

Vote 7

Health

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	39 546 571	39 928 576		382 005
MEC remuneration ¹	1 902	1 902		
Total amount to be appropriated	39 548 473	39 930 478		382 005
<i>of which:</i>				
Current payments	37 075 809	37 190 043		114 234
Transfers and subsidies	923 771	1 027 358		103 587
Payments for capital assets	1 441 285	1 605 353		164 068
Payments for financial assets	107 608	107 724		116
Responsible MEC	MEC for Health			
Administering department	Health			
Accounting Officer	Head: Health			

1. Vision and mission

Vision

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

Mission statement

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

2. Strategic objectives

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

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

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

3. Summary of adjusted estimates for the 2017/18 financial year

The main appropriation of the Department of Health was R39.548 billion in 2017/18. During the year, the department received an additional allocation totalling R382.005 million.

¹ At the time of going to print, the proclamation determining the 2017 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2017/18 EPRE

The main reasons for this increase, as well as other adjustments, are summarised below, and explained in detail in Section 4.

- *Roll-overs*: The department received a roll-over of R311 000 from 2016/17 in respect of under-spending against the National Health Insurance (NHI) conditional grant, which will be used mainly to pay for the impact assessment on the effectiveness of the implemented digital pen system in the NHI districts. This was allocated to Programme 2: District Health Services against *Goods and services*. Note that this is treated as a provincial roll-over as the amount was not surrendered to National Treasury.
- *Virement between programmes*: Virement was undertaken between programmes as follows:
 - R149.607 million savings were identified in Programme 4: Provincial Hospital Services against *Compensation of employees* and *Goods and services*. Savings of R48.173 million under *Compensation of employees* were attributed to the Joint Health Establishment (JHE) payment amounting to R75 million that is under dispute and the inability to fill non-OSD posts due to lack of carry-through funding in future years and the difficulty in attracting applications for OSD posts, including oncologists, psychiatrists, urologists, etc., at prioritised facilities. Savings of R101.434 million in *Goods and services* were mainly from medical supplies due to optimising stock levels, as well as the acceleration in enrolling patients on chronic medication with regard to the Central Chronic Medicine Dispensing and Distribution (CCMDD) programme. These savings were moved as follows:
 - Programme 2 was increased by R68.943 million, with R29.943 million moved to *Goods and services* to cover the projected shortfall in the National Health Laboratory Services (NHLS) budget resulting from the change of billing from the flat-fee regime to the more expensive fee-for-service payment method. An amount of R39 million was moved to address medico-legal claims pressures against *Transfers and subsidies to: Households*.
 - Programme 3: Emergency Medical Services was increased by R80.664 million to cover the pressures under *Compensation of employees* (R42.777 million) resulting from overtime payments of emergency medical service staff, including carry-over costs from 2016/17. There was also pressure under *Goods and services* (R37.887 million) due to higher costs of maintenance and repairs of emergency medical service vehicles.
 - Savings of R34 million were identified in Programme 5: Central Hospital Services against *Compensation of employees* (R18.577 million) and *Transfers and subsidies to: Households* (R15.423 million). The savings against *Compensation of employees* are attributed to the inability to fill non-OSD posts due to the lack of carry-through funding in future years, and difficulties in attracting applications for OSD posts, such as oncologists, neurosurgeons, etc., at prioritised facilities. The savings in *Transfer and subsidies to: Households* are largely as a result of lower medico-legal claims than budgeted. These savings were moved to *Transfers and subsidies to: Households* in Programme 2 to address pressures from higher than budgeted medico-legal claims and staff exits costs.
 - A total of R64.600 million was identified as savings in Programme 7: Health Care Support Services, which followed the decision to put on hold the incorporation of the Provincial Pharmaceutical Supply Depot (PPSD) into the departmental books in 2017/18, while the department is strengthening systems in this facility. As a result, R64.600 million was moved from this programme to Programme 2, with R32.600 million from *Compensation of employees* and R32 million from *Goods and services* moved to medicines under *Goods and services*.
 - Extensive virements were undertaken between sub-programmes and economic classifications within programmes, and these are discussed in detail in Section 4 below. Where necessary, approval for the increase in transfer payments was received from Provincial Treasury. Where Legislature approval is required for the reduction to a transfer or exceeding the 8 per cent limit, this is highlighted in the various sections below.

Note that the reduction in Programme 7 exceeds 8 per cent of the main appropriation and therefore requires Legislature approval.
--

- *Shifts*: The following shifts were undertaken at programme level.
 - An amount of R254 million was shifted within *Machinery and equipment* from Programme 8: Health Facilities Management to Programme 2 (R102 million), Programme 4 (R80 million) and Programme 5 (R72 million) as a result of a decision taken to decentralise the Health Technology Services (HTS) related medical equipment budget to the facilities that utilise the equipment. There is no change in purpose or economic category for this funding.
 - R13 million was shifted within *Compensation of employees* from Programme 4 to Programme 2 for the establishment of the Clairwood Gateway Clinic. This is aimed at removing the entire primary health care patient load from the Clairwood Hospital and reducing the outpatient headcount. The staff currently providing the primary health care services at the hospital level will be moved to the Clairwood Gateway Clinic to perform the same functions, hence the purpose for the funds remains the same.
 - R67.233 million was shifted within Programme 2 due to the shifting of the unspent portion of the St. Mary's Hospital transfer payment allocation to the operational and running costs of the hospital, following its provincialisation to become a departmental facility. Thus *Transfers and subsidies to: Non-profit institutions* was reduced by R67.233 million, and this funding was allocated to *Compensation of employees* (R49.427 million), *Goods and services* (R17.638 million), *Interest and rent on land* (R1 000), *Transfers and subsidies to: Departmental agencies and accounts* (R23 000) and *Transfers and subsidies to: Households* (R144 000).
- *Other adjustments*: The budget was increased by an amount of R381.694 million (excluding the approved roll-over). This funding was specifically and exclusively allocated as follows:
 - An amount of R331.224 million was allocated in terms of the Health/ Treasury assistance plan outlined in the Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017, which indicated that Provincial Treasury would provide support to the Department of Health. Part of this assistance requires the allocation of resources in areas such as Supply Chain Management, Internal Control and Accounting Services, while some funding is allocated to the department to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others. The amount of R331.224 million was allocated as follows:
 - R100 million was allocated against *Goods and services* to address pressures created by the outstanding NHLS accounts. The pressures were due to the migration from the flat-fee payment regime to the fee-for-service payment method. This funding was allocated to Programme 2 (R90 million) and Programme 5 (R10 million).
 - R162.180 million was allocated against *Goods and services* to address pressures created by outstanding medical supplies accounts and to make provision for urgent oncology services. This funding was allocated to Programme 2 (R27.180 million), Programme 4 (R85 million) and Programme 5 (R50 million).
 - R31 million was allocated against *Goods and services* in Programme 2 to address pressures created by outstanding medicine accounts from previous financial years.
 - R16.820 million was allocated to the provincialisation costs of St. Mary's Hospital, as follows:
 - R5 million against Programme 8 under *Goods and services* for the maintenance and repairs of this facility.
 - R11.400 million against Programme 2 under *Machinery and equipment*, for the purchase of assets from St. Mary's following the provincialisation of this facility.
 - R420 000 against Programme 2 under *Goods and services* for the leasing of St. Mary's buildings, prior to the final transfer of the property to the Province of KwaZulu-Natal.
 - R15 million was allocated against *Goods and services* to put in place maintenance contract SLAs for all critical medical equipment. This funding was allocated to Programme 2 (R5 million), Programme 4 (R8 million) and Programme 5 (R2 million).

Vote 7: Health

- R6.244 million was allocated against Programme 1: Administration under *Goods and services* to provide for an inflationary price adjustment for a food supplier, as identified for payment by the Health/ Treasury intervention team, following a detailed reconciliation exercise. This corrects an omission by the department over a number of years.
- o The balance of R50.450 million relates to additional funding allocated for repairs at hospitals and clinics damaged in the storms that mainly affected eThekweni on 10 October 2017. The funding was allocated to Programme 8 and against *Buildings and other fixed structures*.

Tables 7.1 and 7.2 reflect a summary of the 2017/18 adjusted appropriation of the department, summarised according to programme and economic classification.

Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 7: Health*.

Table 7.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	891 171	-	-	-	-	6 244	6 244	897 415
2. District Health Services	18 993 346	311	-	167 543	115 000	165 000	447 854	19 441 200
3. Emergency Medical Services	1 277 850	-	-	80 664	-	-	80 664	1 358 514
4. Provincial Hospital Services	10 612 363	-	-	(149 607)	67 000	93 000	10 393	10 622 756
5. Central Hospital Services	4 581 578	-	-	(34 000)	72 000	62 000	100 000	4 681 578
6. Health Sciences and Training	1 241 683	-	-	-	-	-	-	1 241 683
7. Health Care Support Services	293 954	-	-	(64 600)	-	-	(64 600)	229 354
8. Health Facilities Management	1 656 528	-	-	-	(254 000)	55 450	(198 550)	1 457 978
Total	39 548 473	311	-	-	-	381 694	382 005	39 930 478
Amount to be voted								382 005
of which: Unauth. Exp. (1st charge) not avail. for spending								(107 608)
Baseline available for spending after first charge								39 440 865

Table 7.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	37 075 809	311	-	(247 107)	67 066	319 844	140 114	37 215 923
Compensation of employees	25 246 832	-	-	(333 827)	49 427	-	(284 400)	24 962 432
Goods and services	11 828 580	311	-	84 986	17 638	319 844	422 779	12 251 359
Interest and rent on land	397	-	-	1 734	1	-	1 735	2 132
Transfers and subsidies to:	923 771	-	-	170 653	(67 066)	-	103 587	1 027 358
Provinces and municipalities	198 990	-	-	11 529	-	-	11 529	210 519
Departmental agencies and accounts	20 031	-	-	(899)	23	-	(876)	19 155
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	210 687	-	-	-	(67 233)	-	(67 233)	143 454
Households	494 063	-	-	160 023	144	-	160 167	654 230
Payments for capital assets	1 441 285	-	-	76 338	-	61 850	138 188	1 579 473
Buildings and other fixed structures	819 107	-	-	56 693	-	50 450	107 143	926 250
Machinery and equipment	622 178	-	-	19 645	-	11 400	31 045	653 223
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	107 608	-	-	116	-	-	116	107 724
Total	39 548 473	311	-	-	-	381 694	382 005	39 930 478
Amount to be voted								382 005
of which: Unauth. Exp. (1st charge) not avail. for spending								(107 608)
Baseline available for spending after first charge								39 440 865

4. Changes to programme purposes and service delivery measures

The department did not change the purpose of any of its programmes. However, there have been some changes to service delivery measures to align the targets originally published in the 2017/18 *EPRE* with the department's APP, which was published after the *EPRE*.

4.1 Programme 1: Administration

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

Tables 7.3 and 7.4 summarise the 2017/18 adjusted appropriation of Programme 1 according to sub-programme and economic classification. Details of the main adjustments within the programme, which resulted in an increase of R6.244 million, are provided in the paragraphs below the tables.

Table 7.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	20 891						-	20 891
2. Management	870 280					6 244	6 244	876 524
Total	891 171	-	-	-	-	6 244	6 244	897 415
Amount to be voted								6 244
of which: Unauth. Exp. (1st charge) not avail. for spending								(107 608)
Baseline available for spending after first charge								783 563
								789 807

Table 7.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	771 212	-	-	(6 010)	-	6 244	234	771 446
Compensation of employees	402 196			(19 047)			(19 047)	383 149
Goods and services	369 016			13 011		6 244	19 255	388 271
Interest and rent on land				26			26	26
Transfers and subsidies to:	7 308	-	-	(714)	-	-	(714)	6 594
Provinces and municipalities	3 490			106			106	3 596
Departmental agencies and accounts	1						-	1
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	3 817			(820)			(820)	2 997
Payments for capital assets	5 043	-	-	6 608	-	-	6 608	11 651
Buildings and other fixed structures							-	-
Machinery and equipment	5 043			6 608			6 608	11 651
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	107 608			116			116	107 724
Total	891 171	-	-	-	-	6 244	6 244	897 415
Amount to be voted								6 244
of which: Unauth. Exp. (1st charge) not avail. for spending								(107 608)
Baseline available for spending after first charge								783 563
								789 807

Virements – Programme 1: Administration

The following virements were undertaken within the programme and within sub-programmes, hence are not visible in Table 7.3:

- Savings of R19.047 million were identified against *Compensation of employees* as a result of vacant non-OSD posts, which could not be filled due to no carry-through funding in the outer years.
- Savings of R820 000 were identified against *Transfers and subsidies to: Households*, attributable to lower than anticipated staff exit costs and injury on duty claims.

These savings were moved within the programme as follows:

- *Goods and services* was increased by R13.011 million to provide for legal cost pressures related to defending medico-legal claims.

- *Interest and rent on land* was increased by R26 000 due to increased interest on overdue accounts.
- *Transfers and subsidies to: Provinces and municipalities* was increased by R106 000 to provide for the licensing of additional pool vehicles.
- *Machinery and equipment* was increased by R6.608 million to make provision for the procurement of additional pool vehicles in order to reduce the travel and subsistence claims related to the use of private motor vehicles on official trips, as well as for the procurement of replacement scanning equipment to meet the Auditor-General's requirement for archiving documents.
- The department has to cover the writing-off of irrecoverable debts, hence the movement of R116 000 to *Payments for financial assets*.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Other adjustments – Programme 1: Administration: R6.244 million

The allocation to Programme 1 under the Management sub-programme was increased by R6.244 million against *Goods and services*, being part of the additional funding for the joint Health/Treasury assistance plan, and provides for an inflationary price adjustment for a food supplier, as identified for payment by the Health/Treasury intervention team.

Service delivery measures – Programme 1: Administration

Table 7.5 shows the revised service delivery for Programme 1. Note that one measure in this programme is annual in nature and is only reported on after the closure of the financial year. The department revised one measure to align it with the target published in the 2017/18 APP.

Table 7.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
To conduct the strategic management and overall administration of the Dept. of Health	• Audit opinion from the Auditor-General	Unqualified	Annual	
	• Percentage of hospitals with broadband access	65%	52.8%	100%
	• Percentage fixed PHC facilities with broadband access	50%	21.3%	

4.2 Programme 2: District Health Services

The purpose of the programme is to render primary health care services and district hospital services. The main aims of the nine sub-programmes remain unchanged from the *EPRE*.

Tables 7.6 and 7.7 summarise the 2017/18 adjusted appropriation of Programme 2 according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R447.854 million, are provided in the paragraphs following the tables.

Table 7.6 : Programme 2: District Health Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. District Management	317 643	311		(30 590)			(30 279)	287 364
2. Community Health Clinics	4 117 584			37 011	12 060	61 000	110 071	4 227 655
3. Community Health Centres	1 638 584			(8 165)	8 165		-	1 638 584
4. Community-Based Services	314 738			105 915		51 000	156 915	471 653
5. Other Community Services	1 094 605			(49 014)	17 683		(31 331)	1 063 274
6. HIV and AIDS	4 852 495						-	4 852 495
7. Nutrition	52 920						-	52 920
8. Coroner Services	211 572			12 148			12 148	223 720
9. District Hospitals	6 393 205			100 238	77 092	53 000	230 330	6 623 535
Total	18 993 346	311	-	167 543	115 000	165 000	447 854	19 441 200
Amount to be voted								447 854

Table 7.7 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	18 402 782	311	-	73 515	80 066	153 600	307 492	18 710 274
Compensation of employees	12 176 936			(158 685)	61 127		(97 558)	12 079 378
Goods and services	6 225 453	311		232 314	18 938	153 600	405 163	6 630 616
Interest and rent on land	393			(114)	1		(113)	280
Transfers and subsidies to:	457 659	-	-	85 024	(67 066)	-	17 958	475 617
Provinces and municipalities	193 000			11 284			11 284	204 284
Departmental agencies and accounts	43			1	23		24	67
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	175 844				(67 233)		(67 233)	108 611
Households	88 772			73 739	144		73 883	162 655
Payments for capital assets	132 905	-	-	9 004	102 000	11 400	122 404	255 309
Buildings and other fixed structures				2 800			2 800	2 800
Machinery and equipment	132 905			6 204	102 000	11 400	119 604	252 509
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets								
Total	18 993 346	311	-	167 543	115 000	165 000	447 854	19 441 200
Amount to be voted								447 854

Roll-overs – Programme 2: District Health Services: R311 000

An amount of R311 000 was allocated against the sub-programme: District Management, under *Goods and services* for the National Treasury approved roll-over of committed, but unspent funding from 2016/17 against the NHI grant. The funding will be used mainly to pay for the impact assessment on the effectiveness of the implemented digital pen system in the NHI pilot districts.

Virement – Programme 2: District Health Services: R167.543 million

This programme received a net increase of R167.543 million as a result of virements from Programme 4, Programme 5 and Programme 7 as follows:

- *Goods and services* was increased by R29.943 million to cover the projected shortfall in the NHLS budget resulting from the previously mentioned change from the flat-fee regime to the fee-for-service payment method. The savings were a virement from Programme 4 under *Compensation of employees* due to the previously mentioned JHE payment that is under dispute, as well as an inability to attract applications for OSD posts including oncologists, psychiatrists, urologists, etc., at prioritised facilities. The category was increased by a further R64.600 million from Programme 7, with R32.600 million moved from *Compensation of employees* and R32 million moved from *Goods and services* to Programme 2 against medicines following the decision to put on hold the incorporation of the PPSD into the departmental books in this financial year, while the department is strengthening systems in this facility.
- *Transfers and subsidies to: Households* was increased by R73 million to provide for under-budgeted medico-legal costs. An amount of R39 million was moved from Programme 4 with R18.230 million moved from *Compensation of employees* and R20.770 million from *Goods and services*. The savings in *Compensation of employees* were due to the previously mentioned JHE payment that is under dispute, as well as the inability to attract applications for OSD posts including oncologists, psychiatrists, urologists, etc., at prioritised facilities. The savings in *Goods and services* resulted from the optimisation of medical supplies' inventory levels. A further R34 million was moved from Programme 5, with R18.577 million from *Compensation of employees* and R15.423 million from *Transfers and subsidies to: Households*. The savings in *Compensation of employees* were due to an inability to fill non-OSD posts because of a lack of carry-through funding in the outer years and difficulties in attracting applications for OSD posts, such as oncologists, neurosurgeons, etc., at prioritised facilities. The savings in *Transfers and subsidies to: Households* were due to lower medico-legal claims and staff exit costs than expected.

- The department also undertook virements within Programme 2, across sub-programmes and economic classifications. A total of R159.985 million was identified as savings under *Compensation of employees*, mainly within the Comprehensive HIV, AIDS and TB conditional grant. Also, savings of R114 000 were identified against *Interest and rent on land* due to over-budgeting. These savings were moved as follows:
 - *Goods and services* was increased by R139.071 million within the programme from *Compensation of employees*, mainly within the Comprehensive HIV, AIDS and TB conditional grant, to align to the revised business plan. These are projected savings to be realised from the slow pace in the filling of posts under the grant and will be utilised to cover anti-retroviral (ARV) medicine pressures brought about by the implementation of the Universal Test and Treat (UTT) programme, as well as the withdrawal of the supply of donor drugs.
 - *Transfers and subsidies to: Provinces and municipalities* was increased by R11.284 million to address pressures resulting from the eThekweni municipal clinics carry-over costs from 2016/17. This funding was also moved from *Compensation of employees*. Provincial Treasury approval was given for this increase in a transfer.
 - *Transfers and subsidies to: Departmental agencies and accounts* was increased by R1 000 to address under-budgeted TV licences.
 - *Transfers and subsidies to: Households* was increased by R739 000 to address higher than budgeted staff exits costs.
 - *Buildings and other fixed structures* was increased by R2.800 million in order to procure a park home for the Chwezi Clinic. The clinic has a critical shortage of space to render primary health care services, including the HIV and AIDS programmes. This was a movement within the Comprehensive HIV, AIDS and TB conditional grant, in line with the revised business plan.
 - *Machinery and equipment* was increased by R6.204 million to make provision for the procurement of the TB tracing team's vehicles under the Comprehensive HIV, AIDS and TB grant, in line with the revised business plan.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Shifts – Programme 2: District Health Services: R115 million

The department shifted funds from Programmes 4 and 8 to Programme 2 and within Programme 2 across economic classifications, as follows:

- R102 million was shifted within *Machinery and equipment* from Programme 8. This is related to the decision to decentralise the budget for the HTS medical equipment to the respective programmes for which the equipment is required. There is no change in purpose for this funding.
- R13 million was moved from Programme 4 within *Compensation of employees* to this programme for the establishment of the Clairwood Gateway Clinic. This is aimed at moving the entire primary health care patient load from the Clairwood Hospital and reducing the outpatient headcount. The staff currently providing the primary health care services at the hospital level will be moved to the Clairwood Gateway Clinic to perform the same functions, hence the purpose of the funds remains unchanged.
- The department moved the unspent portion of the St. Mary's Hospital transfer payment to the operational and running costs of the hospital, following its provincialisation to become a departmental facility. Thus *Transfers and subsidies to: Non-profit institutions* was reduced by R67.233 million, and this funding was allocated within Programme 2 to *Compensation of employees* (R49.427 million), *Goods and services* (R17.638 million), *Interest and rent on land* (R1 000), *Transfers and subsidies to: Departmental agencies and accounts* (R23 000) and *Transfers and subsidies to: Households* (R144 000). This reduction in a transfer is permissible as there is no change in purpose for this funding.

Other adjustments – Programme 2: District Health Services: R165 million

The department receives additional funding in support of the joint Health/Treasury assistance plan, with a total of R165 million allocated to *Goods and services* and *Machinery and equipment*, as follows:

- R90 million was allocated to *Goods and services* to address pressures created by outstanding NHLs payments. The pressures were due to the migration from the flat-fee payment regime to a fee-for-service payment method.
- R27.180 million was allocated to *Goods and services* to address pressures created by the outstanding medical supplies accounts.
- R31 million was allocated to *Goods and services* for outstanding medicine accounts from previous financial years.
- R420 000 was allocated to *Goods and services* for the leasing of St Mary’s buildings until the sale has gone through.
- R5 million was allocated to *Goods and services* in order to put in place a maintenance contract in the form of a SLA for all critical medical equipment.
- R11.400 million was allocated to *Machinery and equipment* for the purchase of assets from St. Mary’s Hospital following the provincialisation of this facility.

Service delivery measures – Programme 2: District Health Services

Table 7.8 shows the revised service delivery information for Programme 2.

The department revised most measures to align them with the targets published in the 2017/18 APP. This was due to late planning meetings, after the *EPRE* was published, between the department and the National Department of Health to set targets. The department amended the description of four measures, and these are indicated in bold italics.

Note that some measures in this programme are annual in nature and are only reported on after the closure of the financial year. Note also that four performance measures are no longer valid and these are indicated by “n/a” in the Mid-year actual and Revised target columns.

Table 7.8 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. District Health Services				
To provide facilities for patients to be treated at PHC level	• Ideal clinic status determinations conducted by Perfect Permanent Team for Ideal Clinic Realisation and Maintenance (PPTICRM) rate (fixed clinic/ CHC/ CDC)	60%	-	
	• Patient experience of care survey rate (PHC)	100%	n/a	n/a
	• Patient experience of care satisfaction rate	75%	n/a	n/a
	• Outreach household registration visit coverage (annualised)	38%	10.7%	40%
	• PHC utilisation rate (annualised)	2.8	6.3	2.7
	• Complaint resolution rate (PHC)	88.5%	86.5%	
	• Complaint resolution within 25 working days rate (PHC)	95.5%	95.6%	
2. District Hospitals				
Rendering hospital service at district level	• Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	21%	90%	
	• Patient experience of care survey rate	100%	n/a	n/a
	• Patient experience of care satisfaction rate	80%	n/a	n/a
	• Average length of stay – total	5.7 days	5.5 days	
	• Inpatient bed utilisation rate – total	66.8%	57.2%	
	• Expenditure per patient day equivalent	R2 272	R2 503	R2 320
	• Complaint resolution rate	80%	78.4%	82%
	• Complaint resolution within 25 working days rate	93%	93.3%	

Table 7.8 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
3. HIV and AIDS, TB and STI control				
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	• ART client remain on ART end of month - total	1 441 555	1 209 283	1 295 471
	• TB / HIV co-infected clients on ART rate	90%	91.3%	
	• HIV test done - total	2 260 448	1 913 684	
	• Male condoms distributed	166 108 160	18 515 396	210 030 898
	• Medical male circumcision – total	174 217	152 312	138 863
		882 418 cum		847 064 cum
	• TB symptom 5 years and older start on treatment rate	Target to be determined	106.3%	99.3%
	• TB client treatment success rate	87%	38.8%	
	• TB client lost to follow up rate	2.9%	1.9%	3.5%
	• TB client death rate	3%	Annual	2.9%
• TB MDR treatment success rate	64%	Annual	61.9%	
4. Maternal, child and women health				
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	• Antenatal 1st visit before 20 weeks rate	73%	71.8%	70.5%
	• Mother postnatal visit within 6 days rate	70%	73.6%	70.1%
	• Antenatal client start on ART rate	98%	Annual	
	• Infant 1st PCR test positive around 10 weeks rate	1.18%	0.7%	
	• Immunisation under 1 year coverage (annualised)	92%	75.6%	81.7%
	• Measles 2nd dose coverage (annualised)	95%	81.1%	90%
	• DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate	5%	6.4%	
	• Diarrhoea case fatality under 5 years rate	2.5%	2.4%	2.1%
	• Pneumonia case fatality under 5 years rate	2.6%	3.3%	
	• Severe acute malnutrition case fatality under 5 years rate	7.3%	3%	7.4%
	• School Grade 1 learners screened	94 234	36 365	67 966
	• School Grade 8 learners screened	43 076	24 638	37 781
	• Couple year protection rate (international)	65%	84.4%	64.7%
	• Cervical cancer screening coverage 20 years and older	77%	78.8%	75%
	• HPV 1 st dose	64 150	Annual	84 150
	• HPV 2 nd dose	64 150	Annual	84 150
	• Infant exclusively breastfed at HepB 3 rd dose rate	60%	54.4%	
	• Maternal mortality in facility ratio (annualised)	105/100 000	Annual	55%
	• Neonatal death in facility rate	11/1 000	Annual	11.7/1 000
5. Disease prevention and control				
Rendering preventive and promotive health services	• Clients 40 years and older screened for hypertension	90 000	Annual	4 473 572
	• Clients 40 years and older screened for diabetes	45 000	Annual	4 473 572
	• Mental disorders screening rate	6 000 000	Annual	5%
	• Cataract surgery rate	575.3/ 1 mil	956/1 mil	705/1 mil
	• Malaria case fatality rate	< 0.5%	3.2%	0.8%

4.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport. Poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes. Tables 7.9 and 7.10 reflect a summary of the 2017/18 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an increase of R80.664 million to the main appropriation, are provided in the paragraphs following the tables.

Table 7.9 : Programme 3: Emergency Medical Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Emergency Services	1 195 647			46 745			46 745	1 242 392
2. Planned Patient Transport	82 203			33 919			33 919	116 122
Total	1 277 850	-	-	80 664	-	-	80 664	1 358 514
Amount to be voted								80 664

Table 7.10 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	1 220 793	-	-	81 009	-	-	81 009	1 301 802
Compensation of employees	899 259			42 777			42 777	942 036
Goods and services	321 534			38 213			38 213	359 747
Interest and rent on land				19			19	19
Transfers and subsidies to:	5 057	-	-	(354)	-	-	(354)	4 703
Provinces and municipalities	2 500			124			124	2 624
Departmental agencies and accounts	2			(2)			(2)	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	2 555			(476)			(476)	2 079
Payments for capital assets	52 000	-	-	9	-	-	9	52 009
Buildings and other fixed structures							-	-
Machinery and equipment	52 000			9			9	52 009
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	1 277 850	-	-	80 664	-	-	80 664	1 358 514
Amount to be voted								80 664

Virement – Programme 3: Emergency Medical Services: R80.664 million

A total of R80.664 million was moved to both sub-programmes in this programme from Programme 4 as follows:

- *Compensation of employees* increased by R42.777 million to address pressures resulting from the payment of overtime for emergency workers, including carry-over overtime payments from 2016/17.
- *Goods and services* was increased by R37.887 million in respect of higher than expected fuel and vehicle repair costs.
- The balance of the virements were within the programme affecting both sub-programmes, with *Transfers and subsidies to: Households* reduced by R476 000 due to over-budgeting for medico-legal claims and *Transfers and subsidies to: Departmental agencies and accounts* reduced by R2 000 because of incorrect budgeting for TV licences. Note that these reductions in transfers do not require legislature approval as the transfers are not gazetted. The total of R478 000 was moved as follows:
 - R326 000 was moved to *Goods and services* to address pressures in respect of higher costs of maintenance and repairs of emergency medical service vehicles.
 - R19 000 was moved to *Interest and rent on land* for interest paid on over-due accounts that was unfunded.
 - *Transfers and subsidies to: Provinces and municipalities* was increased by R124 000 to address under-budgeted motor vehicle licences.
 - R9 000 was moved to *Machinery and equipment* to address minor pressure in the purchase of EMS equipment.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.11 shows the service delivery information for Programme 3. There are no changes in targets from the information provided in the *EPRE*.

Table 7.11 : Service delivery measures – Programme 3: Emergency Medical Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
Emergency Medical Services				
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	<ul style="list-style-type: none"> EMS P1 urban response under 15 minutes rate EMS P1 rural response under 40 minutes rate EMS inter-facility transfer rate 	10%	14.9%	
		36%	34.6%	
		43%	41.1%	

4.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research.

Tables 7.12 and 7.13 summarise the 2017/18 adjusted appropriation of Programme 4 according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R10.393 million, are provided in the paragraphs following the tables.

Table 7.12 : Programme 4: Provincial Hospital Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. General (Regional) Hospitals	8 468 660			(115 567)	80 000	93 000	57 433	8 526 093
2. Tuberculosis Hospitals	812 781			(5 464)			(5 464)	807 317
3. Psychiatric-Mental Hospitals	891 958			(16 726)			(16 726)	875 232
4. Sub-acute, Step-down and Chronic Medical Hospitals	417 707			(11 850)	(13 000)		(24 850)	392 857
5. Dental Training Hospital	21 257						-	21 257
Total	10 612 363	-	-	(149 607)	67 000	93 000	10 393	10 622 756
Amount to be voted								10 393

Table 7.13 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	10 433 135	-	-	(246 386)	(13 000)	93 000	(166 386)	10 266 749
Compensation of employees	7 997 996			(146 755)	(13 000)		(159 755)	7 838 241
Goods and services	2 435 135			(101 434)		93 000	(8 434)	2 426 701
Interest and rent on land	4			1 803			1 803	1 807
Transfers and subsidies to:	143 360	-	-	96 779	-	-	96 779	240 139
Provinces and municipalities								
Departmental agencies and accounts	83			35			35	118
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	34 843						-	34 843
Households	108 434			96 744			96 744	205 178
Payments for capital assets	35 868	-	-	-	80 000	-	80 000	115 868
Buildings and other fixed structures							-	-
Machinery and equipment	35 868				80 000		80 000	115 868
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets								
Total	10 612 363	-	-	(149 607)	67 000	93 000	10 393	10 622 756
Amount to be voted								10 393

Virement – Programme 4: Provincial Hospital Services: (R149.607 million)

A total of R149.607 million was moved from this programme to Programme 2 (R68.943 million) and Programme 3 (R80.664 million). The bulk of the savings were from the General (Regional) Hospitals sub-programme, with smaller contributions from three other sub-programmes. The movements were as follows:

- *Compensation of employees* was reduced by R48.173 million due to the disputed JHE payment to UKZN, as well as the inability to attract applications for OSD posts including oncologists, psychiatrists, urologists, etc., at prioritised facilities, such as Madadeni and Ngwelezane Hospitals, among others. An amount of R29.943 million was moved to *Goods and services* in Programme 2 to cover the projected shortfall in the NHLS budget resulting from the previously mentioned change from the flat-fee regime to the fee-for-service payment method. A further R18.230 million was moved from this category to *Transfers and subsidies to: Households* in Programme 2 to address pressures from medico-legal claims.
- *Goods and services* was reduced by R101.434 million due to the optimisation of medical supplies stock levels, as well as the acceleration in enrolling patients on chronic medication with regard to the CCMDD programme, which results in cost savings. This funding was moved as follows:
 - R20.770 million was moved to *Transfers and subsidies to: Households* in Programme 2 to address medico-legal claims pressures.
 - R42.777 million was moved to Programme 3 under *Compensation of employees* to address over-time payments for EMS staff, including carry-over overtime payments from 2016/17.
 - R37.887 million was moved to Programme 3 under *Goods and services* to address higher fuel and repair costs for the EMS fleet.

There were also movements within the programme and between sub-programmes, with savings of R98.582 million against *Compensation of employees* due to the disputed JHE payment to UKZN and vacant OSD posts, which were moved as follows:

- R1.803 million was allocated to *Interest and rent on land* to address pressure from an unanticipated interest payment on a labour dispute, as well as of interest on over-due accounts.
- R35 000 was moved to *Transfers and subsidies to: Departmental agencies and accounts* to address under-budgeted TV licences.
- R96.744 million was moved to *Transfers and subsidies to: Households* to offset the projected over-spending on medico-legal claims and staff exit costs.

All these virements are permissible in terms of the PFMA and Treasury Regulations, and Treasury approval for the increase in transfers for medico-legal claims was given.

Shift – Programme 4: Provincial Hospital Services: R67 million

The following shifts were undertaken, resulting in a net increase of R67 million against this programme:

- An amount of R80 million was shifted from Programme 8 to the General (Regional) Hospitals sub-programme in Programme 4 under *Machinery and equipment* as a result of the decision to decentralise the HTS related medical equipment budget to facilities.
- R13 million was shifted from *Compensation of employees* in the Sub-acute, Step-down and Chronic Medical Hospitals sub-programmes in Programme 4 to the same category in Programme 2 under the Community Health Clinics sub-programme for the establishment of the Clairwood Gateway clinic. This is aimed at moving all the primary health care patients from the Clairwood Hospital to the Clairwood Gateway Clinic, thus reducing the outpatient headcount at the hospital. The staff currently providing primary health care services at the hospital level will be moved to the Clairwood Gateway Clinic to perform the same functions, hence the purpose for the funds remains unchanged.

Other adjustments – Programme 4: Provincial Hospital Services: R93 million

The programme's allocation was increased by R93 million against the General (Regional) Hospitals sub-programme. This funding forms part of the allocation made in terms of the Health/ Treasury assistance plan, as mentioned, where some funding is allocated to the department to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others. The funding was allocated to *Goods and services*, with R85 million allocated to address

pressures created by the outstanding medical supplies accounts. A further R8 million was allocated against *Goods and services* to put in place maintenance contract SLAs for all critical medical equipment.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.14 shows the revised service delivery information for Programme 4. The department revised two measures to align them with the targets published in the 2017/18 APP. Note that two performance measures are no longer valid and these are indicated by “n/a” in the Mid-year actual and Revised target columns. The department revised the Specialised Hospitals section from a set of high level measures to measures at the four specialist levels. The high level measures are thus withdrawn as indicated by “n/a” in the Mid-year actual and Revised target columns, and the new measures are indicated by “New” in the Original target column.

Table 7.14 : Service delivery measures – Programme 4: Provincial Hospital Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. General (Regional) Hospitals				
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	30%	100%	31%
	• Patient experience of care survey rate	100%	n/a	n/a
	• Patient experience of care satisfaction rate	83%	n/a	n/a
	• Average length of stay – total	5.8 days	5.9 days	
	• Inpatient bed utilisation rate – total	73.9%	70.7%	
	• Expenditure per PDE	R2 762	R2 155	R2 881
	• Complaints resolution rate	82%	79.8%	
	• Complaints resolution within 25 working days rate	98%	87.3%	
2. Specialised Hospitals				
Rendering of hospital services at a specialist level including TB, psychiatric, oral and dental, step-down and chronic	• Hospital achieved 75% and more on National Core Standards self-assessment rate	22%	n/a	n/a
	• Patient experience of care survey rate	100%	n/a	n/a
	• Patient experience of care satisfaction rate	80%	n/a	n/a
	• Complaints resolution rate	88.5%	n/a	n/a
	• Complaints resolution within 25 working days rate	95%	n/a	n/a
	3. Specialised TB Hospitals			
Rendering of hospital services at a specialist TB level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	-	20%
	• Inpatient bed utilisation rate – total	New	-	57.9%
	• Expenditure per PDE	New	-	R2 228
	• Complaints resolution rate	New	-	60%
	• Complaints resolution within 25 working days rate	New	-	95%
	4. Specialised Psychiatric Hospitals			
Rendering of hospital services at a specialist psychiatric level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	-	17%
	• Inpatient bed utilisation rate – total	New	-	71.1%
	• Expenditure per PDE	New	-	R1 409
	• Complaints resolution rate	New	-	95%
	• Complaints resolution within 25 working days rate	New	-	85.5%
	5. Chronic/ Sub-Acute Hospitals			
Rendering of hospital services at a specialist chronic/ sub-acute level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	New	-	50%
	• Inpatient bed utilisation rate – total	New	-	58.3%
	• Expenditure per PDE	New	-	R2 638
	• Complaints resolution rate	New	-	96%
	• Complaints resolution within 25 working days rate	New	-	100%
	6. Oral and Dental Training Centre			
Rendering of hospital services at a specialist dental level	• No. of dentures issued per annum	New	-	250
	• No. of Oral Hygienist and Dental Therapists trained per annum	New	-	35

4.5 Programme 5: Central Hospital Services

The main purpose of this programme is to provide tertiary health services and to create a platform for training of health workers. Tables 7.15 and 7.16 reflect a summary of the 2017/18 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. The main adjustments, which resulted in an overall increase of R100 million, are explained below the tables.

Table 7.15 : Programme 5: Central Hospital Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
1. Central Hospital Services	2 241 188			(8 000)		30 000	22 000	2 263 188
2. Provincial Tertiary Hospital Services	2 340 390			(26 000)	72 000	32 000	78 000	2 418 390
Total	4 581 578	-	-	(34 000)	72 000	62 000	100 000	4 681 578
Amount to be voted								100 000

Table 7.16 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	4 547 518	-	-	(39 202)	-	62 000	22 798	4 570 316
Compensation of employees	2 689 663			(23 624)			(23 624)	2 666 039
Goods and services	1 857 855			(15 578)		62 000	46 422	1 904 277
Interest and rent on land							-	-
Transfers and subsidies to:	27 060	-	-	(15 364)	-	-	(15 364)	11 696
Provinces and municipalities								
Departmental agencies and accounts	60			59			59	119
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	27 000			(15 423)			(15 423)	11 577
Payments for capital assets	7 000	-	-	20 566	72 000	-	92 566	99 566
Buildings and other fixed structures							-	-
Machinery and equipment	7 000			20 566	72 000		92 566	99 566
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	4 581 578	-	-	(34 000)	72 000	62 000	100 000	4 681 578
Amount to be voted								100 000

Virement – Programme 5: Central Hospital Services: (R34 million)

The department undertook virements from Programme 5 to Programme 2, as well as movements within the programme, affecting both sub-programmes, which resulted in a reduction of R34 million in respect of this programme, as follows:

- Savings of R23.624 million were identified under *Compensation of employees* resulting from the previously mentioned inability to fill non-OSD posts due to insufficient carry-through funding in the outer years, and difficulties in attracting applications for OSD posts, such as oncologists, neurosurgeons, etc., at prioritised facilities. A total of R18.577 million was moved to Programme 2 under *Transfers and subsidies to: Households* to address pressures from medico-legal claims, which were higher than expected. The balance of R5.047 million was moved within the programme to *Machinery and equipment* to address the backlog in the procurement of critical medical equipment.
- Savings of R15.423 million identified under *Transfers and subsidies to: Households* as a result of lower medico-legal claims and staff exit costs in Programme 5, were moved to the same category in Programme 2 to address medico-legal claims and staff exit cost pressures.
- Savings of R15.578 million under *Goods and services* were attributable to the optimisation of medical supplies stock levels at facilities, and were moved within the programme as follows:
 - R15.519 million was moved to *Machinery and equipment* to address the backlog in the procurement of critical medical equipment.

- o R59 000 was moved to *Transfers and subsidies to: Departmental agencies and accounts* to address under-budgeted TV licences.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Shift – Programme 5: Central Hospital Services: R72 million

An amount of R72 million was shifted within *Machinery and equipment* from Programme 8 to Programme 5 against the Provincial Tertiary Hospital Services sub-programme as a result of the decision to decentralise the HTS related medical equipment budget to facilities.

Other adjustments – Programme 5: Central Hospital Services: R62 million

An additional R62 million was allocated to this programme in terms of the Health/ Treasury assistance plan, as mentioned, where some funding is allocated to the department to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others. The funding was allocated to *Goods and services* as follows:

- R10 million was allocated to address pressures created by the outstanding NHLS accounts. The pressures were due to the migration from a flat-fee regime to the fee-for-service payment method.
- R50 million was allocated to address pressures created by outstanding medical supplies accounts and to make provision for urgent oncology services.
- R2 million was allocated to put in place maintenance contract SLAs for critical medical equipment.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.17 shows the revised service delivery information for Programme 5.

The department revised two measures to align with the targets published in the 2017/18 APP, due to the *EPRE* being published before the APP was finalised. Note that four performance measures are no longer valid and these are indicated by “n/a” in the Mid-year actual and Revised target columns.

Table 7.17 : Service delivery measures – Programme 5: Central Hospital Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. Tertiary Hospitals				
To provide tertiary health services and create a platform for the training of health workers	• Hospital achieved 75% and more on National Core Standards self-assessment rate	33%	-	
	• Patient experience of care survey rate	100%	n/a	n/a
	• Patient experience of care satisfaction rate	95%	n/a	n/a
	• Average length of stay – total	9.4 days	7.3 days	
	• Inpatient bed utilisation rate – total	80.2%	72.2%	
	• Expenditure per PDE	R3 753	R2 610	R3 769
	• Complaints resolution rate	85%	76.3%	
	• Complaints resolution within 25 working days rate	96%	95.9%	
2. Central Hospitals				
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	100%	100%	
	• Patient experience of care survey rate	100%	n/a	n/a
	• Patient experience of care satisfaction rate	96%	n/a	n/a
	• Average length of stay – total	8.6 days	7.9 days	
	• Inpatient bed utilisation rate – total	69.5%	60.6%	
	• Expenditure per PDE	R9 200	R10 329	R8 185
	• Complaints resolution rate	98%	88.83%	
	• Complaints resolution within 25 working days rate	100%	58.2%	

4.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The objectives of the five sub-programmes remain unchanged from the *EPRE*. Tables 7.18 and 7.19 summarises the 2017/18 adjusted appropriation of Programme 6: Health Sciences and Training, according to sub-programme and economic classification. Details of the main adjustments within the programme, which resulted in no change to the main appropriation, are provided in the paragraphs below the tables.

Table 7.18 : Programme 6: Health Sciences and Training

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Nursing Training Colleges	300 650			(22 207)		(22 207)	278 443
2. EMS Training Colleges	18 304			(1 007)		(1 007)	17 297
3. Bursaries	293 912			(2 803)		(2 803)	291 109
4. Primary Health Care Training	46 481			4 504		4 504	50 985
5. Training Other	582 336			21 513		21 513	603 849
Total	1 241 683	-	-	-	-	-	1 241 683
Amount to be voted							-

Table 7.19 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Current payments	952 340	-	-	(5 736)	-	(5 736)	946 604
Compensation of employees	877 206			12 847		12 847	890 053
Goods and services	75 134			(18 583)		(18 583)	56 551
Interest and rent on land						-	-
Transfers and subsidies to:	282 631	-	-	5 201	-	5 201	287 832
Provinces and municipalities				15		15	15
Departmental agencies and accounts	19 842			(992)		(992)	18 850
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	262 789			6 178		6 178	268 967
Payments for capital assets	6 712	-	-	535	-	535	7 247
Buildings and other fixed structures						-	-
Machinery and equipment	6 712			535		535	7 247
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets						-	-
Total	1 241 683	-	-	-	-	-	1 241 683
Amount to be voted							-

Virement – Programme 6: Health Sciences and Training

There were virements within the programme between sub-programmes and economic categories, which resulted in no change to the main appropriation for this programme. The bulk of the savings were against the Nursing Training College sub-programme, and were mainly moved to the Training Other sub-programme. The movements are as explained below:

- Savings under *Goods and services* of R18.583 million were attributed to enforced savings on training and development of staff and related travelling costs.
- The Health and Welfare Sector Education Training Authority (HWSETA) levy was lower than expected due to the slow process in the filling of posts, hence the reduction of R992 000 under *Transfers and subsidies to: Departmental agencies and accounts*. This reduction of a transfer does not require Legislature approval in terms of Treasury Regulation 6.3.1(a).

These savings were utilised to offset expenditure pressures within the programme as follows:

- There were pressures under *Compensation of employees* as a result of the increased intake of medical interns, hence an increase of R12.847 million under this category, mainly under the Training Other

sub-programme. This pressure was mitigated by the reduced nurse intake, hence the reduction of R22.207 million under the Nurse Training Colleges sub-programme.

- R15 000 was moved to *Transfers and subsidies to: Provinces and municipalities* to address under-budgeted motor vehicle licence costs.
- *Transfers and subsidies to: Households* was increased by R6.178 million to address pressures from bursary payment accruals and staff exit costs.
- R535 000 was allocated to *Machinery and equipment* for the purchase of EMS training equipment.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.20 shows the service delivery information for Programme 6. Note that both measures in this programme are annual in nature and are only reported on at the end of the financial year.

The department revised one measure to align with the targets published in the 2017/18 APP, due to the EPRE being published before the APP was finalised.

Table 7.20 : Service delivery measures – Programme 6: Health Sciences and Training

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. Bursaries				
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of bursaries awarded for first year medicine students	50	Annual	30
	• No. of bursaries awarded for first year nursing students	225	Annual	

4.7 Programme 7: Health Care Support Services

The purpose of this programme is to manage the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities. The programme also is responsible for the provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities, as well as provision of specialised orthotic and prosthetic services to hospitals and clinics.

Note that, although the PPSD funding has been moved to Programme 2 (see details below the tables) the functions and responsibilities remain in Programme 7.

Tables 7.21 and 7.22 summarise the 2017/18 adjusted appropriation of Programme 7: Health Care Support Services according to sub-programme and economic classification.

Details of the main adjustments within the programme, which resulted in a decrease of R64.600 million from the main appropriation, are provided in the paragraphs following the tables.

Table 7.21 : Programme 7: Health Care Support Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
1. Medicine Trading Account	64 600			(64 600)		(64 600)	-
2. Laundry Services	186 767			6 315		6 315	193 082
3. Orthotic and Prosthetic Services	42 587			(6 315)		(6 315)	36 272
Total	293 954	-	-	(64 600)	-	(64 600)	229 354
Amount to be voted							(64 600)

Table 7.22 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Current payments	287 608	-	-	(71 245)	-	(71 245)	216 363
Compensation of employees	152 176			(43 736)		(43 736)	108 440
Goods and services	135 432			(27 509)		(27 509)	107 923
Interest and rent on land						-	-
Transfers and subsidies to:	696	-	-	81	-	81	777
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	696			81		81	777
Payments for capital assets	5 650	-	-	6 564	-	6 564	12 214
Buildings and other fixed structures						-	-
Machinery and equipment	5 650			6 564		6 564	12 214
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets						-	-
Total	293 954	-	-	(64 600)	-	(64 600)	229 354
Amount to be voted							(64 600)

Virement – Programme 7: Health Care Support Services: (R64.600 million)

Savings were realised in the programme following a decision to put on hold the incorporation of the PPSD into the departmental books in this financial year, while the department is strengthening systems in this facility. As a result, R64.600 million was moved from the Medicine Trading Account in this programme to Programme 2, with R32.600 million moving from *Compensation of employees* and R32 million from *Goods and services* and allocated to medicines under *Goods and services*.

There were also savings of R11.136 million under *Compensation of employees*, mainly attributed to delays in filling of Laundry Services posts due to the lack of carry-through funding in the outer years of the MTEF. These were moved within the programme as follows:

- R4.491 million was moved to *Goods and services* for under-budgeted fuel costs at laundries.
- *Transfers and subsidies to: Households* was increased by R81 000 to address staff exit costs pressures that were higher than budgeted.
- *Machinery and equipment* was increased by R6.564 million to make provision for the procurement of orthotic and prosthetic equipment in order to strengthen this service.

All these virements are permissible in terms of the PFMA and Treasury Regulations.

Note that the reduction in this programme exceeds 8 per cent of the main appropriation and therefore requires Legislature approval.

Service delivery measures – Programme 7: Health Care Support Services

Table 7.23 shows the revised service delivery information for Programme 7.

Note that all measures in this programme are annual in nature and are only reported on at the end of the financial year.

The department revised two measures to align with the targets published in the 2017/18 APP, due to the *EPRE* being published before the APP was finalised.

Table 7.23 : Service delivery measures – Programme 7: Health Care Support Services

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. Medicine Trading Account				
Render pharmaceutical services to the dept. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities	• Percentage of pharmacies that obtained A and B grading on inspection	94%	Annual	
	• No. of facilities implementing the CCMD program (cumulative)	321	Annual	746
	• No. of patients enrolled on CCMD program (cumulative)	450 000	Annual	1 000 000
2. Laundry Services				
Render laundry services to hospitals, care and rehabilitation centres and certain local authorities	• Percentage of facilities reporting clean linen stock outs	10%	Annual	

4.8 Programme 8: Health Facilities Management

The main purpose of this programme is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures. The main objectives of the five sub-programmes remain unchanged from the EPRE.

Tables 7.24 and 7.25 summarise the 2017/18 adjusted appropriation of Programme 8 according to sub-programme and economic classification. Details of the main adjustments, which resulted in a reduction of R198.550 million to the main appropriation, are provided in the paragraphs below the tables.

Table 7.24 : Programme 8: Health Facilities Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Community Health Facilities	165 800			(7 841)	(24 908)		(32 749)	133 051
2. District Hospital Services	240 000			(24 136)	(77 092)		(101 228)	138 772
3. Provincial Hospital Services	849 184			81 279	(80 000)	25 450	26 729	875 913
4. Central Hospital Services	103 819			(27 757)	(72 000)	25 000	(74 757)	29 062
5. Other Facilities	297 725			(21 545)		5 000	(16 545)	281 180
Total	1 656 528	-	-	-	(254 000)	55 450	(198 550)	1 457 978
Amount to be voted								(198 550)

Table 7.25 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	460 421	-	-	(33 052)	-	5 000	(28 052)	432 369
Compensation of employees	51 400			3 696			3 696	55 096
Goods and services	409 021			(36 748)		5 000	(31 748)	377 273
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	1 196 107	-	-	33 052	(254 000)	50 450	(170 498)	1 025 609
Buildings and other fixed structures	819 107			53 893		50 450	104 343	923 450
Machinery and equipment	377 000			(20 841)	(254 000)		(274 841)	102 159
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 656 528	-	-	-	(254 000)	55 450	(198 550)	1 457 978
Amount to be voted								(198 550)

Virements – Programme 8: Health Facilities Management

Due to pressures within *Buildings and other fixed structures*, the department was forced to reprioritise some maintenance projects, as well as equipment procurement, resulting in forced savings, as follows:

- *Goods and services* was reduced by R36.748 million as a result of forced savings against maintenance.
- *Machinery and equipment* was reduced by R20.841 million, also as a result of forced savings against medical equipment.

These savings were moved within the programme as follows:

- *Compensation of employees* was increased by R3.696 million as a result of additional posts which need to be filled including Director posts in the Infrastructure Development unit.
- *Buildings and other fixed structures* was increased by R53.893 million, attributable to carry-over costs from 2016/17, which had added pressure to this category in 2017/18, as well faster than expected progress on the Dr. Pixley ka Seme Hospital project.

Shifts – Programme 8: Health Facilities Management: (R254 million)

An amount of R254 million, affecting four of the five sub-programmes, was shifted within *Machinery and equipment* from Programme 8 to Programme 2 (R102 million), Programme 4 (R80 million) and Programme 5 (R72 million) as a result of the decision to decentralise the HTS related medical equipment budget to facilities.

Other adjustments – Programme 8: Health Facilities Management: R55.450 million

The department received additional specifically and exclusively allocated funding, with R50.450 million allocated for repairs at hospitals and clinics damaged in the storms that mainly affected eThekweni on 10 October 2017. In addition, R5 million was allocated for the Health/ Treasury assistance plan, as mentioned, where some funding is allocated to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others. The funding was allocated as follows:

- R50.450 million was allocated to *Buildings and other fixed structures* for costs related to damage to hospitals and clinics caused by the storms in eThekweni in October 2017.
- R5 million was allocated to *Goods and services* for the maintenance and repairs of St Mary's Hospital.

Service delivery measures – Programme 8: Health Facilities Management

Table 7.26 shows the revised service delivery information for Programme 8. Note that both measures in this programme are annual in nature and are only reported on at the end of the financial year. The department revised both measures to align with the targets published in the 2017/18 APP, due to the *EPRE* being published before the APP was finalised.

Table 7.26 : Service delivery measures – Programme 8: Health Facilities Management

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
1. Health Facilities Management				
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities that have undergone major and minor refurbishment in NHI Pilot District	5	Annual	148
	• No. of health facilities that have undergone major and minor refurbishment outside NHI Pilot District (excluding facilities in NHI Pilot District)	9	Annual	464

5. Specifically and exclusively appropriated allocations

Table 7.27 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that conditional grants, as well as transfers to local government (which are also specifically and exclusively appropriated funds) are not included here, as they are discussed in Sections 8 and 10 below.

Details of the main adjustments, which resulted in an overall increase of R392.978 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the tables.

Table 7.27 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Prog 1: Improving infrastructure support	23 880					-	23 880
2. Prog 2: Municipal clinics	193 000			11 284		11 284	204 284
3. NHLS fee-for-service pressures	329 124	-	-	-	-	-	329 124
Prog 2: NHLS fee-for-service pressures	185 498					-	185 498
Prog 4: NHLS fee-for-service pressures	111 826					-	111 826
Prog 5: NHLS fee-for-service pressures	31 800					-	31 800
4. Exchange rate pressures - medicine, equipment and supplies	1 691 311	-	-	-	-	-	1 691 311
Prog 2: Medicine, equipment and supplies	795 135					-	795 135
Prog 4: Medicine, equipment and supplies	418 075					-	418 075
Prog 5: Medicine, equipment and supplies	241 312					-	241 312
Prog 8: Medicine, equipment and supplies	236 789					-	236 789
5. Treasury/ Health assistance plan					331 244	331 244	331 244
Prog 1: Treasury/ Health assistance plan					6 244	6 244	6 244
Prog 2: Treasury/ Health assistance plan					165 000	165 000	165 000
Prog 4: Treasury/ Health assistance plan					93 000	93 000	93 000
Prog 5: Treasury/ Health assistance plan					62 000	62 000	62 000
Prog 8: Treasury/ Health assistance plan					5 000	5 000	5 000
6. Prog 8: Flood disaster of 10 October 2017					50 450	50 450	50 450
Total	2 237 315	-	-	11 284	-	381 694	2 630 293
Amount to be voted							392 978

- *Virement*: The department increased transfers to municipal clinics in eThekweni by R11.284 million due to the eThekweni municipal clinics invoices that could not be paid in 2016/17 as a result of the claims verification process. This funding was moved within Programme 2 from savings against *Compensation of employees*. Provincial Treasury approval was given for this increase in a transfer.
- *Other adjustments*: The department's budget allocation was increased by an amount of R381.694 million in specifically and exclusively allocated funding, which was allocated as follows:
 - o An amount of R331.224 million was allocated in terms of the Health/Treasury assistance plan outlined in the Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017, which indicated that Provincial Treasury would provide support to the Department of Health. Part of this assistance requires the allocation of resources in areas such as Supply Chain Management, Internal Control and Accounting Services, while some funding is allocated to the department to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others.
 - o R50.450 million is allocated for repairs to hospitals and clinics damaged in the storms that mainly affected eThekweni on 10 October 2017, including King Edward VIII and Clairwood Hospitals.

6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donation and sponsorships in excess of R100 000 in 2017/18.

7. Infrastructure

Table 7.28 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R51.306 million, are provided in the paragraphs following the tables.

Note that there was an erroneous amount depicted against the main appropriation in the equivalent table in the *EPRE*, which resulted in an over-statement of *Capital infrastructure* by R110.159 million in this table only (not affecting any other table). This is now corrected as discussed under *Shifts* below.

Table 7.28 : Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	531 532	-	-	(69 713)	-	55 450	(14 263)	517 269
Maintenance and repair: Current	347 514			(74 425)		5 000	(69 425)	278 089
Upgrades and additions: Capital	84 060			(4 413)			(4 413)	79 647
Refurbishment and rehabilitation: Capital	99 958			9 125		50 450	59 575	159 533
New infrastructure assets: Capital	745 248			51 981	(110 159)		(58 178)	687 070
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital								
Infrastructure transfers: Current								
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-
Infrastructure: Leases	100 000			(816)			(816)	99 184
Non infrastructure²	279 748			124 563			124 563	404 311
<i>Capital infrastructure</i>	929 266	-	-	56 693	(110 159)	50 450	(3 016)	926 250
<i>Current infrastructure</i>	447 514	-	-	(75 241)	-	5 000	(70 241)	377 273
Total	1 656 528	-	-	106 015	(110 159)	55 450	51 306	1 707 834
Amount to be voted								51 306

- *Virement*: The department undertook the following virements affecting the infrastructure allocation, resulting in a net increase of R106.015 million:
 - *Maintenance and repair: Current* was reduced by R74.425 million to accommodate capital building projects already committed, moved to *Refurbishment and rehabilitation: Capital* and *New infrastructure assets: Capital*.
 - *Upgrades and additions: Capital* was reduced by R4.413 million as a result of low projected spending because of slow procurement processes on the Ngwelezane Hospital security upgrades project, and savings were moved to *New infrastructure assets: Capital*.
 - *Refurbishment and rehabilitation: Capital* was increased by R9.125 million due to carry-over costs from 2016/17 related to the Addington Hospital core block project, moved from *Maintenance and repair: Current*.
 - *New infrastructure assets: Capital* was increased by R51.981 million due to pressures against the Dr. Pixley ka Seme Hospital project, moved from *Maintenance and repair: Current* and *Upgrades and additions: Capital*.
 - *Infrastructure: Leases* decreased by R816 000 due to slight over-budgeting
 - *Non-infrastructure* increased by R124.563 million to fund critical equipment backlogs in all programmes apart from Programmes 4 and 8, as well as additional posts which need to be filled including Director posts in the Infrastructure Development unit.
- *Shifts*: The department corrected an amount of R110.159 million which was erroneously depicted in the equivalent table in the *EPRE* against *New infrastructure assets: Capital*. There is no change in purpose for this funding and no other table was affected.
- *Other adjustments*: An additional R5 million was allocated for the maintenance and repairs of St. Mary's Hospital, from the funding for the Treasury/Health assistance plan. In addition, R50.450 million was allocated for repairs at hospitals and clinics damaged in the storms that mainly affected eThekweni on 10 October 2017, such as King Edward VIII and Clairwood Hospitals.

8. Conditional grants

Tables 7.29 and 7.30 provide a summary of changes to conditional grants. Details of the main adjustments, which resulted in a net increase of R311 000, is given in the paragraphs after the tables.

² Noted that *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but is included in the overall total.

Table 7.29 : Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
2. District Health Services	4 899 553	311	-	-	-	-	311	4 899 864
National Health Insurance grant		311					311	311
Comprehensive HIV, AIDS and TB grant	4 852 495						-	4 852 495
Social Sector EPWP Incentive Grant for Provinces	47 058						-	47 058
4. Provincial Hospital Services	331 944	-	-	-	-	-	-	331 944
Health Professions Training and Development grant	331 944						-	331 944
5. Central Hospital Services	1 696 266	-	-	-	-	-	-	1 696 266
National Tertiary Services grant	1 696 266						-	1 696 266
8. Health Facilities Management	1 157 755	-	-	-	-	-	-	1 149 355
Health Facility Revitalisation grant	1 149 355						-	1 149 355
EPWP Integrated Grant for Provinces	8 400						-	8 400
Total	8 085 518	311	-	-	-	-	311	8 085 829
Amount to be voted								311

Table 7.30 : Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	7 139 577	311	-	(281 575)	-	-	(281 264)	6 858 313
Compensation of employees	3 843 543			(642 103)			(642 103)	3 201 440
Goods and services	3 296 034	311		360 528			360 839	3 656 873
Interest and rent on land							-	-
Transfers and subsidies to:	123 407	-	-	(861)	-	-	(861)	122 546
Provinces and municipalities	100 000						-	100 000
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	11 507						-	11 507
Households	11 900			(861)			(861)	11 039
Payments for capital assets	822 534	-	-	282 436	-	-	282 436	1 104 970
Buildings and other fixed structures	783 994			135 613			135 613	919 607
Machinery and equipment	38 540			146 823			146 823	185 363
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	8 085 518	311	-	-	-	-	311	8 085 829
Amount to be voted								311

- *Roll-overs*: An amount of R311 000 was rolled over from 2016/17, in respect of under-spending against the NHI grant, which will be used to pay for an electronic queuing system and internet connectivity for all clinics in NHI districts. Note that this is treated as a provincial roll-over as the amount was not surrendered to National Treasury.
- *Virement*: The department undertook a number of virements within the various grants, hence these movements are not visible in Table 7.29. Note that these movements are included in the movements already discussed at programme level. Table 7.30 shows a summary of the movements and these are discussed per grant below:
 - o The Comprehensive HIV, AIDS and TB grant within Programme 2 shows savings against *Compensation of employees* of R146.331 million due to the slow pace in filling posts. These savings were moved as follows:
 - R136.588 million was moved to *Goods and services* to address pressures in ARV medicine due to the implementation of the universal test-and-treat (UTT) programme, as well as to counter the effect of the withdrawal of donor funded drugs.
 - R739 000 was moved to *Transfers and subsidies to: Households* to address under-budgeting for staff exit costs.

- R2.800 million was moved to *Buildings and other fixed structures* in order to procure a park home for the Chwezi Clinic. The clinic has a critical shortage of space to render primary health care services, including the HIV and AIDS programmes.
- R6.204 million moved to *Machinery and equipment* for the purchase of additional TB tracing teams vehicles.
- o The Health Facilities Revitalisation grant (within Programme 8) needed to be realigned to the spending pressures within various projects, with R220.732 million moved from *Goods and services* to capital infrastructure. Of this, R132.813 million was moved to *Buildings and other fixed structures*, mainly for pressures in the Dr. Pixley ka Seme Hospital project. A further R83.619 million was moved to *Machinery and equipment* for medical equipment for completed facilities, such as Lower Umfolozi and Stanger Hospitals. In addition, R4.300 million was moved to *Compensation of employees* to cater for additional posts which need to be filled including Director posts under the Infrastructure Development unit.
- o The Health Professions Training and Development grant within Programme 4 saw minor movement of R500 000 savings against *Compensation of employees* moved to *Goods and services* to address pressures mainly under operating payments.
- o The National Tertiary Services grant within Programme 5 identified savings within the grant, largely due to vacant posts, with R498.272 million moved from *Compensation of employees* and R1.600 million from *Transfers and subsidies to: Households* to *Goods and services* (R442.872 million) and *Machinery and equipment* (R57 million)
- o The Social Sector EPWP Grant for Provinces within Programme 2 had savings against *Compensation of employees*, and R1.300 million was moved to *Goods and services* for the purchase of medical supplies.

9. Transfers and subsidies

Table 7.31 shows the summary of transfers and subsidies by programme and main category.

Details of the main adjustments, which resulted in an overall increase of R103.587 million in the transfers and subsidies allocation, are provided in the paragraphs above and below the tables.

- *Virement*: The department undertook the following virements affecting transfers and subsidies:
 - o Programme 1: Administration:
 - *Provinces and municipalities* was increased by R106 000 to provide for the licensing of additional pool vehicles. This funding was moved within the programme from *Households*.
 - The reduction of R820 000 under *Households* is attributable to lower staff exit costs than originally anticipated and no injury on duty claims. The funding was moved to *Transfers and subsidies to: Provinces and municipalities* (R106 000) and *Machinery and equipment* (R714 000) to make provision for the procurement of additional pool vehicles.
 - o Programme 2: District Health Services:
 - *Provinces and municipalities* was increased by R11.284 million to address pressures resulting from the eThekweni Municipal clinics carry-over costs from 2016/17. Provincial Treasury approval for this increase in a transfer was given.
 - *Departmental agencies and accounts* was increased by R1 000 to address the under-funding of TV licences.
 - The increase of R73.739 million under *Households* is attributable to higher than expected medico-legal claims (R73 million), as well as higher than budgeted staff exits costs (R739 000). This funding was moved from Programme 4 (R39 million), Programme 5 (R34 million) and from *Compensation of employees* within the programme (R739 000).

Table 7.31 : Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	7 308	-	-	(714)	-	-	(714)	6 594
Provinces and municipalities	3 490	-	-	106	-	-	106	3 596
Motor vehicle licences	3 490			106			106	3 596
Departmental agencies and accounts	1	-	-	-	-	-	-	1
SABC - TV licences	1							1
Households	3 817	-	-	(820)	-	-	(820)	2 997
Social benefits	3 317			(320)			(320)	2 997
Other transfers to households	500			(500)			(500)	
2. District Health Services	457 659	-	-	85 024	(67 066)	-	17 958	475 617
Provinces and municipalities	193 000	-	-	11 284	-	-	11 284	204 284
Municipal clinics	193 000			11 284			11 284	204 284
Departmental agencies and accounts	43	-	-	1	23	-	24	67
SABC - TV licences	43	-	-	1	23	-	24	67
Non-profit institutions	175 844	-	-	-	(67 233)	-	(67 233)	108 611
Non-profit institutions	175 844				(67 233)		(67 233)	108 611
Households	88 772	-	-	73 739	144	-	73 883	162 655
Social benefits	63 772			739			739	64 511
Medico-legal claims	25 000			73 000	144		73 144	98 144
3. Emergency Medical Services	5 057	-	-	(354)	-	-	(354)	4 703
Provinces and municipalities	2 500	-	-	124	-	-	124	2 624
Motor vehicle licences	2 500			124			124	2 624
Departmental agencies and accounts	2	-	-	(2)	-	-	(2)	-
SABC - TV licences	2			(2)			(2)	
Households	2 555	-	-	(476)	-	-	(476)	2 079
Social benefits	1 597						-	1 597
Medico-legal claims	958			(476)			(476)	482
4. Provincial Hospital Services	143 360	-	-	96 779	-	-	96 779	240 139
Departmental agencies and accounts	83	-	-	35	-	-	35	118
SABC - TV licences	83			35			35	118
Non-profit institutions	34 843	-	-	-	-	-	-	34 843
Non-profit institutions	34 843							34 843
Households	108 434	-	-	96 744	-	-	96 744	205 178
Social benefits	29 434			7 993			7 993	37 427
Medico-legal claims	79 000			88 751			88 751	167 751
5. Central Hospital Services	27 060	-	-	(15 364)	-	-	(15 364)	11 696
Departmental agencies and accounts	60	-	-	59	-	-	59	119
SABC - TV licences	60			59			59	119
Households	27 000	-	-	(15 423)	-	-	(15 423)	11 577
Social benefits	12 000			(1 053)			(1 053)	10 947
Medico-legal claims	15 000			(14 370)			(14 370)	630
6. Health Sciences and Training	282 631	-	-	5 201	-	-	5 201	287 832
Provinces and municipalities	-	-	-	15	-	-	15	15
Motor vehicle licences				15			15	15
Departmental agencies and accounts	19 842	-	-	(992)	-	-	(992)	18 850
HWSETA	19 842			(992)			(992)	18 850
Households	262 789	-	-	6 178	-	-	6 178	268 967
Social benefits	2 100			992			992	3 092
Bursaries	260 689			5 186			5 186	265 875
7. Health Care Support Services	696	-	-	81	-	-	81	777
Households	696	-	-	81	-	-	81	777
Social benefits	696			81			81	777
8. Health Facilities Management	-	-	-	-	-	-	-	-
Total	923 771	-	-	170 653	(67 066)	-	103 587	1 027 358
Amount to be voted							103 587	

o Programme 3: Emergency Medical Services

- *Households* was reduced by R476 000 due to over-budgeting for medico-legal claims, and *Departmental agencies and accounts* reduced by R2 000 because of incorrect budgeting for TV licences. The savings were moved within Programme 3, with R124 000 moved to address under-budgeted motor vehicles licences under *Provinces and municipalities* and R19 000 to *Interest and rent on land* to address pressures resulting from the interest paid on over-due accounts. An amount of R9 000 was moved to *Machinery and equipment* to address minor pressure in the purchase of EMS equipment, with the balance of R326 000 moved to *Goods and services* to address pressures in respect of higher than expected fleet maintenance and repair costs.

- o Programme 4: Provincial Hospital Services:
 - R35 000 was moved within the programme from *Goods and services* to *Departmental agencies and accounts* to address under-budgeted TV licences.
 - R96.744 million was moved to *Households* to partly offset the projected over-spending on medico-legal claims and staff exit costs, from savings against *Compensation of employees*.
- o Programme 5: Central Hospital Services:
 - Savings of R59 000 from *Goods and services* were moved within the programme to *Departmental agencies and accounts* to address under-budgeted TV licences.
 - Savings of R15.423 million were identified against *Households* due to lower medico-legal claims and staff exit costs, and these were moved to the same category in Programme 2 to address pressures from higher than expected medico-legal claims, as well as staff exit costs.
- o Programme 6: Health Sciences and Training:
 - *Provinces and municipalities* was increased by R15 000 to address under-budgeted motor vehicle licences. This funding was moved from *Goods and services* within the programme due to forced savings on training and development of staff and related travelling costs.
 - The HWSETA claim was lower than expected due to the slow process in the filling posts, hence a reduction of R992 000 under *Departmental agencies and accounts*. This funding was moved to *Households* to address higher than expected staff exit costs. Note that this reduction in a transfer does not require Legislature approval, in terms of Treasury Regulation 6.3.1(a).
 - *Households* was increased by R6.178 million to address pressures from bursary payment accruals and staff exit costs. As mentioned, R992 000 was moved from *Departmental agencies and accounts*, with the balance of R5.186 million moved from *Goods and services*.
- o Programme 7: Health Care Support Services:
 - *Households* was increased by R81 000 to address staff exit costs that were higher than budgeted. The funding was from *Compensation of employees* attributed to the delay in filling of Laundry Services posts due to the lack of carry-through funding in the outer years of the MTEF.
- *Shifts*: The department undertook the following shifts within Programme 2:
 - o *Non-profit institutions* was reduced by R67.233 million due to the provincialisation of St. Mary's Hospital. This was the remaining balance of the transfer payment allocation to St Mary's Hospital to be utilised for the operational and running costs of the hospital as a provincial facility, and the purpose for the funds remains unchanged. The funding was allocated as follows:
 - R49.427 million was moved to *Compensation of employees*.
 - R17.638 million was moved to *Goods and services*.
 - R1 000 was moved to *Interest and rent on land*.
 - R23 000 for TV licences was moved to *Departmental agencies and accounts*.
 - R144 000 for staff exit costs was moved to *Households*.

10. Transfers to local government

Table 7.32 shows the details of transfers to local government. It is noted that the amount against *Provinces and municipalities* in Table 7.31 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality.

Details of the main adjustments, which resulted in an overall increase of R11.284 million, are provided in the paragraph following the table.

Table 7.32 : Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/			Other adjustments			
		Roll-overs	unavoidable	Virement				
A KZN2000 eThekweni	193 000	-	-	11 284	-	-	11 284	204 284
Total	193 000	-	-	11 284	-	-	11 284	204 284
Amount to be voted								11 284

- *Virement*: The department increased *Transfers and subsidies to: Provinces and municipalities* by R11.284 million to address pressures resulting from the eThekweni municipal clinics carry-over costs from 2016/17.

11. Actual payments and revised spending projections for the rest of 2017/18

Tables 7.33 and 7.34 reflect actual payments as at the end of September 2017, projected payments for the rest of the financial year and the total revised spending in rand value and as a percentage of the Adjusted Appropriation per programme and economic classification. The tables also show the 2016/17 Audited outcome.

Table 7.33 : Actual payments and revised spending projections by programme

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017		October 2017 - March 2018		
			% of budget		% of budget		
1. Administration	845 674	897 415	670 341	74.7	253 074	28.2	923 415
2. District Health Services	17 723 971	19 441 200	9 618 061	49.5	10 007 312	51.5	19 625 373
3. Emergency Medical Services	1 209 263	1 358 514	704 885	51.9	666 629	49.1	1 371 514
4. Provincial Hospital Services	9 822 915	10 622 756	5 385 490	50.7	5 297 279	49.9	10 682 769
5. Central Hospital Services	4 534 157	4 681 578	2 459 323	52.5	2 205 255	47.1	4 664 578
6. Health Sciences and Training	1 201 074	1 241 683	551 809	44.4	689 874	55.6	1 241 683
7. Health Care Support Services	268 768	229 354	83 272	36.3	146 082	63.7	229 354
8. Health Facilities Management	1 420 575	1 457 978	829 354	56.9	760 990	52.2	1 590 344
Total	37 026 397	39 930 478	20 302 535	50.8	20 026 495	50.2	40 329 030

Table 7.34 : Actual payments and revised spending projections by economic classification

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017		October 2017 - March 2018		
			% of budget		% of budget		
Current payments	34 739 862	37 215 923	18 963 954	51.0	18 489 422	49.7	37 453 376
Compensation of employees	23 354 896	24 962 432	12 260 738	49.1	12 707 505	50.9	24 968 243
Goods and services	11 382 844	12 251 359	6 701 176	54.7	5 781 825	47.2	12 483 001
Interest and rent on land	2 122	2 132	2 040	95.7	92	4.3	2 132
Transfers and subsidies to:	1 035 657	1 027 358	521 790	50.8	640 551	62.3	1 162 341
Provinces and municipalities	159 755	210 519	35 632	16.9	174 889	83.1	210 521
Departmental agencies and accounts	20 131	19 155	19 009	99.2	146	0.8	19 155
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	203 929	143 454	106 045	73.9	40 991	28.6	147 036
Households	651 842	654 230	361 104	55.2	424 525	64.9	785 629
Payments for capital assets	1 106 314	1 579 473	709 061	44.9	896 522	56.8	1 605 583
Buildings and other fixed structures	910 917	926 250	530 128	57.2	392 524	42.4	922 652
Machinery and equipment	195 397	653 223	178 933	27.4	503 998	77.2	682 931
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	144 564	107 724	107 730	100.0	-	-	107 730
Total	37 026 397	39 930 478	20 302 535	50.8	20 026 495	50.2	40 329 030

The department spent 50.8 per cent of its adjusted appropriation in the first six months, which is quite high taking into account that the adjusted budget includes additional funding of R381.964 million. The projections for the second half of the year include the R331.244 million allocated to *Goods and services* across a number of programmes for the Health/Treasury assistance plan. Also included is the R50.450 million in respect of additional funding for repairs to storm damaged hospitals and clinics in

the eThekweni area, allocated to *Buildings and other fixed structures* in Programme 8. In addition, the roll-over of R311 000 in respect of the NHI grant is included in the projections. Despite the additional funding and various virements, the department has projected significant over-spending of R398.552 million, as discussed in more detail below. Also to be noted is that the department has been instructed by the Provincial Executive Council to prepare a cost-containment plan to ensure that year-end spending remains within the adjusted appropriation, and this will be implemented over the remaining five months of 2017/18, in conjunction with the joint Health/Treasury team already in place to assist the department in identifying areas of savings and cost-cutting, as mentioned.

The programmes that significantly deviated from the 50 per cent benchmark are as follows:

- Programme 1 spending was at 74.7 per cent, well ahead of the 50 per cent benchmark. The over-spending was mainly attributed to payments made for NHLS while invoice verification was undertaken per facility. This spending should have been allocated to Programmes 2, 4 and 5, and the department has projected to correct this in the third and fourth quarters, hence the low projections in respect of Programme 1. In addition, the programme is under pressure due to increasing legal costs for defending medico-legal claims against the department. The programme is projecting to over-spend its budget by R26 million at year-end.
- Programme 2 was largely on track at mid-year, but is projecting to over-spend by year-end by R184.173 million related to pressures under *Goods and services*, mainly against NHLS fee-for-service payments due to the more expensive fee-for-service payment system, as well as medicines resulting from pressures in ARV drugs due to the UTT programme and the withdrawal of donor drugs. There are also pressures from *Transfers and subsidies to: Households* due to medico-legal claims. The projected over-spending is significantly less than that originally shown in the September IYM for this programme (R370.116 million) as a result of the virements to this programme.
- Programme 3 spending was ahead of the 50 per cent benchmark at 51.9 per cent, largely due to pressures from overtime claims from emergency staff. Although significant virements were passed to address this pressure, the department is still projecting over-spending of R13 million at year-end.
- Programme 4 was slightly ahead of the benchmark at mid-year, but projecting to over-spend by year-end by R60.013 million, largely because of higher than expected NHLS fee-for-service costs. As with Programme 2, there is pressure due to medico-legal claims, which were not budgeted for.
- Programme 5 was ahead of the 50 per cent benchmark at 52.5 per cent, largely because of pressures related to *Goods and services* against agency and outsourced services and property payments, due to carry-over costs for security and cleaning services. The programme is projecting to under-spend by R17 million at year-end, largely against *Transfers and subsidies to: Households* where the department has budgeted for some medico-legal claims, but this programme has seen far fewer claims than Programmes 2 and 4.
- Programme 8 is well ahead of the benchmark at 56.9 per cent, mainly due faster than expected spending on the Dr. Pixley ka Seme Hospital project. This pressure is carried through to year-end with projected over-spending of R132.366 million. This projection will be revised going forward as the movement of HTS medical equipment budget has not yet been factored into the projections.

With regard to spending at economic classification level:

- Following the virement of R333.827 million from this category, *Compensation of employees* was on track at mid-year at 49.1 per cent, and is projected to over-spend by a minimal R5.811 million at year-end. This projection will be revised by the department going forward.
- *Goods and services* spending was higher than the 50 per cent benchmark at 54.8 per cent mainly due to NHLS resulting from the more expensive fee-for-service payment system, as well as medicines caused by pressures in ARV drugs due to the UTT programme and the withdrawal of donor drugs, as well as increased contract prices for water, electricity, security and cleaning services. It is noted that an additional R319.844 million has been allocated for the Health/Treasury assistance plan, with some funding allocated to assist in areas such as the payment of outstanding accounts (after a thorough reconciliation exercise), medical equipment, among others. The department is projecting over-spending of R257.522 million against this category at year-end, despite the additional funding.

Vote 7: Health

- *Interest and rent on land* spending was at 95.7 per cent, significantly higher than the benchmark, but is expected to end the year with a balanced budget. The high spending at mid-year largely relates to an unanticipated interest payment on a labour dispute which exceeded R1.300 million.
- Spending on *Transfers and subsidies to: Provinces and municipalities* was low at 16.9 per cent at mid-year. This is because the eThekweni Metro is behind on invoicing the department for municipal clinics, with only arrears for 2016/17 paid to date. The department is projecting that this situation will persist to year-end and a balanced budget is forecast.
- *Transfers and subsidies to: Departmental agencies and accounts* spending was at 99.2 per cent at mid-year due to the HWSETA skills development levy, which has already been paid.
- *Transfers and subsidies to: Non-profit institutions* was well ahead of the benchmark at mid-year at 73.9 per cent. This is due to the in-year movement of the remainder of the transfer for the St. Mary's Hospital from this category to other categories following its provincialisation. The department is projecting over-spending of R3.582 million at year-end, which will be revised once the full effect of the movement of St. Mary's Hospital funding is assessed.
- *Transfers and subsidies to: Households* was high at mid-year, with spending at 55.2 per cent of the adjusted budget mainly due to medico-legal claims and staff exit costs, which are demand driven and difficult to predict. The projected year-end over-spending of R131.399 million is due to carry-through of these pressures, despite virement of more than R160 million to this category.
- *Buildings and other fixed structures* was at 55.3 per cent of the adjusted allocation due to pressures from the Dr. Pixley ka Seme Hospital project. However, following fairly extensive virements, this category is projected to under-spend by R36.422 million at year-end. This picture will change once the department revises its projections going forward.
- *Machinery and equipment* was below the benchmark at mid-year, at 27.7 per cent because of the slow pace in non-medical and medical equipment procurement processes. Year-end pressure of R36.652 million is due to a drive to address an accumulated backlog in the replacement of critical machinery and equipment, including vaccine fridges, resuscitation equipment, etc.
- *Payments for financial assets* is mainly for the payment of the first charge for over-spending in a previous financial year. This category was fully spent at mid-year as the department had made its required payment to Provincial Treasury in the first quarter of 2017/18.

Table 7.A : Summary by economic classification : Health

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	37 075 809	311	-	(30 675)	(149 366)	319 844	140 114	37 215 923
Compensation of employees	25 246 832	-	-	(336 327)	51 927	-	(284 400)	24 962 432
Salaries and wages	22 063 627	-	-	(268 114)	45 220	-	(222 894)	21 840 733
Social contributions	3 183 205	-	-	(68 213)	6 707	-	(61 506)	3 121 699
Goods and services	11 828 580	311	-	303 918	(201 294)	319 844	422 779	12 251 359
Administrative fees	2 816	-	-	234	-	-	234	3 050
Advertising	15 050	-	-	(2 744)	-	-	(2 744)	12 306
Minor assets	58 563	-	-	31	-	-	31	58 594
Audit cost: External	21 000	-	-	(619)	-	-	(619)	20 381
Bursaries: Employees	2 357	-	-	(183)	-	-	(183)	2 174
Catering: Departmental activities	5 935	-	-	(3 038)	-	-	(3 038)	2 897
Communication (G&S)	112 226	-	-	(6 907)	118	-	(6 789)	105 437
Computer services	192 130	-	-	(31 828)	199	-	(31 629)	160 501
Cons & prof serv: Business and advisory services	63 426	-	-	(3 371)	-	6 244	2 873	66 299
Infrastructure and planning	-	191	-	(281)	-	-	(90)	(90)
Laboratory services	1 750 718	-	-	191 167	216	100 000	291 383	2 042 101
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	20 174	-	-	41 715	-	-	41 715	61 889
Contractors	245 699	-	-	141 901	(220 014)	15 000	(63 113)	182 586
Agency and support / outsourced services	983 871	-	-	13 826	2 097	-	15 923	999 794
Entertainment	8	-	-	(2)	-	-	(2)	6
Fleet services (including government motor transport)	300 362	-	-	57 960	68	-	58 028	358 390
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	26 560	-	-	3 780	9	-	3 789	30 349
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	142 994	-	-	(14 187)	-	-	(14 187)	128 807
Inventory: Fuel, oil and gas	151 085	-	-	(65 731)	394	-	(65 337)	85 748
Inventory: Learner and teacher support material	1 500	-	-	414	-	-	414	1 914
Inventory: Materials and supplies	16 981	-	-	1 239	6	-	1 245	18 226
Inventory: Medical supplies	1 662 273	-	-	(138 182)	3 326	162 180	27 324	1 689 597
Inventory: Medicine	3 526 663	-	-	97 138	5 786	31 000	133 924	3 660 587
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 374	-	-	197 328	-	-	197 328	198 702
Consumable supplies	326 657	-	-	(224 137)	323	-	(223 814)	102 843
Consumable: Stationery, printing and office supplies	100 661	120	-	(15 247)	195	-	(14 932)	85 729
Operating leases	158 677	-	-	(6 674)	200	-	(6 474)	152 203
Property payments	1 696 910	-	-	137 310	4 784	5 000	147 094	1 844 004
Transport provided: Departmental activity	84 655	-	-	(1 366)	-	-	(1 366)	83 289
Travel and subsistence	90 264	-	-	(22 062)	-	-	(22 062)	68 202
Training and development	14 607	-	-	(10 092)	21	-	(10 071)	4 536
Operating payments	47 173	-	-	(31 183)	552	-	(30 631)	16 542
Venues and facilities	5 211	-	-	(2 723)	-	-	(2 723)	2 488
Rental and hiring	-	-	-	432	426	420	1 278	1 278
Interest and rent on land	397	-	-	1 734	1	-	1 735	2 132
Interest	397	-	-	1 734	1	-	1 735	2 132
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	923 771	-	-	170 653	(67 066)	-	103 587	1 027 358
Provinces and municipalities	198 990	-	-	11 529	-	-	11 529	210 519
Provinces	5 990	-	-	245	-	-	245	6 235
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	5 990	-	-	245	-	-	245	6 235
Municipalities	193 000	-	-	11 284	-	-	11 284	204 284
Municipalities	-	-	-	11 284	-	-	11 284	11 284
Municipal agencies and funds	193 000	-	-	-	-	-	-	193 000
Departmental agencies and accounts	20 031	-	-	(899)	23	-	(876)	19 155
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	20 031	-	-	(899)	23	-	(876)	19 155
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	210 687	-	-	-	(67 233)	-	(67 233)	143 454
Households	494 063	-	-	160 023	144	-	160 167	654 230
Social benefits	112 916	-	-	8 432	-	-	8 432	121 348
Other transfers to households	381 147	-	-	151 591	144	-	151 735	532 882
Payments for capital assets	1 441 285	-	-	(140 094)	216 432	61 850	138 188	1 579 473
Buildings and other fixed structures	819 107	-	-	(76 120)	132 813	50 450	107 143	926 250
Buildings	819 107	-	-	(76 120)	132 813	50 450	107 143	926 250
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	622 178	-	-	(63 974)	83 619	11 400	31 045	653 223
Transport equipment	147 079	-	-	24 201	-	-	24 201	171 280
Other machinery and equipment	475 099	-	-	(88 175)	83 619	11 400	6 844	481 943
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	107 608	-	-	116	-	-	116	107 724
Total	39 548 473	311	-	-	-	381 694	382 005	39 930 478
Amount to be voted								382 005
of which: Unauth. Exp. (1st charge) not available for spending								(107 607)
Baseline available for spending after first charge								39 822 871