries such as Brazil-Russia-India-South Africa, to strengthen the health system; manages processes involving the provision of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates support for international development; and profiles and lobbies for South Africa's policy position internationally.

Expenditure trends and estimates

Table 16.10 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	0.3	0.6	3.6	4.0	128.6%	0.3%	4.6	4.7	5.0	8.1%	0.2%
Technical Policy and Planning	10.0	14.0	18.1	97.8	114.0%	5.6%	21.4	22.4	24.1	-37.3%	2.1%
Health Information Management, Monitoring and Evaluation	51.8	57.4	81.6	67.1	9.0%	10.3%	62.0	65.1	68.6	0.7%	3.3%
Sector-Wide Procurement	24.3	26.3	26.6	139.4	78.9%	8.6%	46.3	46.8	49.2	-29.3%	3.5%
Health Financing and National Health Insurance	177.4	367.7	476.8	546.7	45.5%	62.6%	1 451.2	2 151.2	2 839.8	73.2%	86.6%
International Health and Development	74.3	87.1	72.4	79.7	2.4%	12.5%	86.0	90.1	94.9	6.0%	4.3%
Total	338.2	553.1	679.2	934.7	40.3%	100.0%	1 671.6	2 380.3	3 081.7	48.8%	100.0%
Change to 2017 Budget estimate				199.6			678.7	1 333.0	1 974.0		
Economic classification											
Current payments	233.5	467.5	558.2	822.4	52.2%	83.1%	1 462.0	2 243.1	2 941.1	52.9%	92.6%
Compensation of employees	91.5	98.4	109.5	114.7	7.8%	16.5%	116.7	124.3	131.2	4.6%	6.0%
Goods and services ¹	142.0	369.1	448.7	707.7	70.8%	66.6%	1 345.3	2 118.9	2 809.9	58.3%	86.5%
of which:											
Minor assets	0.1	0.2	0.2	0.5	65.5%	–	9.7	12.3	14.8	208.7%	0.5%
Consultants: Business and advisory services	9.7	12.6	33.8	14.1	13.4%	2.8%	291.4	1 098.9	1 709.0	394.5%	38.6%
Contractors	75.7	278.1	358.0	524.3	90.6%	49.3%	658.5	711.7	767.2	13.5%	33.0%
Agency and support/outsourced services	0.2	6.5	–	84.7	607.6%	3.7%	287.6	187.0	199.2	33.0%	9.4%
Travel and subsistence	24.9	28.3	21.9	20.6	-6.1%	3.8%	23.7	29.9	32.9	16.8%	1.3%
Operating payments	24.1	31.6	25.9	33.8	12.0%	4.6%	43.5	44.4	47.3	11.8%	2.1%
Transfers and subsidies¹	103.7	84.7	119.9	28.7	-34.8%	13.5%	30.0	31.7	33.5	5.2%	1.5%
Provinces and municipalities	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–
Non-profit institutions	26.5	23.5	25.4	28.4	2.3%	4.1%	30.0	31.7	33.5	5.6%	1.5%
Households	0.3	0.1	0.3	0.3	7.7%	–	–	–	–	-100.0%	–
Payments for capital assets	0.9	0.8	1.1	83.5	346.2%	3.4%	179.5	105.5	107.1	8.6%	5.9%
Machinery and equipment	0.8	0.8	1.1	78.5	368.2%	3.2%	179.5	105.5	107.1	10.9%	5.8%
Software and other intangible assets	0.2	–	–	5.0	205.7%	0.2%	–	–	–	-100.0%	0.1%
Payments for financial assets	0.1	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Total	338.2	553.1	679.2	934.7	40.3%	100.0%	1 671.6	2 380.3	3 081.7	48.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.5%	1.8%	2.2%	–	–	3.5%	4.6%	5.5%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	26.5	23.5	24.7	28.4	2.3%	4.1%	30.0	31.7	33.5	5.6%	1.5%
Non-profit institutions	13.7	–	–	–	-100.0%	0.5%	–	–	–	–	–
Health information systems programme	–	12.1	12.7	13.4	–	1.5%	14.2	15.0	15.8	5.6%	0.7%
Health Systems Trust	12.9	11.4	12.0	15.0	5.3%	2.0%	15.9	16.8	17.7	5.6%	0.8%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–
National health insurance grant	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: HIV and AIDS, Tuberculosis, and Maternal and Child Health

Programme purpose

Develop national policies, guidelines, norms and standards, and targets to decrease the burden of disease related to the HIV and tuberculosis epidemics; support the implementation of these; and monitor and evaluate their impact. Minimise maternal and child mortality and morbidity; and optimise good health for children, adolescents and women.

Objectives

- Reduce the maternal mortality rate to fewer than 100 per 100 000 live births by March 2020 through implementing and sustaining essential training in obstetric emergencies, conducting maternal mortality reviews, and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 9 per 1 000 live births by March 2020 by capacitating health care workers to manage sick and small neonates, and procuring essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by ensuring that at least 75 per cent of couples access modern contraceptive methods by March 2020.
- Protect girls by reducing the risk of contracting cervical cancer later in life by vaccinating 90 per cent of girls in grade 4 against the human papilloma virus by March 2021.
- Reduce the rate of mother-to-child HIV transmission to below 1.1 per cent by March 2021 through the effective implementation of the guidelines on the prevention of mother-to-child transmission.
- Reduce the mortality rate for children under 5 years to less than 33 per 1 000 live births by March 2020 through implementing the recommendations from the Committee on Morbidity and Mortality in Children Under 5 Years.
- Contribute to the health and wellbeing of learners by screening more than 480 000 grade 1 learners and 230 000 grade 8 learners for health-related barriers to learning per year by March 2020.
- Achieve a TB treatment success rate of 88 per cent and a 5 per cent or less TB loss-to-follow-up rate by March 2020 through the increased identification of TB patients and ensuring patients complete their treatment.
- Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 5.9 million by March 2020.
- Reduce new HIV infections by implementing a combination of prevention interventions, such as HIV counselling and testing, medical male circumcisions and condom distribution, over the medium term.

Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of development partners, funders, academic and research organisations, and non-governmental and civil society organisations all contribute in a coherent, integrated way.
- *HIV and AIDS* is responsible for policy formulation, coordination, and the monitoring and evaluation of HIV and sexually transmitted disease services. This entails coordinating the implementation of the 2017-2022 national strategic plan on HIV, sexually transmitted infections and TB. Other important functions of this subprogramme are the management and oversight of the *comprehensive HIV, AIDS and TB grant* implemented by the provinces, and the coordination and direction of donor funding for HIV and AIDS.
- *Tuberculosis* develops national policies and guidelines, sets norms and standards for tuberculosis services, and monitors the implementation of these in line with the vision of achieving zero infections, mortality, stigma and discrimination from TB and HIV and AIDS, as outlined in the 2017-2022 national strategic plan on HIV, sexually transmitted infections and TB.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, sets norms and standards for maternal and women's health services, and monitors the implementation of these.
- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and monitoring and evaluation of child, youth and school health services. Each province also has a unit responsible for fulfilling this role, and for facilitating implementation at provincial level. This subprogramme is also responsible for coordinating the human papilloma virus vaccination programme, and coordinates stakeholders outside of the health sector to play key roles in promoting improved child and youth health and nutrition.

Expenditure trends and estimates

Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	4.2	5.4	4.4	6.5	15.2%	–	5.4	5.5	5.8	-3.3%	–
HIV and AIDS	12 572.8	13 962.5	15 712.5	18 024.4	12.8%	98.4%	20 441.5	22 582.3	25 008.2	11.5%	98.7%
Tuberculosis	21.8	20.1	24.3	26.3	6.5%	0.2%	27.2	27.7	30.6	5.2%	0.1%
Women's Maternal and Reproductive Health	12.4	13.7	11.6	18.2	13.6%	0.1%	19.9	20.3	22.3	7.1%	0.1%
Child, Youth and School Health	207.4	177.3	212.4	222.5	2.4%	1.3%	225.0	237.6	250.6	4.1%	1.1%
Total	12 818.7	14 179.0	15 965.2	18 297.8	12.6%	100.0%	20 719.1	22 873.3	25 317.7	11.4%	100.0%
Change to 2017				19.4			(26.5)	(36.1)	(41.0)		
Budget estimate											
Economic classification											
Current payments	515.9	358.5	508.2	523.7	0.5%	3.1%	417.2	433.0	455.8	-4.5%	2.1%
Compensation of employees	65.3	71.3	75.6	79.4	6.8%	0.5%	84.4	89.6	94.6	6.0%	0.4%
Goods and services ¹	450.6	287.2	432.7	444.3	-0.5%	2.6%	332.7	343.4	361.3	-6.7%	1.7%
of which:											
Consultants: Business and advisory services	10.9	19.6	69.2	88.9	101.3%	0.3%	94.7	97.4	102.8	4.9%	0.4%
Fleet services (including government motor transport)	11.4	34.0	22.8	11.6	0.5%	0.1%	11.1	11.9	12.5	2.6%	0.1%
Inventory: Medical supplies	209.2	76.5	131.4	118.9	-17.2%	0.9%	145.8	151.0	155.9	9.4%	0.7%
Consumables: Stationery, printing and office supplies	2.4	2.7	5.5	9.3	56.1%	–	15.1	16.2	17.3	23.1%	0.1%
Travel and subsistence	11.9	15.1	18.4	15.3	8.7%	0.1%	16.7	16.7	17.6	4.9%	0.1%
Operating payments	9.7	9.1	30.8	(8.8)	-196.9%	0.1%	18.0	18.1	19.5	-230.4%	0.1%
Transfers and subsidies¹	12 301.7	13 819.5	15 456.4	17 757.8	13.0%	96.9%	20 301.5	22 440.0	24 861.6	11.9%	97.9%
Provinces and municipalities	12 102.1	13 670.7	15 290.6	17 577.7	13.2%	95.7%	20 121.7	22 250.2	24 661.3	11.9%	97.0%
Departmental agencies and accounts	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
Foreign governments and international organisations	–	–	14.4	–	–	–	–	–	–	–	–
Non-profit institutions	184.3	128.7	134.7	162.4	-4.1%	1.0%	162.7	171.8	181.2	3.7%	0.8%
Households	0.3	0.7	0.1	0.2	-18.1%	–	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.8	0.5	16.3	212.9%	–	0.4	0.2	0.3	-74.9%	–
Machinery and equipment	0.5	0.8	0.5	16.3	212.9%	–	0.4	0.2	0.3	-74.9%	–
Payments for financial assets	0.6	0.2	0.0	0.0	-79.3%	–	–	–	–	-100.0%	–
Total	12 818.7	14 179.0	15 965.2	18 297.8	12.6%	100.0%	20 719.1	22 873.3	25 317.7	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	38.2%	39.4%	41.5%	42.9%	–	–	43.9%	44.5%	45.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
South African National AIDS Council	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
Non-profit institutions											
Current	184.3	128.7	134.7	162.4	-4.1%	1.0%	162.7	171.8	181.2	3.7%	0.8%
Non-governmental organisations: Lifeline	19.0	19.9	21.0	22.0	5.0%	0.1%	23.3	24.6	25.9	5.6%	0.1%
Non-governmental organisations: loveLife	69.8	54.4	57.8	61.2	-4.3%	0.4%	64.8	68.4	72.1	5.6%	0.3%
Non-governmental organisations: Soul City	15.6	16.3	14.5	19.2	7.3%	0.1%	20.3	21.3	22.5	5.4%	0.1%
Non-governmental organisations: HIV and AIDS	79.9	38.1	41.4	51.5	-13.7%	0.3%	54.4	57.5	60.6	5.6%	0.3%
Public Universities South Africa	–	–	–	8.5	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations											
Current	–	–	14.4	–	–	–	–	–	–	–	–
International AIDS Society	–	–	14.4	–	–	–	–	–	–	–	–

Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	12 102.1	13 670.7	15 290.6	17 577.7	13.2%	95.7%	20 121.7	22 250.2	24 661.3	11.9%	97.0%
Comprehensive HIV and AIDS grant	12 102.1	13 670.7	–	–	-100.0%	42.1%	–	–	–	–	–
Human papillomavirus vaccine grant	–	–	–	–	–	–	200.0	211.2	222.8	–	0.7%
Comprehensive HIV, AIDS and tuberculosis grant	–	–	15 290.6	17 577.7	–	53.7%	19 921.7	22 039.0	24 438.5	11.6%	96.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Primary Health Care Services

Programme purpose

Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable disease control, health promotion and improved nutrition.

Objectives

- Improve district governance and strengthen the management and leadership of the district health system by establishing approved, standardised district management structures in all 52 health districts by March 2021.
- Improve access to community-based primary health care services by establishing 3 700 ward-based primary health care outreach teams by March 2021.
- Improve the quality of care at clinics by ensuring that at least 3 000 primary health care facilities in total qualify as ideal clinics by March 2021.
- Improve the quality of services at district hospitals through the ideal district hospital programme by implementing the ideal district hospital framework at 25 per cent of all district hospitals by March 2021.
- Reduce risk factors and improve the management of non-communicable diseases by creating awareness of risk factors contributing to non-communicable diseases through at least 3 media campaigns each year over the medium term.
- Improve intersectoral collaboration, with a focus on population-wide interventions, to promote healthy lifestyles and address social and economic determinants by establishing a national health commission by March 2019.
- Strengthen health promotion, surveillance, vector control and the case management of malaria in order to eliminate malaria by March 2021.
- Improve South Africa's influenza prevention and control by providing influenza vaccinations to 650 000 high-risk individuals in each year over the medium term.
- Expand the provision of rehabilitation services by increasing the number of districts resourced to at least 10 multidisciplinary rehabilitation teams by March 2020.
- Improve the accessibility of primary health services to people with physical disabilities by ensuring that 70 per cent of primary health care facilities have wheelchair ramps, compacted access from gate to entrance, and appropriate toilets and signage by March 2020.
- Ensure the compliance of port health services to international health regulations by March 2021 by regularly auditing ports of entry and addressing findings from 25 ports of entry annually in South Africa.

Subprogrammes

- *Programme Management* supports and provides leadership for the development and implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.
- *District Health Services* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; and coordinates primary health care re-engineering through ward-based primary health care outreach teams.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. This subprogramme improves surveillance for disease detection; strengthens preparedness and core response capacity for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control programmes, tropical disease prevention and control programmes, and malaria elimination.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines, and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, eye care, oral health, mental health, substance abuse and injury.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease (HIV and AIDS and TB, maternal and child mortality, non-communicable diseases, and violence and injury), this subprogramme implements the approved health promotion strategy to reduce risk factors for disease, and promotes an integrated approach to working towards an optimal nutritional status for all South Africans.
- *Environmental and Port Health Services* coordinates the delivery of environmental health, including the monitoring and delivery of municipal health services, and ensures compliance with international health regulations by coordinating and implementing port health services at all of South Africa's 44 ports of entry.

Expenditure trends and estimates

Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Programme Management	2.8	3.2	3.3	3.1	3.4%	1.4%	4.0	4.2	4.5	12.5%	1.2%
District Health Services	25.8	9.8	19.6	46.3	21.5%	11.2%	10.6	11.2	11.7	-36.8%	5.9%
Communicable Diseases	23.4	21.1	17.6	21.7	-2.4%	9.2%	22.7	24.0	25.4	5.3%	6.9%
Non-Communicable Diseases	25.3	20.6	19.4	22.5	-3.8%	9.7%	74.2	125.7	177.1	99.0%	29.3%
Health Promotion and Nutrition	18.4	22.1	19.1	26.3	12.7%	9.4%	24.7	25.8	27.7	1.7%	7.7%
Environmental and Port Health Services	110.7	135.7	146.7	144.0	9.2%	59.1%	165.6	175.7	185.1	8.7%	49.2%
Total	206.3	212.6	225.7	263.9	8.6%	100.0%	301.7	366.6	431.4	17.8%	100.0%
Change to 2017				(0.4)			8.6	51.5	94.7		
Budget estimate											
Economic classification											
Current payments	195.1	207.0	221.8	255.6	9.4%	96.8%	298.4	363.1	427.7	18.7%	98.6%
Compensation of employees	151.3	167.7	177.9	185.6	7.0%	75.1%	209.1	220.9	233.2	7.9%	62.2%
Goods and services ¹	43.8	39.3	43.9	70.0	16.9%	21.7%	89.3	142.1	194.5	40.6%	36.4%
of which:											
Contractors	0.3	0.3	0.3	0.2	-16.9%	0.1%	25.2	50.3	75.2	649.1%	11.1%
Agency and support/outsourced services	-	-	-	1.0	-	0.1%	25.8	50.4	75.4	322.5%	11.2%
Fleet services (including government motor transport)	1.3	10.6	13.6	8.3	86.7%	3.7%	7.6	7.3	7.7	-2.6%	2.3%
Travel and subsistence	7.3	9.9	12.1	13.1	21.3%	4.7%	8.9	10.0	9.2	-11.2%	3.0%
Operating payments	10.2	2.1	3.0	4.9	-21.6%	2.2%	4.7	5.2	4.4	-3.3%	1.4%
Venues and facilities	1.3	3.2	5.1	2.0	14.7%	1.3%	2.5	3.1	2.6	9.1%	0.7%

Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Transfers and subsidies¹	7.2	3.4	2.9	3.0	-25.1%	1.8%	3.1	3.3	3.5	5.0%	0.9%
Foreign governments and international organisations	2.6	–	–	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions	4.4	2.9	1.6	3.0	-12.4%	1.3%	3.1	3.3	3.5	5.6%	0.9%
Households	0.1	0.5	1.3	0.1	-27.9%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	4.0	2.1	1.0	5.3	9.4%	1.4%	0.2	0.2	0.3	-62.3%	0.4%
Machinery and equipment	4.0	2.1	1.0	5.3	9.4%	1.4%	0.2	0.2	0.3	-62.3%	0.4%
Payments for financial assets	0.0	0.0	0.0	0.0	-32.0%	–	–	–	–	-100.0%	–
Total	206.3	212.6	225.7	263.9	8.6%	100.0%	301.7	366.6	431.4	17.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.6%	0.6%	0.6%	–	–	0.6%	0.7%	0.8%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	4.3	2.7	1.6	3.0	-11.8%	1.3%	3.1	3.3	3.5	5.6%	0.9%
South African Medical Research Council	0.5	0.5	0.5	0.5	0.5%	0.2%	0.6	0.6	0.6	5.6%	0.2%
South African Federation for Mental Health	0.3	0.3	0.4	0.4	5.1%	0.2%	0.4	0.4	0.4	5.7%	0.1%
South African National Council for the Blind	0.7	0.8	0.8	0.8	5.0%	0.3%	0.9	0.9	1.0	5.6%	0.3%
National Council Against Smoking	0.8	0.8	–	0.9	4.9%	0.3%	0.9	1.0	1.0	5.6%	0.3%
National Kidney Foundation of South Africa	–	0.4	–	0.4	–	0.1%	0.4	0.4	0.4	5.7%	0.1%
Health Systems Global: South Africa	2.0	–	–	–	-100.0%	0.2%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

Programme purpose

Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Provide human resources for health planning, development and management, as well as clinical training platforms for the education of health professionals. Ensure that planning of health infrastructure meets the health needs of the country.

Objectives

- Accelerate the construction and maintenance of health infrastructure by enhancing the capacity of the health sector to deliver health infrastructure on an ongoing basis.
- Increase the management capacity of central hospitals through training, coaching, mentoring and benchmarking 10 central hospitals against the standardised organisational structure by March 2020.
- Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities by benchmarking all primary health care facilities and district hospitals against normative guidelines by March 2020.
- Improve the quality of nursing education and practice by ensuring that all 17 nursing colleges are accredited to offer the new nursing qualification by March 2020.
- Ensure access to the efficient and effective delivery of quality emergency medical services by monitoring compliance with regulations pertaining to emergency medical services by March 2020.
- Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol level testing in forensic chemistry laboratories by March 2019, and reducing turnaround times on an ongoing basis.
- Improve the management of health facilities at all levels of care by ensuring that hospital chief executives and primary health care facility managers benefit from a coaching and mentoring programme implemented through the knowledge management hub over the medium term.

Subprogrammes

- *Programme Management* supports and provides leadership for the development of policies, delivery models and clinical protocols for hospitals and emergency medical services. It also supports the alignment of academic medical centres with health workforce programmes.
- *Health Facilities Infrastructure Management* coordinates and funds health care infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care. This subprogramme is responsible for the direct *health facility revitalisation grant* and, since 2013/14, the health facility revitalisation component of the *national health insurance indirect grant*.
- *Tertiary Health Care Planning and Policy* focuses on the provision of tertiary hospital services in a modernised and reconfigured manner, identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements, and manages the *national tertiary services grant*.
- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals.
- *Human Resources for Health* is responsible for medium- to long-term human resources planning in the national health system. This entails implementing the national human resources for health strategy, facilitating capacity development for the planning of a sustainable health workforce, and developing and implementing human resources information systems for planning and monitoring purposes.
- *Nursing Services* is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity, developing nursing norms and standards, and facilitating the development of the curriculum for nursing education.
- *Forensic Chemistry Laboratories* is responsible for ante- and post-mortem analyses of blood alcohol levels for drunken driving, toxicology analyses of biological fluids and human organs in the event of unnatural deaths such as murder and suicide, and foodstuff analyses.
- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services.

Expenditure trends and estimates

Table 16.13 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	4.2	3.7	2.6	3.7	-4.1%	–	3.3	3.4	3.6	-0.6%	–
Health Facilities Infrastructure Management	5 807.6	6 092.9	5 973.5	6 423.7	3.4%	31.2%	6 740.6	7 022.9	7 412.0	4.9%	30.3%
Tertiary Health Care Planning and Policy	10 172.2	10 384.3	10 850.2	11 680.8	4.7%	55.4%	12 405.1	13 190.1	14 073.7	6.4%	56.3%
Hospital Management	4.6	4.8	8.1	5.0	2.6%	–	6.5	6.8	7.2	13.4%	–
Human Resources for Health	2 340.6	2 394.3	2 515.3	2 653.8	4.3%	12.7%	2 805.4	2 963.8	3 126.8	5.6%	12.7%
Nursing Services	2.6	4.2	7.3	6.6	36.8%	–	9.1	9.4	10.0	15.1%	–
Forensic Chemistry Laboratories	110.1	112.8	104.4	127.4	5.0%	0.6%	145.8	158.8	188.4	13.9%	0.7%
Violence, Trauma and EMS	6.7	5.3	7.3	6.9	1.1%	–	8.5	8.9	9.4	10.5%	–
Total	18 448.6	19 002.3	19 468.7	20 907.8	4.3%	100.0%	22 124.2	23 364.2	24 831.1	5.9%	100.0%
Change to 2017 Budget estimate				(200.4)			(176.9)	(276.6)	(271.1)		

Table 16.13 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	239.5	284.1	279.9	254.7	2.1%	1.4%	279.3	295.5	257.3	0.3%	1.2%
Compensation of employees	104.7	110.9	138.0	128.5	7.1%	0.6%	145.2	157.7	183.3	12.6%	0.7%
Goods and services ¹	134.8	173.2	141.9	126.2	-2.2%	0.7%	134.2	137.8	74.0	-16.3%	0.5%
<i>of which:</i>											
Minor assets	5.8	1.1	4.0	1.9	-31.5%	-	4.9	6.0	7.0	55.2%	-
Consultants: Business and advisory services	0.9	1.7	1.1	9.1	114.7%	-	18.3	19.3	1.4	-46.5%	0.1%
Contractors	5.0	5.3	4.9	13.1	38.0%	-	21.5	23.3	10.0	-8.6%	0.1%
Agency and support/outsourced services	88.1	131.6	102.0	56.2	-13.9%	0.5%	35.1	32.9	3.0	-62.5%	0.1%
Inventory: Other supplies	10.2	11.6	9.1	13.2	8.8%	0.1%	12.4	11.6	12.3	-2.4%	0.1%
Travel and subsistence	9.5	9.8	11.4	11.1	5.4%	0.1%	13.9	15.0	11.9	2.4%	0.1%
Transfers and subsidies¹	17 992.7	18 173.3	18 598.0	19 993.3	3.6%	96.1%	21 000.9	22 172.9	23 550.6	5.6%	95.1%
Provinces and municipalities	17 992.0	18 172.9	18 596.2	19 992.5	3.6%	96.1%	21 000.9	22 172.9	23 550.6	5.6%	95.1%
Foreign governments and international organisations	-	-	1.7	-	-	-	-	-	-	-	-
Households	0.7	0.4	0.2	0.8	1.4%	-	-	-	-	-100.0%	-
Payments for capital assets	216.3	544.8	590.4	659.9	45.0%	2.6%	843.9	895.8	1 023.2	15.7%	3.8%
Buildings and other fixed structures	168.3	470.6	574.0	644.0	56.4%	2.4%	748.1	792.1	876.5	10.8%	3.4%
Machinery and equipment	48.0	74.1	16.4	15.9	-30.8%	0.2%	95.9	103.7	146.7	109.8%	0.4%
Payments for financial assets	0.1	0.1	0.4	0.0	-51.6%	-	-	-	-	-100.0%	-
Total	18 448.6	19 002.3	19 468.7	20 907.8	4.3%	100.0%	22 124.2	23 364.2	24 831.1	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	55.0%	52.8%	50.6%	49.0%	-	-	46.9%	45.4%	44.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	12 490.0	12 755.9	13 323.5	14 308.0	4.6%	67.9%	15 185.2	16 126.0	17 171.0	6.3%	68.8%
Health professions training and development grant	2 321.8	2 374.7	2 476.7	2 631.8	4.3%	12.6%	2 784.5	2 940.4	3 102.2	5.6%	12.6%
National tertiary services grant	10 168.2	10 381.2	10 846.8	11 676.1	4.7%	55.3%	12 400.7	13 185.5	14 068.9	6.4%	56.3%
Capital	5 502.0	5 417.0	5 272.7	5 684.5	1.1%	28.1%	5 815.7	6 047.0	6 379.6	3.9%	26.2%
Health facility revitalisation grant	5 502.0	5 417.0	5 272.7	5 684.5	1.1%	28.1%	5 815.7	6 047.0	6 379.6	3.9%	26.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Health Regulation and Compliance Management

Programme purpose

Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies and public entities for effective governance and improved quality of health care.

Objectives

- Strengthen food safety over the medium term by expanding laboratory testing capabilities for adulterants, such as colourants, protein and allergens; and creating partnerships with food laboratories.
- Ensure that all 5 public health entities and 6 statutory health professional councils are compliant with good governance practices by providing advice and technical support over the medium term.
- Provide for coordinated disease and injury surveillance and research by establishing a national public health institute by March 2020, pending approval from Cabinet.

Subprogrammes

- *Programme Management* provides leadership to the programme by supporting the development of regulations for the procurement of medicines and pharmaceutical supplies, food control, and the trade of health products and health technology. This subprogramme also provides oversight to regulatory bodies and public entities for effective governance and quality health care.

- *Food Control* regulates foodstuffs and non-medical health products for human and animal use with the aim of ensuring that they are safe, efficacious and of high quality.
- *Radiation Control* performs regulatory functions related to all medical, industrial, research and agricultural facilities, and performs activities related to radionuclides in South Africa outside the nuclear fuel cycle. The radiation control inspectorate issues end-user licences for all generators ionising radiation, and supervises and inspects x-ray generators and low-level radioisotope installations.
- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils that fall within the mandate of health legislation with regard to planning and budget procedures, performance and financial reporting, remuneration, governance and accountability.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of benefits to active miners and ex-miners certified to be suffering from lung-related diseases as a result of the high risk work performed in controlled mines and works. This subprogramme is also responsible for providing benefit medical examinations for ex-workers of controlled mines and works.

Expenditure trends and estimates

Table 16.14 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	3.8	3.5	4.1	4.5	6.4%	0.2%	6.0	6.3	6.7	13.9%	0.3%
Food Control	6.9	8.3	8.6	11.5	18.8%	0.6%	10.6	11.0	12.0	1.2%	0.6%
Radiation Control and Health Technology	120.5	138.3	163.8	152.4	8.1%	9.0%	14.2	17.4	18.6	-50.4%	2.8%
Public Entities Management	1 162.9	1 399.1	1 477.8	1 496.4	8.8%	86.8%	1 679.1	1 773.1	1 870.6	7.7%	92.7%
Compensation Commissioner for Occupational Diseases and Occupational Health	46.6	50.2	60.2	61.7	9.8%	3.4%	65.7	68.7	72.5	5.5%	3.6%
Total	1 340.7	1 599.4	1 714.5	1 726.6	8.8%	100.0%	1 775.5	1 876.5	1 980.4	4.7%	100.0%
Change to 2017 Budget estimate				(0.4)			(11.3)	(13.4)	(14.7)		
Economic classification											
Current payments	174.4	190.0	233.9	226.7	9.1%	12.9%	94.1	103.0	109.3	-21.6%	7.2%
Compensation of employees	106.1	124.0	148.7	168.0	16.5%	8.6%	64.3	70.2	74.5	-23.7%	5.1%
Goods and services ¹	68.2	66.0	85.1	58.7	-4.9%	4.4%	29.9	32.7	34.9	-15.9%	2.1%
of which:											
Audit costs: External	–	0.0	2.6	3.3	–	0.1%	2.5	2.9	3.0	-3.0%	0.2%
Computer services	1.8	4.1	2.1	4.7	36.7%	0.2%	0.8	3.7	3.7	-7.1%	0.2%
Consumables: Stationery, printing and office supplies	1.9	2.0	1.8	2.0	0.8%	0.1%	4.0	3.4	3.9	24.9%	0.2%
Operating leases	1.3	1.2	1.2	1.7	10.2%	0.1%	2.9	2.8	2.8	17.0%	0.1%
Property payments	0.3	0.3	0.4	1.2	67.2%	–	4.1	3.3	3.5	43.1%	0.2%
Travel and subsistence	13.4	14.1	14.6	8.1	-15.5%	0.8%	3.5	3.3	4.6	-17.1%	0.3%
Transfers and subsidies¹	1 163.0	1 397.9	1 479.6	1 496.6	8.8%	86.8%	1 679.0	1 773.0	1 870.5	7.7%	92.7%
Departmental agencies and accounts	1 161.7	1 397.6	1 477.8	1 496.4	8.8%	86.7%	1 679.0	1 773.0	1 870.5	7.7%	92.7%
Households	1.3	0.2	1.8	0.3	-42.1%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	3.3	11.4	1.0	3.3	-0.3%	0.3%	2.4	0.5	0.5	-45.1%	0.1%
Buildings and other fixed structures	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	2.8	7.2	1.0	3.3	5.8%	0.2%	2.4	0.5	0.5	-45.1%	0.1%
Software and other intangible assets	–	4.2	–	–	–	0.1%	–	–	–	–	–
Payments for financial assets	0.0	0.2	0.0	0.0	-2.2%	–	–	–	–	-100.0%	–
Total	1 340.7	1 599.4	1 714.5	1 726.6	8.8%	100.0%	1 775.5	1 876.5	1 980.4	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.4%	4.5%	4.0%	–	–	3.8%	3.6%	3.5%	–	–

Table 16.14 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome						2017/18	2014/15 - 2017/18				2018/19
R million	2014/15	2015/16	2016/17								
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 158.5	1 394.3	1 474.3	1 492.6	8.8%	86.5%	1 675.1	1 768.9	1 866.2	7.7%	92.4%
South African Medical Research Council	446.3	623.9	660.3	615.0	11.3%	36.8%	624.8	659.8	696.1	4.2%	35.3%
National Health Laboratory Service	674.1	678.9	711.9	746.5	3.5%	44.1%	789.8	834.0	879.9	5.6%	44.2%
Office of Health Standards Compliance	33.4	88.9	100.5	125.7	55.6%	5.5%	129.7	136.9	144.5	4.7%	7.3%
Council for Medical Schemes	4.8	2.6	1.6	5.5	5.0%	0.2%	5.7	6.0	6.3	4.8%	0.3%
South African Health Product Regulatory Authority	-	-	-	-	-	-	125.2	132.2	139.5	-	5.4%
Departmental agencies and accounts											
Social security funds											
Current	3.2	3.4	3.5	3.7	5.0%	0.2%	3.8	4.1	4.3	4.7%	0.2%
Compensation Commissioner	3.2	3.4	3.5	3.7	5.0%	0.2%	3.8	4.1	4.3	4.7%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

National Health Laboratory Service

Mandate

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The service supports the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and supports health research. It is the largest diagnostic pathology service in South Africa, servicing more than 80 per cent of the population through a national network of 268 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

Selected performance indicators

Table 16.15 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of CD4 tests performed within the specified timeframe per year	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	89% (3 229 535/ 3 628 691) within 48 hours	89% (3 043 404/ 3 419 555) within 48 hours	94% (3 193 157/ 3 380 991) within 48 hours	95% within 48 hours	90% within 40 hours	90% within 40 hours	90% within 40 hours
Percentage of viral load tests performed within 96 hours per year	Laboratory tests		81% (2 931 375/ 3 618 981)	64% (2 757 422/ 4 308 472)	87% (3 920 964/ 4 491 312)	70%	75%	80%	85%
Percentage of TB microscopy/ GeneXpert tests performed within the specified timeframe per year	Laboratory tests		92% (3 388 492/ 3 683 144) within 48 hours	91% (3 005 801/ 3 303 078) within 48 hours	97% (2 276 816/ 2 354 930) within 48 hours	95%	90% within 40 hours	90% within 40 hours	90% within 40 hours
Percentage of HIV polymerase chain reaction tests performed within 96 hours per year	Laboratory tests		70% (327 897/ 468 424)	73% (408 296/ 559 310)	82% (465 627/ 568 571)	70%	75%	80%	85%

¹ This section has been compiled with the latest available information from the entity concerned.

Table 16.15 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of cervical smear tests performed within 5 weeks per year	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	57% (503 645/ 883 587)	48% (445 827/ 928 806)	97% (883 168/ 911 720)	70%	75%	80%	85%
Percentage of national central laboratories that are accredited by South African National Accreditation System per year	Laboratory tests		- ¹	84% (59/70)	90% (47/52)	95%	99%	100%	100%
Percentage laboratories achieving proficiency testing schemes performance standards of 80% per year	Research		- ¹	- ¹	87% (214/246)	82%	83%	85%	90%
Number of peer reviewed articles published annually	Research		- ¹	- ¹	570	600	650	700	700
Percentage of occupational and environmental health laboratory tests conducted within predefined turnaround time per year	Occupational health		- ¹	77% (6 226/8 086)	93% (4 366/4 712)	85%	85%	90%	90%
Percentage of outbreaks responded to within 24 hours after notification per year	Surveillance of communicable diseases		- ¹	- ¹	100% (1 212/ 1 212)	100%	100%	100%	100%

1. No historical data available.

Expenditure analysis

The National Health Laboratory Service will, over the MTEF period, continue to provide affordable, sustainable and high quality laboratory services to health care facilities, mainly in the public sector. The service will focus on the national priority programmes created in 2011 to address the department's need to increase access to patient testing, including HIV and associated opportunistic infections such as TB, cryptococcus and hepatitis. The service will also continue to provide training for pathologists and other health professionals, and conduct research through its own research unit as well as through the National Institute of Communicable Diseases and the National Institute for Occupational Health, which are both housed within the service. These are seen as important contributions to the NDP's goal of improving the quality of health care services and controlling epidemics, and to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

To improve service delivery and ensure a safe working environment, the service plans to renovate its laboratories and to replace old equipment nationwide. This will also ensure that tests, such as for CD4 count, GeneXpert and polymerase chain reaction are conducted within stipulated timeframes. In 2018/19, the service aims to perform 90 per cent of CD4 count and GeneXpert tests within 40 hours. Spending for this is expected to amount to R423.4 million in the laboratory tests programme, accounting for 77.9 per cent (R21.2 billion) of the service's total expenditure over the MTEF period.

An increase of 5 per cent in total test volumes between 2015/16 and 2016/17 resulted in increased revenue from tests amounting to R616 million. However, as a result of intensified gatekeeping efforts by provincial departments of health to reduce duplicate and inappropriate tests, the number of tests performed is expected to increase at 0.8 per cent per year, from 91 025 712 in 2016/17 to 93 822 712 by 2020/21. As a result of the annual tariff adjustments and increase in the number of tests conducted, revenue from laboratory tests is expected to increase at an average annual rate of 8.6 per cent, from R6.8 billion in 2017/18 to R8.7 billion in 2020/21.

The service contributes to research and development, and provides a training platform for pathology students through its own research programme, and through the National Institute of Communicable Diseases and the National Institute for Occupational Health. In 2017/18, 227 registrars were in training to become pathologists, 29 were qualified to become pathologists and 38 new registrars have been admitted. Over the MTEF period, 90 new registrars are expected to be admitted.

Over the medium term, R3 billion is allocated to the surveillance of communicable diseases, occupational health and research programmes. Improved surveillance will enable the National Institute of Communicable Diseases to respond to notified outbreaks within 24 hours, and the National Institute for Occupational Health

to conduct occupational and environmental health laboratory tests within specified turnaround times.

Laboratory tests are expected to generate 87 per cent of the service's total revenue over the period, with the remainder coming through transfers from the department and other non-tax revenue.

Programmes/objectives/activities

Table 16.16 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	621.2	1 202.6	667.5	843.8	10.8%	11.6%	920.3	989.2	1 049.9	7.6%	11.0%
Surveillance of communicable diseases	167.0	271.6	342.2	326.1	25.0%	3.7%	352.5	372.3	397.2	6.8%	4.2%
Occupational health	72.7	90.1	93.1	117.6	17.4%	1.3%	125.1	132.1	141.2	6.3%	1.5%
Laboratory tests	4 919.2	4 937.6	8 076.1	5 890.5	6.2%	79.9%	6 623.8	7 046.9	7 498.7	8.4%	77.9%
Research	179.8	191.0	219.2	438.4	34.6%	3.5%	462.0	487.9	517.0	5.6%	5.5%
Total	5 959.9	6 693.0	9 398.1	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%

Statements of historical financial performance and position

Table 16.17 National Health Laboratory Service statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18	
R million									
2014/15									
2015/16									
2016/17									
2017/18									
2014/15 - 2017/18									
Revenue									
Non-tax revenue									
4 970.4	5 340.4	5 819.8	6 105.0	6 599.1	6 653.2	6 924.3	6 924.3		102.9%
Sale of goods and services other than capital assets									
4 906.4	5 066.3	5 742.7	5 763.3	6 463.6	6 379.6	6 751.1	6 751.1		100.4%
<i>of which:</i>									
<i>Sales by market establishment</i>									
4 906.4	5 066.3	5 742.7	5 763.3	6 463.6	6 379.6	6 751.1	6 751.1		100.4%
Other non-tax revenue									
64.0	274.1	77.0	341.7	135.4	273.6	173.1	173.1		236.3%
Transfers received									
225.3	799.3	678.9	860.8	711.9	864.6	964.7	964.7		135.2%
Total revenue									
5 195.6	6 139.7	6 498.7	6 965.7	7 310.9	7 517.9	7 889.0	7 889.0		106.0%
Expenses									
Current expenses									
5 057.3	5 959.9	6 147.1	6 693.0	6 941.4	9 398.1	7 616.5	7 616.5		115.2%
Compensation of employees									
2 107.7	2 112.4	2 423.5	2 566.0	3 064.7	3 228.5	3 454.9	3 454.9		102.8%
Goods and services									
2 898.5	3 744.1	3 672.7	4 008.2	3 746.2	6 030.0	4 026.9	4 026.9		124.2%
Depreciation									
44.7	101.8	40.4	118.6	130.3	127.6	134.4	134.4		137.9%
Interest, dividends and rent on land									
6.4	1.7	10.5	0.2	0.2	12.0	0.2	0.2		81.0%
Total expenses									
5 057.3	5 959.9	6 147.1	6 693.0	6 941.4	9 398.1	7 616.5	7 616.5		115.2%
Surplus/(Deficit)									
138.0	180.0	352.0	273.0	370.0	(1 880.0)	273.0	273.0		
Statement of financial position									
Carrying value of assets									
676.3	521.9	764.2	501.5	784.8	651.8	989.9	1 114.3		86.8%
<i>of which:</i>									
<i>Acquisition of assets</i>									
(213.4)	(47.6)	(526.4)	(155.3)	(200.0)	(213.1)	(235.0)	(235.0)		55.4%
Inventory									
100.3	89.0	103.2	104.2	110.3	116.8	111.4	118.0		100.7%
Receivables and prepayments									
1 549.2	2 862.4	2 135.5	3 154.9	3 090.9	1 719.4	3 411.9	1 813.2		93.7%
Cash and cash equivalents									
677.4	651.2	699.4	739.0	707.1	392.0	623.3	563.6		86.6%
Total assets									
3 003.2	4 124.4	3 702.3	4 499.6	4 693.1	2 880.0	5 136.5	3 609.1		91.4%
Accumulated surplus/(deficit)									
1 363.8	1 643.2	2 043.8	1 869.8	2 292.0	(10.4)	2 564.5	262.1		45.6%
Capital and reserves									
42.8	0.3	42.8	0.3	0.3	0.3	0.3	0.3		1.5%
Capital reserve fund									
80.0	-	-	-	-	-	-	-		-
Finance lease									
-	-	-	-	-	81.6	-	86.0		-
Deferred income									
-	52.3	-	4.1	58.2	12.3	61.4	12.9		68.2%
Trade and other payables									
436.4	1 080.8	439.4	872.2	932.4	973.3	1 098.3	1 204.6		142.1%
Benefits payable									
-	-	-	21.0	24.8	23.6	24.9	26.4		142.7%
Taxation									
-	-	-	-	-	0.5	-	-		-
Provisions									
1 080.2	1 321.7	1 176.2	1 621.3	1 385.4	1 713.1	1 387.1	1 970.1		131.8%
Derivatives financial instruments									
-	26.1	-	110.9	-	85.8	-	46.7		-
Total equity and liabilities									
3 003.2	4 124.4	3 702.3	4 499.6	4 693.1	2 880.0	5 136.5	3 609.1		91.4%

Statements of estimates of financial performance and position

Table 16.18 National Health Laboratory Service statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate				2018/19	2019/20	2020/21	2017/18 - 2020/21	
2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million								
Revenue								
Non-tax revenue	6 924.3	9.0%	87.7%	7 760.0	8 276.4	8 819.7	8.4%	88.8%
Sale of goods and services other than capital assets	6 751.1	10.0%	83.9%	7 613.6	8 120.4	8 652.7	8.6%	87.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	6 751.1	10.0%	83.9%	7 613.6	8 120.4	8 652.7	8.6%	87.0%
Other non-tax revenue	173.1	-14.2%	3.8%	146.4	156.0	167.0	-1.2%	1.8%
Transfers received	964.7	6.5%	12.3%	959.8	1 011.3	1 070.0	3.5%	11.2%
Total revenue	7 889.0	8.7%	100.0%	8 719.8	9 287.7	9 889.7	7.8%	100.0%
Expenses								
Current expenses	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%
Compensation of employees	3 454.9	17.8%	38.4%	3 856.9	4 154.9	4 462.4	8.9%	45.8%
Goods and services	4 026.9	2.5%	59.9%	4 479.1	4 722.7	4 983.4	7.4%	52.5%
Depreciation	134.4	9.7%	1.7%	135.8	139.4	147.2	3.1%	1.6%
Interest, dividends and rent on land	0.2	-50.6%	0.0%	12.0	11.5	11.0	280.3%	0.1%
Total expenses	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%
Surplus/(Deficit)	273.0	0.1%		236.0	259.0	286.0	1.6%	
Statement of financial position								
Carrying value of assets	1 114.3	28.8%	19.3%	1 569.7	1 951.4	2 032.8	22.2%	36.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(235.0)	70.2%	-4.6%	(320.0)	(330.0)	(320.0)	10.8%	-6.7%
Inventory	118.0	9.9%	3.0%	119.2	120.4	121.6	1.0%	2.7%
Receivables and prepayments	1 813.2	-14.1%	62.4%	1 895.6	1 990.4	2 009.9	3.5%	43.2%
Cash and cash equivalents	563.6	-4.7%	15.4%	659.9	867.7	1 207.1	28.9%	17.8%
Total assets	3 609.1	-4.4%	100.0%	4 244.4	4 929.9	5 371.4	14.2%	100.0%
Accumulated surplus/(deficit)	262.1	-45.8%	22.1%	498.1	757.3	1 043.0	58.5%	13.4%
Capital and reserves	0.3	-	0.0%	0.3	0.3	0.3	-	0.0%
Finance lease	86.0	-	1.3%	75.4	72.4	73.6	-5.0%	1.7%
Deferred income	12.9	-37.2%	0.5%	13.6	14.4	15.2	5.5%	0.3%
Trade and other payables	1 204.6	3.7%	28.2%	1 276.7	1 355.0	1 397.9	5.1%	29.2%
Benefits payable	26.4	-	0.5%	29.5	33.1	37.1	12.0%	0.7%
Provisions	1 970.1	14.2%	45.5%	2 303.1	2 648.8	2 754.8	11.8%	53.5%
Derivatives financial instruments	46.7	21.3%	1.8%	47.6	48.5	49.5	2.0%	1.1%
Total equity and liabilities	3 609.1	-4.4%	100.0%	4 244.4	4 929.9	5 371.4	14.2%	100.0%

Personnel information

Table 16.19 National Health Laboratory Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17	2017/18	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
National Health Laboratory Service	7 467	7 467	7 443	3 228.5	0.4	7 467	3 454.9	0.5	7 894	3 856.9	0.5	7 894	4 154.9	0.5	7 894	4 462.4	0.6	8.9%	100.0%
Salary level	7 467	7 467	7 443	3 228.5	0.4	7 467	3 454.9	0.5	7 894	3 856.9	0.5	7 894	4 154.9	0.5	7 894	4 462.4	0.6	8.9%	100.0%
1-6	3 309	3 309	3 309	763.1	0.2	3 309	812.7	0.2	3 549	949.1	0.3	3 549	1 019.3	0.3	3 549	1 094.8	0.3	10.4%	44.8%
7-10	3 438	3 438	3 424	1 518.6	0.4	3 438	1 623.3	0.5	3 625	1 813.5	0.5	3 625	1 960.3	0.5	3 625	2 105.4	0.6	9.1%	46.0%
11-12	436	436	426	428.5	1.0	436	466.8	1.1	436	501.4	1.1	436	538.5	1.2	436	578.3	1.3	7.4%	5.6%
13-16	283	283	283	516.0	1.8	283	549.6	1.9	283	590.3	2.1	283	634.0	2.2	283	680.9	2.4	7.4%	3.6%
17-22	1	1	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	7.4%	0.0%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Compensation Commissioner for Occupational Diseases in Mines and Works** is mandated to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardiorespiratory organs, and reimburse them for any loss of earnings incurred while being treated for TB. The commissioner's total budget for 2018/19 is R200.3 million.

- The **Council for Medical Schemes** was established in terms of the Medical Schemes Act (1998) as the regulatory authority responsible for overseeing the medical schemes industry in South Africa. Section 7 of the act sets out the functions of the council, which include protecting the interests of beneficiaries, controlling and coordinating the functioning of medical schemes, collecting and disseminating information about private health care, and advising the Minister of Health on any matter concerning medical schemes. The council's total budget for 2018/19 is R164.8 million.
- The **Office of Health Standards Compliance** was established in terms of the National Health Amendment Act (2013), which mandates the office to: monitor and enforce the compliance of health establishments with the norms and standards prescribed by the Minister of Health in relation to the national health system; and ensure the consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner. The office's total budget for 2018/19 is R129.7 million.
- The **South African Health Products Regulatory Authority** will be established by February 2018 in terms of the Medicines Amendment Act (2015). The entity is the national medicines regulatory authority of South Africa. It is responsible for the regulation and control of the registration, licensing, manufacturing, import and all other aspects pertaining to active pharmaceutical ingredients, medicines and medical devices; and for conducting clinical trials in a manner compatible with the national medicines policy. The authority's total budget for 2018/19 is R215.9 million.
- The **South African Medical Research Council** was established in terms of the South African Medical Research Council Act (1969). The council also derives its mandate from the Intellectual Property Rights from Publicly Financed Research and Development Act (2008). It is mandated to promote the improvement of health and quality of life through research, development and technology transfers. Research and innovation are primarily conducted through council-funded research units located within the council and in higher education institutions. The council's total budget for 2018/19 is R1.1 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
Limpopo: Tshilidzini Hospital	Replacement of hospital (initial design stages only)	Identification	2 301.4	-	-	22.7	26.0	48.0	50.0	-
Limpopo: Elim Hospital	Replacement of hospital (initial design stages only)	Identification	1 869.9	-	-	19.1	26.0	50.0	50.0	-
Limpopo: Sihoam Hospital	Replacement of hospital	Pre-feasibility	850.0	36.4	94.7	65.7	18.3	100.0	80.0	100.0
Free State: Dihlabeng Hospital	Refurbishment of hospital	Design	300.0	-	-	-	4.0	100.0	80.0	80.0
Gauteng - Soshanguve (initial stages only)	New Hospital	Site identification	1 100.0	-	-	-	-	30.0	30.0	50.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Eastern Cape: Bambisana Hospital	Revitalisation of hospital	Design	664.3	-	0.2	14.2	49.5	35.0	100.0	136.8
Eastern Cape: Zithulele Hospital	Revitalisation of hospital	Design	510.8	-	0.1	0.2	49.5	35.0	100.0	157.6
Free State: Dihlabeng Hospital emergency ward	Emergency repairs	Construction	90.0	-	7.4	25.4	50.0	7.1	-	-
Limpopo: Sihoam Hospital	Replacement of hospital		850.0	-	-	-	-	-	-	-
Small projects (total project cost of less than R250 million over the project life cycle)										
Limpopo: Limpopo Academic Hospital	Planning and design of a new hospital	Identification	59.0	-	-	14.9	20.0	24.1	-	-
KwaZulu-Natal: Kind Edward Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	0.2	0.2	-	-	-	-	-	-
Gauteng: Chris Hani Baragwanath Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	3.0	3.0	-	-	-	-	-	-
Gauteng: Dr George Mukhari Academic Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	1.0	1.0	-	-	-	-	-	-
Eastern Cape: Nolifha Clinic	Replacement of clinic	Handed over	31.2	2.0	8.5	2.8	17.9	-	-	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Handed over	30.4	1.8	15.8	8.9	3.9	-	-	-
Eastern Cape: Lutubeni Clinic	Replacement of clinic	Construction	31.4	2.5	9.1	11.0	8.8	-	-	-
Eastern Cape: Maxwele Clinic	Replacement of clinic	Handed over	28.9	1.9	10.7	9.5	6.8	-	-	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Handed over	31.6	3.2	14.4	8.6	4.3	1.0	-	-
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Construction	61.5	1.5	20.0	29.9	10.1	-	-	-
Eastern Cape: Gengqe Clinic	Replacement of clinic	Construction	28.1	1.6	5.2	4.2	17.1	-	-	-
Eastern Cape: Sakhela Clinic	Replacement of clinic	Construction	32.2	1.2	10.8	14.5	5.6	-	-	-
Free State: Clocolan Clinic	Replacement of clinic (initial design stages only)	Design	48.5	0.1	0.9	7.7	0.8	9.8	29.2	-
Free State: Borwa Clinic	Replacement of clinic (initial design stages only)	Design	84.9	0.1	0.9	0.8	0.8	11.7	12.0	39.2
Free State: Lusaka Community Health Centre	Replacement of community health centre	Design	124.7	-	0.9	0.7	0.8	11.7	43.8	44.5
Limpopo: Magwedzha Clinic	Replacement of clinic (initial design stages only)	Construction	52.2	-	1.0	1.0	1.0	16.0	19.0	10.2
Limpopo: Thengwe Clinic	Replacement of clinic (initial design stages only)	Construction	49.6	-	1.0	1.0	1.0	16.0	30.7	-
Limpopo: Mulenzhe Clinic	Replacement of clinic (initial design stages only)	Construction	50.2	-	1.0	1.0	1.0	16.0	26.2	5.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Limpopo: Makonde Clinic	Replacement of clinic (initial design stages only)	Construction	52.2	1.0	1.0	1.0	1.0	9.0	24.0	12.2
Limpopo: Chebeng Community Health Centre	Replacement of community health centre	Design	136.1	1.0	0.6	1.0	1.0	4.0	9.0	45.0
Mpumalanga: Msukaligwa Community Day Centre	Replacement of clinic (initial design stages only)	Tender	146.8	0.4	1.3	0.1	0.1	9.0	5.0	24.9
Mpumalanga : Ehandakukhanya Community Day Centre	Replacement of clinic (initial design stages only)	Tender	146.8	0.4	2.1	–	–	9.0	5.0	25.0
Mpumalanga: Yukulakhe Clinic	Replacement of clinic (initial design stages only)	Design	54.6	0.4	2.0	–	–	35.0	13.0	4.1
Mpumalanga: Balfour Community Health Centre (24-hour mini-hospital)	Replacement of community health centre	Design	299.1	0.4	0.2	–	–	–	5.0	30.0
Mpumalanga: Nhlazathse 6 Clinic	Replacement of clinic (initial design stages only)	Design	54.6	0.4	0.8	–	–	9.0	20.0	24.4
Eastern Cape: Butterworth Nursing College	Rehabilitation of existing nursing education institute facility	Handed over	17.3	10.3	4.1	1.3	–	–	–	–
Gauteng: Baragwanath Nursing College	Rehabilitation of existing nursing education institute facility	Handed over	21.0	12.0	8.2	–	–	–	–	–
Limpopo: Thohoyandou Nursing College	Rehabilitation of existing nursing education institute facility	Construction	23.6	16.0	0.8	2.1	2.7	–	–	–
Mpumalanga: Middelburg Nursing College	Rehabilitation of existing nursing education institute facility	Construction	15.9	11.6	1.6	0.9	–	–	–	–
Northern Cape: Henrietta Nursing College	Rehabilitation of existing nursing education institute facility	Feasibility	13.6	–	2.3	11.3	–	–	–	–
Doctors consulting rooms	Provision of doctors consulting rooms	Handed over	201.0	64.9	68.7	–	–	–	–	–
Eastern Cape backlog maintenance through the Development Bank of Southern Africa	Backlog Maintenance	Construction	46.0	–	8.2	4.0	–	–	–	–
Eastern Cape: Additions to clinics through the Development Bank of Southern Africa	Upgrades and renovations of 37 clinics	Construction	226.3	–	26.5	38.9	–	50.0	50.0	50.0
National health insurance backlog maintenance	Rehabilitation and maintenance	Construction	2 985.5	25.0	194.8	266.0	232.2	108.7	147.2	–
Health technology for national health insurance facilities	Various	Construction	106.9	59.0	14.5	–	–	–	–	–
Non-capital infrastructure projects, including maintenance	Maintenance, provision of provincial management support units and project management information systems, conditional assessments of facilities in national health insurance scheme pilot districts, in-loco supervision, monitoring of 10-year health infrastructure plan	Ongoing	594.9	209.2	84.5	69.2	70.0	50.0	50.0	6.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Infrastructure transfers to other spheres, agencies and departments										
R million										
Health facility revitalisation grant: Eastern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 276.6	599.2	592.1	619.0	620.8	652.1	580.8	612.7
Health facility revitalisation grant: Free State	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 709.5	467.0	586.9	495.4	552.2	576.4	502.0	529.6
Health facility revitalisation grant: Gauteng	Construction of new facilities, upgrades of existing health facilities	Ongoing	5 305.0	671.0	313.6	777.8	890.7	874.8	864.7	912.3
Health facility revitalisation grant: KwaZulu-Natal	Construction of new facilities, upgrades of existing health facilities	Ongoing	8 428.3	1 362.5	1 229.8	1 114.7	1 149.4	1 202.5	1 153.1	1 216.5
Health facility revitalisation grant: Limpopo	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 197.4	467.4	358.5	379.1	508.1	536.9	461.0	486.4
Health facility revitalisation grant: Mpumalanga	Construction of new facilities, upgrades of existing health facilities	Ongoing	2 285.7	343.5	287.9	281.2	325.6	333.9	347.2	366.3
Health facility revitalisation grant: Northern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 124.7	451.4	582.8	472.3	443.8	374.4	389.3	410.7
Health facility revitalisation grant: North West	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 872.0	500.1	695.3	480.4	558.3	585.9	511.9	540.1
Health facility revitalisation grant: Western Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 618.6	639.8	770.1	673.5	605.8	678.8	608.6	642.0
Health facility revitalisation grant: Incentive-based portion yet to be allocated to provinces	Construction of new facilities, upgrades of existing health facilities	Ongoing	1 291.3	-	-	-	-	-	628.4	662.9
Total			54 536.5	5 794.3	6 031.6	5 979.9	6 373.5	6 707.1	6 987.7	7 371.7