


**DEPARTMENTAL EXPENDITURE FOR 2004/05 AND 2003/04
Appropriation per Programme**

	2004/05					2003/04			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 Administration									
Current payment	115,631	-	-	115,631	111,474	4,157	96,4	102,984	88,224
Transfers and subsidies	191			191	518	-327	271,2	180	489
Expenditure for capital assets	14,915			14,915	10,902	4,013	73,1	3,835	4,406
2 Strategic Health Programmes									
Current payment	481,447		-13,500	467,947	391,320	76,627	83,6	444,731	382,780
Transfers and subsidies	1,181,849		13,500	1,195,349	1,130,687	64,662	94,6	1,454,848	1,430,043
Expenditure for capital assets	7,472			7,472	4,599	2,873	61,5	2,491	1,026
3 Health Service Delivery									
Current payment	124,491			124,491	100,644	23,847	80,8	117,547	107,908
Transfers and subsidies	6,876,560			6,876,560	6,626,201	250,359	96,4	6,416,610	6,354,127
Expenditure for capital assets	15,844			15,844	10,894	4,950	68,8	13,469	14,880
Subtotal	8,818,400			8,818,400	8,387,239	431,161	95,1%	8,556,695	8,383,883
Total	8,818,400			8,818,400	8,387,239	431,161	95,1%	8,556,695	8,383,883

7.3 Transfer payments to trading entities and public entities

The National Department of Health has one trading entity, the Compensation Commissioner for Occupational Diseases and four public entities, listed below:

- National Health Laboratory Services (NHLS):**
 The purpose of this public entity is to provide the public health sector with an affordable diagnostic laboratory services.
- Medical Research Council (MRC):**
 The purpose of this public entity is to provide a national medical research services to the South African Health Sector.
- South African Council for Medical Schemes (SACMS):**
 The purpose of this public entity is to coordinate and regulate the medical scheme industry in the country.
- South African National Aids Council Trust (SANACT):**
 The purpose of this public entity is to promote the activities of SANACT in the fight against HIV and AIDS.

The four public entities received transfer payments from the National Department of Health as follows:

	2003/04	2004/05
NHLS	R 48,781,000	R 73,183,000
MRC	R 163,195,000	R 167,892,000
SACMS	R 2,673,000	R 2,800,000
SANACT	R Nil	R Nil

7.4 Conditional Grants and Earmarked Funds

About 98% of the budget of the National Department of Health consists of transfer payments to third parties. These can be classified as follows –

Conditional Grants - The transfers of the major conditional grants to provinces to fund specific functions are as follows:

National Tertiary Services Grant	R4,273,005,000
Health Professions Training & Development Grant	R 1,434,132,000
Hospital Revitalisation	R733,802,000
Comprehensive HIV and AIDS Plan	R735,381,000
Integrated Nutrition Programme (The bulk of this function has been moved to the Department of Education and only a small portion remains with Health)	R107,138,000
Hospital Management & Quality Improvement	R122,200,000

These funds flow to provincial health departments from where spending takes place on items as contained in pre-approved business plans.

Non Governmental Organisations (NGOs) – These range from national NGO's who are active in the field of health and cover diverse institutions. More details of the institutes funded can be found in the Annual Financial Statements on page 117.



8 Programme Performance



As already indicated, during the financial year 2004/05, the activities of the Department of Health were organised around three budget programmes, namely:

- Programme 1: Administration**
- Programme 2: Strategic Health Programmes**
- Programme 3: Health Service Delivery**

PROGRAMME 1: ADMINISTRATION

Purpose

The aim of this programme is to provide for the overall management of the Department, and provide strategic planning, legislative and communication services and centralised administrative support.

Performance and Service Delivery Achievements

The sections overleaf reflect the key objectives, indicators, targets and achievements for each sub-programme.

Legal Services

Steady progress has been made in the area of health legislation. Eight of the 11 bills that were envisaged to be passed were passed during 2004/05. Delays in various parts of the system resulted in three draft bills not being finalised during the financial year.

A key achievement has been the passage and the proclamation of the National Health Act (NHA of 2003), which will replace the Health Act of 1977. The development of the regulations of the Act will be accelerated in the next financial year.

The Department won two out of three litigation cases against the Minister, while the third case is still to be decided by the Constitutional Court. In the case initiated by the Affordable Medicines Trust and Others against the Minister of Health on the issues of dispensing licenses, both the Pretoria High Court and the Constitutional Court upheld the principle of licensing health professionals to dispense medicines as contemplated in the legislation. In the litigation instigated by the Christian Lawyers Association against the Minister of Health, the High Court upheld the provisions of the Choice on Termination of Pregnancy Act, allowing a woman the choice to terminate a pregnancy.

Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Legal Services	Key pieces of legislation for tabling in Parliament	Traditional Health Practitioners Bill	Bill certified by SLA and tabled	Bill certified by SLA and tabled in Parliament
		Nursing Bill	Bill certified by SLA and tabled this year	Bill not yet certified by SLA
		Foodstuffs, Cosmetics and Disinfectants Bill	Bill certified by SLA and tabled this year	Bill certified but not tabled due to problem with translation into second official language
	Key pieces of legislation for tabling in Parliament	Choice on Termination of Pregnancy Amendment Bill	Bill certified by SLA and tabled this year	Bill certified and tabled
		Sterilisation Amendment Bill	Bill certified by SLA and tabled this year	Bill certified and tabled
		Dental Technicians Amendment Bill	Bill certified by SLA and tabled this year	Bill certified and tabled
		Tobacco Products Amendment Bill	Bill certified by SLA and tabled this year	Bill still to be certified and tabled this year
		Health Professions Amendment Bill	Bill certified by SLA and tabled this year	Published for public comment Bill still to be certified and tabled this year
		Allied Health Professions Amendment Bill	Bill to be published for public comment, certified by SLAs and tabled	Bill still at drafting stage Not yet published for public comment
	Key pieces of legislation for tabling in Parliament	Medical Research Council Amendment Bill	Bill certified by SLA and tabled this year	Bill still to be certified by SLA and tabled in Parliament this year
	Regulations published for public comment in Government Gazette	Allied Health Professions Amendment Bill	To be drafted and published for public comment	Regulations still being drafted



Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Legal Services	Litigation against Minister of Health to be defended in conjunction with State Attorney and Counsel	Litigation against the Minister of Health (Affordable Medicines Trust and Others v Minister of Health) on the issue of dispensing licenses	Defend and save the legislation containing the licensing principle	Court case won in Pretoria High Court Court case won in Constitutional Court (court upheld the principle of licensing health professional to dispense medicines as contemplated in the legislation)
		Litigation against the Minister of Health (Clicks and PSSA and Others v Minister of Health)	Defend and save the legislation containing the pricing regulations	Court case won in Cape High Court Lost in Supreme Court Fought in Constitutional Court
		Litigation against Minister of Health (Christian Lawyers Association v Minister of Health)	Defend and save provisions of the Choice on Termination of Pregnancy Act allowing a woman to terminate a pregnancy	Court case won in the High Court

Communication

The Department has a responsibility to communicate effectively with a range of stakeholders. The various types of media were used in propagating health promotion and other health messages to the public and targeted audiences. A key aspect of the work during the financial year was to strengthen the structures at both national and

provincial levels that are responsible for communication and to ensure effective co-ordination of communication strategies.

As can be seen from the table below a large number of publications were released during the financial year. These include articles in the daily press and specialist magazines and journals.

Below: Minister Tshabalala-Msimang addresses the media



Above: Senior officials during a break at the Health Summit

Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Communication	Implementation of a comprehensive communication strategy	Develop structures for effective communication, planning and implementation	Develop comprehensive database of stakeholders and partners for effective information dissemination	Data collected
			Revival of Provincial Communicator's Forum	Quarterly meetings held
		Implementation of a Corporate Identity (CI)	Develop guidelines for application and use of CI	Draft prepared in collaboration with GCIS
			Corporate branding and promotion material	New branding and promotional material being produced



Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Communication	Implementation of Developed structures a comprehensive communication strategy	Establish regular mediums and routines for communication	Publish updates on policy programme in professional journals and stakeholder publications	Six advertorials in the South African Medical Journal and Health and Hygiene on pricing regulations, healthy lifestyles, budget speech, public health care and TB placed
		Increased flow of information to key stakeholders outside the health system	Publish articles on policy programmes	7 features published in the Star, Business Day, Sunday Tribune, ANC Today on the WHO 3 by 5 programme, the Comprehensive Plan, traditional medicines, nutrition, medicines control and HIV prevention
		Publish for effective communication, planning and implementation	6 advertorials advertorials in mainstream publications in support of campaigns	calling for action on healthy lifestyles, anti-tobacco, teenage suicide and cancer published
		Mass media interventions to inform public on policy and programmes	Minimum of three interventions per month	Book and video on Race Against Malaria rally produced; Road Safety Campaign during December holidays; Roadshows on Healthy Lifestyles campaign in provinces; Exhibition of health services during the Budget Vote

Strategic Planning

Several activities by the National Department were undertaken during 2004/05 to strengthen integrated planning and reporting. These include further work on a long range planning tool called the Integrated Health Planning Framework which will enable us to plan, with provinces, over a ten year horizon. In terms of the medium term, the Department has worked with provincial Departments of Health as well as National Treasury to revise the Provincial Strategic Planning guidelines. In addition, a format for Provincial Annual Reports was also developed for use by provinces. An electronic module,

which is part of the District Health Information System has been developed to facilitate quarterly reporting by provinces to the National Department on progress in achieving targets set in Provincial Strategic Plans.

During 2004/05, the Department also accelerated the development of the Health Charter, which is intended to strengthen collaboration between the public and private health sectors. The Department is committed to ensuring that the health sector as a whole in South Africa provides the best possible service and that the distribution of resources is equitable. The Health Charter will be finalised and implementation will commence during 2005/06.

Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Strategic planning	Implementation of an integrated strategic planning framework	Provincial Strategic Plans (PSPs) reviewed and comments provided	April	Most of the PSPs for 2004/05 reviewed and feedback provided to provinces by May 2005
			Feb	The PSP Framework for 2005/06 was updated with provinces and the National Treasury and distributed to provinces for use in March 2005
		District Health Planning processes monitored	March	In collaboration with other clusters in the National Department and provincial Departments of Health the DHP guidelines were revised by March 2005
		Revision of national strategic plans annually	April	The NDOH Strategic Plan for 2005/06 was completed in April 2005
		Provincial Annual Reports reviewed and provincial trends compiled	Nov	All 9 Provincial Annual Reports for 2003/04 were reviewed in March 2005. An integrated feedback report was compiled and presented to Provincial DoHs



Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Strategic planning	Implementation of an integrated strategic planning framework	NDoH Annual Report compiled	Aug	The NDoH Annual Report for 2003/04 was compiled and published
		PSP framework updated to support provincial PSPs	July	All 9 PSPs for 2005/06 were reviewed and comments provided to provinces by May 2005 Summaries of Quarterly reports on progress with implementation of NDOH and Provincial Plans were produced for all quarters for 2004/05 and feedback provided to Provinces and Clusters in the NDOH

Health Financial Planning & Economics

Plans for modernising tertiary services were finalised by the Department and adopted by Cabinet during 2004/05. Future plans of the NDoH will include working with National Treasury to identify funding for the MTS proposal and its

implementation.

During 2004/05 two Provincial DoHs, Gauteng and the Western Cape entered into revenue retention agreements with their Provincial Treasuries. Future areas of support to provinces will include assisting the other seven Provincial DoHs to reach revenue retention agreements with their Treasuries.

Sub programme	Measurable Objective	Indicator	Target 04/05	Actual (04/05) Performance
Health Financial Planning & Economics	Equitable Allocation of Resources	Development of costed packages and associated norms and standards required to deliver care for all levels of care	March	All packages of care in all different levels have been developed, i.e. primary health care, district hospital, Modernisation of Tertiary Services
		Annual report of inter-provincial equity	Feb	The report on inter-provincial equities and intra-provincial equities for 2003/05 financial years has been completed Data analysis for 2004/05 is also done
	Mechanisms for increasing revenue generation developed	Number of provinces with revenue retention agreements with treasuries	Sept	There are two provinces with revenue retention policies, i.e. Gauteng and Western Cape



PROGRAMME 2: STRATEGIC HEALTH PROGRAMMES

Purpose: The purpose of this programme is to co-ordinate a range of strategic national health programmes through the development of policies, systems and monitoring; and manage and fund key programmes.



Measurable objectives of Programme 2:

The measurable objectives of the programme include:

- Continuously strengthening policies and programmes for: HIV and Aids prevention and care, including those for sexually transmitted diseases and tuberculosis; child health; reproductive and women's health; occupational and environmental health; and nutrition.
- Ensuring that all medicines used are safe and affordable, and that 90% of essential medicines are available at all times in the public health sector.
- Monitoring and evaluating health trends, through relevant research and epidemiological surveillance, to ensure that national health policies and programmatic interventions are having their desired impact.
- Supporting the development of affordable health services, and coherent service provision and financing.
- Supporting provinces for the delivery of services in the areas under this programme are one of the core functions of the Department.

The sections overleaf reflect the targets and achievements of each sub-programme of Programme 2.

Districts and Development

The district health system, which is the vehicle for provision of Primary Health Care (PHC), was also strengthened during 2004/05. Key to this was the need to clearly define the roles of provinces and municipalities and ensure that where needed functional integration was achieved so that patients experienced no barriers to access PHC services regardless of which authority provided the service.

More than 60% of health districts provided the full basket of PHC services during 2004/05. Furthermore, utilisation of PHC services improved, with PHC headcounts increasing nationally from 96,330,998 in 2003 to 97,993,394 in 2004.



Above: The Minister officially launching the Mindset Health Channel at the clinic in Soweto.